



WomanView

Vol. 10 Issue 7

January 3, 2007

Recent Reports Assess Economic Progress— and Decline—for Women and Children

In the last decade women in the United States have advanced economically in relation to men. Yet barriers persist in impeding earnings parity. At least 50 years could separate women from achieving economic gender equality nationwide, according to the Institute for Women's Policy Research, a Washington, D.C., research organization focusing on policy issues affecting women.

In its recent report, [*The Best and Worst State Economies for Women*](#), the Institute for Women's Policy Research outlines the economic progress of women across the country, evaluates the remaining barriers to their economic success, and recommends policies to guide lawmakers and advocates in narrowing the gap. The institute assessed women's earnings and economic well-being based on eight indicators gathered into two composite indices. Despite women's progress in strengthening annual earnings, business ownership, and participation in higher education, women still earn just 77 percent of what men earn.

Women in the Midwest fared worse economically than in all other regions nationwide except the Southeast. Illinois women benefited from minor progress. The state ranked among the middle third on the employment and earnings composite index, a measure of economic well-being based on women's earnings, the wage gap, women's participation in the labor force, and women's representation in managerial and professional jobs. Despite negligible earnings improvements, the state found itself among the top third in the economic policy environment composite, measuring the "women-friendliness" of each state's economic policy.

These sluggish earnings estimates have very real implications on the assessment of national poverty levels for women. While the nationwide proportion of women living above poverty increased one percentage point in the last decade, 15 states experienced increases in the percentage of poor women. The report found that in 2005 families headed by women alone were six times more likely to experience poverty than families headed by married adults.

Women are not experiencing slow economic progress alone. A fact sheet released by the National Center for Children in Poverty confirmed a more than 11 percent increase in the number of children living in poverty nationwide. [*Who are America's Poor Children? The Official Story*](#) presents the center's findings on percentages of children in poverty based on racial and ethnic identities, while highlighting the inadequacies of the highly contested national poverty measure.

According to the report from the National Center for Children in Poverty, 18 percent of children nationwide live below the federal poverty level, calculated at \$20,000 a year for a family of four. The findings are particularly disheartening for black children, of whom 35 percent live in poverty.

Children of immigrant parents across the country are 10 percent more likely to be poor than children of native-born parents. In Illinois, home to one of the largest immigrant populations in the United States, 20 percent of children born to immigrant parents are poor.

The National Center for Children in Poverty stresses that the current statistics are in fact much more distressing when the shortcomings of the U.S. poverty measure are fully acknowledged. Established in the 1950s, the measure calculates economic hardship by multiplying food costs by three. The method is based on 1950s data that fixes food costs as one-third of a family's income, but the center argues that costs of transportation, housing, child care, health care, and housing have since grown disproportionate to food costs.

The poverty measure fails to recognize discrepancies in living costs between rural and urban areas and does not consider the assistance from public benefits. A growing number of advocates, including the Sargent Shriver National Center on Poverty Law, seek to adjust the measure toward consistent research suggesting that families need nearly twice the income designated by federal poverty levels in order to get by. Under the modified measure, the number climbs to more than 28 million, or 39 percent of children living in poverty nationwide.

Both reports from the Institute for Women's Policy Research and the National Center for Children in Poverty offer strategies for public policy improvements to advance the economic well-being of women and their children. Increases in state minimum wage such as the recent decision in Illinois were highlighted by both organizations as an important step in enhancing opportunities for families to escape poverty permanently. In order to foster continuing improvements, states must develop an accurate measure of poverty and strengthen equal opportunity laws that deal with the earnings gap and the disproportionate number of children of color living below the poverty level.

For more information, contact Wendy Pollack, director of the Shriver Center's Women's Law and Policy Project, at wendypollack@povertylaw.org, 312.263.3830 ext. 238, or Renee Neuner, domestic violence outreach and advocacy worker, at reneeneuner@povertylaw.org, 312.263.3830 ext. 270.