

Michigan's Economic Turnaround: A Look at Women and Families

Institute for Public Policy and Social Research

March 24, 2010

Women in Economic Freefall

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Trends: Women & Economic Crisis

- **Women's experience with economic crisis is exacerbated by their more vulnerable economic position. This has a ripple effect that affects recovery.**
- **Women have been especially hard hit in particular industries where they are overrepresented affected and have been downsized.**
- **Women's lower and more unstable incomes across all industries and educational backgrounds affects their lower rates of savings and unemployment benefits.**
- **Because of their lower wages and unstable incomes, women have been more affected by credit crises.**

The Gender Wage Gap Persists in Michigan

- **“In 2007, on average, women in Michigan working full-time, year-round earned only 72% of what men working full-time, year-round earned -- six percentage points below the nationwide average of 78%.**
- **The wage gap is even more substantial when race and gender are considered together:**
 - White, non-Hispanic women working full-time, year-round in Michigan earned only 70% of the wages of White, non-Hispanic men.
 - However, **Black women working full-time, year-round in Michigan earned only 64%, and Hispanic women only 56% of the wages of White, non-Hispanic men.”**

Education doesn't close the gap

- The wage gap persists at all levels of education. Women in Michigan with a high school diploma earned only 62% of what men with a high school diploma earned.
- Women in Michigan with a bachelor's degree earned only 60% of the amount that men with a bachelor's degree were paid. In fact, the average Michigan woman must receive a bachelor's degree before she earns as much as the average Michigan male high school graduate.

Lower Wages: Losing Ground

- The national unemployment rate among adult women workers went up more rapidly:
 - for women rising from 3.8 to 4.6 from 2007 to 2008, an increase of 20% compared to 17% for men.
 - The downturn has caused their lower wages to lose even more ground. In 2007, the real median wage for adult women workers dropped 3% while wages for male worker dropped by .5% during the same period.
- Toby Chaudhurt, 4/16/2008 OurFuture.org (<http://www.ourfuture.org>)

How Economic Crises Affects Families

- **Economic crisis sends more women into the workforce.**
- **Most families cannot afford to lose one income: in the typical heterosexual family, the woman's income contributes about 35% of the household.**
- **Lower family income creates stresses in family budgets, credit crises, children's sense of security, and marriage fragility.**
- **Families in crisis creates increased demand and strains in public health and welfare service delivery.**

U.S. Census Bureau reports on the recession's effects on U.S. families.

(Jan. 15, 2010)

- **Of the 25.8 million married couples with children under 18, about 6 percent of husbands were unemployed in 2009, compared with 3 percent in 2007; 4 percent of wives were unemployed in 2009, compared with 2 percent in 2007.**
- **Among the 1.5 million family groups with two unmarried parents, 16 percent of the fathers were unemployed in March of 2009, compared with 9 percent in March of 2007, while 8 percent of the mothers were unemployed in 2009, compared with 4 percent in 2007.**
- **In 2009, 12 percent of the 1.7 million father-only family groups with children under 18 were maintained by an unemployed father, compared with 7 percent in 2007. Of the 9.9 million mother-only family groups, 10 percent were unemployed in 2009 compared with 6 percent in 2007.**

Poverty Levels in Michigan

- Families in Poverty in Michigan in 2000 = 9.2%
- Children under 18 in Poverty in Michigan in 2008 = 19.3%
- Median Household Income in Michigan in 2008
 - \$48,606

Difficulty Making Ends Meet

- With loss of their income, families are finding it hard to make ends meet because women pay for a second car, a substantial share of the mortgage, and food. Between February of 2008 and February of 2009, in the Detroit-Ann Arbor-Flint area, the cost of groceries increased 4.2% and home energy costs increased 7%.
- Because women make less than men, they may have fewer savings to fall back on.
- Women are less likely to receive unemployment benefits.

Men and Women are differentially affected in particular economic sectors:

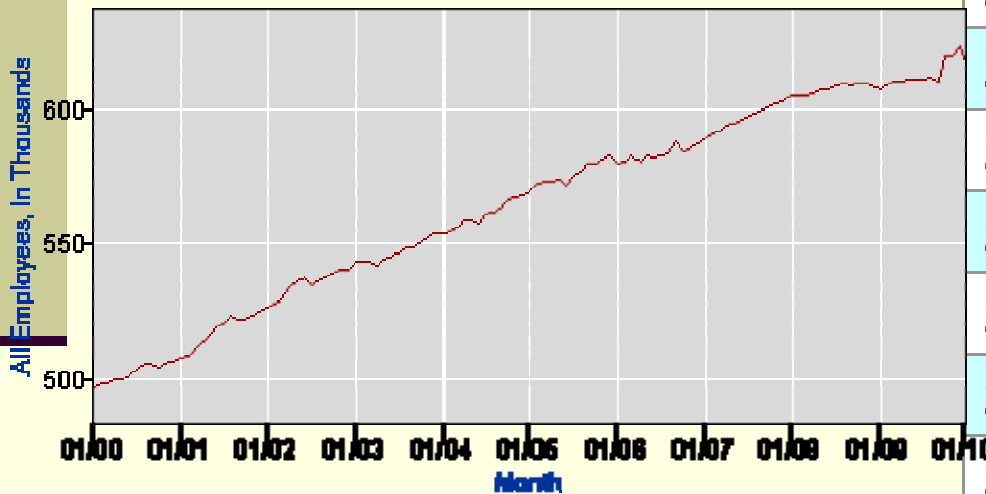
- Men have suffered both from both blue and white collar job loss, and acutely in particular sectors such as construction and manufacturing.finance.
- Women's jobs have had been lost in government and public sector work and financial activities.

Trends in industry sectors in Michigan

- **Michigan has lost jobs in the last year in every sector except mining and Education and Health Services.**
- Some industry sectors like manufacturing, information, and construction have lost jobs continuously since 2000 with accelerated shedding of jobs since 2007.
- Other job growth areas have lost ground during the recession – such as financial activities, leisure and hospitality, and professional and business services.
- Bureau of Labor Statistics <http://www.bls.gov/eag/eag.mi.htm>

Education and Health Services in Michigan

- Women hold 68.8% of jobs in Educational Services and 80% of jobs in health services.



Year	Dec	Annual
2000	506.3	2000-2009
2001	525.6	117,000 +
2002	540.5	23% increase
2003	553.7	
2004	568.1	
2005	582.4	
2006	587.5	
2007	603.4	2006-2009
2008	608.9	3% increase
2009	623	

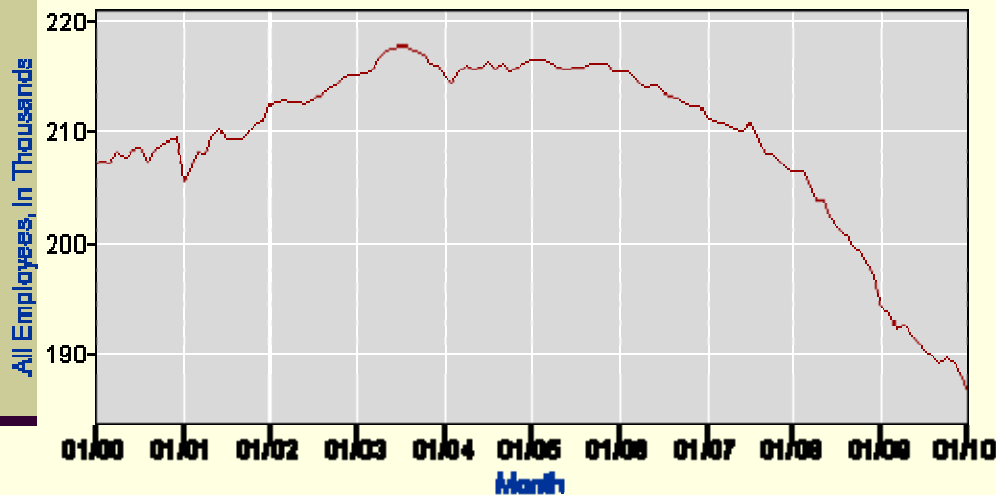
Women in economic sectors:

Finance & Insurance

- The Finance and Insurance industry in Michigan is 64.5% female.
- "In the worst financial crash since the Depression, nationwide, financial services and insurance firms have cut 260,000 jobs. Seventy-two percent of the missing workers laid off have been women, even though they constituted 64% of employment before the crash began."
- Forbes.com [Terminated: Why the Women of Wall Street are Disappearing](#), by author Anita Raghavan

Jobs in Financial Activities in Michigan

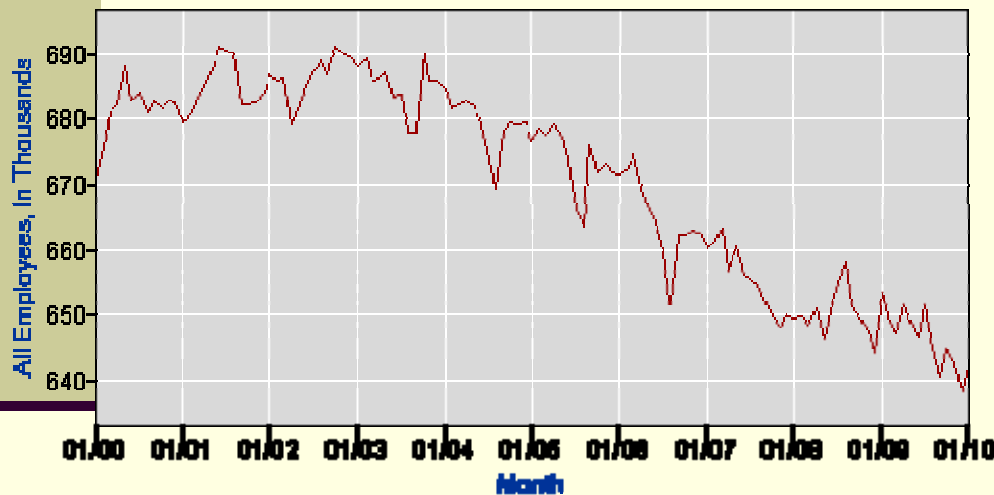
■ Women hold 64.5% of all jobs in finance and insurance in Michigan.



Year	Thousand	% Change
2000	209.5	2000-2006
2001	211	1.3% increase
2002	215.1	
2003	216	
2004	216.3	
2005	215.5	
2006	212.3	
2007	206.8	2007-2009
2008	196.8	
2009	187.7	9% loss of jobs

Government Jobs in Michigan

- Women hold 47% of jobs in public administration



Year	Thousands Dec	Annual
2000	682.7	%Change
2001	684.1	2000-2009
2002	689.5	
2003	685.8	
2004	679.4	
2005	671.8	
2006	662.6	% Change 2006-2009
2007	650	- 3.5 % job loss
2008	644.4	24,000 jobs
2009	638.6	

Subprime Lending Discrimination

- Women are 32% more likely to have subprime mortgages. The Consumer Federation of America report found that the borrowers most likely to receive subprime loans were moderate-to-high-income women of color.
- Women whose loan debt amounted to a smaller-than-average percentage of their income were more likely to get subprime loans in comparison to men in the same situation, according to an analysis of several years of Home Mortgage Disclosure Act data.
- For example, consider the difference between men and women whose debt was a smaller percentage of their income than the average borrower in 2006. Only 29 percent of those men got subprime loans compared with 38 percent of women.

Subprime Loans to Women in Detroit-Livonia-Dearborn

- In a report done in 2009 by the National Community Reinvestment Coalition for Metropolitan Areas, the Detroit Metro Area ranked 40th for subprime lending discrimination for women of color.
- In mortgage lending to low and moderate income females, 61% of loans to African American women and 25.75% of loans to white women were high-cost, subprime loans.
- For Middle and Upper Income women, 53.5% of loans were subprime for African American women and 21% of loans were subprime for white women.

Foreclosure Rates

- “In a foreclosure study made by a California real estate firm, Michigan ranked eighth among states in 2009, with 118,302 or 2.61 percent of its homeowners battling foreclosure.
- The 2009 filings marked an 11.5-percent increase from 2008 and a 35.7-percent increase from 2007.”
- <http://www.bankforeclosuresale.com/wp/article-02042141.html>

Bankruptcies due to medical emergencies

- Jacoby, Sullivan and Warren (2001) estimated that more than half a million middle-class families turned to the bankruptcy courts for help following a illness or injury in 1999, that is, before the economic crisis.
- Nearly half of *all* bankruptcies involved a medical problem, and certain groups—**particularly women heads of households** and the elderly—were even more likely to report a health-related bankruptcy.
- They also found that the families in bankruptcy with medical problems are not drawn exclusively from among the uninsured. About eighty percent had some form of medical insurance, suggesting that basic health insurance coverage does not insulate families from financial catastrophe when they suffer serious medical problems.

U.S. Bankruptcy Courts

Bankruptcy Cases Commenced for the 12 month period
ended March 31st 2008 and 2009

CIRCUIT AND DISTRICT	Filings in 2008	Filings in 2009	Percent CHANGE
TOTAL US	901,927	1,202,503	33.3
MI, 6th Circuit Court East District	37,511	45,610	21.6
MI, 6th Circuit Court West District	10,997	13,788	25.4

http://www.uscourts.gov/Press_Releases/2009/bankrupt_ftable_mar2009.xls

Policy Solutions

- Greater Educational and Skills attainment won't necessarily solve the income gap for women.
- Equal Pay for Equal Work and Comparable Worth Efforts
- Subsidized childcare and greater family support through welfare is needed
- Reform for equity in lending is needed
- Health care cost reform needs to go further

Resources and References

- Melissa B. Jacoby, Teresa A. Sullivan & Elizabeth Warren, “Rethinking The Debates Over Health Care Financing: Evidence from The Bankruptcy Courts,” *New York University Law Review*, Volume 76 Number 2. May 2001.
- National Women’s Law Center, “The Paycheck Fairness Act would help close the gap for Michigan Women” April 2009, www.nwlc.org
- Institute on Women and the Economy, blog <http://instituteonwomen.blogspot.com/2009/03/women-and-economy-various-viewpoints.html>
- Selected Resources on Financial Literacy and Household Finances: <http://www.ippsr.msu.edu/PPIE/FinancialLiteracyResources.pdf>
- Michael O’Malley, Thomas Ott and Ken Marshall, “A history of homeownership: A look at how lending practices helped create, then erode the American Dream|. *The Cleveland Plain Dealer* <http://blog.cleveland.com/pdgraphics/2008/01/Eras%20in%20home%20ownership.pdf>
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- Assessing the Double Burden: Examining Racial and Gender Disparities in Mortgage Lending
National Community Reinvestment Coalition June 2009
http://www.ncnw.org/images/double_burden.pdf