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REPORT
*THE IMPACT OF THE OBAMA
ECONOMIC PLAN FOR
AMERICA'S WORKING WOMEN*

REPORT:

The Impact of the Obama Economic Plan for America's Working Women

Over the past generation, women have made unparalleled gains in the American economy. Working women make up a growing share of our workforce, our entrepreneurs, and our innovators. Yet despite this progress, American women continue to shoulder substantial economic burdens. Over the past eight years, female workers have faced stagnating wages, declining health care coverage, erosion of pension protections, rising personal debt, and have been hard hit by the housing crisis. And while 62 percent of working women earn at least half of their family's income, women still make only 77 cents for every dollar a man makes. As larger percentages of women have entered the workforce, a typical family's working hours have increased, placing new strains on family caregiving obligations. Too many American workers cannot adjust their work schedules to handle a family emergency or take a day off to care for a sick or newborn child without the risk of losing their pay, vacation days or even their jobs. And as the current economic downturn deepens, a growing number of working parents will be forced to raise their children in poverty.

Barack Obama believes that our government's policies must change to meet the new challenges facing America's working women. His economic plan is designed to give working women the opportunity to not just get by, but to get ahead in our economy – to build a nest egg, save for retirement, start a business and provide a better life for their children. This report details the impact of ten key Obama economic policies on working women nationwide and across the 50 states. In summary, the Obama plan will:

- 1. Provide a New “Making Work Pay” Tax Cut of Up to \$500 per Person, or \$1000 Per Family, to 71 Million Working Women.**
- 2. Give 8.4 Million Working Women a Raise of up to \$4,700 per year, by Increasing the Minimum Wage to \$9.50 by 2011.**
- 3. Expand the Earned Income Tax Credit (EITC) to Benefit at Least 5 Million Working Women and Help Ensure That Low-Wage Working Parents Are Not Forced to Raise Their Children in Poverty.**
- 4. Extend Child Care Tax Breaks to 7.5 Million Additional Working Women.** A working mother with two kids earning \$50,000 a year will receive a \$2,100 child care tax cut under the Obama plan.
- 5. Provide High-Quality Afterschool and Summer Learning Programs to An Additional 2 Million Children.** The Obama plan will expand afterschool programs to serve an additional 1 million students and summer learning programs for 1 million students.
- 6. Provide 7 Days of Paid Sick Leave to 22 Million Working Women.**
- 7. Fight to Close the Gender Wage Gap that Has Women Earning 77 Cents for Every Dollar Earned By Men.** This gap is even more pronounced for African American and Latina women.
- 8. Increase Retirement Savings Opportunities for the 45 Million Working Women Who Lack an Employer Retirement Account,** by providing them with a new Automatic Workplace Pension and providing a \$500 matching tax credit for their savings.
- 9. Help 8.7 million women business owners grow their businesses and create jobs,** by setting capital gains rates to zero for small business and entrepreneurial ventures.
- 10. Offer quality affordable health care to the 21.5 million women who lack health insurance.**

THE IMPACT OF TEN KEY OBAMA ECONOMIC POLICIES ON WORKING WOMEN

<p>1. <u>A New Tax Cut for 71 Million Working Women</u></p> <p><u>Click Here for State-by-State Breakdowns</u></p>	<p>Barack Obama has proposed a broad middle class tax cut to help relieve the financial burden on working families, who have seen their incomes decline by nearly \$1,000 while the cost of energy, food and health care have skyrocketed. His new “Making Work Pay” tax credit will provide up to \$500 per person, or \$1000 per working family in direct tax relief. For working women, who are key financial supporters for their families, this broad tax cut is particularly important. The Obama “Making Work Pay” credit will directly benefit the vast majority of working women – 71 million in all.</p>
<p>2. <u>A Raise for 8 Million Working Women</u></p> <p><u>Click Here for State-by-State Breakdowns</u></p>	<p>Barack Obama’s economic plan will help low-wage working women move into the middle class. One of the most important tools to do so is to increase the minimum wage. Women are the largest group of beneficiaries from a minimum wage increase: 58 percent of the workers who would benefit are women even though women make up only 47 of the workforce. Before the Democrats took back Congress, the minimum wage had not been increased in 10 years. Even though the minimum wage will rise to \$7.25 an hour by 2009, the minimum wage’s real purchasing power will still be below what it was in 1968. As president, Obama will further raise the minimum wage to \$9.50 an hour by 2011 and index it to inflation. This plan will:</p> <ul style="list-style-type: none">• <i>Directly increase wages for 8.4 million working women who earn the minimum wage – or 13 percent of women in the workforce;</i>• <i>Raise the earnings of a full-time working woman by about \$4,700, enough to cover 8 months of rent or an entire year of healthcare for a typical working family.</i>
<p>3. <u>Expanded EITC Benefits for 5 Million Working Woman; Helping Ensure that Working Parents Are Not Forced to Raise Their Children in Poverty</u></p>	<p>Barack Obama has proposed an aggressive expansion of the Earned Income Tax Credit (EITC), which President Reagan once called “the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress.” His plan will increase the number of working parents eligible for EITC benefits, increase the benefit available to parents who support their children through child support payments, and reduce the EITC marriage penalty which hurts low-income families. In addition, the Obama plan will tackle the acute problem of poverty among larger families. Today, the poverty rate for families with three more children is twice the rate as that for smaller families. A working family with three children earning minimum wage today falls below the poverty line even after receiving the current EITC, Food Stamps and the additional Child Credit. Senator Obama’s EITC expansion will lift that family out of poverty.</p>

<p>4. <u>Child Care Tax Breaks for 7.5 Million Additional Working Women.</u></p> <p><u>Click Here for State-by-State Breakdowns</u></p>	<p>Barack Obama believes that we must do more to ease the burden on working parents struggling to balance the responsibilities of work and family. He has proposed to overhaul the existing federal tax benefit for child care (the Child and Dependent Care Tax Credit) to make it work for more working families. Under the Obama proposal, working families will receive a 50 percent credit on up to \$3000 of child care expenses for each child. This plan will extend child care tax breaks to an additional 7.5 million working women.</p> <ul style="list-style-type: none"> • <i>A working mother with two kids earning \$50,000 a year will receive a \$2,100 tax cut under the Obama plan.</i>
<p>5. <u>Afterschool / Summer School</u></p> <p><u>Click Here for State-by-State Breakdowns</u></p>	<p>Barack Obama believes that to help families balance the responsibilities of work and family, it is essential to provide them with high-quality care for their children during the hours that they are out of school. The 20-25 hours each week that children are out of school while their parents are at work is often a period where kids can get into trouble.ⁱ Afterschool and summer learning programs provide a place to keep children safe during those times and increase students' academic achievement. Barack Obama will:</p> <ul style="list-style-type: none"> • <i>Double funding for the main federal support for afterschool programs, the 21st Century Community Learning Centers program, to serve one million more children.</i> • <i>Create a new summer learning program that supports partnerships between schools, community groups, and faith-based organizations to provide summer learning opportunities to an additional one million children.</i>
<p>6. <u>Seven Paid Sick Days for 22 Million Working Women</u></p>	<p>Barack Obama believes it is unacceptable that workers are forced to choose between foregoing pay to care for an ill family member or for themselves, or going to work when they should remain home. Yet because women are overrepresented in part-time and low-wage positions that lack paid sick leave benefits, more than 22 million do not have a single day of paid sick leave.ⁱⁱ As president, Obama will require that employers provide seven paid sick days per year. Additionally, Obama will address the concerns of working women who cannot afford to take unpaid leave under the current Family and Medical Leave Act by launching a 50-state strategy to encourage all of the states to adopt paid-leave systems. His plan will provide \$1.5 billion to assist states with start-up costs and to help states offset the costs for employees and employers. Together, these policies will ensure that working women can take time off to care for themselves and their family members – and will help business by ensuring that workers are healthy and productive.ⁱⁱⁱ</p>

<p><u>7. Close the Pay Gap That Leaves Working Women Earning 23 Percent Less Than Working Men</u></p>	<p>For every \$1.00 earned by a man, the average woman receives only 77 cents.^{iv} The disparity is even starker for racial minorities: The average African American woman who works full-time, year-round earns only 62 percent what a white male workers earn, and Hispanic women earn only 53 percent.^v According to the Institute for Women’s Policy Research, closing the gender gap would lead to an economy-wide gain of \$319 billion.^{vi} While there is no single cause, economists have identified a number of explanations for the wage gap, including employment discrimination, the overrepresentation of women in low-paying fields, and different choices made by men and women with respect to work/family balance.</p> <p>Obama’s plan will help close this gap by:</p> <ul style="list-style-type: none"> • <i>Signing into law the Fair Pay Restoration Act, legislation that he co-introduced to overturn last year’s Supreme Court decision that made it harder for women to file pay discrimination claims after they become victims of discriminatory compensation.</i> • <i>Increase funding for the Equal Employment Opportunity Commission and the Office of Federal Contract Compliance. This support will help strengthen enforcement at the nation’s leading civil rights agencies by providing the resources and staff necessary to process charges filed and effectively remedy equal pay violations.</i> • <i>Supporting policies such as paid leave and flexible work schedules to help women better balance work and family, and increase their participation in the labor market.</i> • <i>Increasing the minimum wage and indexing it to inflation, a policy that will benefit low-wage workers who are disproportionately women.</i>
<p><u>8. Increased Retirement Savings Opportunities for 45 Million Working Women</u></p>	<p>Barack Obama believes the current workplace pension system is out-of-date with the realities of the modern workforce for working women. In 2006, 45 million working women – sixty-one percent of women in the workforce – lacked any employer sponsored retirement plan. Pension coverage for African-American and Latina women lags even further behind. As a result, the typical female worker near retirement has only half the retirement savings of her male counterpart.^{vii} Obama’s Automatic Workplace Pension program will offer working women left out of the retirement savings system an easy, automatic and productive way to build wealth for retirement. Under this plan, employers who do not currently offer a retirement plan will be required to automatically enroll their employees in a direct-deposit IRA account (employees will retain the option of opting-out). When employees change jobs, their savings will be automatically rolled over into the new employer’s system to ensure continued savings. In addition, Senator Obama’s plan will match 50 percent of the first \$1,000 of savings for families that earn under \$75,000, and ensure that parents continue to receive this new match even if they leave the workforce to take time to raise their children. The savings match will be automatically deposited into designated personal accounts by using the account information listed on IRS tax filings.</p>

<p>9. <u>Zero Capital Gains Taxes for 8.7 Million Women Entrepreneurs</u></p> <p><u>Click Here for State-by-State Breakdowns</u></p>	<p>Small businesses are the engine of job growth in our economy. They are responsible for 80 percent of net new job growth since 1990. For millions of Americans, small businesses are also tool to help innovate, build wealth and achieve the American dream. Barack Obama understands that many small business owners are struggling to succeed as health care and energy costs continue to skyrocket. That’s why his economic plan will eliminate all capital gains taxes on start-up and small businesses.</p> <p>This reform will provide meaningful tax relief to 8.7 million women small business owners, helping them to invest, grow their businesses and create jobs. In addition, Obama will help more women-owned small businesses access federal contracting opportunities by implementing the Women Owned Business contracting program which was launched by President Clinton but has been abandoned by President Bush.</p>
<p>10. <u>Quality, Affordable Health Care for 21.5 Million Uninsured Women</u></p>	<p>Barack Obama is committed to signing universal health legislation by the end of his first term in office that ensures all Americans have high-quality, affordable health care coverage. His plan will provide health care to the 47 million uninsured Americans, including 21.5 million uninsured women. It will also improve health care quality for the 25 million “underinsured” Americans – those whose nominal health coverage does not insure them against catastrophic health costs and who are nearly as likely to go without medical care as the uninsured. This is particularly important for women, who are disproportionately represented among the underinsured. In total, 45 percent of women in 2007 were uninsured or underinsured, compared to 40 percent of men.^{viii}</p> <p>In addition, the Obama health plan will bring down costs and save a typical American family up to \$2,500 every year on medical expenditures. Women tend to have higher healthcare costs than men: nearly 40 percent of women report struggling with medical bills, compared to 29 percent of men, and one-third of women spend more than 10 percent of their income on out-of-pocket health costs, compared to 18 percent of men.^{ix}</p>

APPENDIX:
STATE-BY-STATE IMPACT OF OBAMA PLAN ON WORKING WOMEN

**Table 1: Working Women Who Would Benefit from Obama's \$500 per Worker
 -- \$1000 per Family – "Making Work Pay" Tax Credit
 (Thousands)**

NATION	71,300	Missouri	1,400
Alabama	1,100	Montana	200
Alaska	200	Nebraska	500
Arizona	1,200	Nevada	500
Arkansas	700	New Hampshire	400
California	7,500	New Jersey	2,200
Colorado	1,000	New Mexico	400
Connecticut	900	New York	4,800
Delaware	200	North Carolina	2,100
Dist. Columbia	200	North Dakota	200
Florida	4,200	Ohio	2,700
Georgia	2,100	Oklahoma	800
Hawaii	300	Oregon	900
Idaho	300	Pennsylvania	3,100
Illinois	3,000	Rhode Island	300
Indiana	1,600	South Carolina	1,000
Iowa	800	South Dakota	200
Kansas	700	Tennessee	1,500
Kentucky	1,000	Texas	4,700
Louisiana	900	Utah	500
Maine	300	Vermont	200
Maryland	1,500	Virginia	2,000
Massachusetts	1,600	Washington	1,500
Michigan	2,500	West Virginia	400
Minnesota	1,400	Wisconsin	1,500
Mississippi	700	Wyoming	100

Source: Calculated from Social Security Administration data on earners by state.

Table 2: Female Workers Who Would Directly Benefit From a \$9.50 Minimum Wage Increase

	Women Benefiting	Women as % of affected workers		Women Benefiting	Women as % of affected workers
NATION	8,362,300	58%	Missouri	219,700	64%
Alabama	10,800	59%	Montana	34,700	66%
Alaska	176,100	67%	Nebraska	60,900	58%
Arizona	101,000	60%	Nevada	56,000	59%
Arkansas	142,100	51%	New Hampshire	27,800	59%
California	757,400	51%	New Jersey	191,700	57%
Colorado	98,900	50%	New Mexico	61,200	63%
Connecticut	69,700	55%	New York	461,200	56%
Delaware	8,300	54%	North Carolina	301,500	61%
Dist. Columbia	22,000	58%	North Dakota	24,000	59%
Florida	559,000	59%	Ohio	397,000	59%
Georgia	264,200	60%	Oklahoma	121,000	56%
Hawaii	34,000	59%	Oregon	80,000	55%
Idaho	54,100	61%	Pennsylvania	377,600	63%
Illinois	278,700	55%	Rhode Island	27,200	58%
Indiana	195,600	61%	South Carolina	159,000	63%
Iowa	110,100	64%	South Dakota	25,400	61%
Kansas	97,900	60%	Tennessee	172,500	54%
Kentucky	150,800	64%	Texas	767,200	53%
Louisiana	161,100	70%	Utah	79,400	63%
Maine	43,600	66%	Vermont	12,000	55%
Maryland	109,100	58%	Virginia	228,400	64%
Massachusetts	117,900	60%	Washington	102,100	59%
Michigan	317,500	62%	West Virginia	63,600	62%
Minnesota	135,700	59%	Wisconsin	162,000	57%
Mississippi	117,400	72%	Wyoming	16,200	57%

Source: Economic Policy Institute, 2008.

Table 3: Working Mothers Who Will Benefit from Obama's Expanded Child Care Tax Credit (Thousands)

NATION	7,500	Missouri	109
Alabama	101	Montana	21
Alaska	13	Nebraska	50
Arizona	142	Nevada	78
Arkansas	65	New Hampshire	39
California	905	New Jersey	222
Colorado	135	New Mexico	19
Connecticut	97	New York	565
Delaware	33	North Carolina	312
Dist. Columbia	15	North Dakota	21
Florida	477	Ohio	195
Georgia	304	Oklahoma	74
Hawaii	30	Oregon	77
Idaho	38	Pennsylvania	277
Illinois	282	Rhode Island	23
Indiana	147	South Carolina	131
Iowa	90	South Dakota	17
Kansas	79	Tennessee	178
Kentucky	90	Texas	574
Louisiana	113	Utah	19
Maine	38	Vermont	7
Maryland	218	Virginia	216
Massachusetts	163	Washington	144
Michigan	171	West Virginia	25
Minnesota	155	Wisconsin	129
Mississippi	67	Wyoming	8

Source: Calculated from Tax Policy Center; IRS Statistics of Income.

**Table 4: Children Who Will Benefit from Obama
Afterschool Expansion**

NATION	1,000,000		
		Missouri	16,034
Alabama	15,375	Montana	5,183
Alaska	5,183	Nebraska	5,183
Arizona	20,814	Nevada	6,423
Arkansas	9,555	New Hampshire	5,183
California	129,131	New Jersey	19,732
Colorado	9,712	New Mexico	7,861
Connecticut	8,819	New York	96,626
Delaware	5,183	North Carolina	23,998
Dist. Columbia	5,183	North Dakota	5,183
Florida	46,144	Ohio	35,892
Georgia	32,580	Oklahoma	9,837
Hawaii	5,183	Oregon	9,525
Idaho	5,183	Pennsylvania	41,314
Illinois	47,290	Rhode Island	5,183
Indiana	18,419	South Carolina	15,039
Iowa	5,491	South Dakota	5,183
Kansas	6,999	Tennessee	16,369
Kentucky	14,700	Texas	92,091
Louisiana	21,860	Utah	5,183
Maine	5,183	Vermont	5,183
Maryland	15,009	Virginia	16,201
Massachusetts	16,632	Washington	14,517
Michigan	36,773	West Virginia	6,629
Minnesota	9,105	Wisconsin	16,127
Mississippi	13,635	Wyoming	5,183

Source: Calculated from Afterschool Alliance, 2008.

Table 5: Women Small Business Owners Who Would Benefit from Obama's Zero Capital Gains Proposal

NATION	8,829,693		
		Missouri	163,727
Alabama	111,225	Montana	33,331
Alaska	22,169	Nebraska	52,579
Arizona	149,189	Nevada	64,808
Arkansas	67,449	New Hampshire	42,173
California	1,183,331	New Jersey	251,752
Colorado	183,815	New Mexico	57,439
Connecticut	111,629	New York	686,589
Delaware	20,858	North Carolina	236,360
Dist. Columbia	21,308	North Dakota	17,948
Florida	594,529	Ohio	312,618
Georgia	266,703	Oklahoma	101,987
Hawaii	40,704	Oregon	120,056
Idaho	39,183	Pennsylvania	308,737
Illinois	387,359	Rhode Island	31,531
Indiana	161,571	South Carolina	104,442
Iowa	86,757	South Dakota	21,170
Kansas	81,066	Tennessee	160,318
Kentucky	104,888	Texas	637,146
Louisiana	118,097	Utah	65,896
Maine	44,196	Vermont	25,813
Maryland	186,792	Virginia	213,463
Massachusetts	220,107	Washington	186,770
Michigan	295,899	West Virginia	42,550
Minnesota	168,433	Wisconsin	141,606
Mississippi	64,029	Wyoming	17,597

Source: U.S. Census Bureau, 2006 (<http://www.census.gov/prod/ec02/sb0200cswmn.pdf>). Includes women-owned businesses and equally-owned male/female small businesses.

ⁱ http://www.afterschoolalliance.org/issue_briefs/issue_CrimeIB_27.pdf

ⁱⁱ http://www.iwpr.org/pdf/B254_paid sickdaysFS.pdf

iii http://www.iwpr.org/pdf/B254_paidicksickdaysFS.pdf

iv Washington Post, 8/14/07, p. D-4.

v Institute for Women's Policy Research, 7/08: <http://www.iwpr.org/index.cfm>

vi Institute for Women's Policy Research, 7/08: <http://www.iwpr.org/index.cfm>

vii Retirement Security Project, 2/08: http://www.retirementsecurityproject.org/pubs/File/RSP-PB_Women_FINAL_4.2.2008.pdf

viii Health Affairs, 2008: <http://content.healthaffairs.org/cgi/reprint/27/4/w298>

ix Commonwealth Fund 4/07:

http://www.commonwealthfund.org/usr_doc/1020_Patchias_women_hlt_coverage_affordability_gap.pdf?section=4039