



Wednesday, October 16, 2019

**Chairwoman Joyce Beatty**

Subcommittee on Diversity and Inclusion  
U.S. House Committee on Financial Services

*Joint Statement for the Record  
Examining the Racial and Gender Wealth Gap in America*

Thank you, Chair Beatty, Ranking Member Wagner, Vice Ranking Member Gonzalez, and Members of the Subcommittee, for holding this hearing on “Examining the Racial and Gender Wealth Gap in America.”

**On behalf of the undersigned organizations, coalition partners of the Ohio Women’s Public Policy Network, we are writing to urge action on proactive policy solutions following the informative and timely hearing.** The Women’s Public Policy Network, a coalition of more than 30 organizations working collaboratively to advocate for public policies that build economic opportunity for women and families, brings together our organizations under the shared vision wherein all women and families are able to achieve economic security and lead safe and healthy lives - **and closing the gender and racial wealth gap is integral to that mission.**

National discussions of inequality have typically focused on the gender and racial wage gap – with women earning, on average, 80 cents on the dollar compared with men, and pay disparities remaining even more significant for women of color. Equal pay is critically important to the financial security of all women and their families, however, a focus on wages and income alone is not nearly enough.

The gender and racial *wealth* gap is much higher, and it is a far more accurate indicator of the disparities that exist for women, particularly women of color: **Single women overall own only 40 cents for every dollar that single men own. For Black and Hispanic women, the wealth gap is especially stark: single Black women own two cents on the dollar compared with all single men, and single Latina women own only eight cents.**<sup>1</sup>

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<sup>1</sup> Institute for Women’s Policy Research (September 2019). Assets for Equity: Building Wealth for Women in Central Ohio. [Online]. <http://www.womensfundcentralohio.org/wp-content/uploads/2019/09/2019-Gender-Racial-Wealth-Gap-Report.pdf>

It is imperative that federal policymakers take steps to address the root causes and consequences of wealth inequality. Closing the gender and racial wealth gap will bolster the economic security and well-being of women, children, and communities, and it promises to yield more systemic and long-term solutions for our nation. **As you examine the racial and gender wealth gap in America, we urge you to take into consideration the impact that the following public policies would have in helping to close the racial and gender wealth gap:**

- **Enact a National Paid Family and Medical Leave Policy:** Women are more likely to take on unpaid caregiving responsibilities for children or aging family members, but only 17 percent of workers – and only four percent of low-wage workers – have access to any form of paid leave through their employers. Black and Latina women are even less likely to have access to paid leave, which exacerbates the wealth gaps and racial disparities among families of color and white families.<sup>2</sup> **Paid family and medical leave policies strengthen maternal and infant health, increase women’s workforce participation, and protect working families’ financial income during times of leave - and it is one of the most impactful policies to promote wealth building.** According to a new report from PL+US: Paid Leave for the United States and the Georgetown Center on Poverty and Inequality, [\*The Paid Family and Medical Leave Opportunity: What Research Tells Us About Designing a Paid Leave Program that Works for All,\*](#)<sup>3</sup> “racial disparities in access to job benefits have accounted for 20 percent of the widening of the racial wealth gap since 1984.<sup>4</sup> As a result [of wealth disparities], families of color may have fewer resources and opportunities to save, particularly when earnings are used to cover unexpected expenses from life events.<sup>5</sup> This makes access to paid leave even more important for these families.” **A national paid family and medical leave program, which allows workers to take paid leave to care for and bond with a new child (birth, adoptive, or foster placement), care for an ill or aging family member, or address their own medical situation, is crucial to ensure that all workers, particularly low-income and part-time workers, have access to this impactful wealth building policy.**
- **Protect Against Wage Discrimination, Promote Equal Pay Practices, and Close the Gender and Racial Wage Gap:** Women, whether in low-wage or high-wage jobs, experience a pay gap in nearly every occupation and sector of work. In Ohio, the gap is

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<sup>2</sup> The National Partnership for Women and Families (August 2018). Paid Family and Medical Leave: A Racial Justice Issue – and Opportunity [Online] <http://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/paid-family-and-medical-leave-racial-justice-issue-and-opportunity.pdf>

<sup>3</sup> “The Paid Family and Medical Leave Opportunity: What Research Tells Us About Designing a Paid Leave Program that Works for All” July 2019 paidleave.us georgetownpoverty.org

<sup>4</sup> Shapiro, Thomas, Tatjana Meschede, and Sam Osoro. “The Roots of the Widening Racial Wealth Gap: Explaining the BlackWhite Economic Divide.” Institute on Assets and Social Policy, February 2013. Available at <https://heller.brandeis.edu/iasp/pdfs/racial-wealth-equity/racial-wealth-gap/roots-widening-racial-wealth-gap.pdf>.

<sup>5</sup> Traub, et al. “The Racial Wealth Gap: Why Policy Matters.” 2016.

slightly larger than the national average with women typically earning just 75 cents for every dollar men make, totaling an annual wage gap of \$12,686. And the pay disparities are even larger for women of color working in Ohio: Black women are paid 64 cents and Latinas are paid 61 cents for every dollar paid to White, non-Hispanic men.<sup>6</sup> **Unfair wage disparities not only impact women's paychecks now, but also have long-term consequences for women's wealth attainment, investment, and retirement savings.** Wage inequality means that women have less to spend on themselves and their families, invest and save for the future, and put back into businesses and the local economy. Due to the wage gap, women working full time in the United States lose a combined total of more than \$915 billion every year.<sup>7</sup> **Federal policymakers can take steps towards closing the wage gap, which in turn helps to build wealth for women and women of color, by addressing the root causes of wage discrimination and enacting policies that promote equal pay, such as prohibiting employers from seeking or requiring salary or wage history; removing pay secrecy practices and prohibiting retaliation against employees discussing wages or pay; and establishing systems for workers to report complaints of wage discrimination.**

- **Strengthen the Earned Income Tax Credit (EITC):** The EITC is a crucial worker support, particularly for working mothers, designed to reward work and strengthen families by supporting hard-working parents and helping them lift their families out of poverty. In 2016, the EITC helped lift 6 million Americans out of poverty, and many of those individuals who relied on this crucial worker support were women: 1.2 million women were raised above the poverty line because they were able to access the EITC.<sup>8</sup> **A strong EITC can help reduce barriers to financial security by providing working mothers in Ohio with additional support to invest back into their family, using their refunds towards basic needs such as food, housing, health care, child care, and transportation.** Despite the key role many women play as breadwinners for their families, women regularly face economic barriers, including disproportionate representation in low-security and low-wage jobs, which hold them and their families back from reaching their full economic potential. Two-in-five female-headed households with children are living in poverty, nearly 90 percent higher than that of male-headed families with children. The EITC is a proven policy that promotes work and provides much-needed support to working families, particularly among women with low-incomes who are struggling to support children on their own. **Congress should strengthen the**

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<sup>6</sup> The Women's Public Policy Network (August 2018), Fact Sheet: Equal Pay and the Gender Wage Gap [Online] [http://womenspublicpolicynetwork.org/wp-content/uploads/2018/08/WPPN\\_FACT-SHEET-EQUAL-PAY-AND-THE-GENDER-WAGE-GAP.pdf](http://womenspublicpolicynetwork.org/wp-content/uploads/2018/08/WPPN_FACT-SHEET-EQUAL-PAY-AND-THE-GENDER-WAGE-GAP.pdf)

<sup>7</sup> The National Partnership for Women and Families (September 2019), Fact Sheet: America's Women and the Wage Gap. [Online]. <http://www.nationalpartnership.org/our-work/resources/economic-justice/fair-pay/americas-women-and-the-wage-gap.pdf>

<sup>8</sup> Center on Budget and Policy Priorities. (2017, October 11). EITC, CTC Together Lifted 9.8 Million out of Poverty in 2015. <https://www.cbpp.org/blog/eitc-ctc-together-lifted-98-million-out-of-poverty-in-2015>

**Earned Income Tax Credit by making expansions to the credit to provide additional support for working families who currently qualify for the credit and increasing who is covered by the credit. Expanding the EITC would help to lift more families out of poverty and provide greater assistance to low- and moderate-income workers struggling to build wealth - and it would be particularly impactful for working mothers and their families.**

- **Increase the Minimum Wage and Eliminate the Tipped Wage:** Despite having slightly higher levels of educational attainment than men, women are more likely to hold a part-time job, work for minimum wage, and live in poverty. In Ohio, nearly seven-in-ten minimum wage workers are women, and women of color represent a disproportionate share of these workers – particularly Black women who are overrepresented in three of the nation’s lowest wage-earning, highest growth jobs (personal care aides, food preparation/servers, and home health aides).<sup>9</sup> Women make up nearly three-quarters of the tipped wage workforce in Ohio, receiving less stable pay and experiencing a poverty rate that is twice as high as the rate for other workers.<sup>10</sup> There remains a great disconnect between the job market and the purchasing power of wages. Adjusting for inflation, today’s national minimum wage holds the same buying power as it did nearly 40 years ago.<sup>11</sup> **The stagnant wages of the minimum wage workforce means that the vast majority of low-wage workers are making too little to make ends meet, let alone to save for the future and create opportunities for wealth building.** In fact, according to a report from Policy Matters Ohio, workers in seven of the ten largest occupation categories in Ohio earn so little they would need food assistance for a family of three. **Because of the overrepresentation of women, particularly women of color, in the minimum wage and sub-minimum wage workforce, federal policymakers must address the stagnant wages of low-wage workers by establishing a living wage and eliminate the tipped wage in order to fully support the economic security and wealth building of these working families.**
- **Increase Access and Affordability of Comprehensive Healthcare:** Strong health and well-being of women is connected directly to their ability to remain active in the workforce and provide financially for their families – but affordable coverage and care are out of reach for many. **Without access to adequate, comprehensive health care and treatment, the goals of economic security and wealth accumulation are cut short**

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<sup>9</sup> The National Women’s Law Center (2018, August), Fact Sheet: Low-Wage Jobs Held Primarily by Women Will Grow the Most Over the Next Decade. [Online]. <https://nwlc.org/resources/jobs-largest-projected-growth-2012-2022-almost-half-are-low-wage-nearly-two-thirds-are-female-dominated/>

<sup>10</sup> The National Women’s Law Center. (2017, July). Tipped Workers State by State. [Online]. <https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wpcontent/uploads/2017/07/Tipped-Workers-State-by-State-7.20.17.pdf>

<sup>11</sup> DeSilver, D. (2018, August 7). For most Americans, real wages have barely budged for decades. [Online]. <https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/>.

**before it begins.** Seven percent of Ohio women between the ages of 19 and 64 lack health insurance altogether. Women of color are more likely to be uninsured, which presents barriers to accessing preventive and primary health care and contributes to persistent health disparities, such as higher rates of diabetes, pregnancy-related complications, and cervical and breast cancer than white women.<sup>12</sup> Research has shown that due to the prohibitive cost barriers for women without insurance coverage, there are some low-income women in Ohio who are less likely to seek necessary medical care or have lower rates of accessing preventive services when compared to low-income women with insurance coverage. **Federal lawmakers must make efforts to enact policies that increase access and affordability of comprehensive health care, particularly for low-income women and women of color who face disparities in access, quality, and cost of care. These efforts must include strengthening and protecting Medicaid and Medicaid Expansion, protection from surprise billing, requiring health care providers be trained in cultural competency, enacting Health Equity in All Policies Initiative, and increased access to and affordability of contraception and abortion access.**

While no one policy will solve wealth inequality in the U.S., crafting bold policies, such as paid family and medical leave and an increased minimum wage, will move the needle forward on change. Closing the gender and racial wealth gap is possible, but our federal policymakers must make a concerted effort to advance legislative fixes to promote gender and racial equity and strengthen existing laws.

**We, the undersigned organizations, collectively urge you to take these policy recommendations into consideration as bold solutions to address the gender and racial wealth gap.**

Sincerely,

NARAL Pro-Choice Ohio  
National Coalition of 100 Black Women Central Ohio Chapter  
Ohio Domestic Violence Network  
Ohio Religious Coalition for Reproductive Choice  
The Ohio Women's Public Policy Network  
The Women's Fund of Central Ohio  
The Women's Fund of the Greater Cincinnati Foundation  
YWCA Dayton

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<sup>12</sup> Henry J Kaiser Family Foundation, State Health Facts: Health Insurance Coverage of Women 19-64 (2016), <https://www.kff.org/other/stateindicator/nonelderly-adult-women/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>