Independent Democratic Conference

Building a Stronger Future for New York's Working Women

May 2013

Introduction

In April of this year, U.S. Treasury Secretary Jacob Lew acknowledged that "the fact is, limiting the potential of women will limit a country's economic growth."[1] Despite great strides in women's achievements since the Suffragist movement, economic empowerment remains the glass ceiling that just won't break. From household shopping to heading businesses and everywhere in between, women are active contributors to our State's economy, yet still are too often missing from public policy solutions bolstering our State's economic engine.

That is why the Independent Democratic Conference (IDC) is proposing a Working Women's Agenda for 2013-2014. It cannot be assumed that a woman employed is a woman well-protected, well-served and well-appreciated by New York State. We must focus on every woman as she moves from young adult to retirement in the hopes that by the end of her working career she has been given the best possible tools to achieve the best possible life and fulfill her potential as an economic contributor here in New York.

Pension Inequality for Women in New York State and Local Retirement System

Women may be gaining footholds in academic and career ladders, but in reality, the corresponding economic gains (as typically seen by men) have barely moved for women. By the time a woman ends her career, the results of her efforts pale in comparison to a man's position upon retirement. Using data supplied by the Office of the State Comptroller, the IDC determined that the salaries of women in the State Retirement System average about $15,000[2] less than men in the system. This disparity in turn impacts the resulting pension contributions, resulting in women's pensions averaging about half the size of men's pensions last year.

Using membership in the New York State and Local Retirement System under the Employee Retirement System (ERS), as an example, State and local employees who are women earned approximately $13,000 or 23.5 percent less than their male counterparts in 2012.[3] Unfortunately this discrepancy was "par for the course" as opposed to an aberration. Upon analyzing earnings from 2008, women consistently earned approximately 26.4 percent to 23.5 percent less than men. What makes the 2012 figure equally startling is that women make up the majority of the workforce in state and local government. In 2012, approximately 281,000 women were employed as opposed to approximately 225,000 men.

A natural result of this lower level of earnings is, by extension, lower pensions and in turn a greater risk for poverty. The average pension for women in the Employee Retirement System in 2012 was $15,712, almost $10,000 below that received by male pensioners. In 2008, the average pension for women was $12,575 as opposed to $21,792 for men, a difference of approximately $9,200. In other words, in 2008, the average pension for a woman was 42.3 percent less than that of a man. This number was only slightly lower in 2012 whereby an average pension for a

[1] U.S. Treasury Secretary Jacob Lew, *"Remarks of Secretary Jacob J. Lew at the meeting of the Equal Futures Partnership"*, U.S. Department of Treasury, April 18, 2013. http://www.treasury.gov/press-center/press-releases/Pages/jl1901.aspx
[2] Data provided to staff by the Office of the New York State Comptroller. May 2013.
[3] Ibid.

woman was 39.3 percent less than that of a man. It is shocking, but not surprising, to see that the majority of the State and local workforce, made up of women, are not only earning a smaller salary than their male counterparts, but are building a smaller security for themselves in retirement as a result.

Comparison of Salaries
Employee Retirement System
2008 – 2012

	2008	2009	2010	2011	2012
Men	$50,479	$52,785	$55,060	$54,937	$55,250
Women	$37,133	$39,586	$40,836	$41,616	$42,277
Difference	$13,346	$13,199	$14,224	$13,321	$12,973
Percent	26.4%	25.0%	25.8%	24.2%	23.5%

Source: Office of the New York State Comptroller

Comparison of Pensions
Employee Retirement System
2008 – 2012

	2008	2009	2010	2011	2012
Men	$21,792	$22,633	$23,519	$24,578	$25,883
Women	$12,575	$13,162	$13,837	$14,642	$15,712
Difference	$9,217	$9,471	$9,682	$9,936	$10,171
Percent	42.3%	41.8%	41.2%	40.4%	39.3%

Source: Office of the New York State Comptroller

The IDC’s Working Women’s Agenda seeks to address this pension gap by focusing on how New York State can create, through various avenues, an atmosphere where women can succeed both in family and in business, judged by merit rather than gender. In the case of working mothers, the hope is to alleviate that unfair dilemma of choosing between advancing one’s career and building and taking care of a family. This working women’s agenda further seeks to ensure that one’s income and station in life is not a limiting factor in achieving “the American Dream”.

The Five Pillars of the IDC's Working Women's Agenda

There are numerous barriers keeping women in a cycle of financial, economic, physical and mental abuse, and breaking down those barriers begins with meeting basic survival needs, such as health, nutrition, safety, and housing. However, for women to be able to reach their full potential, New York must address their economic empowerment. In our free market society, the lack of economic empowerment is a very real barrier to success. It impacts everything from standard of living to career prospects and ultimately the potential economic and societal contributions of half of New York State's population.

An economically empowered working woman is a win for both New York State and women, and such a win can begin by:

1. **Pursuing a standard of comparable worth for our public workforce;**
2. **Enacting paid leave for a woman's familial obligation's in the home;**
3. **Ensuring that child care is affordable in New York State so women who choose to work, can work;**
4. **Assisting women's re-entry into the workforce; and**
5. **Supporting low-income working women on a path to achieve their fullest economic potential.**

This five-point plan is not an exhaustive list of what needs to be done and can be done by New York State, but it is a way to continue the conversation of how to address the needs of women, who are a significant part of New York State's economic engine. From low-income to middle-income; currently working to formerly working; child-rearing to childless; this agenda will start to address the economic security and empowerment of New York State's Working Women.

Pillar One: Comparable Worth

Women in female-dominated jobs often face two barriers in their career: they earn less than men in the same jobs and the average wage of their jobs is lower than that in comparable male-dominated jobs. With regards to the issue of comparable jobs, some school districts pay secretaries and teaching assistants (job titles that require associate degrees) less than the cleaners. School nurses in the West Islip school district once started at $27,000, while groundskeepers started at $29,000. [4] While the much-needed passage of Pay Equity in New York State will do much to address the first barrier, comparable worth seeks to remedy the second barrier and other sex-based wage inequities by identifying and eliminating sex as an element in wage setting.

Comparable worth focuses on the persistence of men and women doing quantitatively different but comparable work for different pay. In 1987 comparable worth adjustments (reclassification of job titles where women and people of color predominate to higher salary grades based on comparison with male dominated job titles of comparable value) were made to 239 NY State Civil Service job titles. All of the employees in these job titles, over 47,000 of them, received

[4] "Call to Action: A Pay Equity Resource Guide" produced by the Pay Equity Coalition.

raises. However, despite the one-time comparable worth adjustments over 25 years ago, negotiated during former Governor Mario Cuomo's administration, no law has been put in place to require the State to continue to provide equal pay for job titles of comparable worth. [5] The IDC is advancing legislation to do just this.

The IDC legislation will make it unlawful to discriminate between public employees on the basis of sex by compensating any employee in any occupation at a salary or rate less than the salary or rate at which other employees of the opposite sex are compensated for positions or titles which have comparable worth as measured by skill, effort and responsibility normally required in the performance of work and the conditions under which the work is normally performed. This would not apply in situations where compensation is calculated due to a *bona fide* seniority system. Furthermore, it would prohibit lowering the rate of an employee in order to achieve comparable worth.

More importantly this legislation would phase in over three years. Studies have suggested that where comparable worth has been implemented across the United States in phases over the years, it has mainly been in the public sector. The effects on pay inequality have been large and the costs have been relatively small.

In a research report produced by the Center for the Study of Labor and Democracy at Hofstra [6] it was reported that twenty states have implemented comparable worth in their civil services since 1989, and all increased their female-to-male wage ratios. Furthermore, analysis done in three of these states found that comparable worth was implemented without substantial negative side effects such as increased unemployment. In addition, the costs to states that have implemented comparable worth in their civil services can be as low as 1 % of the state's payroll, with the average at 4%.

One state that was highlighted in the Hofstra report was Minnesota. In 1982, the state of Minnesota implemented a comparable worth plan for its state employees. The average pay increase for those women who were affected was $2,000 per year. The wage adjustments were phased in over four years and cost only 3.7 percent of the State's payroll. Overall, women' pay increased by approximately nine percent with no significant impact on employment for women within the state system. [7]

With regards to New York, the cost of implementing a comparable worth standard in the public sector would be minimal at best. This is because, as indicated earlier, Governor Mario Cuomo in 1987 made comparable worth adjustments to New York Civil Service Job Titles. According to the New York State Pay Equity Coalition, a recent examination of the current New York State Civil Service Job rates indicates a minimal reemergence of gender bias.[8] Therefore, this IDC legislation would work to rectify what, if any, gender bias was left with regards to job titles in

[5] Call to Action: A Pay Equity Resource Guide" produced by the Pay Equity Coalition
[6] "Comparable Worth" Worth It? The Potential Effects of Pay Equity Policies in New York
[7] "Comparable Worth" Worth It? The Potential Effects of Pay Equity Policies in New York
[8] Call to Action: A Pay Equity Resource Guide" produced by the Pay Equity Coalition

the public sector and codify the standard of comparable worth in the New York State public workforce as first done by former Governor Mario Cuomo.

While comparable worth in the IDC legislation would only apply to public sector jobs, what makes this legislation different than comparable bills in the Legislature is that it would also require a study on possible implementation in the private sector. Wage gap issues are not relegated to the public sector, but the public sector is conducive to implementing comparable worth. It is the hope that the study that will result from this legislation at the end of the three-year implementation will show us the ability to extend comparable worth to the private sector as well. This report would be intended to start a dialogue so all men and women doing comparable work are paid based on skill, educational attainment and merit not on gender.

Pillar Two: Paid Family Leave

Although the federal Family and Medical Leave Act (FMLA) guarantees 12 weeks of unpaid leave to many workers to care for a sick relative or bond with a new child, most individuals can't afford to take unpaid time from work. The U.S. is the only industrialized nation not to mandate paid leave for mothers of newborns. Most of the rest of the world, including some less economically developed countries as compared to the United States, have paid maternity leave policies. In fact, out of 188 countries, the U.S. is one of 8 with no paid maternity leave.[9]

As of September 2012, a mere 11% of the U.S. workforce had paid family leave through their employers and fewer than 40% had personal medical leave through an employer-provided

[9] http://www.nytimes.com/2013/02/23/your-money/us-trails-much-of-the-world-in-providing-paid-family-leave.html?_r=0.

temporary disability program.[10] Therefore, the vast majority of working people in the United States cannot take the time they need without risking their jobs.

Two states, California and New Jersey, have established family leave insurance laws built on those states' temporary disability insurance programs, which allows workers to take paid leave to care for a new child or a sick family member. These laws have been described as models for developing paid family leave legislation nationwide.

Currently in New York, any worker who is covered under the FMLA is eligible for paid maternity leave. The leave period is not to exceed 26 weeks, but is typically six to eight weeks for pregnancy. State temporary disability insurance pays 50% of weekly income, up to $170 per week. This does not go far enough. Enacting a comprehensive paid family leave bill in New York enhancing these benefits would help ensure that men and women can perform essential caretaking responsibilities for themselves, seriously ill family members and newborn or newly-adopted children.

Paid family leave benefits would allow all workers to remain in the workforce and still receive some income while taking leave to care for their family. The need for such leave grows more acute by the day - while the benefit is used primarily by new parents taking care of newborn babies, there is an important elder and medical emergency care component as well. People are living longer and requiring care in their later years, while assisted living and nursing home options are growing fewer and more expensive. For many workers, the birth of a child or an illness in the family forces them into a cycle of economic distress. Paid family leave would enable workers to care for their family members without losing their economic stability. Further, allowing new parents time from work to bond with a newly born or adopted or foster child is beneficial for the entire family in general and a child's development specifically.

Paid family leave would not only provide benefits to employees and their families, but would also benefit employers. Paid leave has been proven to reduce worker replacement costs. Companies typically pay about one-fifth of an employee's salary to replace that employee.[11] Turnover declines and loyalty increases when workers are able to use paid leave to care for a new child. In California, which has had a state family leave program in place since 2004, employers report that the program has had either a positive or no noticeable effect on turnover (96% of employers surveyed), employee productivity (89%), profitability and performance (91%) and morale (99%).[12] Paid family leave programs provide the potential for cost savings for employers that already provide paid time off. In California, 60% of businesses surveyed reported coordinating their benefits with the state program, likely resulting in savings.[13]

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[10] United States Department of Labor, Bureau of Labor Statistics, *National Compensation Survey: Employee Benefits in the United States,* September 2012 (Tables 32), from http://www.bls.gov/ncs/ebs/benefits/2012/ebbl0050.pdf.

[11] Boushey, H., & Glenn, S. (November 16, 2012). *There Are Significant Business Costs to Replacing Employees.* Center for American Progress Publication, from http://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf.

[12] Applebaum, E., & Milkman, R. (2011). *Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California.* Center for Economic and Policy Research Publication, from http://www.cepr.net/index.php/publications/reports/leaves-that-pay.

[13] *See id.*

Paid family leave also strengthens the economic security of mothers. New mothers who take paid leave are more likely than mothers who do not take paid leave to be working nine to 12 months after giving birth, promoting economic stability and opportunity for families, reducing recruitment and training costs for employers, and expanding the nation's tax base.[14] Paid leave promotes families' financial independence as well. In the year following a birth, new mothers who take paid leave are 54% more likely to report wage increases and 39% less likely to need public assistance than mothers who do not. [15]

In this legislative session, the IDC will advance a bill that will create a 12-week paid family leave program for new parents or workers who need time off to care for a very sick family member. The bill will gradually increase the capped amount of Temporary Disability Insurance (TDI) from its current level of $170/week to 50% of Statewide Average Weekly Wage (AWW), in four steps over four years. The average weekly wage in New York is currently $1,096 (*see* Table 1 *below*). In 2014, TDI's cap increases to 35% of AWW, 40% in 2015, 45% in 2016, and 50% in 2017. This means that when a worker goes out on temporary disability, he or she is eligible to receive 50% of his/her current salary up to a cap of 50% of AWW. Eligible categories for paid family leave will be parents who need time off for bonding with a baby born within 12 months or an adopted or foster child placed within 12 months or workers who need time to care for a very ill child, spouse, parent, grandchild, grandparent, domestic partner, mother-in-law or father-in-law. This legislation will apply to all workers who are in the TDI system. Public sector employees represented by a union, however, would have had to opt-in to the benefit.

The paid family leave benefit will be fully employee-paid and once-fully phased in to 50% of AWW benefit level - based on previous analysis, is estimated to cost $0.45 a week per employee. The increase in TDI benefits to a maximum of 50% of AWW is estimated to cost an additional $1.69 per week in increased premiums.

Once the IDC's family leave proposal is fully implemented, working mothers will have the opportunity to take up to 12 weeks of paid leave and still earn up to $6,000 for their families. This is a major increase from current level, which limits working mothers to 6 weeks of maternity-only leave at a maximum of $170 per week, for a total of $1,020 over the 6 week period.

The time is now to advance a paid family leave bill in New York. As stated above, the research indicates that paid family leave would improve the bottom line for businesses and strengthen economic security for working people. Additionally, public opinion is overwhelmingly in favor of paid family leave. In a recent survey conducted by the National Partnership for Women and Families, 76% of respondents reported that they favor expanding the Family and Medical Leave Act to offer paid leave.

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[14] Houser, L., & Vartanian, T. (January 2012). *Pay Matters: The Positive Economic Impact of Paid Family Leave for Families, Businesses and the Public.* Center for Women and Work at Rutgers, the State University of New Jersey publication, from http://www.nationalpartnership.org/site/DocServer/Pay_Matters_Positive_Economic_Impacts_of_Paid_Family_L.pdf?docID=9681.

[15] *See id.*

Table 1. Covered(1) employment and wages in the United States and the 18 largest counties in New York, second quarter 2012(2)						
	Employment		Average weekly wage(3)			
Area	June 2012 (thousands)	Percent change, June 2011-12(4)	Average weekly wage	National ranking by level(5)	Percent change, second quarter 2011-12(4)	National ranking by percent change(5)
United States(6)	132,896.0	1.8	$903	--	1.3	--
New York	8,701.2	1.5	**1,096**	4	0.4	42

Department of Labor

Pillar Three: Child Care Affordability

According to the Census Bureau, there are currently 4.3 million working women in New York.[16] Of those, 1,263,000 are working mothers. For many of these workers, child care is cost prohibitive and not accessible. Parents, unable to afford licensed providers, are forced to choose between placing their children with less reliable options, or leave them home alone. Some parents are forced to reduce work hours or quit jobs altogether to remain home and care for their children. The loss in federal funds over the past several years has exacerbated matters.

In order to address the lack of affordable childcare as well as the lack of slots for children in clean, reliable daycare in the state, the IDC will focus on three areas traditionally used to assist working mothers to ensure child care opportunities can be increased for all women with families in the State of New York.

A. Expanding Opportunities for Childcare Subsidies in New York State

Of all the economic empowerment building blocks for women, quality affordable child care is one of the most vital. According to the Capital District Educational Opportunity Center,[17] lack of affordable child care is the number one reason women choose a different path than higher-paying careers. Additionally, young children benefit from predictability and stability in their child care environments and access to high quality child care is important to every family.

For low-income families in New York who rely on subsidized care, continuity in subsidy coverage can enable stability in child care arrangements. Child care subsidies are an important type of public funding to help families pay for vital child care services.

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[16] United States Census bureau, "2011 American Community Survey, 1-Year Estimates."
[17] May 2013 conversation between program executive director and senate staff. https://www.hvcc.edu/catalog/programs/cdeoc.html

Currently, New York has strict eligibility guidelines when applying for child care subsidies on behalf of a younger child in the household.[18] Expanding child care subsidy eligibility guidelines would provide stability to children and economically empower women. Therefore, the IDC will advance legislation expanding eligibility limits for child care subsidies to help low-income working mothers.

First, the IDC proposes to provide for parents and caretakers who are otherwise eligible, a child care subsidy when care is necessary to enable them to get an adequate night's sleep. Parents who work nights often need child care so that they can sleep during the day if their children are young and not in school. Regulations currently permit, but do not require, social services districts to provide a child care subsidy to financially eligible parents and caretakers who work second or third shifts and need child care for their young children in order to sleep.[19] Forty-five out of fifty-eight social services districts do exercise this option and provide subsidized daytime child care for parents who need to sleep. For those living in the thirteen social services districts that do not provide this option, life can be very difficult as sleep deprived parents juggle their need to sleep with caring for a young child.[20] This legislation will ensure that low-income parents with young children who work the night shift and need child care to get adequate sleep will be able to do so regardless of where they live.

Second, the IDC would require the earned income of a child under the age of 21 be disregarded when determining the eligibility of a household for a child care subsidy. This would bring those subsidy requirements in line with existing public assistance eligibility requirements, so that there is a uniform standard for helping low-income working families. Currently, when determining financial eligibility for public assistance, the general rule is to look at the size of the household and the income of those in the household. The income of children under the age of 18 is disregarded. *In reality*, when determining eligibility for a child care subsidy, only the income of a child under the age of 14 is disregarded. The income of children between the ages of 14 and 17 is counted, and local districts are provided the option of whether to count the income of 18, 19 or 20 year olds when determining a parent's financial eligibility for child care for a younger child in the household.

[18] New York State Social Service Law Section 410-w Eligible Families.
[19] New York Codes, Rules, and Regulations, Title 18: Department of Social Services Section 415.4(c)(3) Social Services Districts' Responsibilities.
[20] Empire Justice Center, "Memorandum in Support: Child Care Subsidies for Parents Who Work the Night Shift." A.1196(Jaffe)/S.2517(Savino). 3112/13, http://www.empirejustice.org/policy-advocacy/memos/night-shift-memo-2013.html

B. Expanding the Child Care Tax Credit in NYS

Impoverished families are not the only ones needing child care assistance. According to "The Self-Sufficiency Standard for New York State 2010", the cost of housing and child care combined typically make up 50 percent of a family's budget.[21] That is why the second part of the IDC's proposal to make childcare more affordable is to expand the New York State Child and Dependant Care Credit.

According to a recent report released by New York U.S. Senator Kirsten Gillibrand,[22] the average cost of day care across New York State ranges from a low of approximately $7,000 in the Southern Tier to a high of $16,000 in New York City.

New York State Child Care Costs

Geographic Region	Infant	Toddler	School-Age
New York City	$16,250	$11,648	$9,620
Western New York	$9,056	$8,300	$7,444
Rochester/Finger Lakes	$9,377	$8,545	$7,782
Central New York	$9,010	$8,268	$7,376
Southern Tier	$8,736	$8,060	$7,072
Capital Region	$9,796	$8,918	$8,179
North Country	$8,976	$8,242	$7,338
Hudson Valley	$13,341	$11,261	$11,254
Long Island	$15,444	$13,000	13,624

Based on the above numbers, families pay an average of $10,400 per year per infant, $9,100 per year for toddlers and $8300 per year for school age children. By increasing the State's Child and Dependent care credit, we can help defray the average costs of childcare around the state by almost 10% a year for low- to middle-income families.

The IDC's legislation will include an increase in the State's Child and Dependent Care credit which was last increased in 1999. The SFY 2013-14 Adopted Budget implemented a one-time family tax rebate check of $350 that is separate and distinct from the Child and Dependent Care

[21] "The Self-Sufficiency Standard for New York State 2010", Pearce, Diane. Center for Women's Welfare, University of Washington School of Social Work, Empire Justice Center, NYS Community Action Association. June 2010. http://www.fiscalpolicy.org/SelfSufficiencyStandardForNewYorkState2010.pdf

[22] "Child Care Cost Rising $730.00 each year in New York" Office of Kirsten Gillibrand, United States Senator for New York"

Credit. Under the IDC's proposal, formulas determining the amount of credit available to New York State residents will be increased by approximately 50% or $195 for a statewide average credit of $585 per taxpayer.

Residents with incomes below $30,000 will see their credit increase by an average of $346 per tax filer per year bringing the average credit to $1,039 for this cohort. Taxpayers with incomes between $30,000 and $50,000 will experience an average increase of $367 raising the average credit for these taxpayers to $1,100. Taxpayers with incomes between $50,000 and $75,000 will see their average credit increase by $141 bringing their average credit to $424. Finally, taxpayers with incomes between $75,000 and $350,000 who qualify for Child and Dependent Care credit will see their average credit increase by approximately $53 to $159.

The program returned approximately $200 million to taxpayers in 2010, the last year for which data is available. It is estimated that if enacted, this program will return an additional $100 million in SFY 2013-14.

Average Increases
Proposed Child and Dependent Care Credit
(Dollars)

Income	**Current Credit**	**Proposed Credit**	**Difference**	**Percent Increase**
0-30,000	$693.00	S 1,039	$346.00	50%
30-50,000	$733	$1,100	$367	50%
50-75,000	$283	$424	$141	50%
75,000-350,000	$106	$159	$53	50%
State Wide Average	$390	$585	$195	50%

C. Requiring the Office of Child and Family Services (OCFS) to Conduct a Study Regarding Available and Affordable Daycare in the State of New York.

The IDC's final proposal in this child care affordability package toward improving and providing greater affordability and access to child care is to introduce legislation requiring OCFS to conduct a study to assess the various issues pertaining to child care in the state. Among the complaints the IDC has heard from parents and working families is that there are not enough daycare slots available; the level of quality care in certain areas of the state is low; and many parents are kept in the dark regarding inspection results of their child's daycare facility.

As a result of these issues, the IDC proposes to introduce legislation requiring OCFS to conduct a study pertaining to child care in New York. This legislation will direct OCFS to assess the following issues: (i) the accessibility of child care in New York; (ii) identify geographic shortage areas; (iii) assess the current cost of child care, broken down by geographic region; (iv) identify nontraditional childcare needs (e.g., night shifts); and (v) identify existing providers with violations, measures taken to address or prevent violations, and procedures to create new quality child care providers.

This legislation will direct OCFS to provide a report with recommendations to the Governor and the Legislature within a year of enactment. The IDC firmly believes that this study will lead to greater affordability of child care, greater access to child care; and increased safety for children at child care facilities in New York.

Pillar Four: Expanding the Entrepreneurial Power of New York Women

Unfortunately, recent years brought economic hardship to many throughout the state. The Great Recession caused many people to lose their jobs, and left countless others unable to find suitable employment. Women were especially hard-hit by the recession. In the beginning of 2008, the female unemployment rate stood at 4.4 percent.[i]. In 2012, women's unemployment rate was almost double the 2008 figure, 7.8 percent. These numbers are even worse for New York City women who experienced a rate of 9.7 percent.[ii] The average duration of unemployment for NYC women was 40.1 weeks; greater than New York's average of 37.8 weeks.

Thankfully, New York State has options open to the unemployed to help them through that crisis. While not enough to fully stop the recession's crush, these programs are vital to vulnerable New Yorkers.

One such program is the Department of Labor's Self-Employment Assistance Program (SEAP).[iii] This program is a collaboration between the State and Federal governments. Its mission is to not only help the unemployed get back to work, but to also create exciting new ventures within the State. SEAP allows unemployed people to collect unemployment insurance while working to start a business from scratch.

SEAP excuses individuals from the full-time work search requirements required for unemployment benefits. In its place, participants must agree to work full-time to realize their entrepreneurial goals. Applicants must further demonstrate their knowledge or experience in self-employment, or the product or service they will provide. The SEAP program has been especially successful in empowering the unemployed. Just last year 586 individuals participated in the program, and 363 started their own businesses.[iv]

SEAP does require participants to enroll in some form of entrepreneurial training. Training is available through Empire State Development and the Department of Labor. The topics are wide-ranging, focusing in on key areas to improve an applicant's viability. They include: starting a business, business financing, developing marketing strategies, effective sales strategies, and setting up an accounting system. Individuals must take at least 20 hours of approved training. Furthermore, you must complete two one-hour, in-person sessions with a Business Counselor.

While the merits of this program are a great start, there are areas where the IDC believes the entrepreneurial power of New York's women needs a boost. The IDC believes this can be provided through the SEAP program as well.

Boosting New York's SEAP Program

Toward the end of the last decade, entrepreneurships fell precipitously to 20-year national lows. After reaching a high of over 667,000 establishments opening in 2006; entrepreneurial enterprises plunged to just over 500,000.[v]

However, just this year, a report by American Express OPEN found that the New York metropolitan area is home to the largest number of women-owned firms with 670,100.[vi] Overall, the state placed second behind California.

Regrettably, areas outside New York City contributed far less to this success. The rest of the state accounts for only 4,100 women-owned firms.[vii] Furthermore, women-owned firms saw a 57.7 percent growth in firm revenue. This seemingly high number ranked 31st out of all states. These firms have also not been as successful in creating employment opportunities. From 1997 to 2012, women-owned firms accounted for only 1.7 percent growth in employment. Essentially, the number of individuals employed by women-owned firms leveled off at 468,000 jobs.

As seen from the above data, New York's women have successfully started a number of their own businesses. However, the opportunity exists to expand the number of women-owned businesses in Upstate New York, boost the success power of these businesses and help these start-up businesses have longevity and employability for years to come.

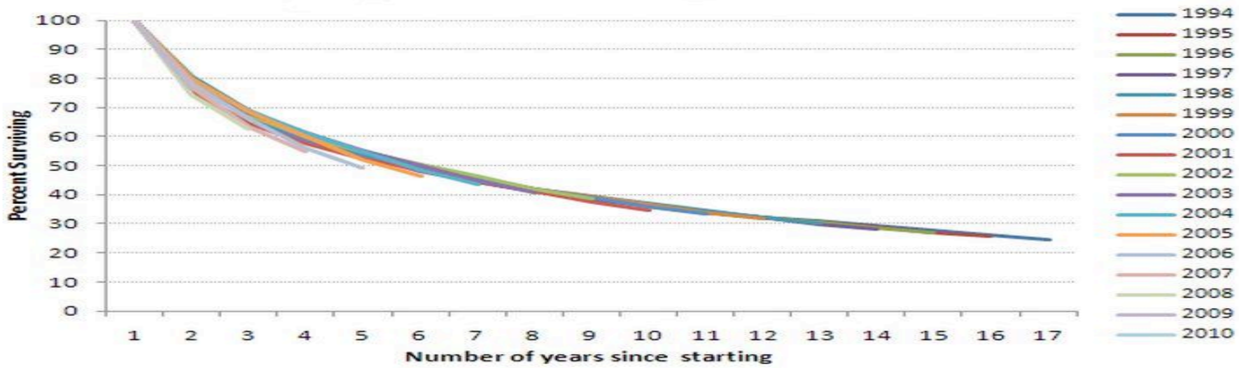
One way this can be accomplished is through increasing SEAP's educational criteria. Currently, participants must complete 20 hours of in-class training and just two one-hour counseling sessions. Furthermore, SEAP's business literacy instruction is inadequate at best. Starting a business is a massive undertaking. Individuals cannot be properly prepared for this with 22 hours of instruction. The IDC believes that increasing training will better prepare women entrepreneurs in the creation of a viable, successful enterprise.

Under our proposal, classroom training would be doubled to 40 hours. One-on-one counseling would be significantly expanded to 20 hours. Accomplishing these goals will significantly boost the business literacy among New York's women and in turn create a path for successful entrepreneurship start-ups. Furthermore, the IDC legislation would require specific training on start-up business financial management, capital acquisition, and the development of well-thought-out business plans to establish a successful business.

Assistance at the outset of a venture, however, is often not enough. Women-owned businesses need a strong foundational support that they can return to when necessary for continued assistance. Such support can be the difference between a business that succeeds and one that fails. This is especially true for entrepreneurs.

The chart below highlights as much. Here we see the survival rates of establishments over 15 years. It is immediately apparent that as these entrepreneurial businesses age, only a select few are able to stay open in the long-term. On average, only a little over one-third (36 percent) of entrepreneurial businesses last ten years. Over 20 percent on average fail after their first year.

Survival rates of establishments, by year started and number of years since starting, 1994-2010[viii]



Source: U.S. Bureau of Labor Statistics

To combat this, the IDC believes that training courses should also include information on local professional organizations, or chambers of commerce. The program should also allow, and encourage, individuals to come back for follow-up advice and counseling. This will build a support network that women can rely on once they graduate from the program. Introducing these elements will ensure business success.

Additionally, the Department of Labor does not currently track participants and businesses that graduate from SEAP. Thus, little data exists on the long-term success of the program. Our proposal calls for the Department of Labor to create annual reports providing information on outcomes, whether or not they are successful, for all individuals participating. Such outcomes must be tracked for a period of up to five years.

Finally, we know that women-owned businesses do not experience the same success Upstate that they do in New York City. The statistics highlighted earlier show that a regional disparity exists between these regions of the state. Included in the report should be a regional analysis of SEAP-businesses. This analysis should not only track the number of businesses by region, but also study why such disparities exist and potential tools to increase the number of entrepreneurs across the entire state. Such reporting will provide policy makers a key tool, allowing them to determine additional ways in which SEAP can be strengthened especially for upstate regions.

The IDC, recognizing that New York state has the tools in place to kick-start the entrepreneurial spirit of women, is introducing this legislation to go one step further in helping new, women-owned, start-up businesses. Strengthening entrepreneurial training will allow unemployed women to receive better instruction on how to manage and finance their business, and build a successful life. Empowering SEAP means empowering women.

Pillar Five: Upward Mobility

There are too many barriers keeping low-income women economically trapped. Two issues which have come to the IDC's attention with regards to these barriers is the lack of exposure toward career paths that can provide better economic opportunities for low-income workers; and secondly, the little attention paid to building low-income workers' financial skills, a necessary component of economic empowerment. As 85 percent of TANF[23] recipients are women, lifting these barriers can help the process of moving low-income women from being financially trapped to upward economic mobility. Furthermore, TANF requires recipients to maintain a certain number of hours in work activity, and juggling work and education is difficult in any population, especially so for low-income women who are working to make a better life for themselves and their families.

Focusing TANF recipients toward Nontraditional Career Placement

In an effort to get a job, women are being tracked into the first available job, often with no consideration of future pay or upward mobility. Nationally, 62 percent of single mothers are employed in low-paying retail or service work that keeps them in low economic circumstances.[24] The numbers in New York are just as dismaying. In fact, 75 percent of the State's employed female workforce are in occupations paying a median income under $28,000.[25]

Last year, the New York Women's Workforce Bill was signed into law in New York State, directing workforce development programs to encourage women to consider nontraditional careers, such as construction and other trades. However there is no requirement for the information given at workforce development programs conducted by the State to direct the same information towards programs or case workers that deal with TANF recipients.

Putting a focus on our low-income workforce and counseling them on nontraditional careers gives New York the potential of expanding the economic opportunity of TANF recipients, widening the door that enables them to no longer need public assistance, and thereby reducing the economic strain on the State.

The IDC's upward mobility legislation would provide low-income women who are receiving public benefits access to information and guidance on nontraditional careers, including the trades, that are provided through workforce programs in the Department of Labor. Program participants will be given information about the wage gap between men and women for those careers, and a good look at the cost to raise a family in the region where they live, and guidance on training programs and even referrals to employers, as available – all with the focus of guiding these women toward nontraditional careers and jobs with high earning potential. Furthermore, the time spent in this workforce guidance would be counted toward the TANF work requirement. This bill would help an average of 4,321 adults each month who are engaged in job skills training.[26]

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[23] *2012 Statistical Report On the Operations of New York State Public Assistance Programs*, New York State Office of Temporary and Disability Assistance Bureau of Data Management and Analysis. http://otda.ny.gov/resources/legislative-report/2012-Legislative-Report.pdf

[24] U.S. Census Bureau, "2011 American Community Survey, 1-Year Estimates"

[25] Ibid

[26] *2012 Statistical Report On the Operations of New York State Public Assistance Programs*, New York State Office of Temporary and Disability Assistance Bureau of Data Management and Analysis. http://otda.ny.gov/resources/legislative-report/2012-Legislative-Report.pdf

Allowing Financial Literacy Classes to count towards TANF recipients' 30-hour work week

In addition to directing TANF recipients toward nontraditional careers, it is imperative that those who are on public assistance be given the opportunity to grow skills to help them become more attractive candidates for higher-paying jobs. Furthermore, as these nontraditional jobs become a reality for these women, the benefits of education on the concepts consumers need to manage their money and build wealth becomes invaluable. Insufficient education in financial literacy can greatly impede economic opportunity. That is why the IDC's upward mobility legislation will also allow financial literacy education to count as a "work activity" toward the work requirement required by TANF. No longer will a women who is receiving public assistance be faced with the dilemma of foregoing necessary financial skill-building in favor of meeting work requirements for public assistance. Now she can do both. Providing a better understanding of cash flow management and financial decision-making can lead to economic security and even financial growth.

Both additions to the TANF program can bring the nearly 585,000 monthly[27] public benefit recipients, especially women, just that much closer to breaking the cycle of perpetual low-income, opening a door out of welfare and into economic empowerment and upward mobility.

Conclusion

It is time for New York State to realize that barriers to economic empowerment of women are barriers to the economy of New York State. The IDC's Working Women Agenda begins to address some of the foundational pillars that support the economic security and potential of women. This package of legislation takes steps toward ensuring equal pay for women, which impacts everything from pensions to consumer power; providing work-life balance with paid family leave; ensuring women who choose to work, can work, by shining a spotlight on child care needs; and strengthening women's entrepreneurial opportunities, so they can not only create jobs for themselves, but for others; and finally, increasing the potential of women on public assistance to find upward mobility from poverty to economic success. The IDC Working Women's Agenda, at the end of the day, seeks to provide women with all of the tools needed to reach economic empowerment now and for generations to come.

It is the hope of the IDC that these five pillars will promote serious dialogue among businesses, communities and interest groups across the state considering the impact of women's economic empowerment on New York's current and future economy. Doing so will make it clear that a Working Women's Agenda is a New York State agenda.

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[27] Temporary and Disability Assistance Statistics, February 2013, New York State Office of Temporary and Disability Assistance.

[i] Fiscal Policy Institute, "The State of Working New York 2012: Disappointingly Weak Recovery," September 2, 2012, http://fiscalpolicy.org/wp-content/uploads/2012/09/fpi-SWNY-2012-data-show-a-disappointingly-weak-recovery.pdf.
[ii] Ibid, 14.
[iii] New York State Labor Law §591-a "Self-employment assistance program".
[iv] Ibid.
[v] United States Department of Labor Bureau of Labor Statistics, "Entrepreneurship and the U.S. Economy," http://www.bls.gov/bdm/entrepreneurship/entrepreneurship.htm.
[vi] American Express OPEN, "The State of Women-Owned Business Report: A Summary of Important Trends, 1997-2012," 2, https://c401345.ssl.cf1.rackcdn.com/pdf/State_of_Women-Owned_Businesses-Report_FINAL.pdf.
[vii] Ibid, 12.
[viii] USDOL Bureau of Labor Statistics, "Entrepreneurship and the U.S. Economy."