

# ENSURING WOMEN CAN THRIVE IN A POST-PANDEMIC ECONOMY

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## HEARING BEFORE THE COMMITTEE ON THE BUDGET HOUSE OF REPRESENTATIVES ONE HUNDRED SEVENTEENTH CONGRESS SECOND SESSION

HEARING HELD IN WASHINGTON, D.C., MARCH 16, 2022

**Serial No. 117-7**

Printed for the use of the Committee on the Budget



Available on the Internet:  
*[www.govinfo.gov](http://www.govinfo.gov)*

U.S. GOVERNMENT PUBLISHING OFFICE

WASHINGTON : 2022

47-248

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## ENSURING WOMEN CAN THRIVE IN A POST-PANDEMIC ECONOMY

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WEDNESDAY, MARCH 16, 2022

HOUSE OF REPRESENTATIVES  
COMMITTEE ON THE BUDGET  
*Washington, DC.*

The Committee met, pursuant to notice, at 11 a.m., at 210 Cannon Building, and via Zoom, Hon. John A. Yarmuth [Chairman of the Committee] presiding.

Present: Representatives Yarmuth, Higgins, Doggett, Price, Schakowsky, Horsford, Plaskett, Jackson Lee, Jayapal; Smith, Kelly, Grothman, Smucker, Burgess, Carter, Cline, Boebert, Donalds, Feenstra, Good, Obernolte, and Carey.

Chairman YARMUTH. This hearing will come to order. Good morning and welcome to the Budget Committee's hearing on "Ensuring Women Can Thrive in a Post-Pandemic Economy". At the outset I ask unanimous consent that the chair be authorized to declare a recess at any time. Without objection, so ordered.

Now, before I welcome our witnesses I will go over a few house-keeping matters. Today the Committee is holding a hybrid hearing. Members and witnesses may participate remotely or in person. For individuals participating remotely, the Chair or staff designated by the Chair may mute a participant's microphone when the participant is not under recognition for the purpose of inadvertent background noise. If you are participating remotely and are experiencing connectivity issues, please contact staff immediately so those issues can be resolved.

Members participating in the hearing room or on the remote platform are responsible for unmuting themselves when they seek recognition. We are not permitted to unmute Members unless they explicitly request assistance. If you are participating remotely and I notice that you have not unmuted yourself, I will ask if you would like staff to unmute you. If you indicate approval by nodding, staff will unmute your microphone. They will unmute your microphone under any other conditions.

I would like to remind Members participating remotely in this proceeding to keep your camera on at all times, even if you are not under recognition by the chair. Members may not participate in more than one committee proceeding simultaneously. If you are on the remote platform and choose to participate in a different proceeding, please turn your camera off.

Finally, we have established an email box for submitting documents before and during Committee proceedings and we have distributed that email address to your staff.

Now, I want to introduce our witnesses. This morning we will be hearing from Dr. Stefania Albanesi, a professor of economics at the University of Pittsburgh, Ms. Ai-jen Poo, the executive director of the National Democrat—Domestic—not Democrat—Domestic Workers Alliance—I see that D and I go for it—Ms. Rosa Walker, a mother and MomsRising member, and Mrs. Carrie Lukas, the president of the Independent Women’s Forum.

We welcome all of you.

I now yield myself five minutes for an opening statement.

Every March, we celebrate Women’s History Month to honor the vital role of women and girls in our nation’s history. From revolutionaries, abolitionists, and suffragists to labor leaders, equal rights activists, and elected officials, women have always been on the front lines in the fight for progress. Generations of women have struggled and sacrificed to build a better country for the next generation of trailblazers to inherit. But despite the progress made and battles won, women, especially women of color, still face systemic barriers to opportunity.

The COVID–19 pandemic and resulting recession raised these barriers even higher, worsening underlying inequities and disparities that have pushed women out of the labor force, compounded their care-giving responsibilities, and more.

Last week marked one year since the American Rescue Plan was signed into law and Democrats delivered lifesaving and life-changing relief for working families, small businesses, and communities across the country. Since President Biden took office, we have added a record-breaking 7.4 million jobs back to our economy. But when you look below the surface, it is not hard to see the challenges women are still facing.

Since the beginning of the pandemic, women have been pushed out of the work force at a shocking rate, losing 12.2 million jobs at the depth of the recession. Women accounted for 52 percent of jobs lost at the peak of the crisis, despite making up only 47 percent of the labor force at that time. Sectors in which women are overrepresented, like education, health services, leisure, and hospitality, saw the greatest job loss to date and have been the slowest to recover.

Because women typically bear the brunt of childcare and caring for family members, as businesses shuttered, schools closed, and working from home became the norm for many, it was women, especially women of color, who found themselves laid off or forced to make the impossible choice between caring for their families or providing for them. Without childcare, in-person schooling, or paid leave, the burden of this crisis fell disproportionately on the shoulders of women.

Women also constitute the majority of our frontline workers. So even if they did not lose their jobs, these women faced increased health risks, fewer opportunities for remote work, and a lack of paid leave. Again, there is a disproportionate impact on women of color. Black women are more likely to be the sole earners for their families, meaning that they may be forced to take lower wage jobs or more dangerous work to make ends meet for their families.

Today, two years later, we have made tremendous economic progress, but we simply aren’t there yet when it comes to women

in the work force. When compared to February 2020 levels, there are currently 1.2 million women missing from the labor force. In contrast, the number of men in the labor force is above pre-pandemic levels. And not all groups have been impacted equally. The unemployment rate for white women is 3.1 percent, for Latina women it is 4.8 percent, and for Black women it is 6.1 percent.

Our economy cannot afford to permanently lose 1.2 million workers, and women should not be forced to stay out of the work force because we have failed to respond to very obvious unmet needs in our country. Congress must address these issues or we will be left with a partial recovery, diminished productivity, and curbed economic growth for decades to come.

We have to lower the costs of childcare and extend the Child Tax Credit expansion. Establishing universal pre-K for all three- and 4-year olds is essential. U.S. workers, particularly women, need paid leave. And they certainly need and deserve equal pay.

These are the types of investments that will make it possible for more women to return to the work force. They will help business owners fill open positions and grow. And they will ensure we recover from the pandemic stronger than before, with a more fair and equitable economy, and build an America that better reflects our values.

That is what we are focusing on today at this hearing and that will remain a top priority of this Congress until we get it done.

I now yield five minutes to the Ranking Member, Mr. Smith, for his opening statement.

[The prepared statement of Chairman Yarmuth follows:]

**Chairman John A. Yarmuth**  
**Hearing on Ensuring Women Can Thrive**  
**in a Post-Pandemic Economy**  
**Opening Statement**  
**March 16, 2022**

Every March, we celebrate Women's History Month to honor the vital role of women and girls in our nation's history. From revolutionaries, abolitionists, and suffragists to labor leaders, equal rights activists, and elected officials, women have always been on the frontlines in the fight for progress. Generations of women have struggled and sacrificed to build a better country for the next generation of trailblazers to inherit. But despite the progress made and battles won, women – especially women of color – still face systemic barriers to opportunity.

The COVID-19 pandemic and resulting recession raised these barriers even higher, worsening underlying inequities and disparities that have pushed women out of the labor force, compounded their caregiving responsibilities, and more.

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Since the beginning of the pandemic, women have been pushed out of the workforce at a shocking rate, losing 12.2 million jobs at the depth of the recession. Women accounted for 52 percent of jobs lost at the peak of the crisis, despite making up only 47 percent of the labor force at that time. Sectors in which women are overly represented – like education, health services, leisure, and hospitality – saw the *greatest* job loss to date and have been the *slowest* to recover.

Because women typically bear the brunt of child care and caring for family members, as businesses shuttered, schools closed, and working from home became the norm for many, it was women – especially women of color – who found themselves laid off or forced to make the impossible choice between caring for their families or providing for them. Without child care, in-person schooling, or paid leave, the burden of this crisis fell disproportionately on the shoulders of women.

Women also constitute the majority of our frontline workers. So even if they did not lose their jobs, these women faced increased health risks, fewer opportunities for remote work, and a lack of paid leave. Again, there is a disproportionate impact on women of color: Black women are more likely to be the sole earners for their families, meaning that they may be forced to take lower wage jobs or more dangerous work to make ends meet for their families.

Today, two years later, we have made tremendous economic progress, but we simply aren't there yet when it comes to women in the workforce. When compared to February 2020 levels, there are currently 1.2 million women missing from the labor force. In contrast, the number of men in the labor force is

above pre-pandemic levels. And not all groups have been impacted equally: the unemployment rate for white women is 3.1 percent. For Latina women it's 4.8 percent, and for Black women it's 6.1 percent.

Our economy cannot afford to permanently lose 1.2 million workers, and women should not be forced to stay out of the workforce because we have failed to respond to very obvious unmet needs in our country.

Congress must address these issues, or we will be left with a partial recovery, diminished productivity, and curbed economic growth for decades to come.

We have to lower the costs of child care and extend the Child Tax Credit.

Establishing universal pre-K for all three- and four-year olds is essential.

U.S. workers, particularly women, need paid leave.

And they certainly need – and deserve – equal pay.

These are the types of investments that will make it possible for more women to return to workforce. They will help business owners fill open positions and grow. And they will ensure we recover from the pandemic stronger than before, with a more fair and equitable economy, and can build an America that better reflects our values.

That is what we are focusing on today at this hearing and what will remain a top priority of this Congress until we get it done.

Mr. SMITH. Thank you, Mr. Chairman.

It is fair to say the pandemic has had a disproportionate impact on women. It is also important to acknowledge that much of that negative impact came in the form of policies enacted in response to the pandemic. For example, working mothers represent 27 percent of Americans who left the work force during the pandemic. And school closures played a huge—a huge part. According to a 2020 study, mothers were almost 70 percent less likely to be working in states that closed schools early compared to other states. In other words, school closures harmed both the child and the parent.

It was under the guise of responding to COVID-19 that just over a year ago Democrats chose to spend \$2 trillion and less than 9 percent of which went to combatting and eliminating the virus. They ignored the warnings, including from those in their own party, that the spending spree would only ignite inflation. We now have the highest spike in prices in 40 years. The most recent data from February showing a year-to-year increase of 7.9 percent, the highest in 40 years.

Prices are up on everything from groceries to gas to the clothes that you put on your back. The cost of women's apparel is up 11 percent. And mothers are having to shell out more and more money for infant and toddler clothing too, with the pricing rises by nearly 9 percent. If Democrats want to help women, if they want to help women thrive in a post-pandemic economy, they ought to stop the inflationary spending that is undermining paychecks and family budgets.

When it comes to jobs, Democrat policymakers are also keeping women out of the work force. Right now, 80 percent of the top 10 states with the highest unemployment rates for women are run by Democrat Governors. Of the 15 states with the lowest unemployment rate for women, 11 are run by Republican—11 out of 15 are run by Republican Governors. That is no coincidence. Democrats will claim that the policies in their \$5 trillion Build Back Broke bill will solve these challenges, just as they claimed spending another \$5 trillion will solve a spending driven inflation crisis. Democrats are trying to re-frame and rename their agenda to fit the moment rather than change the agenda to fix the challenges in the moment. Their spending policies will further drive up prices, their policies will reduce incentives to work and make childcare for many mothers more expensive. In fact, a Congressional Budget Office analysis from November found that the Build Back Broke government mandated childcare policies would raise costs for those middle-class families whose care is not subsidized. Those working mothers who are just above the income threshold to qualify for subsidized childcare would be forced to make a choice—work less to qualify or pay more out of pocket for childcare.

To create an economic environment under which all Americans, but particularly women, can find greater opportunity to thrive, we need to only look to the recent past. Under the economic policies of Donald Trump, which included regulatory relief and tax relief that put money back in the pockets of working families and spurred substantial growth in our economy, the labor force participation rate for women reached 57.9 percent—the highest since 2011. For mothers, that labor force participation rate was even



higher at 72.4 percent—the highest since 2000. Median real earnings for women grew by 9.6 percent during the Trump Administration, and that is including the year 2020. That wage growth was also 2 percentage points higher than wage growth for men.

Under President Biden's economic policies, earnings for women have gone down by 2.6 percent, the decline for men has been less than still 1.2 percent. We ought to be disturbed by the negative impact your policies—Democrat policies—are having on all Americans, but since our colleagues often wish to make comparisons, let us be clear, under President Trump earnings for women grew substantially and more so than earnings for men. Under President Biden wage growth for women has declined and declined more so than for men. The data does not lie. It tells a clear story about how damaging lock down policies and a Washington knows best spending agenda have been and will be for women.

To help women thrive in a post-pandemic economy, Washington needs to stop with the permanent pandemic narrative, stop undermining wages with inflationary spending and stop telling Americans, particularly women, how to raise their kids.

Thank you, Mr. Chairman.

[The prepared statement of Jason Smith follows:]



**Smith Opening Statement: Ensuring Women Can Thrive  
in a Post-Pandemic Economy**

March 16, 2022  
*As prepared for delivery*

Thank you, Mr. Chairman.

It is fair to say that the pandemic has had a disproportionate impact on women. It is also important to acknowledge that much of that negative impact came in the form of policies enacted in response to the pandemic.

For example, working mothers represent 27 percent of Americans who left the work force during the pandemic – and school closures played a huge part. According to a 2020 study mothers were almost 70 percent less likely to be working in states that closed schools early compared to other states. In other words, school closures harm both the child and the parent.

It was under the guise of responding to COVID-19, that just over a year ago Democrats chose to spend \$2 trillion – less than 9 percent of which went to combatting and eliminating the virus.

They ignored the warnings – including from those in their own party – that the spending spree would ignite inflation. We now have the highest spike in prices in 40 years – the most recent data from February showing a year-to-year increase of 7.9 percent. The highest in 40 years.

Prices are up on everything from groceries to gas to the clothes that you put on your back. The cost of women's apparel is up 11 percent, and mothers are having to shell out more and more money for infant and toddler clothing too, with the prices rising by nearly nine percent.

If Democrats want to help women thrive in a post-pandemic economy, they ought to stop the inflationary spending that is undermining paychecks and family budgets.

When it comes to jobs, Democrat policymakers are also keeping women out of the workforce. Right now, eighty percent of the top ten states with the highest unemployment rates for women are run by Democrat Governors. Of the 15 states with the lowest unemployment rates for women, 11 are run by Republican governors. That is no coincidence.

Democrats will claim that the policies in their \$5 trillion Build Back Broke bill will solve these challenges – just as they claim spending another \$5 trillion will solve a spending-driven inflation crisis. Democrats are trying to reframe – and rename – their agenda to fit the moment rather than change their agenda to fix the challenges in the moment.

Their spending policies will further drive-up prices. Their policies will reduce incentives to work and make child care for many mothers more expensive. In fact, a Congressional Budget Office analysis from November found that the Build Back Broke government mandated child care policies would raise costs for those middle-class families whose care is not subsidized. Those working mothers who are just above the income threshold to qualify for subsidized child care would be forced to make a choice: work less to qualify or pay more out of pocket for child care.

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Under the economic policies of Donald Trump – which included regulatory relief and tax relief that put money back in the pockets of working families and spurred substantial growth in our economy – the labor force participation rate for women reached 57.9 percent, the highest since 2011. For mothers, that labor force participation rate was even higher at 72.4 percent, the highest since 2000.

Median real earnings for women grew by 9.6 percent during the Trump Administration – and that’s including the year 2020. That wage growth was also 2 percentage points higher than wage growth for men.

Under President Biden’s economic policies, earnings for women have gone down by 2.6 percent. The decline for men has been less, but still 1.2 percent.

We ought to be disturbed by the negative impact your policies, Democrat policies are having on all Americans. But since our colleagues often wish to make comparisons, let’s be clear: under President Trump, earnings for women grew substantially and more so than earnings for men. Under President Biden, wage growth for women has declined and declined more so than for men.

The data does not lie. It tells a clear story about how damaging lockdown policies and a Washington-knows-best spending agenda have been and will be for women. To help women thrive in a post-pandemic economy, Washington needs to stop with the permanent pandemic narrative, stop undermining wages with inflationary-spending, and stop telling Americans – particularly women – how to raise their kids.

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Chairman YARMUTH. I thank the Ranking Member for his opening remarks. I will note that I gave you 40 seconds extra time just—

Mr. SMITH. Thank you.

Chairman YARMUTH [continuing]. for the log we are keeping.

In the interest of time I ask that any other Members who wish to make a statement submit their statements for the record to the email inbox we established for receiving documents before and during the committee proceedings. Again, we have distributed that email address to your staff. I will hold the record open until the end of the day to accommodate those members who may not yet have prepared written statements.

Once again, I would like to thank our witnesses for being here this morning. The Committee has received your written statements and they will be made part of the formal hearing record. You each will have five minutes to give your oral remarks.

And I will now yield to Dr. Albanesi. You may unmute your microphone and begin when you are ready.

#### **STATEMENT OF STEFANIA ALBANESI, PROFESSOR OF ECONOMICS, UNIVERSITY OF PITTSBURGH**

Dr. ALBANESI. Thank you, Mr. Chairman.

Chairman Yarmuth, Ranking Member Smith, and Members of the Committee, thank you for inviting me to speak today.

The COVID-19 pandemic has upended our lives and disrupted the economy in many ways. One reason it has been hard to grapple with the impact of the resulting recession is its unique nature. Economic downturns in the United States are usually associated with larger employment drop for men than for women. But during the COVID-19 recession employment losses were larger for women.

There are labor demand and labor supply reasons for the gender differences in typical recessions. On the demand side, the asymmetry is partly explained by gender differences in the occupation distribution, with men primarily employed in production occupations and women concentrated in services, which tend to be cyclical. During the pandemic, however, there was a large drop in the demand for services, hitting women with the corresponding employment losses. More specifically, employment fell most in inflexible occupations in which remote work was not possible. These can be further divided into high contact occupations that entail close contact with co-workers and customers and low contact occupations that do not.

Women are over represented in inflexible high contact occupations that primarily comprise personal service and healthcare jobs. Employment in these occupations dropped by more than 35 percent when the pandemic started and was still more than 10 percent below pre-pandemic in December 2021. inflexible low contact occupations, many comprising production, construction, transportation, and farming, exhibited a decline in employment of approximately 30 percent at the onset of the pandemic. But the job losses for women nearly were twice as large as those for men. And employ-

ment in these occupations was still approximately 5 percent lower than pre-pandemic in December 2021.

On the labor supply side, married women tend to increase their attachment to the labor force during standard recessions, a form of family level insurance against the risk of job loss by their husbands. This mechanism acts as an automatic stabilizer and as the share of women in the labor force grew in the 1970's and 1980's, it actually mitigated the aggregate effects of recessions in the states. By contrast, during the pandemic, increased childcare need led some mothers to exit the labor force.

So why did mothers, more than fathers, respond to the increased childcare needs by reducing labor supply? Gender norms possibly played a role, but from an economic perspective, this was likely driven by the differences and the opportunity costs of time measured by wages. In the United States there is a substantial child penalty that reduces wages for women when they become mothers. Three years after having their first child the child penalty is about 40 percent and it accounts for two-thirds of the overall gender wage gap in the last decade. Given this penalty, most working mothers at the start of the pandemic were likely to be earning less than their partners, leading them to reduce labor supply.

There are also large racial disparities in the employment impact of COVID-19. During the course of 2020 employment dropped by 5 to 10 percentage points for Asian, black, and Hispanic women than for white women. In 2021 Asian and white women showed similar employment recovery, but black and Hispanic women lagged behind, likely because they are over represented in those inflexible occupations that cannot be performed remotely. Communities of color were also disproportionately exposed to COVID-19, which reduced their ability to work due to illness or the need to care for sick family members.

The decline in women's employment during the pandemic has raised concern that the setback for women may be long-lasting. In the aftermath of recent recessions, a switch to automation during the recovery, slowed the pick up in employment. This pattern may well repeat since more than 30 percent of jobs in the occupations most affected by the pandemic are highly susceptible to automation.

When it comes to labor supply, women's labor force participation has stagnated in the United States since at least the mid 1990's, after several decades of rapid growth. In 1990, the United States ranked fifth out of 20 three comparable countries in women's participation. By 2019 our rank had dropped to 20 first. While there are maybe many factors that contributed to the United States falling behind, the economic research clearly points to family policies as the most important driver.

Three policies in particular stand out. Entitlements to paid parental leave, entitlements to flexible work schedules, and publicly provided childcare. The expansion of women's labor force participation in the post war period boosted aggregate economic performance in the United States, increasing productivity and the standard of living for all. This important engine of economic growth has stagnated in the last 30 years. Fortunately, we have a number of policy levers that are available to support women's work.

I welcome for the discussion of this important issues during today's hearing.

Thank you.

[The prepared statement of Stefania Albanesi follows:]

Stefania Albanesi  
 Professor of Economics, University of Pittsburgh  
 Written Testimony

House Budget Committee Hearing:  
 Ensuring Women can Thrive in the Post-Pandemic Economy  
 March 16th, 2022

Chairman Yarmuth, Ranking Member Smith and Members of the Committee,

Thank you for inviting me to speak today.

The COVID-19 pandemic has upended our lives and disrupted the economy and labor markets in many different ways. One reason it has been hard to grapple with the labor market impacts of the COVID-19 recession is its unique nature. Economic downturns in the United States are usually associated with a larger employment drop for men than for women, but during the COVID-19 recession, employment losses were larger for women (Albanesi and Kim (2021)).

This is illustrated in Figure 1 which reports the percentage change in the employment-to-population ratio by gender relative to the same month in 2019 for each month in 2020 and 2021. In April 2020, employment was 18 percent lower for men and 23 percent lower for women relative to April 2019. In October 2020, employment was 6 percent lower than in October 2019 for men and 8 percent lower for women. By December 2021, employment was still 3 percent lower relative to December 2019 for men and 4 percent lower for women.

There are demand-side and supply-side reasons for the gender differences in employment changes during typical recessions and during the COVID-19 recession. On the demand side, the asymmetry is partly explained by gender differences in the occupation distribution, with men primarily employed in production occupations and women concentrated in service occupations, which tend to be less cyclical (Albanesi and Şahin (2018)). During the pandemic, however, there has been a sizable drop in the demand for services, as a result of both the mitigation measures initially enacted to contain the pandemic and consumers' response to the risk of infection (Chetty et al. (2020)). Given the concentration of women in service occupations, they have been disproportionately hit by the corresponding employment losses.

On the supply-side, married women tend to increase their attachment to the labor force during economic downturns relative to expansions, as a form of family-level insurance against the risk of employment loss for their husbands (Ellieroth (2019)). This mechanism acts as an automatic stabilizer, and as the share of women in the labor force increased in the



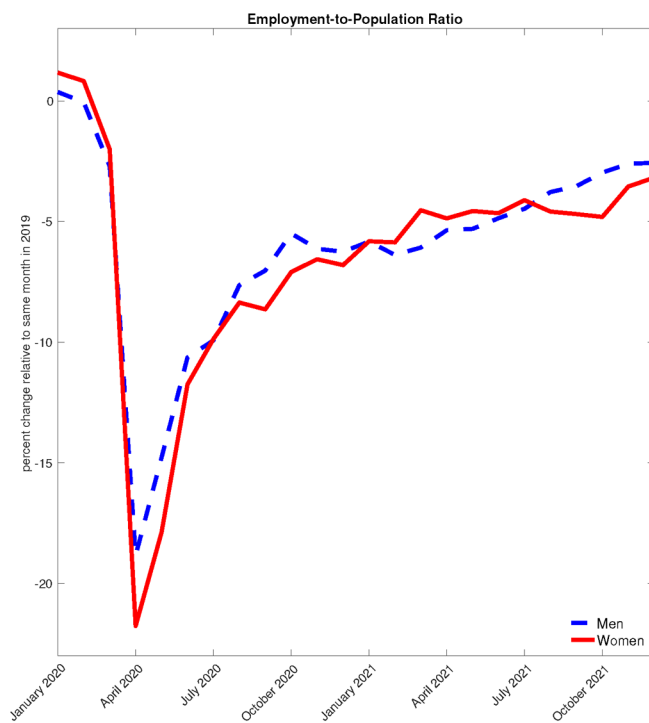


Figure 1: Change in the employment-to-population ratio relative to the same month in 2019, by gender, January 2020 to December 2021. Population age 25-54 years old. Source: Author's calculations from Current Population Survey, Bureau of Labor Statistics.

post-war period, it contributed to a reduction in the business cycle volatility of aggregate employment (Albanesi (2019)). By contrast, during the pandemic, limited availability of in-person childcare and schooling options have led some parents – and mothers in particular – to exit the labor force.

The decline in women’s employment during the COVID-19 recession has raised concerns that the pandemic may lead to a long lasting set back in women’s employment going forward. In this testimony, I will discuss the degree to which the pandemic recession has hit women, mothers in particular, highlighting the main forces that have led to this outcome. I will also examine some possible continuing impacts of the pandemic on the labor market. I will conclude by placing the decline in women’s employment during the pandemic in a broader context, given that women’s participation has stagnated in the United States since the mid-1990s.

## Comparing COVID-19 to the Great Recession

To illustrate how the employment losses of men and women during the COVID-19 recession differed from earlier recessions, I compare it to the Great Recession, which had a typical pattern.

Figure 2 shows the change in the employment-to-population ratio by gender and family status during COVID-19 and the Great Recession relative to pre-recession values. I divide the population into four demographic groups, by marital status and presence of children younger than 12 years old residing in the household.<sup>1</sup> For the Great Recession, I consider two phases. The first is December 2007 to June 2009, which corresponds to the official recession dates determined by the Business Cycle Dating Committee of the National Bureau of Economic Research. The second runs from July 2009 to July 2012, when the broader economy was recovering but labor markets were still stagnant. For COVID-19, I consider three phases. The first comprises March, April and May 2020, when the pandemic started and the strictest mitigation measures were in place. The second corresponds to June to December 2020, a period with less stringent mitigation measures, and the third phase is 2021.

During the Great Recession, the decline in women’s employment was sizably smaller than

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<sup>1</sup>The size of each demographic group varies by gender. In February 2020, among women 17 percent are single without children, 6 percent are single with children, 15 percent are married without children, and 14 percent are married with children. Among men, 17 percent are single without children, 2 percent are single with children, 15 percent are married without children, and 15 percent are married with children.

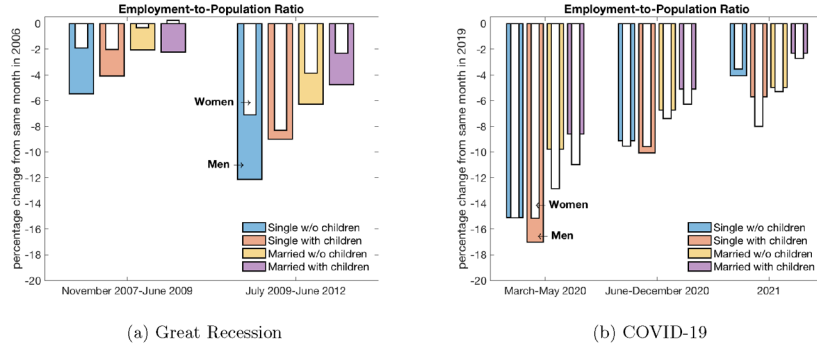


Figure 2: Change in the employment-to-population ratio relative to the same month in 2006 for the Great Recession and relative to the same month in 2019 for the COVID-19 recession, by gender and family status. Individuals "with children" have children younger than 12 years old residing in their household. Source: Author's calculations from Current Population Survey, Bureau of Labor Statistics.

men's for every demographic group. In the period from November 2007 to June 2009, the magnitude of the drop in employment for single women was less than half of the drop for single men. For married women, employment barely changed while it declined by 5 percent for married men. In the period from July 2009 to June 2012, gender gaps in employment loss were smaller, but still favored women.

During COVID-19, the pattern is markedly different. Gender gaps in employment are negligible for single workers without children, but are sizable for single parents and married workers. For married workers, the gender gaps were largest in March-May 2020 when married women experience a decline in employment which was approximately 3 percent larger than for comparable men, and declined later in the pandemic. Among single parents, mothers experienced a 15 percent decline in employment in March-May 2020 relative to 2019, smaller than the 17 percent decline for single fathers. In May-December 2020, employment was approximately 10 percent lower for both groups, but during 2021, employment was 8 percent lower for single mothers and 6 percent lower for single fathers when compared to 2019.

Both labor demand and supply factors likely contributed to women's larger employment losses during the pandemic, and I will now discuss these in turn.

## Labor Demand: Occupations

To explore the role of labor demand, Albanesi and Kim (2021) classify workers by occupation based on their flexibility and contact intensity. Flexible occupations include those that allow their employees to work remotely, whereas inflexible occupations require physical presence due to onsite equipment or outdoor activities. The distinction between high-contact and low-contact occupations is based on workers' physical proximity to customers or co-workers while on the job.

Table 1 displays where various occupations fall in the categorization and Table 2 reports the distribution of workers by gender across occupations pre-pandemic for the four categories defined in Table 1. The inflexible/high-contact occupations are the most vulnerable to lower demand due to COVID-19, they account for 17 percent of total employment and are dominated by female workers, with a female share of 73 percent. Flexible/high-contact occupations also exhibit a high female share at 76 percent and account for 6 percent of total employment. Male workers are disproportionately represented in inflexible/low-contact occupations, which account for 26 percent of total employment with a female share of employment of only 19 percent. Occupations in this category experience the largest decline in employment in typical recessions. Flexible/low-contact occupations are the largest category, accounting for 51 percent of overall employment, with a female share of 50 percent.<sup>2</sup>

Table 1: Occupation Classification

	Flexible	Inflexible
High-contact	Education, Training, and Library	Healthcare Practitioners and Technical Healthcare Support Food Preparation and Serving Personal Care and Service
Low-contact	Management Business Computer and Mathematical Architecture and Engineering Life, Physical, and Social Science Community and Social Services Legal Arts, Design, Entertainment, Sports, and Media Sales and Related Office and Administrative	Protective Service Building and Grounds Cleaning and Maintenance Farming, Fishing, and Forestry Construction Trades, Extraction Installation, Maintenance, and Repair Production Transportation and Material Moving

Author's classification based on O\*NET. Occupations are inflexible if they cannot be performed remotely, flexible otherwise. Occupations are high-contact if they require interactions with co-workers or customers at a distance of less than 6 feet, low-contact otherwise.

<sup>2</sup>The occupation and industry distribution by gender does not vary by marital status, see Cortes and Pan (2018).

Table 2: Occupational Distribution by Gender

Group	Employed women	Employed men	Total employed	Female share
Flexible, High-contact	10	3	6	76
Flexible, Low-contact	53	48	51	50
Inflexible, High-contact	26	9	17	73
Inflexible, Low-contact	11	40	26	19

Values in percentage for February 2020. Source: Author's calculations based on Current Population Survey, Bureau of Labor Statistics.

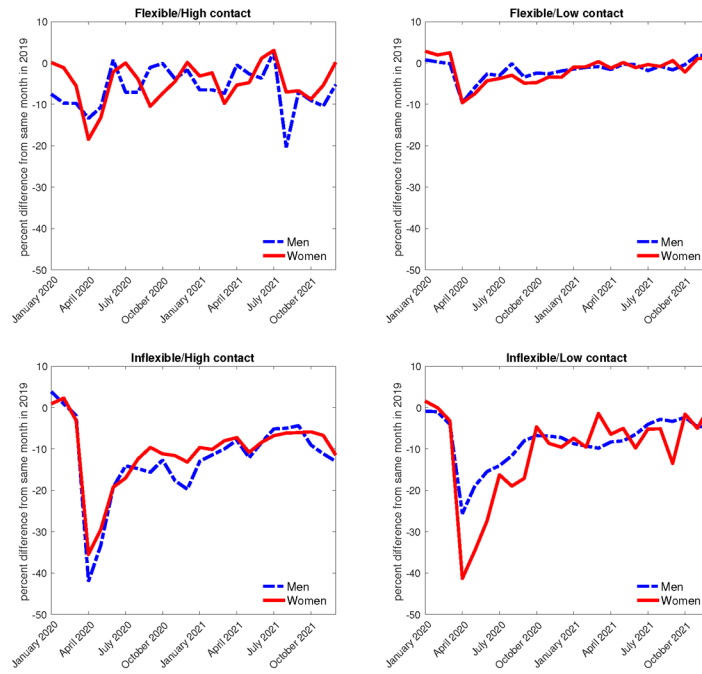


Figure 3: Percentage change in the employment-to-population ratio by occupation from same month in 2019. Population age 25-54 years old. The numerator consists of the number of persons employed for each gender in each occupation, the denominator the number of persons of the same gender in the population. Source: Authors' calculations based on CPS.

Figure 3 displays the change in the employment-to-population ratio for these four occupational categories relative to the same month in 2019 by gender. Inflexible/high-contact occupations show the largest decline in employment, with a drop in April 2020 relative to April 2019 of 38 percent for women and 41 percent for men, hovering at around -10 percent relative to the same month in 2019 from September 2020 until the end of 2021. Inflexible/low-contact occupations are the second worst hit, with a decline in employment close to 23 percent for men and 41 percent for women in April 2020 relative to April 2019. For these occupations too the recovery has stalled, with employment approximately 10 percent lower than in the same month in 2019 from October 2020 to the end of 2021. Employment in flexible/high-contact occupations was 19 percent lower for women and 15 percent lower for men relative to one year prior in April 2020 but recovered rapidly, and has remained 2-8 percent lower than pre-pandemic from July 2020 onward. Finally, flexible/low-contact occupations, which account for the biggest share of employment, were the least impacted, with a drop in employment of -10 percent relative to one year prior in April 2020 for both men and women, and a recovery to 2-4 percent lower relative to pre-pandemic from June 2020 onward.

Two patterns clearly emerge. First, for the flexible occupations, the decline in employment and the gender differences in that decline were small. The second pattern is that in inflexible occupations, initial employment losses were sizable and even at the end of 2021 employment remained well below 2019 values. Additionally, workers with the lowest representation by gender in each occupation lost more jobs. This may be due to negative selection of male workers into female dominated inflexible/high-contact occupations and of female workers into the male dominated inflexible/low-contact occupations.

## Labor Supply

Labor force participation declined for both men and women during the pandemic, as can be seen in Figure 4, which plots the labor force participation rate for the prime age population. Men's labor force participation rate was 68 percent in February 2020 and it dropped to 65 percent in April 2020, recovering to 67 percent by June 2020. Women's participation dropped from 57 percent in February 2020 to 54 percent in April 2020, and hovered between 55 and 56 percent for the rest of 2020 and in 2021. For both men and women, the participation rate has not recovered to pre-pandemic levels, leading to a rise in the number of working age individuals not in the workforce. This pattern is also unusual, as labor force participation is mildly pro-cyclical for men (Cajner, Coglianese, and Montes (2021)) and, as previously

noted, tends to rise in recessions for married women.

A unique factor associated with the pandemic was the increased childcare needs due to the disruption to schools and childcare services, which may have contributed to a reduction in labor supply of parents. Figure 5 presents female-male differences in the change in non-participation during the pandemic relative to February 2020 by family status, controlling for differences in age, education and occupation across these groups. The estimates suggest that the biggest gender differences occur for single parents in 2020 and married parents in the second half of 2020, and that by 2021 there are no longer sizable gender gaps. Further breakdown of the data, suggests that the rise in women’s non-participation relative to men during COVID-19 is mostly accounted for by transitions from unemployment, rather than voluntary quits. This is surprising, as it follows several decades of continued convergence in unemployment-to-nonparticipation flows across genders (Albanesi and Şahin (2018)).

Additional evidence on the negative effects of the pandemic on women’s labor supply is provided in Hansen, Sabia, and Schaller (2022). Using mobile phone location data to measure school foot traffic, they find that K-12 school reopenings positively affect the labor supply of married women with school-aged children, increasing both employment and work hours.

Why was it mothers in particular who responded to the lack of predictable in-person schooling activities in households where fathers were also present? Gender norms likely played a role. But from an economic perspective, this response should also be driven by differences in the opportunity cost as measured by wages (Albanesi and Olivetti (2009)). In the United States, there is a substantial “child penalty” that reduces wages for women when, and even before, they become mothers and throughout the course of their lifetime. The penalty is driven by a combination of occupational choices, labor supply on the extensive and intensive margin, that begin well before women have children. Cortes and Pan (2020) estimate that the long run child penalty—three years or more after having the first child—for US mothers is 39 percent and they also find that child related penalties account for two-thirds of the overall gender wage gap in the last decade. Given the child penalty, most working mothers at the start of the pandemic were likely to be earning less than their partners, and for those couples the optimal response to the increased child supervision needs was for mothers to reduce labor supply. For single mothers, the unavailability of childcare options may have directly impeded their ability to search for and maintain employment.

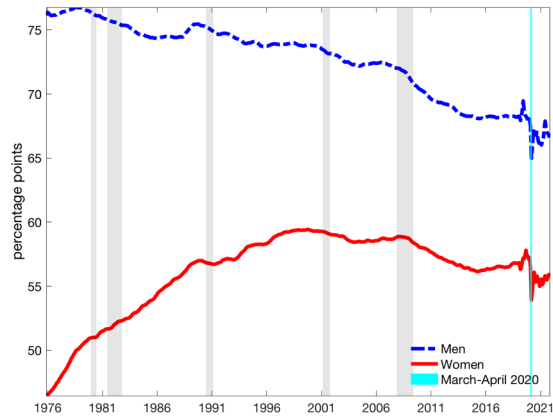
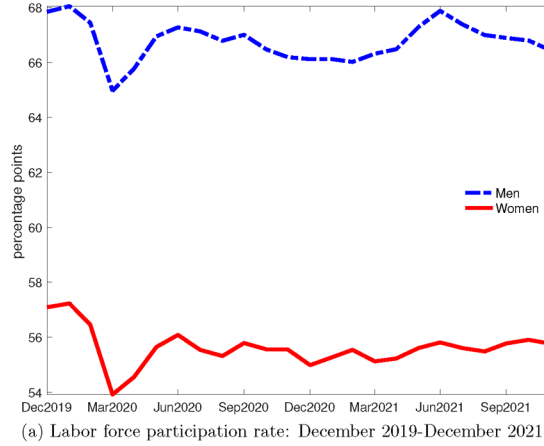


Figure 4: Labor force participation rate by gender in the United States. Population age 25-54 years old. Grey bars denote recession dates based on the National Bureau of Economic Research Business Cycle Dating Committee. Source: Current Population Survey, Bureau of Labor Statistics.



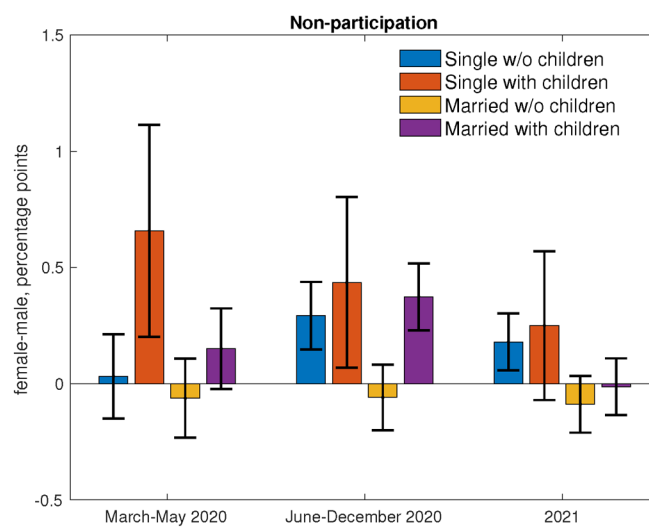


Figure 5: Female-male difference in changes in non-participation relative to February 2020 by family status, controlling for age, education and occupation. Error bars denote 90% confidence intervals. Population 25-54 years old. Individuals "with children" have children younger than 12 years old residing in their households. Source: Author's calculations from Current Population Survey, Bureau of Labor Statistics.

## Racial Disparities

The labor market impact of COVID-19 has been disparate by race. Figure 6 plots the change in the employment-to-population ratio relative to the same month in 2019 by race for men and women starting in January 2020, illustrating the large racial disparities for both men and women.

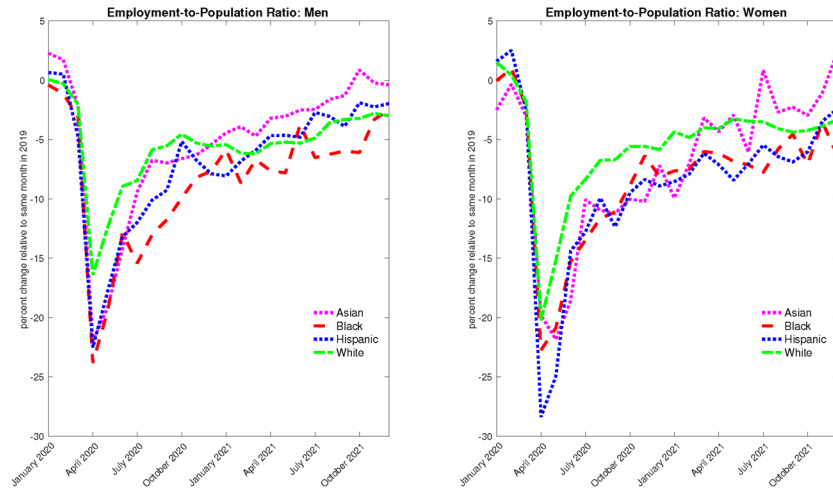


Figure 6: Change in the employment to population ratio relative to the same month in 2019 by gender and race, by gender, January 2020 to December 2021. Source: Author's calculations from Current Population Survey, Bureau of Labor Statistics.

For men, at the start of the pandemic in spring 2020 the main difference is between white men, who experienced a 17 percent drop in employment, and the other racial groups, whose employment fell by 22-23 percent. During the rest of 2020, employment recovered more for Asians and Whites, while during 2021 employment of Hispanic men converges to employment for White men and it remains lower for Black men. Hispanic women were the most severely impacted at the height of the pandemic, experiencing a 28 percent decline in employment in April 2020 compared to the same month in 2019, with black women experiencing a 23 percent decline and White and Asian women a 20 percent decline. Asian, Black and Hispanic women experienced a much slower recovery in employment during the rest of 2020, while in

2021 it is Black and Hispanic women’s employment that lagged employment for both White and Asian women. Interestingly, gender gaps in the decline in employment are smallest for the Asian and Black population, and largest for the White and Hispanic population.

What drives these racial disparities? My previous analysis suggests two possible economic factors. The first is the occupation distribution, which affects labor demand. Table 3 reports the occupation distribution for men and women by race. Focussing on women, we see that 28 percent of Asian women and 29 percent of Black women were employed in Inflexible/High-contact occupations, compared to 24 percent of Hispanic and White women. Additionally, 23 percent of Hispanic women were employed in Inflexible/Low-contact occupations, compared to 7 percent of Asian women, 14 percent of Black women and 8 percent of White women. By contrast 58 percent of Asian women and 56 percent of White women were employed in Flexible/Low-contact occupations compared to 50 percent of Black women and 46 percent of Hispanic women. This suggests that the over-representation of Black and Hispanic women in inflexible occupations and the over-representation of Asian and White women in flexible occupations contributed to racial disparities in employment.

Table 3: Occupation Distribution by Race and Gender

Occupation	Asian Men	Asian Women	Black Men	Black Women	Hispanic Men	Hispanic Women	White Men	White Women
Flexible/High-Contact	3	7	3	7	2	7	4	12
Flexible/Low-Contact	65	58	40	50	31	46	53	56
Inflexible/High-Contact	14	28	11	29	9	24	7	24
Inflexible/Low-Contact	18	7	46	14	58	23	36	8

Percentage in each occupation by gender/race in February 2020. Values in each column sum to 100. Source: Author’s calculations based on Current Population Survey, Bureau of Labor Statistics.

The second possible factor is family status, which affects labor supply. Table 4 reports the distribution by family status of men and women by race. As previously noted, the rise in non-participation during the pandemic was most pronounced for single mothers, followed by married mothers. Twenty-two percent of Black women are single mothers, compared to 16 percent for Hispanic women, 8 percent for White women and 4 percent for Asian women. Additionally, the fraction without children, combining both single and married, is the lowest for Hispanic women, at 55 percent, while it is above 60 percent for the other racial groups. The higher incidence of single mothers among Black women and of both single and married mothers among Hispanic women may have contributed to a bigger reduction in their labor supply, compared to White and Asian women during COVID-19.

Another important factor affecting labor supply is the incidence of COVID-19 infections,

Table 4: Family Status by Race and Gender

Family status	Asian Men	Asian Women	Black Men	Black Women	Hispanic Men	Hispanic Women	White Men	White Women
Single w/o children	35	26	55	48	40	30	38	31
Single with children	2	4	8	22	7	16	4	8
Married w/o children	27	34	18	16	23	25	29	33
Married with children	36	36	19	14	30	29	28	28

Percentage in each demographic group by gender/race in February 2020. Values in each column sum to 100. Source: Author's calculations based on Current Population Survey, Bureau of Labor Statistics.

particularly severe cases requiring hospitalization, across racial groups. It is well documented that COVID-19 infection rates have been higher in Black and Hispanic communities, throughout the course of the pandemic. This likely depressed labor supply of both men and women in these groups.

## Will the Jobs Return?

As we look forward to the end of the pandemic, one critical question is whether employment will return to pre-pandemic levels. Since the 1990-1991 recession, the United States have experienced *jobless recoveries*. That is, even as GDP and aggregate demand rebounded, labor markets continued to stagnate and employment struggled to attain pre-recession levels.

There are two main explanations for jobless recoveries. The first is that the slow and incomplete rebound of employment was due to the adoption of labor saving technologies, such as automation, leading to a long-run decline in the demand for routine jobs. The resulting job losses are concentrated in recessions, and when the economy recovers, the lost jobs are not reinstated. This phenomenon affects primarily middle skill workers, and is a key mechanism through which the trend toward *job polarization* has affected business cycles (see Acemoglu and Autor (2011) and Jaimovich and Siu (2020)).

As I have argued, the pandemic has affected service occupations that may seem less amenable to automation. However, the pandemic has also given employers an additional incentive to embrace automation, as long as the risk of COVID-19 infection persists. Are jobs that were lost during the COVID-19 recession more or less susceptible to automation?

One way to measure the susceptibility to automation is Routine Task-Intensity (RTI), an index developed by Autor and Dorn (2013) that calculates the routine, manual, and abstract task inputs in each occupation based on job task requirements. Higher values of RTI correspond to higher susceptibility to automation. Albanesi and Kim (2021) calculate

that 34 percent of all jobs in Inflexible/High-contact occupations were highly susceptible to automation in February 2020, compared to 22 percent of all jobs in Inflexible/Low-contact occupations that are most hit by typical recessions. These findings suggest that even the health care and personal service jobs that mostly comprise Inflexible/High-contact occupations are susceptible to automation, leaving open the possibility that employment losses in those occupations may not be fully reversed as the broader economy recovers from the pandemic.

The second explanation for jobless recoveries is the flattening of female labor force participation starting in the early 1990s. In my work, I have shown that, even before the 1990s, recoveries had been jobless for men. However, as long as female labor force participation was rising briskly, female employment tended to grow very rapidly in recoveries, sustaining aggregate employment (Albanesi (2019)). As the rise in female participation slowed in the 1990s, the rate of growth of women’s employment during recoveries became similar to men’s, slowing the recovery of aggregate employment. For this reason, a full recovery of female participation may be a key driver of aggregate employment post-pandemic.

## Prospects for Women’s Labor Force Participation

There are a number of factors that may contribute to hold down women’s participation post-pandemic. Mothers who leave the labor force temporarily to take care of children have typically experienced substantial declines in wages and lifetime earnings. Adda, Dustmann, and Stevens (2017) estimate that the component of the child penalty associated with spells of non-participation, due to human capital depreciation or skill obsolescence, accounts for 13% of the overall gender wage gap. The prospect of reduced earnings may discourage re-entry into the workforce. Additionally, employer investments in human capital and the career paths offered to women are affected by the expectation of career interruptions (Albanesi and Olivetti (2009)). After many decades of increasing labor market attachment for women (Goldin (2006)), the reduction in mothers’ labor supply associated with the pandemic may reverse the slow progress made in this area.

Such effects will also interact with the extent to which remote work continues after the pandemic. Lack of flexibility has long been seen as a barrier to women’s career advancement (Goldin (2014), Cortés and Pan (2019)). The increased ability to work remotely, which is expected to continue after the pandemic (Barrero, Bloom, and Davis (2021)) when child care needs are normalized, may benefit women. However, even as remote work has grown for many workers during the pandemic, it increased considerably more for women (Bick,

Blandin, and Mertens (2020)). If it is mostly women who continue to take advantage of remote work arrangements, they may be stigmatized and miss out on career advancement opportunities, particularly in highly competitive professional and managerial occupations.

While the decline in women’s labor force participation during the pandemic was sizable, it is important to note that labor force participation of women has stagnated since the early 1990s in the United States, as can be seen in Figure 4. Female labor force participation reached 59 percent in 1997 and stayed at that level until the 2007-2009 recession, when it started to decline. By contrast, it grew by half a percentage point per year on average throughout the post-war period up to that point. The male-female gap in labor force participation rate in 1997 was 15 percentage points, and fell to 9 percentage points by 2021, as a consequence of the greater decline in the labor force participation of men over that period.

This is a puzzling development in light of the continued rise in women’s educational attainment relative to men (Goldin, Katz, and Kuziemko (2006)) and their entry into professional high-earning occupations (Black and Juhn (2000)). While there is an extensive literature on the rise in women’s participation, less attention has been paid to its slowdown. In my own research, I have shown that the discontinued growth in labor force participation is driven by married women and is linked to the growth in inequality in the 1990s, particularly the rise in top incomes of college educated men (Albanesi and Prados (2022)). This rise reduced labor supply of their wives, also mostly college educated, leading some of them to stop working and some of them to reduce their work hours, which contributed to increase gender gaps in earnings for college workers. Goldin (2021) argues that women with a college degree may also be adversely affected by the rise in “greedy jobs” – typically professional and managerial occupations that require high weekly hours. These jobs are particularly hard for working mothers and may discourage them from continuing on those career paths, despite their considerable educational investments. For women without a college degree, just-in-time scheduling and the resulting unpredictability of work hours, particularly in retail and other customer facing occupations, has also posed a significant challenge in the last decade.

Women’s labor force participation has continued to rise in other countries, as can be seen in Table 5, which reports labor force participation for prime age men and women in selected OECD countries between 1990 and 2019. In 1990, the United States ranked 5th out of 23 in women’s participation, while by 2019, the United States’s rank had dropped to 21st.

Why has the United States fallen behind comparable countries in women’s participation? Blau and Kahn (2013) find that 28% of the difference can be attributable to differences in work-family policies. These include: 1) entitlements to paid parental leave; 2) giving workers the right to switch to a part-time schedule without exception; 3) publicly provided

childcare services. While providing childcare services unambiguously increases women's labor force participation, paid parental leave and part-time entitlements could in principle have an ambiguous effect on women's employment. These entitlements would increase parents' ability to participate in the work force, but they may discourage some firms from hiring women, as long they are more likely to take advantage of these benefits. However, the cross-country evidence clearly supports the notion that more access to parental leave and part-time entitlements is associated with higher and increasing female participation and employment.

In the United States, provision of paid parental leave by firms in the private sector has increased over the past two decades (see Goldin, Pekkala Kerr, and Olivetti (2020)). Only large employers in the professional service and technical sectors have been offering such programs. They typically provide fewer benefits than government mandated programs in comparable countries and are only accessible to full-time high-wage employees. For this reason, private provision of parental leave entitlements has not closed the gap between the United States and other countries.

Country	1990		2000		2010		2019	
	Men	Women	Men	Women	Men	Women	Men	Women
1 Australia	93	67	90	70	91	75	91	79
2 Austria	..	..	94	76	92	82	92	86
3 Belgium	92	61	92	73	92	80	89	80
4 Canada	93	75	91	78	91	82	91	83
5 Denmark	95	88	92	84	92	85	90	83
6 Finland	93	86	91	85	91	84	90	85
7 France	95	73	94	79	94	83	92	83
8 Germany	90	63	93	77	93	81	93	83
9 Greece	94	51	94	62	94	72	93	78
10 Iceland	..	..	96	88	92	84	92	86
11 Ireland	92	45	92	65	89	73	91	76
12 Israel	89	61	87	70	87	75	86	80
13 Italy	94	54	91	58	89	64	88	68
14 Luxembourg	95	50	94	65	95	76	93	84
15 Netherlands	93	58	93	73	93	82	92	83
16 New Zealand	93	69	91	73	92	77	93	82
17 Norway	92	79	91	83	90	84	89	83
18 Portugal	94	68	92	77	93	85	93	88
19 Spain	94	47	93	63	92	79	92	82
20 Sweden	95	91	91	86	93	87	94	89
21 Switzerland	..	..	97	78	95	82	95	87
22 United Kingdom	95	73	92	76	91	78	92	82
23 United States	93	74	92	77	89	75	89	76
Average non-US	93	66	92	75	92	80	91	82
Rank US	10	5	14	10	20	18	19	21

Table 5: Labor force participation rate by gender, 25-54 years old. Source: OECD Employment Statistics.



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Chairman YARMUTH. Thank you very much, Doctor, for your testimony.

I now recognize Ms. Poo for five minutes. Unmute your microphone please and begin.

**STATEMENT OF AI-JEN POO, EXECUTIVE DIRECTOR,  
NATIONAL DOMESTIC WORKERS ALLIANCE**

Ms. POO. Chairman Yarmuth, Ranking Member Smith, and Members of the Committee, thank you so much for the opportunity to testify today.

It has been two years since we began to experience the biggest disruption to the way we live, work, and care in America, the devastating unprecedented loss of life and livelihoods from COVID-19. And thanks to the extraordinary action and leadership on the part of Congress, we were able to prevent more catastrophe and stabilize our economy, rebuild a sense of hope for the future.

So let me begin by thanking you for your extraordinary leadership.

One of the reasons why we have hope is because COVID revealed both long standing inequities that we must address and how important the role of government is in enabling our success. From where I sit, the urgency of ongoing investments in our care infrastructure cannot be overstated. COVID revealed our crumbling care giving systems that have relied too heavily on the individual sacrifices of women and our families and a care work force of women and women of color were forced to live in poverty and precarity in order to stay in their jobs.

One of our members from Houston, Kiana, worked as a home care worker for more than 20 years. She is also an mother to a university graduate and two elementary school aged children. When her mother became ill, Kiana took on caring for her. During the pandemic Kiana lost consistent work and experienced homelessness with her two small children. Last summer she took on a job for \$10 per hour as a cleaner because she couldn't afford childcare and she would be able to bring her children with her while she cleaned.

Domestic workers like Kiana are overwhelmingly women and majority women of color. The typical domestic worker is paid about \$12 per hour, which is 39.8 percent less than a typical non domestic worker. There is not paid family and medical leave, and 82 percent of domestic workers don't have a single paid sick day. In a survey of domestic workers from just last month, nearly seven in 10 respondents said they are caring for their own children and three in 10 are caring for sick, aging, or disabled family members, 79 percent told us that it had been difficult to find access to care, eight out of 10 reported having to reduce their work hours or leave a job because of care giving responsibilities.

This is the reality for the work force that is at the heart of our care infrastructure. Meanwhile there are 50 million working family care givers who need home and community based services for their aging or disabled loved ones, many are in the sandwich generation who also need access to childcare in order to return to work. We are an aging nation. Every year, 4 million of us will turn 65 and we are all living longer. We are also giving birth to 4 million babies per year.

Due to the demand, care jobs are going to become a large share of the jobs of the future. They are also jobs that can't be outsourced or automated. They are job enabling jobs. Let us make them good jobs. By passing the Better Care Better Jobs Act, led by Congresswoman Debbie Dingell and Senator Bob Casey, we can meet the outsized demand for home care and create high quality jobs to address home care worker shortages. Renewal of policies from the American Rescue Plan, such as the child tax credit, childcare subsidies, and emergency paid leave, would help domestic workers better support their families. And in passing the National Domestic Workers Bill of Rights, led by Congresswoman Pramila Jayapal and Senators Kirsten Gillibrand and Ben Ray Lujan, we can establish long overdue rights and protections for this incredibly important essential work force.

As Members of this Committee have often reminded us, budgets are a statement of values. In our country, we have never fully valued or supported the work of care. Now is the time. And when we do, we will all benefit, especially women and women of color.

I am truly honored to be able to testify before this Committee today and look forward to your questions.

Thank you so much.

[The prepared statement of Ai-Jen Poo follows:]

**Statement of Ai-jen Poo, Executive Director, National Domestic  
Workers Alliance and Caring Across Generations**

**March 16, 2022 Hearing before the U.S. House Committee on the  
Budget**

**“Ensuring Women Can Thrive in a Post-Pandemic Economy”**

**Introduction**

Chairman Yarmuth, Ranking Member Smith, and Members of the Committee, thank you for the opportunity to testify on how the 2020 recession disproportionately impacted women of color, essential workers, and caregivers — through the lens of domestic workers.

My name is Ai-jen Poo, and I am the Executive Director at the National Domestic Workers Alliance (NDWA) and Caring Across Generation (CAG). Founded in 2007, NDWA is the home for the 2.2 million domestic workers who work as nannies, home care workers, and house cleaners in private homes, providing care and cleaning services. Our community includes over 250,000 domestic workers in all 50 states, working to achieve economic security and opportunity.

Caring Across Generations was founded in 2011 to bring together family caregivers, care workers, people with disabilities and older Americans to advocate for a strong care infrastructure that would support us all to live, work, care and age with dignity. Caring Across Generations is working to create a culture that values care and caregiving, and policies that support universal access to long-term services and supports, childcare, paid family and medical leave benefits and a strong care workforce. We work with a diverse network of over 100 national, state and local advocacy organizations and unions, including caregiver, aging, disability rights and justice, disease-based groups, women’s organizations and more.

Together, NDWA and Caring Across Generations have worked for a decade to bring attention to the growing need for a strong care infrastructure, and the urgency of transforming domestic worker jobs into good jobs with family-sustaining wages and benefits. I believe we have a once-in-a-generation opportunity to do precisely that. We are in a moment when our society and lawmakers have made a transformative shift in the way we value domestic workers and caregivers.

I will explain how human infrastructure investments provide a direct benefit to domestic workers and their families. I will also explain how domestic workers ensure that other workers — who need access to care — can fully participate in the labor force. Furthermore, I will explain how investments in human infrastructure have numerous advantages in terms of boosting economic security, job creation and retention, increased household savings and overall economic growth.

#### **Domestic Workers Lacked Economic Security, Benefits and Workplace Safety Before the Pandemic**

Due to long standing systemic racial and gender discrimination in our society and labor market, work done inside the home — cooking, cleaning and caring — has traditionally been devalued. As a result, the domestic workforce earns depressed wages and few benefits, and has few protections under the law. This was codified during the New Deal era, when Congress enacted the Fair Labor Standards Act to establish the minimum wage and the National Labor Relations Act to guarantee employees the right to organize and form labor unions.<sup>1</sup> Southern congressmen refused to support the labor law provisions of the New Deal if they covered domestic workers and farm workers, who were largely Black workers at the time.<sup>2</sup> Domestic workers remained entirely excluded from the FLSA until the 1970s, when the organizing of Black domestic

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<sup>1</sup> National Labor Relations Act, 29 U.S.C. §§ 151-169 (1935)

<sup>2</sup> Sean Farhang and Ira Katznelson, The Southern Imposition: Congress and Labor in the New Deal and Fair Deal, *Studies in American Political Development*, p. 15 (2005).

workers led to more domestic workers being included in minimum wage and overtime protections.<sup>3</sup>

The throughline between this history of exclusion and the current socioeconomic status of domestic workers is evident. Similar to when the New Deal was enacted, Black women and other women of color are highly concentrated in the domestic workforce. Today, it is made up of 90 percent women, over half women of color, and over a third of immigrants.<sup>4</sup> Demographics vary among occupations as follows. 63 percent of home care workers<sup>5</sup>, 67 percent of house cleaners,<sup>6</sup> and 43.5 percent of in-home childcare workers are women of color.<sup>7</sup>

Domestic workers are also subject to steep gender and racial wage gaps and are much more likely than other workers to be living in poverty. According to the Economic Policy Institute, the typical domestic worker is paid \$12.01 per hour, which is 39.8 percent less than the typical non-domestic worker, who is paid \$19.97.<sup>8</sup> Pay may be even lower within each specific domestic labor occupation. On average, house cleaners are paid \$11.89 an hour, nannies are paid about \$11.60 an hour, non-agency home care workers are paid about \$11.89 and agency-based home care workers are paid about \$12.08 an hour.<sup>9</sup>

Domestic worker wages have not kept up with the cost of basic necessities that have increased over the last decade, including the cost of housing, medical care and staple goods.<sup>10</sup> For example, according to PHI, the median hourly wage for home care workers only increased by a

<sup>3</sup> Fair Labor Standards Amendments of 1974, Pub. L. No. 93-259, § 7, 88 Stat. 55, 62 (1974).

<sup>4</sup> Julia Wolfe, Jori Kandra, Lora Engdahl, and Heidi Shierholz, Economic Policy Institute, Domestic workers chartbook (May 14, 2020) available at <https://www.epi.org/publication/domestic-workers-chartbook-a-comprehensive-look-at-the-demographics-wages-benefits-and-poverty-rates-of-the-professionals-who-care-for-our-family-members-and-clean-our-homes>

<sup>5</sup> Christian Weller, Beth Almeida, Marc Cohen, and Robyn Stone, Leading Age, Making Care Work Pay, p. 13 (Sept. 2020) available at <https://leadingage.org/sites/default/files/Making%20Care%20Work%20Pay%20Report.pdf>

<sup>6</sup> Wolfe, supra note 3

<sup>7</sup> Id.

<sup>8</sup> Id.

<sup>9</sup> Id.

<sup>10</sup> AARP, How a Decade of Inflation Has Hit Everyday Expenses (Feb. 22, 2022) available at <https://www.aarp.org/money/budgeting-saving/info-2022/how-much-prices-increased-in-10-years.html>

total of \$1.75 between 2010 and 2020.<sup>11</sup> In addition, wage theft remains rampant among domestic workers. By virtue of the high concentration of women, women of color and immigrant workers, employers may take advantage of the social and economic power imbalances between them. Domestic workers may also be less likely to report wage violations due to the fear of termination or other retaliation.<sup>12</sup>

Additional factors compound domestic workers' lack of financial security. They are far less likely to get employer-provided benefits, like health insurance or paid time-off, and cannot access paid family and medical leave or paid sick days. Fewer than one in ten domestic workers are covered by an employer-provided retirement plan and one in five receives health insurance coverage through their job.<sup>13</sup> For immigrant domestic workers, they also may be excluded from much-needed safety net programs, such as nutrition, healthcare and housing assistance.<sup>14</sup>

That has resulted in the reality that most domestic workers work incredibly hard, and still can't make ends meet which is reflected in their income status. House cleaners have twice-poverty rates that are nearly 20 percentage points higher and nannies have twice-poverty rates over 10 percentage points higher than you would expect these rates to be if these workers were employed in nondomestic occupations.<sup>15</sup>

### **The Pandemic Pushed Domestic Workers Past the Brink**

The COVID-19 pandemic and the resulting recession brought the vulnerabilities of the domestic workforce to fore all at once, rapidly pushing them toward a financial cliff. More than eighty percent of

<sup>11</sup> PHI, Direct Care Worker Median Hourly Wages Adjusted for Inflation, 2010 to 2020 available at <http://phinational.org/policy-research/workforce-data-center/#tab=National+Data&nav=Wage+Trends>  
<sup>12</sup> Annette Bernhardt, Ruth Milkman, and Mik Theodore, National Employment Law Center, Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities, (2009) <https://www.nelp.org/publication/broken-laws-unprotected-workers-violations-of-employment-and-labor-laws-in-americas-cities/>

<sup>13</sup> Id.

<sup>14</sup> National Immigration Law Center, Overview of Immigrant Eligibility for Federal Programs available at [https://www.nilc.org/issues/economic-support/table\\_ovrw\\_fedprogs/](https://www.nilc.org/issues/economic-support/table_ovrw_fedprogs/)

<sup>15</sup> Id.



domestic workers going into the pandemic didn't have a single paid sick day while living paycheck-to-paycheck.<sup>16</sup> Some domestic workers have multiple employers. This means they may have to schedule several jobs in a given week in order to make enough income. So missing out on even one day's work or losing a job means no income, without a safety net or job security.

Once the pandemic started, teleworking was not an option. Domestic workers simultaneously were facing sudden job losses, and few options but to keep going in person to the jobs they did keep — despite the high risk of exposure to COVID-19.

Real-time data that NDWA collected during the pandemic reflects hardships across our membership. NDWA surveyed more than 20,000, largely Spanish-speaking domestic workers, from March to September 2020, and found that, by late March, 90 percent of workers lost jobs due to COVID-19.<sup>17</sup> NDWA also surveyed 800 Black domestic workers in May and June 2020 from Massachusetts, Miami-Dade County, and New York. 70 percent of the Black immigrant domestic workers surveyed had either lost their jobs or received reduced hours and pay.<sup>18</sup> Black undocumented workers were nearly twice as likely to be terminated than documented workers.

Two years into the pandemic, domestic workers continue to face low wages and high levels of joblessness and underemployment. An NDWA survey of our members showed that the percentage of jobless domestic worker respondents in January 2022 increased to 26%, compared to 20%

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<sup>16</sup> Institute for Policy Studies, Rebekah Entralgo, The Fight for Equal Pay Must Include Domestic Workers (March 4, 2021), available at <https://inequality.org/great-divide/equal-pay-domestic-workers/>

<sup>17</sup> National Domestic Workers Alliance Labs, 6 Months in Crisis: The Impact COVID-19 on Domestic Workers (2020) available at <https://www.domesticworkers.org/reports-and-publications/6-months-in-crisis-the-impact-of-covid-19-on-domestic-workers/>

<sup>18</sup> The Institute for Policy Studies' Black Worker Initiative, National Domestic Workers Alliance's We Dream in Black program, and National Domestic Workers Alliance Labs, Notes from the Storm: Black Immigrant Domestic Workers in the Time of COVID-19 (2020) available at <https://domesticworkers.org/sites/default/files/IPS-WDiB-survey-brief.pdf>

in December 2021.<sup>19</sup> Three in four respondents who had work in January reported that they were underemployed; 76% of domestic worker respondents who had at least one hour of work per week said they wanted to work more hours. The January 2022 data also showed that more than four in 10 domestic worker respondents faced housing insecurity, and nearly eight in 10 experienced food insecurity. 18% of respondents said they would not be able to afford food in the following two weeks.

### **The Pandemic Acutely Impacted Domestic Workers Who are Family Caregivers**

In February 2022, NDWA conducted a survey of our workers about their responsibilities and experiences as family caregivers during the pandemic and how that may have impacted their work. The survey provides a window into the life of domestic workers who are already facing an uphill battle against discrimination, lack benefits and scant workplace protections. On top of this, like other workers, they need consistent and quality care for themselves and their loved ones. Similar to other workers, the pandemic dramatically increased their caregiving duties, resulting in adverse health, financial and emotional outcomes. However, due to their precarious socioeconomic status, domestic workers struggle to afford or access the exact services they provide for other families.<sup>20</sup>

In the February 2022 survey, the vast majority of domestic workers reported having caregiving responsibilities.<sup>21</sup> Nearly 7 in 10 respondents are the mother or guardian of at least one child under the age of 18. 3 in 10 respondents said they are caring for a family member or other loved ones who are aging, disabled or have a physical or mental illness.

<sup>19</sup> NDWA Labs, Domestic Workers Economic Situation Report · January 2022, available at <https://www.ndwalabs.org/economic-january-2022>

<sup>20</sup> Sarita Gupta, The Washington Post, Too many essential care workers can't afford the very services they provide (May 26, 2021) available at

<https://www.washingtonpost.com/outlook/2021/05/26/care-crisis-health-workforce-paid-leave/>

<sup>21</sup> NDWA Labs, La Alianza Survey Questions: Parenting and Childcare (Feb. 11, 2022)

Furthermore, 71% of the domestic workers with children under the age of 18 reported having the additional responsibility of assisting their children with online schooling.

Domestic worker respondents told us about the difficulty of managing caregiving responsibilities and the impact it had on their ability to stay in the workforce. 79% of respondents told us it had been very or somewhat difficult to find care for their children or elderly family members or family members with disabilities. 81% of respondents said it had been very (31%) or somewhat (50%) difficult to balance the responsibilities of their job with those of their family since the pandemic started. 85% of respondents also said they cannot afford to pay for care. As a result of these competing priorities, 8 in 10 surveyed workers reported having to reduce their work hours or leave a job. Domestic workers cited fear of exposing their household to COVID and a lack of sick days as the most common barriers that prevented them from keeping their regular work hours.

Stories from NDWA members show the difficulty of balancing the demands of being both a domestic worker and a caregiver.

#### **Lucia from Charlottesville, North Carolina**

*Lucia has been a care worker all of her life and comes from a family of dedicated care workers. Prior to the pandemic, she was working in a childcare facility where for the past 5 years she had been working with preschool aged children. As the mother of 5, she realized that she could not return to work after the initial pandemic shut down in March of 2020.*

*With 5 children under the age of 10 she needed to be at home to support her children's remote learning. As the pandemic went on she still could not return to work because too frequently, members of her family needed to quarantine or their schools were closing entirely without warning or time to make adjustments. Recently, her daughters' classroom closed December 3rd and it*

didn't re-open until after the winter break. The children returned to school on January 4th. One day later, the entire childcare closed completely again -- it was closed through the week of January 21st.

### **Kiayana from Houston, Texas**

Kiyana has been a caregiver for more than twenty years. Originally from Jamaica, she first came to Florida and did homecare work for the elderly before moving to Texas. She has experienced low pay, discrimination and wage theft. Kiyana is mother to a university graduate, and two elementary school-aged children. She also obtained a Bachelor's degree in Health Information Management, at age 31, through persistent and diligent work. She has invested fifteen years of service in that field. When her mother became ill, Kiyana dedicated herself to caring for her, because as an only child, she had limited support.

During the pandemic she lost consistent work and experienced homelessness with her two small children. Last summer, she was offered a job for \$70 cleaning a building for a seven hour shift. She took the offer even though the pay was low because she would be able to bring her children with her while she cleaned. When she finished the assignment, the employer compensated her with \$50, and promised to pay the remaining amount later. She is still waiting for the \$20, while she has no health or dental coverage, and her bills are piling up.

### **Policy Solutions to Improve Economic Security for Domestic Workers**

Work that is associated with women has traditionally been undervalued. Cooking, cleaning and caring jobs are quintessential examples of this. The pandemic has only revealed and deepened inequity for women who were already struggling. By supporting efforts to raise wages and improve the quality of low-wage jobs — beginning with domestic workers who are historically women and women of color — we can promote equity from the bottom up, ensuring that all working women are valued, and paid well enough to support their families. This section will outline some

of the policies that would have the most impact in lifting up domestic workers.

#### *American Rescue Plan*

Congress should build on the success of the following policies included in the American Rescue Plan (ARP) which particularly benefited domestic workers, low-income families and caregivers.

The ARP included a Child Tax Credit (CTC) which increased the benefit amounts to \$3,600 a year for children under age 6 and \$3,000 for older children from \$2,000 for all children. ARP made the CTC fully refundable and directed the benefits to be delivered to families throughout the year as a regular support. 1 in 4 households with children reported using the credit to cover basic expenses, such as paying for food, rent or utilities. Overall, the December 2021 CTC payment kept 3.7 million children from poverty, up from 3 million children when the first CTC payment went out in July 2021.<sup>22</sup> The same households are now struggling to cover everyday expenses after the credit expired in December.<sup>23</sup> In the longer term, an estimated 9.9 million children may be thrust back into poverty if the CTC expansion is not extended.<sup>24</sup> A renewal of the expanded CTC is greatly needed by domestic workers and other low-wage workers to support their families.

The ARP included support for domestic workers with childcare needs. The bill included almost \$15 billion for expanded child care assistance through the Child Care and Development Block Grant (CCDBG) and nearly \$24 billion to establish a stabilization fund for eligible child care

<sup>22</sup> Columbia University Center on Poverty and Social Policy, [Sixth Child Tax Credit Payment Kept 3.7 Million Children Out of Poverty in December](https://static1.squarespace.com/static/610831a16c95260dbd68934a/t/61ea09926280d03df62aa31d/1642727841927/Monthly-poverty-December-2021-CPSP.pdf) (Jan 18, 2022) available at <https://static1.squarespace.com/static/610831a16c95260dbd68934a/t/61ea09926280d03df62aa31d/1642727841927/Monthly-poverty-December-2021-CPSP.pdf>

<sup>23</sup> United States Census Bureau, [Households With Children That Struggled to Cover Household Expenses Were at Least Twice as Likely to Rely on CTC](https://www.census.gov/library/stories/2022/02/harder-to-pay-bills-now-that-child-tax-credit-payments-have-ended.html?utm_campaign=20220228msacos1ccstors&utm_medium=email&utm_source=govdelivery) (Feb. 28, 2022) available at

[https://www.census.gov/library/stories/2022/02/harder-to-pay-bills-now-that-child-tax-credit-payments-have-ended.html?utm\\_campaign=20220228msacos1ccstors&utm\\_medium=email&utm\\_source=govdelivery](https://www.census.gov/library/stories/2022/02/harder-to-pay-bills-now-that-child-tax-credit-payments-have-ended.html?utm_campaign=20220228msacos1ccstors&utm_medium=email&utm_source=govdelivery)

<sup>24</sup> Center on Budget and Policy Priorities, [If Congress Fails to Act, Monthly Child Tax Credit Payments Will Stop, Child Poverty Reductions Will Be Lost](https://www.cbpp.org/research/federal-tax/if-congress-fails-to-act-monthly-child-tax-credit-payments-will-stop-child-poverty-reductions-will-be-lost) (Dec. 21, 2021) available at

<https://www.cbpp.org/research/federal-tax/if-congress-fails-to-act-monthly-child-tax-credit-payments-will-stop-child-poverty-reductions-will-be-lost>

providers. The funding can be used to increase pay and benefits of childcare workers to improve their economic security as well as employee retention in this industry that is essential to women's labor force participation. Under the ARP, families could save nearly \$15,000 a year.<sup>25</sup> Funding from the CTC and reduced cost of childcare will free up income to pay for other household expenses, and allow low-income families to make ends meet.<sup>26</sup>

Importantly, the ARP provided additional federal Medicaid support for home and community-based services (HCBS). The bill provided a \$12 billion investment under which states would have the option of receiving a 10 percentage point increase in their Medicaid matching rate for HCBS services. Even before the pandemic, demand for these services exceeded what was available. Across the United States nearly 820,000 aging individuals and people with disabilities are on waiting lists for Medicaid HCBS. People on waiting lists often wait years, sometimes decades to access these vital services. States are dependent on federal funding to increase access to services and to improve wages and working conditions for home care workers. States that have accepted the additional FMAP funding are planning to use it for improvements to provider rates, worker recruitment and retention, technology and telehealth, and caregiver supports. While the ARP funding can help states meet their most pressing needs, Congress must make significant future HCBS investments to make structural changes that will meet the outsized demand for home care, and create high-quality jobs to retain the home care workforce.

Congress should specifically make a robust investment in Medicaid's home and community-based services (HCBS) through the budget reconciliation process. According to one estimate, the \$150 billion investment in home and community-based services will create and

<sup>25</sup> CNBC, [Biden tax plan could save some families nearly \\$15,000 a year on child care](https://www.cnn.com/2021/04/28/biden-plan-could-save-families-nearly-15000-a-year-on-child-care.html) (April 28, 2021) available at <https://www.cnn.com/2021/04/28/biden-plan-could-save-families-nearly-15000-a-year-on-child-care.html>

<sup>26</sup> Center on Budget and Policy Priorities, [Inflation Report Underscores Urgency to Extend Child Tax Credit Expansion](https://www.cbpp.org/blog/inflation-report-underscores-urgency-to-extend-child-tax-credit-expansion) (Feb. 28, 2022) available at <https://www.cbpp.org/blog/inflation-report-underscores-urgency-to-extend-child-tax-credit-expansion>

support 390,000 new jobs each year over ten years -- nearly 300,000 of which are “living wage” care jobs.<sup>27</sup> It will also add an estimated \$4 billion in additional income for current workers and their families each year.<sup>28</sup>

#### *Domestic Workers Bill of Rights*

Congress should enact the National Domestic Workers Bill of Rights,<sup>29</sup> being led by Congresswoman Pramila Jayapal and Senators Kirsten Gillibrand and Ben Ray Luján. The National Domestic Workers Bill of Rights strikes the remaining FLSA exclusion for live-in domestic workers from overtime pay and establishes other baseline standards such as earned sick days, privacy protections, protections from harassment and discrimination, safety and health measures, and fair scheduling provisions<sup>30</sup> to protect domestic workers from substandard working conditions.

Over the last decade, NDWA’s organizing and advocacy have been critical to the passage of the Domestic Workers Bill of Rights Act in ten states and two major cities including Oregon, California, Connecticut, Illinois, New York, Massachusetts, Hawaii, Nevada, New Mexico and Virginia. In states like Virginia and New Mexico, domestic workers now finally enjoy the rights to state minimum wage law protections, and more domestic workers in Hawaii are covered under its state minimum wage law. In New York, Illinois, California and Oregon, domestic workers are entitled to overtime pay for the first time or are entitled to it at the same rate as other workers do.

Other protections these local and state laws extend include protections against discrimination and harassment, paid time off, meal and rest breaks, a right to notice of termination, and enhanced retaliation

<sup>27</sup> Women Effect Fund, What Build Back Better Means for Women and Families (2021) available at [http://womeneffectactionfund.org/wp-content/uploads/2021/11/WEAF\\_BBB\\_National\\_v1.5.pdf](http://womeneffectactionfund.org/wp-content/uploads/2021/11/WEAF_BBB_National_v1.5.pdf)

<sup>28</sup> *Id.*

<sup>29</sup> Domestic Workers Bill of Rights, H.R. 3670/S. 2112 (2019) <https://www.congress.gov/bill/116th-congress/house-bill/3760/text>

<sup>30</sup> *Id.*

protection. While local and state laws are critical to protecting domestic workers' rights, much more is needed to establish a national baseline standard to ensure that all of our nation's 2.2 million domestic workers are protected and enjoy the same rights and protections.

### **Investing in Domestic Workers is an Investment in the Economy**

Addressing the needs of domestic workers is a win-win-win which will provide a direct benefit to this labor force, will support the families they care for and will help the economy thrive.

#### *Improving Economic Security for Women of Color Workers*

First and foremost, the legislative proposals described in the section titled "Policy Solutions to Improve Economic Security for Domestic Workers" would better ensure that domestic workers could have family-sustaining wages, and benefits to support themselves, their children and other loved ones. Furthermore, these policies would grant meaningful workplace rights to protect domestic workers from workplace violations and to be able to work in dignity.

More broadly, in many cases, women of color workers, such as domestic workers, are at the intersection of cascading economic barriers. Women of color who are mothers tend to be the financial cornerstone of their families as the sole or one of the primary earners for their family.<sup>31</sup> They hold the responsibility of keeping their families afloat, while working against deep-rooted gender and racial discrimination that comes in the form of pay gaps, discrimination and harassment.<sup>32</sup> In the case of domestic workers, they may have to support their families without critical workplace supports, such as health insurance and paid time off.

<sup>31</sup> Center for American Progress, On the Frontlines at Work and at Home: The Disproportionate Economic Effects of the Coronavirus Pandemic on Women of Color (April 23, 2020) available at <https://www.americanprogress.org/article/frontlines-work-home/> ("A Center for American Progress analysis of 2018 data from the Current Population Survey found that 67.5 percent of Black mothers and 41.4 percent of Latina mothers were the primary or sole breadwinners for their families, compared with 37 percent of white mothers.")

<sup>32</sup> The Brookings Institute, Women are advancing in the workplace, but women of color still lag behind (Oct. 2020) available at <https://www.brookings.edu/essay/women-are-advancing-in-the-workplace-but-women-of-color-still-lag-behind/>



The recession in 2020 stacked on top of these already existing economic inequalities. Women of color workers are highly concentrated in the service, hospitality and care sectors — the exact industries which experienced the most job losses during the pandemic.<sup>33</sup> Congress should implement proactive and robust solutions so that women of color can fully participate in the economy and thrive in jobs where they are valued and fairly compensated.

By investing in the domestic workforce — made up of 90 percent women, the majority of whom are women of color and immigrants — Congress can build a more equitable economy and reset the structural racism, sexism and other forms of discriminatory harm against female workers.

#### *Increasing the Labor Force Participation of Family Caregivers*

Lifting up domestic worker jobs will benefit the families that they care for. Nannies, house cleaners and direct care workers allow people to go to work knowing that their homes and family members are being taken care of. In turn, those families can become more economically secure and prosper. That is why we call these job-enabling jobs.

That domestic workers are integral to the rest of the workforce came into focus during the pandemic. According to the AARP, an estimated 53.0 million adults in the United States are family caregivers. Of that, 3 in 5 are women, and women caregivers are more often the primary caregiver.<sup>34</sup> For caregivers in the sandwich generation, they experience the added responsibility of simultaneously bringing up their own children and caring for their aging parents.<sup>35</sup> These multigenerational caregivers

<sup>33</sup> Meredith Covington, Federal Reserve Bank of St. Louis, The “She-Cession” Persists, Especially for Women of Color (Dec. 2020) available at

<https://www.stlouisfed.org/on-the-economy/2020/december/she-cession-persists-women-of-color>

<sup>34</sup> AARP, Caregiving in the U.S. (May 2020) available at

<https://www.aarp.org/content/dam/aarp/ppi/2020/05/full-report-caregiving-in-the-united-states.doi.10.26419-2Fppi.0103.001.pdf>

<sup>35</sup> CNBC, Rising costs, less in savings: How the pandemic is slamming the ‘sandwich generation (Dec. 15, 2020) available at <https://www.cnbc.com/2020/11/27/how-the-pandemic-is-slamming-the-sandwich-generation.html>

must expend more of their time and income on caregiving, while forgoing their own financial stability and overall well-being.<sup>36</sup>

At the same time, families struggle with the prohibitive costs of raising children, caring for a sick family member, or providing long-term care for elderly and disabled loved family members. As a result, workers have few options such as to rely on friends and family for help or reduce their work hours to provide unpaid caregiving.<sup>37</sup>

In 2020, these caregiving responsibilities collided with pandemic-induced daycares and school closures. Nearly 1.1 million women have left the labor force since February 2020, and have yet to return, making up the majority of job losses.<sup>38</sup> Mothers also increased their time spent on child care and were more likely to help their children with school during the pandemic.<sup>39</sup> There were especially high numbers of departures from low-wage jobs among women living with children.<sup>40</sup> This aligns with NDWA's survey data from February 2022, finding that 8 in 10 do workers reported having to reduce their work hours or leave a job altogether. If there is an adequate supply of paid caregivers, it enables millions of other working-age adults to go to work — in whatever industries they work in.

<sup>36</sup> Jessica Grose, The New York Times, 'It's Pretty Brutal': The Sandwich Generation Pays a Price (Feb. 18, 2020) <https://www.nytimes.com/2020/02/11/parenting/sandwich-generation-costs.html>

<sup>37</sup> The White House, FACT SHEET: How the Build Back Better Framework Will Support Women's Employment and Strengthen Family Economic Security (July 15, 2021) available at <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/15/fact-sheet-how-the-build-back-better-framework-will-support-womens-employment-and-strengthen-family-economic-security/>

<sup>38</sup> National Women's Law Center, Men Have Now Recouped Their Pandemic-Related Labor Force Losses While Women Lag Behind (Feb. 2022) available at <https://nwlc.org/wp-content/uploads/2022/02/January-Jobs-Day-updated.pdf>

<sup>39</sup> Betsey Stevenson, Brookings Institute, Women, work, and families: Recovering from the pandemic-induced recession (Sept. 2021) available at <https://www.brookings.edu/research/women-work-and-families-recovering-from-the-pandemic-induced-recession/>. See also Federal Reserve, Women's Labor Force Exits during COVID-19: Differences by Motherhood, Race, and Ethnicity, (2021) available at <https://www.federalreserve.gov/econres/feds/files/2021067pap.pdf> (finding that "all women living with children under age 6 and women living with children aged 6 to 12 who were working low-wage jobs were more likely to exit the labor force during the pandemic than women without children even after controlling for education, earnings, and COVID-19 occupation and industry measures.")

<sup>40</sup> Id.

### *Broader Economic Implications*

The benefit to domestic workers and family caregivers will help the economy thrive. When women are forced out of the labor market, they suffer short-term and long-term repercussions. In the immediate term, they lose wages and are cut off from any potential employer-based benefits.<sup>41</sup> Over the course of their career, female workers could face increased debt, diminished savings, and difficulty re-entering the labor force.<sup>42</sup> In turn, that can destabilize their household's earnings, leaving their families more vulnerable to food, health and housing insecurities. Income inequality will continue to be a drag on the whole economy and hold back a full recovery until everyone who wants and is able to work can participate, and continue to stimulate spending in the economy.

Investing in the domestic workforce also makes sense from a future of work perspective. Direct care workers now belong to one of the fastest growing occupations in our economy,<sup>43</sup> as the caregiving demand has skyrocketed with aging of Baby boomers and more individuals prefer to receive long-term supports and services (LTSS) in home and community settings. From 2019 to 2029, the home care workforce is projected to add one million new jobs, more new jobs than any other U.S. occupation. In the same time period, there will be 4.5 million home care job openings.<sup>44</sup> Not only are there jobs that need to be filled, these jobs are here to stay, because they cannot be automated or outsourced.

Conversely, the cost of undervaluing domestic workers to the economy is enormous. Low wages and lack of meaningful workplace protections has resulted in high turnover rates and chronic worker shortages, particularly in the home care industry, despite it being one of the fastest growing occupations. The constant turnover ultimately hurts the quality of care

<sup>41</sup> Center for American Progress, [How COVID-19 Sent Women's Workforce Progress Backward](https://www.americanprogress.org/article/covid-19-sent-womens-workforce-progress-backward/) (Oct. 2020) available at <https://www.americanprogress.org/article/covid-19-sent-womens-workforce-progress-backward/>

<sup>42</sup> National Women's Law Center, [The Pandemic Widens the Retirement Gender Gap](https://nwl.org/the-pandemic-widens-the-retirement-gender-gap/) (Nov. 11, 2021) available at <https://nwl.org/the-pandemic-widens-the-retirement-gender-gap/>

<sup>43</sup> PHI, [U.S. Home Care Workers Key Facts](https://phinational.org/wp-content/uploads/2019/08/US-Home-Care-Workers-2019-PHI.pdf) (2019)

<https://phinational.org/wp-content/uploads/2019/08/US-Home-Care-Workers-2019-PHI.pdf>.

<sup>44</sup> PHI, [Direct Care Workers in the United States Key Facts](https://phinational.org/wp-content/uploads/2019/08/US-Home-Care-Workers-2019-PHI.pdf), p. 11, (2021)

received by aging adults and people with disabilities and medical needs who need services. The turnover is costly to agencies that constantly need to hire and train new workers, and also leads to higher costs for taxpayer supported programs that fund home care services. Ensuring that domestic workers have financial security and job satisfaction will improve job performance and reduce turnover, both of which will improve an employer's bottom line.

### **Conclusion**

Congress has a profound moment of opportunity to rebuild and reset our economy to be more inclusive and equitable. The pandemic has only revealed and deepened inequity for low-wage workers, women of color and caregivers. By investing in domestic workers – including raising wages and improving the quality of these low-wage care jobs, historically associated with women and women of color – we can turn poverty-wage jobs into real pathways to economic mobility and enable family caregivers to stay in the workforce. In short, we can promote economic growth and equity from the bottom up. What will follow are better outcomes for the entire economy. Thank you.

Chairman YARMUTH. Thank you very much, Ms. Poo, for your testimony.

I now recognize Ms. Walker for five minutes. Unmute your microphone please and begin when you are ready.

**STATEMENT OF ROSA WALKER, MOTHER AND  
MOMSRIISING MEMBER**

Ms. WALKER. Good morning, Chairman Yarmuth, Ranking Member Smith, and Members of the Committee.

My name is Rosa Walker and I live in Oregon City. I am an occupational therapist working in special education and I am a mom of three incredible children, Matias, age 11, Tomas, age 8, and Gabriel Elan, age 4. I am also a proud member of MomsRising.

Like so many families across the country, the pandemic has taken a terrible toll on my family's physical and mental health and on our financial security. We are struggling because our country hasn't invested in basic programs, such as paid family and medical leave, home care and high quality affordable childcare.

I am here today to urge you to create a care infrastructure that can provide meaningful support to families so we can recover from the pandemic and move forward.

Thanks for the chance to share my story.

At the beginning of 2020, both my husband and I were working full-time, my husband as the foreman of a roofing company and I as a learning specialist in early education. All three of our children were thriving in school, our two eldest in third and first grade, and our youngest in a small local preschool, which he loved—we loved, even though the high cost strained our budget.

When COVID hit, our lives changed overnight. Our preschool closed and our older children suddenly switched to remote learning, and like so many parents, my husband and I scrambled to teach and care for our kids at home, while also working enough to put food on the table and pay our mortgage.

Then, despite efforts to stay safe, our entire family contracted COVID. While our boys recovered quickly, both my husband and I took much longer. Today I am still experiencing long COVID. I use an inhaler now and I also have an autoimmune condition.

Both my husband and I reduced our work schedule, often up to 50 percent, for more than a year. Not only did we need to care for and support our children in virtual learning, we also needed to recover from long COVID.

Even with the lack of paid leave, we had to do what was best for our children and we couldn't afford to get even sicker. During this time my husband also fell and broke a rib while working, adding still more stress.

Virtual learning was a struggle that first year of the pandemic, despite both our teachers' incredible efforts and those of our own. We also began to see our children struggle with their mental health for the first time, although we worked so hard to find safe ways for them to socialize. We were fortunate to find at least some counseling in the middle of this huge mental health crisis, but this vital care cost money too.

With less money coming in, our debt mounted quickly. We went from living modestly on two incomes to putting basics like food and medical bills on credit cards. Today we have \$11,000 in credit card debt, which would have been unthinkable before COVID. Despite all of the financial pressures on our family prior to the pandemic, student loans, housing costs, we have always been able to pay our bills. When the child tax credit payments arrive in July 2021 we felt like our elected leaders were finally recognizing what families like ours were facing. That \$800 per month was world changing. It helped us pay down debt, it helped us cope with the rising cost of groceries, and it helped us re-enroll our child in his beloved preschool. The cost is \$300 higher a month and the hours were shorter. As so many other preschools, ours had to adjust. It felt the pressures of COVID and then larger situation. But that preschool was vital for our son and for our ability to work.

And then in January, just as the new variant was surging, Congress failed to extend the child tax credit. That extra income was helping our family recover disappeared. The past two months have been a nightmare. Our youngest child's preschool closed twice due to COVID outbreaks. All three children became ill with COVID and our eldest, while still weakened, contracted Epstein-Barr Virus. He has needed to stay home for many weeks to heal. And then our school bus driver caught COVID, and there are no substitute driver's right now.

As my husband has no paid leave, and has never had any paid leave, and mine is limited, over the past two months I have had to juggle taking care of our kids, transporting them to and from school along with my work responsibilities as a specialist in early learning.

I participate in work meetings while driving my kids to school. I work early in the morning and I stay and work late at night to make up for lost time during the day. My nonstop 15 hour days mean that I cannot rest enough and my new autoimmune condition flares up.

Two years into this pandemic and Congress still hasn't guaranteed workers paid family medical leave. Without this basic safety net, families can't catch up. It is only March and I have already drained my paid leave for the year. In fact, I am using my final hours to be here today to share with you, our elected leaders, the impossible tradeoffs that my family and so many other families are forced to make.

And just to be clear, all of these issues predate the pandemic. The past two years have simply intensified the problems. Without adequate care infrastructure, we have to choose between working enough hours to pay our bills and taking care of our children and our health, between counseling and tutoring for our children, much needed to recover from the pandemic and paying down debt. That is not right.

After two years of this pandemic we are at a crucial decision point. Will Congress fund the care infrastructure that children and families need to recover and to thrive? Or will you turn your back on children and allow families to slide from financial insecurity into financial disaster? As you discuss how to rebuild from this pandemic, please remember our family and all the other families.

I hope that you will work to build a better America, one that works for all of us.

Thank you.

[The prepared statement of Rosa Walker follows:]

**Testimony of Rosa Walker**  
**House Budget Committee Hearing:**  
**“Ensuring Women Can Thrive in a Post-Pandemic Economy”**  
**March 16, 2022**

Good morning Chairman Yarmuth, Ranking Member Smith, and Members of the Committee. My name is Rosa Walker, and I live in Oregon City, just outside Portland, Oregon. I'm an occupational therapist working in early education with young children and their families. I am also the mom of three incredible boys: Matias, age 11, Tomás, age eight, and Gabriel, age four. And I'm a proud member of [MomsRising](https://www.momsrising.org) (<https://www.momsrising.org>).

Like so many families across the country, the pandemic has taken a terrible toll on my family's physical and mental health and our financial security. We've struggled mightily because our country hasn't invested in basic policies like paid family and medical leave, home care and high-quality affordable child care, leaving moms like me to pick up the pieces and hold everything together.

I am testifying today to urge you to create a care infrastructure that can provide meaningful support to families. Unless you do, my family and so many others will not be able to recover from the pandemic. I appreciate the opportunity to share my story.

At the beginning of 2020, both my husband and I were working full time, my husband as the foreman of a roofing company and I as an occupational therapist in early intervention supporting children ages 3 to 5 with a delay or disability and their families. All three of our children were thriving in school, our two eldest in first and third grade, and our youngest in a small local preschool.

When COVID hit, our lives changed overnight. Preschool closed, and our older children suddenly switched to remote learning. Like so many parents, my husband and I scrambled to teach and care for our kids at home, while also trying to work enough hours to put food on the table and pay our mortgage.

Then, despite masking and all our efforts to stay home and stay well, our entire family contracted COVID. Both my husband and I were very sick, long after our boys had recovered. Now we were taking care of our kids and still trying to educate them, with both of us suffering the effects of long COVID. A healthy 37-year old, I would tire after walking across the house to make lunch for our children, and for the first time in my life, I needed an inhaler. I still struggle with long-term symptoms today, and have been diagnosed with an autoimmune condition likely provoked by COVID. My husband lost work and income as he made time to recover from COVID without any paid leave.

The downward spiral had begun. My husband and I worked reduced hours – often up to 50 percent less – for more than a year as we dealt with the health issues resulting from long COVID and supported our children in remote learning. Virtual learning was not effective for our two older boys during that first year of the pandemic, despite the tremendous energy their teachers invested. It was also difficult for my husband to help our boys, as the virtual curriculum was available only in English, and not his native language, Spanish. So despite our daily efforts to make remote learning work for our sons, they quickly fell further behind in reading and math.



Meanwhile, the bills kept coming. Forced to put basics like groceries and medical treatments on credit cards, our debt mounted quickly. Today we have \$11,000 in credit card debt – an unthinkable situation in our carefully budgeted pre-COVID life.

Our lives grew more stressful when my husband fell and broke his rib while at work during the first winter of the pandemic. He needed time to rest and heal, which meant we lost even more income during that recovery. He went back to work as quickly as possible, but in the meantime, our kids began to struggle with their mental health for the first time in their lives. We problem-solved safe ways for them to socialize and be active, and in the midst of our own struggles and stresses, found the time to listen to their worries. But it wasn't enough. We were fortunate enough to find counseling for our boys despite the burgeoning youth mental health crisis. This counseling had to be paid for, too, of course.

When the Child Tax Credit payments arrived in July 2021, it was as if our elected leaders finally recognized what families like mine were facing. That \$800 per month was world-changing for us. It helped us pay down our credit card and medical debt, cope with the rising cost of groceries, and even enroll our older kids in soccer, which has really helped their mental health after the first difficult year.

We also used it to send our youngest back to his preschool. The fee had jumped from \$800 to \$1100 per month (for four days of care weekly), more than we could really afford. I work directly with child care programs, so I understand why – I see how stretched these providers are, and how they struggle to stay afloat. And we had little choice: Our son, and our family, needed that preschool.

Then in January, just as the Omicron variant was surging, Congress failed to extend the Child Tax Credit. The extra income that was helping our family recover simply disappeared.

The past two months have been a nightmare. Our son's preschool has had to close twice because of COVID outbreaks. All three children became ill with COVID-19, and our oldest, while still recovering from COVID, contracted Epstein-Barr virus and needed to stay home for many weeks. Then the school bus driver contracted COVID, so we had to rearrange our work schedules to get our kids to school.

Through all this I have juggled work, child care, meals, transporting kids to school and soccer practice, and then working late at night to make up for work I couldn't get done earlier in the day. My 15-hour days of incessant activity mean I can't rest enough to keep my newly diagnosed autoimmune condition from flaring up, stressing and exhausting me further.

Two years into this pandemic, Congress still hasn't guaranteed workers paid family and medical leave. My family, like so many others, is struggling without the help of even this basic safety net. My husband has no paid leave, and I have already drained nearly all my paid time off for the year. In fact, I am using my last couple of hours to testify before you today.

I'm here because it's so important to tell you – our elected leaders – about the impossible trade-offs my family, and so many other families, are forced to make.

Without adequate care infrastructure, we have to choose between working enough hours to pay our bills and getting well. Between paying down debt and getting tutoring for our older sons, who need help catching up after so much interrupted learning during the pandemic. Between counseling for our children and keeping enough food on the table.

That's not right. And we're not unique. Every day I talk with daycare providers, preschool teachers, early-childhood educators and parents. Across diverse life experiences, all of them are experiencing the same thing: continual exhaustion, financial anxiety, and making choices no parent or early education provider should have to make.

Families can be resilient, but only if they have the resources they need to adapt and move on. Our children deserve the best we can give them: not merely because they are our future leaders, politicians, doctors and teachers, but because of their inherent worth as humans *right now*.

As a country, we say we value our children and our families, but current policies do not support this value. Because our country hasn't invested in care infrastructure, the burden has fallen on moms to step in and "figure it out." But we simply can't anymore: We are at the end of our ropes.

After two years of pandemic-related trauma, we are at a crucial decision point. Will Congress fund the care infrastructure that children and families need to recover, and to thrive? Will Congress provide comprehensive paid family and medical leave, quality child care and Child Tax Credit payments? Or will you turn your back on children and allow families to keep on sliding from insecurity into disaster?

As you discuss how to rebuild from this pandemic, please remember my family and all of our families and build a better America—one that works for *all* of us. Thank you.

Chairman YARMUTH. Thank you, Ms. Walker, for your testimony. I now recognize Mrs. Lukas, here in the hearing room. You are recognized for five minutes.

**STATEMENT OF CARRIE LUKAS, PRESIDENT, INDEPENDENT WOMEN'S FORUM**

Mrs. LUKAS. Thank you.

Good morning, I am Carrie Lukas, president of Independent Women's Forum. Independent Women's Forum is a nonprofit organization dedicated to developing and advancing policies that aren't just well intended, but that actually enhance people's freedoms, opportunity, and well-being.

IWF employees about 30 full-time employees and more than a dozen additional contractors and fellows. We have studied the issue of women's employment as a policy topic, but I also know about this first hand as an employer. I am a working mother of five children between ages seven and 16, so I know personally about balancing work and family life.

Before we consider what policies will help women reenter the work force, we need to be clear about why women left in the first place. After all, women didn't leave the work force just because of a virus, but really because of society's response to COVID-19. Women had made record labor force gains during the Trump Administration, and unfortunately these gains were lost during the pandemic and the economic shutdowns that followed, and we have yet to fully recover.

But these economic losses have not been uniform throughout the country. Rather, they have been most profound in states that most aggressively shut down schools and locked down their economies. In these states, which are disproportionately led by Democratic Governors and state legislatures, women are still suffering the worst economic effects and have the highest rates of unemployment. Reduced earnings and lower labor force participation will lead to lower earnings for women, not just today, but for years to come.

So Congress should consider four lessons we have learned from this experience to inform policymaking decision moving forward. The first lesson that we learned is that our public K-12 school system is fundamentally flawed and needs to be reformed. Like many working parents during COVID-19, I had to juggle my job along with managing my five kids' schooling online. Where I lived in Virginia private schools all opened at the start of 2020 with in-person learning, but our public schools fought to stay closed for as long as possible until mid-April 2021.

Public schools behaved this way because they don't see parents and students as their customers. And why would they? Their ability to pay the bills and keep their jobs depends on pleasing government officials and not serving families. We need to change this dynamic. We need to fundamentally transform our K-12 public education system so that schools see parents and students as valued customers and never again fail families and our country so spectacularly. Rather than funding systems, money should follow each student so that parents have leverage and schools know that if

they fail to provide value, parents will take their business elsewhere.

Second, and relatedly, do not embrace any policy that would make our daycare and preschool system function more like public K–12. At the height of the pandemic, about 60 percent of childcare centers closed, but by the end of 2020 an estimated 73 percent of preschool, day care, and childcare programs had reopened. In contrast, at the end of 2020, only about a third of public K–12 schools were opening. Imagine how much worse women would have suffered if our day care system was run like our public schools and had refused to provide in-person service. Policy makers should find ways to make childcare more affordable, plentiful, and diverse, including eliminating unnecessary regulations that raise the cost of childcare, but they should reject plans like those contained in Build Back Better, which would have made government the funder of day care and reoriented providers toward pleasing regulators and policymakers instead of families and parents.

Third, women need a diversity of work and employment opportunities. And we frequently hear that women need flexibility, but what does flexibility mean? True flexibility means having a range of employment options. This is why about 23 million women work as independent contractors. They want more freedom and control. Of course, some women want full-time work and benefits, and that should be their choice, but measures to try to limit people's ability to work as independent contractors, such as contained in the Pro Act, will backfire on women and force millions of women to face a black and white choice of either accepting a nine to five style job or leaving the work force entirely. This policy approach should be rejected.

Finally, everyone wants workers to have paid leave and policymakers should work to help people access financial support when they need to take leave. Yet the wrong approach would be to create a one size fits all federal paid leave entitlement program or mandate. One size fits all entitlement system leave workers worse off with less income and less true flexibility, and for many, reduced benefits. They take money from lower income workers in the form of payroll taxes and transfer that money to wealthier workers, as has been shown time and again. This approach also should be rejected.

Today employers face tremendous headwinds, inflation, shortages, rising labor costs, and extraordinary uncertainty. And these are mostly driven by bad policy choices and government overspending. Policy makers need to embrace the concept of doing no harm, stop overspending, and intervening in the economy in ways that leave workers poorer and with less opportunity to find work relationships that allow them to pursue their own visions of happiness.

Thank you.

[The prepared statement of Carrie Lukas follows:]



**Testimony before the House Budget Committee  
on "Ensuring Women Can Thrive in a Post Pandemic Economy"**

**Carrie Lukas, Independent Women's Forum  
March 16, 2022**

Good morning, I'm Carrie Lukas, President of Independent Women's Forum. Independent Women's Forum is a nonprofit organization (501c3) dedicated to developing and advancing policies that aren't just well-intended, but actually enhance people's freedom, opportunities, and well-being.

IWF employs more than 30 full-time employees and more than a dozen additional contractors and fellows. We have studied the issue of women's employment as a policy topic, but I also know about this first hand as an employer. I'm a working mother of five children between ages 7 and 16, so I know personally about how women balance work life with family life.

Before we consider what policies we need to have in place to make it easier and more attractive for women to re-enter the workforce, we need to be clear about why women left in the first place. After all, women did not leave the workforce because of a virus, but because of society's response to COVID-19.

Women had made record labor force gains during the Trump administration.<sup>1</sup> Unfortunately those gains were lost during the pandemic and economic closures, and we have yet to fully recover. The economic losses have not been uniform throughout the country: Rather they have been most pronounced in states that most aggressively shut down schools and locked down their economies in response to COVID-19. In these states – disproportionately led by Democratic governors and state legislatures – women are still suffering the worst economic effects and have the highest unemployment rates. Reduced earnings and lower labor force participation will lead to lower earnings for women not just today but for years to come.

Congress should consider four lessons we've learned in the past two years to inform policy making moving forward.

**1) Our Public K-12 Schools Profoundly Failed Women and Kids During COVID-19 – They Need to Be Reformed**

Like many working parents, during COVID-19, I had to juggle my job along with managing my kids' schooling online. Where I live in Virginia, most private schools provided in-person service by fall 2020, but our public schools fought to stay closed for as long as was politically possible, until mid-April 2021.

Public schools behaved this way because they do not see parents and students as their customers. Why would they? Their ability to pay the bills and keep their jobs depends

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<sup>1</sup> In 2019, after the Tax Cuts and Jobs Act took effect, women held more jobs in the U.S. than men for the first time in over a decade, accounting for 50.04 percent of payroll in December. Unemployment among women fell to 3.1 percent, the lowest level since 1953. Women's salaries increased at a quicker rate than men's, and women of color were gaining ground in the labor market. To recruit quality workers, businesses increase their benefits for employees and their families. See, Kelsey Bolar, Biden's American Families Plan is not what women need, *Placed in The Hill*, May 5, 2021, 11:00 AM, <<https://thehill.com/opinion/finance/551279-bidens-american-families-plan-is-not-what-women-need/>>.

on pleasing government officials, not serving families. They know that most families are captive consumers; escaping to another school is financially out of reach.

We need to change this dynamic. We need to fundamentally transform our K-12 public education system so that schools see parents and students as valued customers and never again fail families and our country so spectacularly. Rather than funding systems, money should follow each student so that parents have leverage and schools know that if they fail to provide value, parents will take their business elsewhere.

## **2) Don't Make Day Care and Preschool Function More Like Public K-12**

The failures of our K-12 public schools contrast with the childcare sector. At the height of the pandemic, according to the Department of [Health and Human Services](#), about 60% of childcare centers closed and enrollment fell by about 70%. But many did stay open to serve the children of critical workers. And by the end of 2020, an estimated [73%](#) of daycare, preschool, and childcare programs had opened. In contrast, [at the end of 2020](#), only about a third of K-12 public schools were providing fully in-person services.

*Imagine how much worse our employment situation would have been if our daycare system was run like our public schools and refused to provide in person service.*

Policymakers should find ways to make child care more affordable, plentiful and diverse, including eliminating unnecessary red tape that especially burdens home-based care facilities. They should reject plans like those contained in Build Back Better, which would have made the government the biggest funder of day care and reoriented providers toward pleasing regulators and policymakers instead of parents and families.

### 3) Women Need a Diversity of Work and Employment Opportunities

In a recent [Gallup poll](#), women looking for a new job were more likely to say greater work-life balance was the most important factor, even ahead of compensation and benefits, when considering whether or not to take a new position.

We know women want flexibility, but what does flexibility mean? True flexibility means having a wide range of different employment options, not just the ability to take off a couple extra hours a week. That's why about 23 million women work as independent contractors. Women who freelance cite control over their work and flexibility as the primary reason why they prefer contracting over being a full-time employee.

According to [Upwork's 2021 report](#), of employees considering resigning, 20% are considering freelancing and of those, 73% cite the ability to work remotely or flexibly as a reason why. Freelancers feel they have greater job security as their own boss: [Two out of three](#) full-time independent workers reported believing they are more secure than traditional workers.

This doesn't mean freelancing is for everyone. Some women prefer full-time jobs and want benefits, and that should be their choice. But measures to try to limit people's ability to work as independent contractors, such as the PRO Act, will backfire on women, forcing them back into facing a black-and-white choice of either accepting a 9-to-5 style job or leaving the workforce entirely. That will force many to leave the workforce, reducing their earning capacity permanently. This policy approach should be rejected. We should make it easier for women to enter the workforce by creating an environment in which women can find jobs that meet their unique situations.



**4) Let Workers Make Choices for Themselves**

Everyone wants people to be able to take time off when they need it to care for loved ones or when they are sick themselves. The good news is employers are increasingly providing these benefits on their own. Policymakers can seek ways to increase access to paid leave benefits, to help people save for time off from work or to make existing social safety net programs more flexible and accessible for workers who need to take leave.

The wrong approach would be to create a federal paid leave entitlement program or mandate. These one-size-fits-all entitlement systems leave workers worse off, with less income and less true flexibility. Government paid leave entitlement programs funded with a payroll take money from lower-income workers and families and transfer money to wealthier workers. Under such a system, women are likely to find reduced employment opportunities and less true flexibility for designing employment relationships that work for them.

Employers face tremendous headwinds today – inflation, shortages, rising labor costs and extraordinary uncertainty – these are mostly driven by bad policy choices and overspending that occurred in response to COVID-19. It's time for policymakers to embrace the concept of doing no harm, and to stop overspending and intervening in the economy in ways that leave workers poorer and with less opportunity to find work relationships that allow them to pursue their own visions of happiness.

### Supporting Information

#### A Growing Number of Employers are Providing Paid Leave Voluntarily

- Over 90% of employers offer paid leave of some kind. Source: [SHRM's 2019 Employee Benefits Survey](#)
- As of 2019, 76% of all civilian workers (and 86% of all full-time workers) had access to paid sick leave benefits. Source: [Bureau of Labor Statistics](#)
- [In a poll of 113 large employers](#), 30% said they added new paid leave programs in 2019. Additionally, 24% said they plan to add programs in 2020. Source: [Business Group on Health](#)
- As of 2019, 43% of civilian part-time workers had access to paid sick benefits. Source: [Bureau of Labor Statistics](#). In 2009, just 28% had access to paid sick leave. Source: [Bureau of Labor Statistics](#)
- Since the passage of the Tax Cuts and Jobs Act of 2017, numerous companies have expanded their benefit packages, including for hourly and lower-wage workers. This includes major employers such as [Walmart](#), [Lowe's](#), [Starbucks](#), and [Target](#).

#### Government Paid Leave Mandates and Programs Would Leave Many Workers Worse Off

- Many workers—including union workers, public-sector workers, and millions of private sector workers—have paid leave benefits that are more generous than proposed government paid leave programs. Government programs tend to “crowd out” private programs: Employers that must comply with or pay into government programs eliminate their own programs, which makes many workers worse off.
  - At a [Congressional hearing on paid leave](#), a Deloitte representative testified that the company reduces the amount of paid leave it offers employees in states that have adopted paid leave programs.

- Research shows that, with health insurance, the expansions of public benefits have a crowd-out rate of approximately 60%. That means for every dollar of new government spending on health insurance, companies reduce their own spending by 60 cents. The crowd-out rate with respect to paid leave benefits will likely be higher, as paid leave is viewed as a less significant benefit and lacks the same preferential tax treatment.

#### **Government Paid Leave Programs Transfer Wealth from the Poor to the Rich — a Robin Hood in Reverse**

- Rhode Island's state paid leave program replaces only about 60% of an individual's wages. The result? Low-income workers are less-inclined to take paid leave (yet are still forced to fund it through a payroll tax). In 2017, 42% of the workers paying into the program made less than \$20,000, but only 19% of beneficiaries were from this income group. Sources: IWE; National Partnership for Women and Families; Rhode Island Department of Labor and Training
- One study of California's paid family and medical leave program concluded that "[a]lthough a large majority of the California workforce is eligible for [paid family leave], only a quarter of new mothers use the benefit," and "[t]he median [leave] taker makes about \$10,000 more per year than the median of working California women." Another found that "fewer than 4 percent of claimants had incomes in the lowest [income] bracket," whereas "more than 20 percent of claimants had incomes in the highest bracket." A survey of employed women in San Francisco found that while 79 percent of new moms with household incomes above \$97,000 received paid leave benefits from the government, only 36 percent of moms with household incomes under \$32,000 received such support. Sources: Center for Policy Research; California Senate Office of Research; University of California at Berkeley
- In Canada, two recent studies found that about 75 to 85 percent of mothers with household incomes above \$60,000 receive parental leave benefits from the government, whereas only about 45 percent of mothers with household incomes under \$30,000 receive such benefits. As one of the studies' authors put it, "[w]hile all Canadian workers and employers . . . are contributing to parental

leave benefits, some groups—notably low-income households—are consistently not receiving these benefits, thus indicating class discrimination in leave benefit policy as a systemic and structural inequality.” Similarly, economists studying Norway’s expansion of its paid parental leave entitlement program concluded that it amounted to a “pure leisure transfer to middle and upper income families . . . at the expense of some of the least well off in society.” They reiterated that their analysis “make[s] clear that paid parental leave has negative redistribution properties.” Sources: [Journal of Industrial Relations](#); [University of California](#)

#### **Government Paid Leave Mandates Will Make It Harder for People to Find Jobs**

- Government paid leave mandates, whether new payroll taxes or requirements that employers provide paid leave, make it more expensive and difficult for employers to hire workers. People may want and need paid leave benefits, but those who are out-of-work need jobs more.
- By imposing a one-size-fits-all policy, paid leave mandates also destroy flexibility for employers to adapt paid leave policies to the unique needs of their employees and their business.
  - Such policies tend to rule out, for example, various work-from-home arrangements or part-time solutions that are so important, especially for small businesses, in trying to find win-win paid leave solutions for employers and employees.
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Chairman YARMUTH. Thank you for your testimony. I thank all the witnesses for their testimony.

We will now begin our question and answer session. As a reminder, Members can submit questions to be answered later in writing. Those questions and responses will be made part of the formal hearing record. Any Members who wish to submit questions for the record may do so by sending them electronically to the email inbox we have established within seven days of the hearing.

I will, as is my habit, defer my questioning to the end, so I now recognize the gentleman from New York, Mr. Higgins, for five minutes.

Mr. HIGGINS. Thank you very much, Mr. Chairman.

The expanded tax credit was initiated in July and extended through December. During that period of time about 3.7 million kids were pulled out of poverty and the reduction in poverty rates in America was about 30 percent. 10,000 kids in America are born every day and 10,000 people turn 65 every single day. An earlier program called Social Security provided income security for those 65 and older and pulled about 50 percent of the elderly population in America out of poverty. This expanded child tax credit was particularly effective over this 6-month period of time.

And the whole idea here is if you have, you know, 100,000 kids that are born every day—or 10,000 that are born every day, you are investing in the future productivity of young people by helping making them happier, healthier, and thus more productive. We should all, regardless of our political persuasion, want our people to be more economically independent and self-sufficient. And I think this is a program that is proven to be highly effective.

Dr. ALBANESI, you teach economics, correct?

Dr. ALBANESI. Yes, I do.

Mr. HIGGINS. You teach economics at the University of Pennsylvania?

Dr. ALBANESI. At the University of Pittsburgh, yes.

Mr. HIGGINS. Pittsburgh. I'm sorry, University of Pittsburgh. You focus in on macroeconomics and labor economics as it relates to women and families?

Dr. ALBANESI. That is correct, yes.

Mr. HIGGINS. OK. Do you have any evidence of a cost benefit analysis to the expanded child tax credit as it relates to the amount of money we spend on the program compared to what the increased productivity is of young people that benefit from it to and through adulthood?

Dr. ALBANESI. Yes. Actually, there is quite a bit of economic research on the impact of, you know, additional spending, you know, on young children, both in terms of the educational opportunities, sort of being able to enroll children in better childcare and preschool options and so on. So that has been demonstrated to actually improve achievement of children later on life and actually have community level benefits, such as reducing crime rates and increasing income overall.

There are also benefits for parents, you know in the—you know, of these children in terms of better ability to work. And there is also some benefits in the very long run. You may have read that one of the reasons why the millennial generation is postponing and

reducing the number of kids that they want to have is that kids are very expensive. So that is really generating demographic stress on our society because there are, you know, fewer and fewer young people because of the declining fertility rates due to the high cost of raising children.

So there would be long-term macro benefits from that, sort of in terms of possibly stimulating fertility as well.

Mr. HIGGINS. Thank you, Doctor.

So I guess here is what I am getting at here. You know, Brown University did a study concluding that over the past two decades America spent \$6.2 trillion in three Middle East wars. Not one kid was lifted out of poverty, no one family was helped with affordable childcare, and not one kid benefited from universal pre-K. And, you know, the economics of war is terrible. It doesn't produce any economic benefit that is broadly felt.

There are value investments and the child tax credit I believe is one of them. A fellow economist of your, Mark Zandi from Moody's Analytics, said that for every dollar that you spend in infrastructure in America you can produce \$1.60 in economic activity. So the return on investment for that dollar that you spent is 60 percent. Conservative economist. He also did an analysis on the tax cut primarily for corporations and said for every dollar that you spent for that tax cut, \$1.9 trillion, you could expect to get a return of about \$.33. so your loss in investment was 67 percent.

So it would be helpful in advocating for expanded child tax credit, universal pre-K, and affordable quality childcare if we could associate, if it is achievable, a dollar amount spent to a dollar amount returned in terms of economic activity.

And I see that my time has run out. I will yield back.

Chairman YARMUTH. The gentleman's time has expired.

I now yield 10 minutes to the Ranking Member.

Mr. SMITH. Thank you, Mr. Chairman.

Mrs. Lukas, since the start of COVID-19 over two years ago we have watched politicians and elected officials enact lock downs, mandates, and decrees on those they were entrusted to represent. More often than not these actions were not backed up by science, but more an assumption that Americans couldn't be trusted to make the best decisions for themselves.

One of the most harmful of these policies was forced school closures and virtual classrooms. Kids suffered, parents suffered, and we are still playing catch up today. I have argued that this was harmful to students first and foremost, but also harmful to parents, particularly working mothers.

Could you take a moment, based on your personal experience as a working mother of five school aged children, as well as what you have heard from parents in your community and elsewhere, to explain the impact of some of these pandemic responses, like school closures, on kids, families, and particularly on working mothers?

Mrs. LUKAS. Well, absolutely. You know, I do think that when you think about the mistakes that were made when we look back at the response to COVID-19, what happened in public schools in the K-12 schools is going to stand out as the worst policy that was enacted. And it did mean that many parents, especially those who did not have jobs that could be done remotely, that they were



forced into impossible choices, leaving children behind to try to log on themselves, to essentially miss school during that time or to quit their jobs. When I think about this, I do think about this mostly from the children and as the—as Mr. Higgins was just referring to—when we think about the dollar numbers that are associated with this. Children lost on average six months of learning when it came to math, but this was not across the board. A fellow witness talked about systemic inequities, but it was minority children, it was African American children who were the most harmed by this. Their schools stayed closed the longest and they suffered the worst learning losses. And I do think this is something that should be eye opening to everyone. Democrats and Republicans should be asking why, why did our public schools not care and not prioritize our children.

Mr. SMITH. You know, under the economic policies of the Trump Administration, which included tax relief and regulatory relief, work force participation for mother's reached 72.4 percent, the highest since 2000. Over 3.5 million jobs were created for women under Trump, securing 56 percent of the job gains and lifting women's employment to the highest level in history. Women's wages grew by 9.6 percent as well.

But under President Biden earnings for women have gone down by 2.6 percent. In fact, the wage gap between women and men grew smaller under President Trump while the gap is now widening under President Biden.

What policies should the government be pursuing right now to help close the work force participation gap between where it was under President Trump and his policies to where it is today under President Biden, as well as address the widening wage gap occurring under President Biden?

Mrs. LUKAS. You know, I think that one of the lessons for Congress is first, again, this idea of doing no harm. Because I do think when it looks at what is a cause of so many problems, it has been the forced closures, the regulations that have been put on business that has made it so hard for them to stay open. You look around cities like here in Washington, where so many of the local businesses are no longer open, the eateries that have closed because of the economic shutdowns. So I think, first, let us open up. America needs to open up and stay open for business so that there is some security. We need to be confident that our schools are not going to close again. For a lot of moms who have stepped out, they were worrying about school closures all this year. Some had their kids sent home again during omicron. That cannot be the default. We have to be able to have some security in knowing that we are going to be able to continue to participate.

Mr. SMITH. Mrs. Lukas, I would have to say, the people of Missouri would agree with your statements 100 percent.

And in speaking of a lot of regulations, as of February 2022 80 percent of the states with the lowest Black female unemployment rates have Republican Governors. Of the 20 states with the highest black female unemployment rates, 70 percent have Democrat Governors. President Obama's economist, Larry Summers, cites vaccine mandates as something which took upwards of 400,000 people out of the work force. Given the overall black vaccination rates are be-

hind those of the overall population by 28 percentage points, can you speak to how policies that Democrat run states have pursued, especially things like vaccine mandates, would contribute to a disproportionate impact on black females and opportunities they would have to enter the work force?

Mrs. LUKAS. Well, absolutely. With this lower rate of vaccination among African American women, this is just locking people out of jobs. And I do think that, you know, we have had—this is—we think about the decisions that were being made two years ago when COVID was just coming into effect. We now know so much more, and especially when it comes to post omicron. We know that these types of mandates are no longer necessary. Your vaccine status does not affect my risks. So we should show some kindness, allow true diversity of allowing people to make choices that work for them so that they can work and we can all get on with our lives and respect people and not continue to create unnecessary barriers for people's participation.

Mr. SMITH. Thank you.

Another idea our Democrat colleagues proposed is government mandated pre-K, which would give government more control over education decisions. Well, we have seen over the past few years what happens when overly emboldened school boards and local officials think they know best what kids should be learning.

In November, the Independent Women's Forum published a piece noting that the use of critical race theory has emerged in a neighboring district to mine. To what extent do you see local officials, or even federal officials, with the type of government mandates Democrats have suggested, trying to dictate the type of curriculum, care, and teaching for American kids.

Mrs. LUKAS. I think this is so important. We have seen when it comes to K-12 public schools they have become such a flash point and it is because parents no longer feel confident that their public schools have their kids' best interest at heart. And this is true when it comes to curriculum, to masking policies, to health decisions, to gender. And I do worry. I think that parents out there should be warned that if the federal government takes over childcare and day care centers and preschools and begins to decide what is a qualified day care center and what can be open or subsidized, parents are going to be fighting these same battles over curriculum, CRT, gender ideology, are all going to come to your local preschools. And preschools are going to be in a terrible position. More than 50 percent of childcare are faith based and they are going to have a very hard time meeting with the demands of regulators. And I fear that they will be crowded out. That is why I absolutely reject the idea that federal government should take over our preschool programs.

Mr. SMITH. So, parents know best for their children, not the government.

Thank you.

My final question—and this is for all witnesses. This past Friday we marked the 1-year anniversary since congressional Democrats and President Biden pushed through a \$2 trillion spending bill that they claimed was need to combat COVID-19. A year later, it is now obvious their spending has done little to combat COVID-19. In

fact, less than 9 percent of the spending was even earmarked for such purposes. And they are already back asking for more COVID-19 money.

Anyway, it is also obvious that unleashing this flood of spending sparked a massive spike in consumer prices that are crippling family budgets and undermining Americans' paychecks because of a 40 year high in inflation.

How have these high prices and spending driven inflation affected you, your household budgets, and others in your community? And that is for all witnesses.

Chairman YARMUTH. Does anyone want to take that question first? Since Mrs. Lukas has had the balance of the time, does anybody want to—you only have a minute left in the Ranking Member's time.

Mr. SMITH. Well, Mrs. Lukas can go first since it is taking so long.

Let us hear from Mrs. Lukas first.

Mrs. LUKAS. Sure. You know, it is—we are talking about how many people needed support and we are talking about the important of a, you know, \$300 a month check, but now we see as inflation—as you are seeing 10 percent increases in housing costs, the doubling of gas prices, you know, childcare costs going up. We are going to be—we are chasing this with—inflation is eating up any support of those rising wages. And it has just been devastating. It is something that every mom sees every time she walks into the grocery store, every time she goes to buy her kids, you know, the birthday present and those things. It is incredibly harmful and threatening. A lot of insecurity right now as we look to what the future is going to be.

Chairman YARMUTH. OK. You have succeeded in your filibuster, Mr. Smith, so—

Mr. SMITH. It is getting the facts for the American people to see what is going on.

Thank you.

Chairman YARMUTH. Your time has expired.

I now recognize the gentleman from Texas, Mr. Doggett, for five minutes

Mr. DOGGETT. Listening to the gentleman's diatribe, I think perhaps he lives in a parallel universe. I live in a state with a Republican Governor, perhaps the worst Governor Texas has ever had, and the cost being paid by Texas women, particularly women of color, poor women, is an immense cost of being left uninsured, without access to adequate childcare, often with interference in local public health decisions that have made this pandemic and its impact so much worse.

But to focus in on the topic of the day and the apparent willingness of the Republican Members of our Committee to do nothing from the federal level to meet the challenge of inadequate childcare and lack of early educational opportunities that have enjoyed strong bipartisan support in the past.

I want to pose a question to our excellent witnesses and just offer an occasional additional comment.

If think if we are to build a better Texas and a better America, we have got to build a better future for women across the country.

A stronger foundation is needed on which a woman's hard earned paycheck isn't eaten up by the very same care giving that enables her to leave home to go to work every day. We have talked to parents about the crushing burden of navigating childcare, of finding quality childcare, safe childcare, and parenting during this pandemic. Some Texans have been more than ready to return to work, but the lack of childcare prompted them to drop out of the work force—falling disproportionately on women. And parents who have found childcare in recent months have had no guarantees each morning when they drop off their child as to whether a call would come to quarantine because of COVID.

Expanding affordable childcare is a key to unlocking more opportunity and economic security for parents and particularly for mothers. And it is important to all of us to reinvigorate our economy by getting these women back into the work force and having the support they need to do just that.

High quality care is essential to early learning, essential to economic development, but years of insufficient funding and a devastating pandemic have sharpened the crisis for our providers, while costs have often been inaccessible—make care inaccessible for families. And quality childcare cost more than tuition at a 4-year college. And for an infant it is even more expensive. For years we have worked to try to ensure that we get the health care coverage gap closed, and I have been concerned in recent legislation that we ensure we don't open a second coverage gap in the event that the ideological commitment of some of these Republican State Governors, like mine in Texas, refuses federal support for childcare. It is essential that our legislation provide that local governments can step forward, as they did when we had a failed President Trump and Governors that refused to lead and got us through the pandemic, that those local officials will be able to access any federal funds to protect our children's futures and our parents' progress.

Of course, the child tax credit, continuing it is so important.

But, Ms. Walker, I appreciate your testimony. Let me just ask you in the time remaining to comment further on the need for the critical provision of childcare, particularly for children from infancy on. Can you speak a little more about that and your family's experience and the need to do this for everyone, regardless of the zip code or the whim of some politician?

Ms. WALKER. Thank you for that question.

And I am speaking as a mother but also as an early education specialist from more than a decade of experience partnering with providers in day cares and preschools.

Research and common sense both show us that zero to five is a critical period for a child, a human's development. And our current system, from what I see in my work as I collaborate with providers in all sorts of different setting, it is not working. We are not able to pay a living wage to so many of our workers who do this incredibly valuable work. And it is not working for our families because it is an incredible cost.

So what I time and time again—is that it is not working. There is a pivoted cost. There is not enough space in options. I hear from families who have incredibly long drives in rural areas, I hear from

families that are 2.5 years on a wait list. Again, these are our children, these are our youngest citizens, and they deserve our best. And what I see is that across the board there is work to be done.

Mr. DOGGETT. Thank you very much for your testimony and the contribution of all of our witnesses.

And I yield back.

Chairman YARMUTH. The gentleman's time is expired.

I now recognize the gentleman from Mississippi, Mr. Kelly, for five minutes.

Mr. KELLY. Thank you, Mr. Chairman.

And I just want to start, this is not just pandemic related. I go back to my wife of 31 years. She is the—when I mobilized in 2009 and 2010 to Iraq, she raised two pre-teen children, she carried a baby for nine months, she delivered that baby, she worked a job, and she took care of everything on the home front. So you want to talk about—I don't understand where she got the determination, the dexterity, all the things that are necessary. But here is the difference between my wife and I—and these are the things we need to address, but we are asking the wrong people. We get people up here with Ph.Ds who are Washington elitists or are elitists somewhere else, we don't ask the rural people of Mississippi who have a hard time, what can we do to make it better. But my wife has been allowed to have jobs. I have been allowed to have a career. That is the difference in earning power, is that I can sustain a career because of what she has sacrificed to her family.

COVID hit, inflation from all the money that we spent—what does that mean? It doesn't mean all these big words, it means groceries are higher, it means gas costs too much to go, that we have intentionally inflated gas prices like we did under the first Obama Administration, it means that day care is not available, or if it is, it costs so much. We don't talk about rural broadband. So most of my people don't even have broadband. So they don't have a virtual option. They can't get healthcare, they can't get education, they can't do all those things.

Mrs. Lukas, you seem to get it. Trust me, we are outnumbered one and half to one in my family. You are outnumbered two and a half to one, OK, so much greater. What policies, what three policies have hurt the most in the COVID pandemic that have hurt working mothers and their abilities to form careers, not jobs.

Mrs. LUKAS. You know, I want to talk a little bit about—you know, I love the idea of this difference between career and jobs. But I want to say just one thing as a mom, is a lot of moms really want jobs. And I want to make sure that as we talk about the role of being a care giver, that we recognize that a lot of women make sacrifices and do—when we talk about what drives the wage gap—a lot of women have decided that they are going to take a step back and intentionally not make as much money, make a sacrifice, so that they can have the capacity to support their family and be present for their children. And I want that to be their right. And we shouldn't measure everything by money, the amount of money earned, although we of course want women to have income earning opportunities.

But of course a lot of people did lose jobs and they didn't—it wasn't by choice, it was because of these economic closures, which

made it impossible to work. Literally just drove businesses out of business. It was the school closures, which were so devastating to working families, but particularly working moms. And, you know, I think there are like a lot of other burdens, including the runaway spending, that have helped fuel this inflation, which is now hurting women as consumers, but also as business women and as workers.

Mr. KELLY. Thank you.

And, you know, I am just thinking, there is a—so I have served a long time in the military. My wife has gone through three deployments and it completely tears a family apart when you have to do those things.

But that being said, I was always afforded the ability, as a military service member, when I was taken out of my civilian job, when I came back I got any pay raises, any promotions, any things that would have occurred positively to me, I came back in at least as good, and usually better position than I left. Is there something we can do for working mothers during that critical times when they have kids in school, when they have—they are having—you know, having birth of their first child or second child and they are taken out of the work force, not by that, or they have to care for an aging parent, which in many cases falls on women, not men? Is there an opportunity to look at something as much like the Military Leave Act that could apply to mothers in the work force?

Mrs. LUKAS. You know, Independent Women's Forum has explored a lot how we can expand paid leave, especially for those with lower incomes. You know, the problem is that so often the well intended approaches on paid leave—and we have seen this in some states—let us see, it is like Rhode Island and California, where they do enact a paid leave program that taxes and gives a defined set of benefits. And that ends up usually backfiring, especially on those low-income workers. And we have seen reduced labor force participation and lower wages, which is exactly the opposite of what we want.

Independent Women's Forum has looked at how to make the existing entitlement programs, things like Social Security, accessible to people—a woman who has just had a baby. So she would be able to receive some of that Social Security money early and then pay it back later. So it would be budget neutral.

So those are—there are ideas, innovative out of the box ideas worth exploring.

Mr. KELLY. Final comments. We have just got to pay attention to the working class and rural populations who actually earn and things that work for them, not the elites.

And I yield back.

Chairman YARMUTH. The gentleman yields back.

I now recognize the gentleman from North Carolina, Mr. Price, for five minutes.

Mr. PRICE. Thank you, Mr. Chairman. And thanks to our panel for a very helpful discussion.

I want to refer to the a couple of tables that maybe they can be entered in the record as the predicate for my question. They come from the Bureau of Labor Statistics and they were included in some of the preparatory material we had today. And ask maybe

any of our witnesses who wish to comment on these, maybe starting with our economist and going on from there.

One of the charts has to do with the return to the labor force of men and women, the comparison of the rates of return to the labor force. Something like 1.4 million job differential between the return the labor force of men and women, return to the 2020 level of employment. And then another table that indicates that while women's labor force participation rates have recovered modestly, they are still below historic highs. That does raise some additional question of why they declined after 1908 a couple of points. But, in any case, they are considerably short of the historic highs now in this period as the pandemic eases.

There has been a lot of focus today—and you did a very good job of focusing on the care economy and the way the care economy, of course, especially affects women, and the gaps in the care economy that may account for a lot of this failure to return to the labor force. There has also been discussion though of the kind of discernment that workers, men and women, may be exercising in this period as they think about returning to the labor force. What they—and not everyone of course has the luxury of exercising that kind of discernment, some just have to get—do the best they can. But others may be reflecting on their low wages or their inadequate benefits. And in the case of women, of course, there is even more to reflect on in terms of wage discrimination and various kinds of challenges in the workplace that if they are able, they may just not want to put up with anymore. Or at least they want to bargain for a better deal.

So that does raise the question, to what extent have they gotten a better deal. What can you tell us about the way that—how widespread this is, first of all. The extent to which employers, wages, benefits, those kinds of things have responded to this and have helped draw people back to the labor force. And to what extent have they fallen short.

You see where I am coming here? I am getting away from the care economy to some of these other factors that have to do with the attractiveness of the jobs that are available and whether people have an inclination, whether they have the discretion and the inclination to hold out for better conditions.

So I would—there has been a lot of talk about this, and I would appreciate your helping us reflect on it.

Dr. ALBANESI. Yes, thank you. Thank you, representative.

A couple of points there. So if we look at labor force participation, we need to distinguish, you know, women and men with a college education as opposed to women and men without a college education. So if we look at college graduates, their participation hasn't really declined, even for parents and mothers with children. They have been extremely stressed the fact that the—in addition to working remotely, they had to take care of their children, but their participation hasn't dropped very much. So most of the decline in participation is for women without a college degree. And those are the women that work in these inflexible occupations, so the care economy, production jobs, and so on.

And also the decline in participation that we have seen is not coming from women who just quit their job, it is coming from

women who became unemployed first. So the fact that certain services, you know, were hit by the fact that, you know, not just the mitigation measure. So what we have seen from foot traffic data coming from cell phones is well before mitigation measures were introduced. You know, people stopped going to restaurants, people stopped going to the gym, and so on. So the risk of infection affects behavior even before, you know, the government made a mandate that, you know, restaurants should only do takeout. And so that is an important observation because the women who were able to keep their job, they struggled immensely, but they kept it. And women who were laid off, you know, eventually, you know, left the work force. And that is a combination of this childcare, you know, and care needs in general, but also maybe the perspective of not being able to get another job, you know, in the same industry.

So we know that, you know, one of the reasons why leisure and hospitality jobs haven't recovered is not necessarily, you know, government mandated closures—at this point there are none in the United States. But, for example, you know, business travel has dropped dramatically. You know, people do Zooms now, they don't, you know, fly to another city for a meeting. And so the leisure and hospitality services are experiencing what we refer to as the reallocation shock. So jobs in that sector are going to be permanently lower.

So if you were working in that sector and you lost your job, you might, you know, not have a job to go back to, and so you don't even look, particularly if you are also saddled with childcare needs.

So the issue is quite complex and, you know, there is always a demand side. You know, demand for certain jobs has permanently declined as a function of the pandemic. And then there is also the supply side, you know, all these sort of childcare challenges that we have been discussing. And it is useful to sort of look at both to better understand what is going on.

Mr. PRICE. Thank you very much.

My time has expired, but I would invite any of the other witnesses who want to supply some helpful information on this to do so for the record.

Thank you, Mr. Chairman.

Chairman YARMUTH. Mr. Price, is there a specific request you have for submitting information for the record?

Mr. PRICE. No, just—we didn't get to the other witnesses and if they have a response to the question I posed, the kind of explanation that Dr. Albanesi gave, I would appreciate them supplementing the record.

Chairman YARMUTH. I will ask for unanimous that if you have material that you submit for the record that—Mr. Price, that it be approved.

Without objection, so ordered.

And now your time is expired.

I now recognize the gentleman from Pennsylvania, Mr. Smucker, for five minutes.

Mr. SMUCKER. Thank you, Mr. Chairman, ranking member, for scheduling this important hearing. We, I think, all share a concern of the impact that COVID had on women and their families and



of the impact that government policies relative to COVID, in response to COVID has had on women.

And so I think it is a good time to evaluate our policies and I think everyone watching can know that we all share the desire to help women and their families achieve their own American dream. And we are—we hear that some of the issues that you all are faced with, and particularly Ms. Walker. We thank you for sharing your story, which is similar to many other stories of other families. So it is a good time to look at the impact of policies and what is affecting American families.

And I can tell you the No. 1 issue, maybe second to Ukraine and security, is inflation today. And I think Democrat policies that have been put forth directly resulted, or at least had a significant impact on inflation and the impact of that has been felt by women and their families.

I received over 1,000 inputs from constituents in my district with regard to how inflation is impacting them. I think about Connie who is 70 years old from the town of New Holland in my district. She recently picked up a part-time job to make ends meet because of the price increased caused by inflation. Tanya from Lancaster had trouble keeping her home at a comfortable temperature this winter due to high energy costs. And Sherri from Columbia, Pennsylvania tells me that inflation restricts—and I quote—“what she eats and where she goes”. Not only does she feel the pinch at the grocery store and at the pump, but she also recognizes that inflation undermines all her buying power.

So, Mr. Chairman, if we are scheduling hearings on impacts and what our constituents are feeling, I would certainly suggest that we do a hearing specifically looking at the impact of inflation, what is causing that, and what we can—we can prevent it. I think it would be a great topic.

We knew—one of the moments that I am proud of here is when we came together in a bipartisan way and passed the CARES Act, brought together the drug industry through Operation Warp Speed. We were together to combat the impacts of COVID. But we couldn't have disagreed more on the need or the impact of the \$1.9 trillion Rescue Plan. I can tell you that economists were telling us that it would result in years of inflation like we hadn't seen in a long, long time. The Democrats were warned about that when we passed it. Larry Summers has already been mentioned here. I quote—of course he was the treasury secretary under Clinton. He said, and I quote, “I think this is the least responsible macroeconomic policy that we've had in the last 40 years.” He also wrote in the Washington Post that the proposed \$1.9 trillion stimulus could ignite inflationary pressures of a kind that we have not seen in a generation. That turned out to be true. We now have 40-year highs in inflation and it is a direct result of misguided policies putting trillions of dollars into the economy that did, frankly, more harm than good. And not much of that bill went directly to combat inflation anyway.

And so I agree we should be looking at this, but we should be clear eyed about what is happening, what has caused that, and what we can do to fix it.

Mrs.—and I am sorry—Lukas—didn't have your name—can you just react to that? I would like to hear your response.

And I am going to say one other thing. You know, it was brought up that women's income, real income, because of inflation has declined 2.6 percent compared to in the previous Administration had grown by 9.6 percent. But could you talk just a little about whether you agree, how you feel about the impact of inflation on women?

Mrs. LUKAS. Yes. And, you know, I would like to talk. I have heard a lot of calls for additional spending, and that worries me. And I think another thing we really need to explore is all the unspent money. You look at this, the calls for increased funding of day care. Well, right now there are 20 states that have not spent even 50 percent of the money that was allocated as a part of these COVID relief packages. Public schools have over \$150 billion left in COVID money. What are they doing with it? I mean why—can't we give this to parents? I hear the stories of people having to pay for tutoring. Why are they paying that? Don't let the public schools keep that money, give it to people like my fellow witness who are paying for tutoring to make up for the job that their public schools didn't do.

Before we spend more money, let us make sure we actually track what has happened with those that you guys have already allocated.

Mr. SMUCKER. Thank you. And I am out of time.

Chairman YARMUTH. The gentleman's time is expired.

I now recognize the gentlewoman from Illinois, Ms. Schakowsky, for five minutes.

Ms. SCHAKOWSKY. Thank you, Mr. Chairman.

I first want to enter into the record a letter and report from the Chicago Foundation for Women, an organization that for the last 30 years has really focused on lifting up women and girls. And in their report, among other things, they say—they discuss how "care giving responsibility has landed squarely on women throughout the pandemic". So if I could have unanimous—

Chairman YARMUTH. Without objection.

Ms. SCHAKOWSKY. OK.

[Letter and report submitted for the record follows:]



March 14, 2022

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## PRESIDENT &amp; CEO

Felicia Davis Blakley

Dear Chairman John Yarmuth, Ranking Member Jason Smith, and Members of the Committee:

I am writing this letter as the President and CEO of Chicago Foundation for Women, a community foundation focused on investing in women and girls as catalysts building strong communities for all, and as a daughter, mother, and wife from the South Side of Chicago.

Chicago Foundation for Women funds organizations working to solve the biggest problems facing women, girls, trans, and gender nonbinary people: economic security, violence, and lack of access to health care and information. Last fiscal year, the Foundation awarded \$3.2 million, its largest investment in a single year to date, through nearly 250 grants, impacting more than 89,000 women, girls, trans, and gender nonbinary people in our region. In addition to grantmaking, the Foundation invests in developing women leaders and advocates, bringing together diverse coalitions to collaborate, share resources, and develop solutions.

The Foundation operates in the Chicago region, where Black and Brown residents, often on the South and West sides of Chicago, have been hardest hit by the ongoing COVID-19 pandemic. The data shows, and as a lifelong Chicagoan, I can attest that communities on the South and West sides of Chicago have long been subjected to historic disinvestment, rendering those communities economically fragile. Unemployment rates have soared, and Black and Brown residents have been disproportionately represented in deaths attributed to COVID-19.

Consistent with our work, the Foundation has paid attention to the ever-evolving needs of women, especially Women of Color, and their families during the pandemic. The Foundation's initial efforts were to provide response grants to nonprofits in the Chicago region, addressing the needs of their communities. The Foundation's COVID-19 Community Response Grants provided general operating support that allowed nonprofits to provide personal protective equipment (PPE), technology and training to staff members transitioning to remote work, and mutual aid efforts outside of their original programs.

As we enter year three of this crisis, women continue to bear the brunt of the pandemic, in some cases carrying not only their families but entire communities on their backs. Early on, C Nicole Mason, President and Chief Executive of the Institute for Women's Policy Research, coined the term *SHEcession* to describe the disproportionate economic impact the pandemic was having on women.

For far too long, women, especially Women of Color, have been kept at a disadvantage in an inequitable system. The COVID-19 pandemic has only magnified the unequal treatment of women. The Foundation has supported women and girls in Chicago for nearly 37 years – but if the past two years have taught us anything, it's that this unprecedented crisis must be met with an unprecedented, coordinated response to drive change. That's where SHEcovery™ comes in.

The SHEcovery™ initiative, launched in September 2021, is a commitment from Chicago Foundation for Women to identify, uplift, fund, advocate for, and support a more equitable system to ensure women and their families emerge from the pandemic stronger than before.

SHEcovery™ isn't a departure from the Foundation's work; instead, it's a reinvigoration. SHEcovery™ is a concentrated effort to support women, girls, trans, and gender nonbinary people of color during this extraordinarily challenging time. It is a call to action to invest in women and girls, an advocacy agenda for the policies we need to see for real change, and a roadmap of how we get there.

To support SHEcovery™, over the next two years, Chicago Foundation for Women will raise \$11 million to invest in four key strategies designed to create conditions for sustained, transformative change:

- Get Women Back to Work
- Address the Eviction Crisis
- Care for Our Caregivers; and
- Demand an Anti-Racist Healthcare System

Women of Color must be centered in our economic recovery and workforce development planning and solutions. Today, more than one million women have yet to return to the workforce, many citing their caregiving responsibilities as one of their top reasons. We are still seeing the impact on wealth gaps and unemployment rates from the lack of centering Black and Brown communities in the recovery from the Great Recession—we can't repeat the same mistake.

Chicago area women and their families need housing stability and a roof over their heads to lead healthy, fulfilled, thriving lives. Before COVID-19, Chicago's low-income renters and households of color were already experiencing high levels of housing insecurity. The federal moratorium on evictions has lifted, and approximately 21,000 households in Chicago are at risk of being evicted from their rental homes. The data shows that Black women heads of households are evicted at alarming rates.

Even before the pandemic, our society was held together by caregivers. Often Women of Color, many underpaid or unpaid, our caregivers are on the frontlines for our families and in the fight against COVID-19. Quality, affordable care programs for working families require large-scale public investment in a national care infrastructure; SHEcovery™ aims to support these efforts.

An equitable recovery needs to prioritize policies that protect women's health, bodily autonomy, and freedom by ensuring that they are healthy and have access to affordable and quality healthcare. Individuals need to have access to gender-affirming care that is culturally sensitive, free from bias, and accessible in terms of cost and geography.

The SHEcovery™ framework, priority areas, and approach came about from listening to the women and girls in our communities. We repeatedly heard that women in the workforce, housing security, caregiver support, and health equity were imperative to our collective climb out of the *SHEcession*. The SHEcovery™ report provides more in-depth information and includes accounts from grantees working on the frontlines.

Our communities need our support now more than ever to keep rising up. Systems don't change overnight, but the SHEcovery™ initiative will power movements for intersectional gender equity – today, tomorrow, until we are equal.

I appreciate your attention to this letter and look forward to continuing to partner in this work.

Sincerely,

A handwritten signature in black ink, reading "Felicia Davis Blakley". The signature is written in a cursive, flowing style.

Felicia Davis Blakley  
President and CEO  
Chicago Foundation for Women



CHICAGO FOUNDATION FOR WOMEN  
BUILDING AN EQUITABLE  
SHEcovery™

A ROADMAP TO ADDRESS COVID-19'S IMPACT ON WOMEN AND GIRLS

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for women



SEPTEMBER 2021

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FELICIA DAVIS  
President/CEO  
Chicago Foundation for Women

## A LETTER FROM THE PRESIDENT

The past 18 months have not been easy. We have been busy from managing remote learning for children to fending for the health and the safety of ourselves and our families. We lost shifts and jobs because of closures. We've provided care to aging parents, mourned loved ones who've died from COVID-19, and faced anxiety, stress, and more. The fallout from the COVID-19 pandemic continues to impact women and communities of color at higher rates than other populations, and when added to systemic gender and racial inequity, the result was disastrous for far too many. "Getting back to normal" can't be our end goal. Instead, Chicago Foundation for Women (CFW) is reimagining what recovery looks like – a true SHEcovery™ – focused on amplifying women's voices, advocating for women's needs more fervently than ever, and ultimately ensuring women emerge from the SheSession stronger than before.

Women and especially Women of Color, have been plagued by unequal pay, low-wage jobs, inadequate access to comprehensive and unbiased health care, and the burden of unpaid caretaking for their children and families. This report examines how these challenges were exacerbated in the face of the pandemic. More importantly, it illuminates existing gaps where CFW is focusing resources, time, and energy to bring about a brighter outlook for all women, girls, trans, and gender nonbinary individuals.

What we do now and in the years following the COVID-19 pandemic, locally, nationally, and globally will define what our collective future looks like, so we'd better make our actions count. To see real sweeping change, we must prioritize the needs of women. Ultimately, we have two choices: to keep doing the same things and expect different outcomes, OR, take this opportunity to reset what "indivisible, with liberty and justice for all" can really look like here in the U.S.

The start of a robust, lasting SHEcovery™ is within sight for Chicago and beyond. Getting there will require profound investments in women and girls and a disciplined concentration on policy and systems change. CFW calls on the Chicago community – our policymakers, our business leaders, our philanthropists – to join us in listening to Black, Latinx, and Indigenous womxn across Chicago, and wield our shared privilege and power in support of Getting Women Back to Work; Addressing the Eviction Crisis; Caring for Our Caregivers; and Demanding an Antiracist Healthcare System.

Through SHEcovery™, we have a chance to make racial and gender equity part of the solution. This effort simply cannot wait. The time to act is NOW. Join us.





## EXECUTIVE SUMMARY

For far too long women have been kept at a disadvantage in an inequitable system. The COVID-19 pandemic not only magnified the unequal treatment of women, particularly Women of Color, but it walked back decades of progress.

This report takes a hard look at national and local research findings on the impact that COVID-19 had on women, providing a context for action through the SHEcovery™ initiative. The priority areas that are at the center of this work are the focus of this report:

- Get Women Back to Work
- Address the Eviction Crisis
- Care for our Caregivers
- Demand an Antiracist Healthcare System

Chicago Foundation for Women is committed to progressive action, armed with this SHEcovery™ roadmap, which was built to create equitable systems that support women and Women of Color. It is possible to resolve community problems that affect women and girls with proper funding and targeted strategies.

It's important to point out that while the compiled research speaks mostly to the impact on women and Women of Color, the Chicago Foundation for Women places an emphasis on ALL women, including the transgender and non-binary populations, which were unduly underrepresented in our research.

## Get Women Back to Work

Women were undoubtedly the hardest hit by the pandemic, as evidenced by national employment statistics. Women lost work as a result of either closure in industries where women were over-represented in the workforce (such as low-wage hospitality, retail, or caregiving industries) or were forced to make the difficult decision of leaving the workforce to care for families; becoming teachers to remote-learning children and caregivers to ill or elderly family members.



PHOTO - CHICAGO WOMEN IN TRADES

01



PHOTO - CFWS LBTQ GIVING COUNCIL

While many of the inequities plaguing women during the pandemic are nothing new, COVID-19 served to exacerbate these issues and, in many cases, dialed back hard-fought progress made toward gender and racial parity.

In the month of January 2021 alone, 275,000 women left the workforce.<sup>2</sup> This means that they are no longer working or seeking employment. Furthermore, 40% of this national demographic had been out of work for at least six months, most of them exhausting federal and state financial assistance. Given this, the total number of women who have left the workforce since the onset of the COVID-19 pandemic reached 2.3 million in January of this year. This leaves women's labor force participation rate at 57.2% as of April 2021, the lowest it has been since 1988 and -0.2% lower than in March.<sup>3</sup> On the other hand, men 20 years old and older have a labor force participation rate of 69.8% (+12.6% higher than women) as of April 2021.<sup>4</sup> Research indicates that women lost over 5.4 million jobs during the first ten months of the pandemic, with higher rates being experienced by Women of Color. Women lost nearly 1 million more jobs than men, and account for 55% of total jobs lost.<sup>5,6</sup> This reality created a severe ripple effect, triggering increased stress, financial insecurity, and gender-based violence at home.

The National Commission on COVID-19 and Criminal Justice found that in the U.S., domestic violence incidents increased 8.1% after the imposition of shelter-in-place orders.<sup>7</sup> In Illinois, the Illinois Domestic Violence Hotline received a 16% increase in calls over the previous year, with text messages also skyrocketing to 936 in 2020 compared to 37 the year prior.<sup>8</sup>

One reason why women experienced severe job loss during the pandemic is that they continue to be overrepresented in occupations and sectors that were hit the hardest in terms of COVID-19 infection as well as closures (e.g., accommodations/hospitality, food service, arts, recreation, and public administration).<sup>9</sup> In addition to those pushed out of the workforce, 1 in 4 women is considering leaving the workforce or downshifting their careers voluntarily, versus 1 in 5 men.

National unemployment data from January 2021 indicates that Latinas had the highest unemployment rate (8.8%), followed by Black women (8.5%), Asian women (7.9%), and white women at 5.5%.<sup>10,11</sup> Locally, the Chicago Metro area showed a substantial decline in the workforce from February 2020 to February 2021, with a total of 394,300 jobs lost.<sup>12</sup>

## ARISE CHICAGO

CFW GRANTEE: INVESTMENTS IN ACTION

Arise Chicago is the leading organization focused on worker education, organizing, and systems change. When workers started getting sick and dying from COVID-19, Arise shifted to address the massive need for information and helped save lives through training and educating thousands of workers on protecting themselves and demanding safer conditions in the workplace. In Chicago, the workers suffering the most have been low-wage, Spanish-speaking, immigrant workers, working in precarious and unsafe jobs, with little to no health protections; the same predominant demographics of its membership base. In 2020, Arise provided resources and support to workers at 3,300 workplaces to protect their health and save lives. In response to members' financial crises, due to job loss or inability to work due to members or their families contracting COVID-19, Arise established a 'Member COVID Fund' to provide immediate financial support, preventing evictions and covering basic needs.

Arise also worked to improve government response and sits on Mayor Lightfoot's Protecting Workers Working Group. Together with its partners at Shriver Center of Poverty Law, they have made several recommendations to improve worker protections. In response, the Mayor proposed, and the City Council passed, a Vaccine Anti-Retaliation Ordinance granting several protections to all Chicago workers – including independent contractors – making it easier

to receive the life-saving COVID-19 vaccine. The only way to fully recover from this pandemic is by ensuring the vaccine is easily accessible to all Chicagoans.

With the business community's increased focus on reopening and adapting to a 'new normal' of living and working during a pandemic, it's imperative to remember that low-wage immigrant women workers never stopped working during the heightened chaos and litany of unknowns of the pandemic. In fact, these workers maintained operations across the country and kept the rest of society safe and functioning with life-saving services, including delivering groceries, providing home care, or continuing meat production. Thus, increased health and safety interventions in the workplace are critical for lowering COVID-19 cases and deaths. Low-wage immigrant workers are especially vulnerable as they continue to provide much-needed services. The crisis of unsafe workplaces has been exacerbated by the added layers of federal government failure, along with structural racism and sexism that restrict access to quality healthcare and other critical resources. With workplaces as the pandemic epicenter, the workplace and worker protections must be the focus of COVID-19 response and vaccination efforts.



PHOTO - ARISE CHICAGO



PHOTO - YWCA EVANSTON AND NORTH SHORE



*With workplaces as the pandemic epicenter, the workplace and worker protections must be the focus*

ARISE CHICAGO

## SHECOVERY™ ACTIONS

Women have historically bore the brunt of workforce and workplace inequalities, but the pandemic has greatly inflamed them. Chicago Foundation for Women is stepping up its efforts to ensure an equitable recovery by identifying, uplifting, funding, advocating for, and supporting nonprofits, grassroots organizations, and legislation focused on:

- Increasing investments toward education and training for women workers in order to increase wages and opportunities to work in high-demand and/or emerging sectors.
- Helping make quality childcare accessible and universally available.
- Advocating for the federal minimum wage increase to \$15.00/hour, eliminating the sub-minimum wage for tipped workers, and adjusting for inflation annually.
- Supporting the American Rescue Plan's implementation, which includes dollars for unemployment insurance, stimulus checks, state and local government support, school reopenings, and more.
- Advocating for paid sick and family medical leave for all Illinoisans; passing legislation that provides at least seven days of paid sick leave and 12 weeks of paid medical leave to employees regardless of firm size, sector, and hours worked per week.
- Ensuring enforcement of the Fair Workweek Ordinance in Chicago: workers must get two weeks' notice of their schedules and compensate them for last-minute changes.

## Address the Eviction Crisis

Before the COVID-19 pandemic, Chicago's low-income renters and households of color were already experiencing high levels of housing insecurity. As the employment crisis worsened for women and people of color, rent payments were delayed, revealing an ominous threat of eviction to an already distressed population.



PHOTO - NIGHT MINISTRY

02



Pre-existing disparities in race and socioeconomic status affected housing realities for renters and homeowners during the pandemic; women and people of color were among the most negatively affected. In a 2020 study regarding the association of poor housing conditions with COVID-19 incidence and mortality across U.S. counties, it was found that counties with a higher percentage of households with poor housing conditions (e.g., overcrowding, high housing cost, incomplete kitchen facilities, or incomplete plumbing facilities) had a higher incidence of, and mortality associated with, COVID-19.<sup>13</sup>

The looming threat of eviction is an added strain to an already distressed population experiencing housing insecurity. The lifting of federal eviction moratoriums will impact approximately 21,000 Chicago households as they could be evicted from their homes. In its September 2020 Inclusionary Housing Task Force Staff Report, Chicago's Department of Housing reported a "citywide

shortage of nearly 120,000 affordable homes" before the pandemic. The city noted that the existing "affordable housing crisis has become even more acute in the post-COVID-19 world."<sup>14</sup> Once evicted, the risk of homelessness only increases. Nationally, the COVID-19 Eviction Defense Project estimated that at least 25% of U.S. renters could be pushed out of apartments, impacting up to 23 million Americans. Black women would be at the apex of this crisis, as they have been twice as likely to be behind on rent as white renters during the pandemic, putting them at risk for homelessness in its wake.<sup>15</sup> In Chicago, at least 32% of households are headed by single women.<sup>16</sup> Nationally, 52.5% of Black households are headed by women, which means that the likelihood of women bearing the brunt of eviction risk is high across the nation and within Chicago.<sup>17</sup>

Eviction data tells us that 1 in 5 Black women are evicted, compared with 1 in 15 white women. The pandemic has only intensified this issue, given



that Black (and Latina) women have seen the most significant drop in their employment-to-population ratios since February 2020. Black women, in particular, seeing jobs come back at a rate that is 1.5 times slower than that of white women, putting them in the precarious position where they are more than likely to face eviction due to inability to pay rent.<sup>18</sup>

*More than anything,  
COVID-19 has substantially  
and rapidly increased the  
need seen across  
communities.*



## ALL CHICAGO

CFW GRANTEE: INVESTMENTS IN ACTION

The COVID-19 pandemic has only further emphasized the importance of safe and stable housing. While public health guidance and government orders called for "sheltering-at-home," thousands of Chicago residents did not have a place to call home. Furthermore, shelters that serve people experiencing homelessness did not always have room for all participants to social distance. The population All Chicago serves was already vulnerable, but the public health crisis exacerbated the problems and put them at further risk, creating a significant challenge for All Chicago and its many partner agencies across the city and state.

More than anything, COVID-19 has substantially and rapidly increased the need seen across communities. To meet this growing and changing need, All Chicago rose to the occasion, increasing its support through existing programs and thinking innovatively to help solve emerging problems.

As the lead agency for Chicago's Continuum of Care, All Chicago is the backbone for the citywide response to homelessness. All Chicago leads 43 partner agencies through a year-round research, evaluation, planning, and federal funding application process. All Chicago secured over \$79 million in federal funds for 143 projects addressing homelessness in Chicago this year. Through the creation and piloting of the Expedited Housing Initiative, All Chicago worked with partners and landlords across the city to move residents into safe and stable housing more quickly, helping over 1,000 residents thus far.

For All Chicago, the pandemic provided an opportunity to adopt new technology and workflows that increase efficiencies and help reach more people in need than ever before.





## SHECOVERY™ ACTIONS

Chicago Foundation for Women is increasing efforts to ensure an equitable recovery by identifying, uplifting, funding, advocating for, and supporting nonprofits, grassroots organizations, and legislation focused on:

- Supporting legislation that will increase rental assistance<sup>19</sup>
  - Advocating to reinstate the federal eviction moratorium
  - Supporting the sealing of COVID-19 related evictions, so renters have a clean rental record
  - Working with partners to protect and expand affordable housing
- Supporting and organizing low-income renters, such as those at the Jane Addams Senior Caucus (JASC) and the ROOTS (Renter's Organizing Ourselves To Stay) initiative at Communities United, to develop strategies to prevent displacement of low-income families across Chicago. A key focus is to preserve existing affordable housing and build a preservation pipeline for additional affordable housing units.



*While responding to the immediate needs of our core members, we continued to develop grassroots leadership to advance survivor-led solutions to ensure that pandemic responses addressed both the mental health needs and the growing housing insecurity that families faced immediately after the stay at home orders.*

**JENNIFER ARWADE**  
Communities United

### Care for Our Caregivers

Caregiving responsibilities have landed squarely on women throughout the pandemic. This fact has resulted in a cascade of crises such as job loss, added responsibilities such as homeschooling, caring for those sick with COVID-19, aging parents, and those at greater risk during the pandemic. The increase in caregiving responsibilities often found women with no time or energy to engage in critical acts of self-care. Without help supporting wage losses and managing family care, effects will further oppress women in Chicago.



03

Caregiving responsibilities fell on working mothers who left jobs due to increased childcare needs and daycare closures. A 2021 survey of working mothers implemented by The University of Illinois Urbana-Champaign shows that pre-pandemic, 24% of Illinois child-care-aged children participated in a daycare center or a State-recognized family home; this is including 34% of children ages five and younger. Furthermore, survey results indicate that 60% of working parents do not receive outside help when it comes to childcare. During the pandemic, 13% of working parents resigned or reduced their work hours due to a lack of childcare.<sup>20</sup>

For those already caring for someone under 18, more than one in ten now say they have additional caregiving responsibilities as a result of the pandemic due to school closures. Income loss and intensifying childcare responsibilities during the pandemic also called on many young women, ages 22 and younger, to take on jobs and

sometimes simultaneously care for family members. Research also shows that 27% of women reported an increase in challenges associated with mental illness, compared to only 10% of men. Women mention skyrocketing unpaid care burdens as a source of stress, in addition to anxiety regarding livelihoods, food access, and health care.<sup>21</sup>

In addition to juggling new, increased home and work responsibilities, many women went without pay. Almost half (47%) of working mothers said they took unpaid sick leave because their child's school or daycare was closed. This rose to 65% among low-income mothers and 70% among those working part-time jobs.<sup>22</sup>

*27% of women reported an increase in challenges associated with mental illness, compared to only 10% of men.*

PHOTO: CHICAGO COMMUNITY BOND FUND



## HEALING TO ACTION

CFW GRANTEE: INVESTMENTS IN ACTION

Healing to Action (HTA) works to end gender-based violence by building the leadership and collective power of the communities most impacted. Domestic violence incidents increased dramatically during the ongoing pandemic, as survivors were confined to their homes with abusive partners, unable to access crucial resources like support networks, social services, and external income.

Over 75% of COVID-19 deaths in Chicago have been Black and Latinx residents, creating a collective trauma in HTA's leadership base that will have long-term effects. The global pandemic has resulted in extensive damage to leaders' mental and physical well-being and eroded their already weak economic and social safety nets. Leaders are experiencing unprecedented levels of stress and exhaustion. They have fallen ill; lost loved ones, work and housing, navigated childcare and eldercare crises; and experienced increased violence and police presence in their communities in response to the racial justice uprisings. These cumulative pressures make it incredibly difficult for HTA leaders to heal and sustain their work in the fight to end gender-based violence. Nevertheless, HTA leaders have voiced their desire to continue to uplift and build up their communities.

To support its leaders, HTA adapted to the challenges presented by COVID-19 by moving from primarily offline organizing to virtual meetings and actions, opening a technology fund to support leaders' ability to stay connected with HTA and their broader communities. Furthermore, the adaptations the pandemic required were an opportunity to make HTA's programs more accessible. HTA's program 'Healing Generations,' focused on educating survivors about the root causes of sexual violence and how to transform their communities' responses, was offered simultaneously in English, Spanish, Korean, and American Sign Language. Participants with disabilities were able to participate fully in



PHOTO - HEALING TO ACTION

sessions by using assistive technologies provided by HTA. Staff consulted resources on online education and worked collaboratively with guest facilitators to adapt and tailor in-person modules into participatory online experiences. These efforts yielded extremely high participation rates in program meetings, enabling HTA to build a more powerful and effective network of leaders with diverse identities, abilities, and experiences. Programming included virtual crisis intervention support in collaboration with rape crisis and domestic violence partner organizations. These adaptations allowed HTA to support and organize its leaders, deepening its capacity to practice disability and language justice in the long term.

## SHECOVERY™ ACTIONS

As research shows, caretaking impacts many aspects of a woman's life, especially when there are no supports in place. Much work needs to be done. Chicago Foundation for Women is stepping up its efforts to ensure an equitable recovery by identifying, uplifting, funding, advocating for, and supporting nonprofits, grassroots organizations, and legislation focused on:

- Advocating for expanding and improving Medicare and Medicaid to cover a larger percentage of home and community-based services (HCBS).
- Supporting the Child Care for Working Families Act and the Universal Child Care and Learning Act ensuring that all families can access safe, affordable, high-quality, and convenient childcare.<sup>23 24</sup>
- Advocating for increased public funding to serve culturally and linguistically competent care options, home-based care, and care during non-standard hours.
- Investing in new and innovative technology to support domestic workers or increasing subsidies and tax incentives for home childcare providers.
- Supporting policies to ensure care jobs are good jobs, enabling to grow the sector to meet the demand, including:
  - A National, Domestic Worker Bill of Rights, making sure caregivers have a living wage with benefits, a pathway to higher wages, predictable and flexible scheduling practices, portable benefits, and bargaining power to raise standards for all workers.<sup>25</sup>
- Supporting the training, financial compensation, and health assistance to family members who care for children, people with disabilities, and aging relatives, including the Social Security Caregiver Credit Act, which would allow family caregivers to receive Social Security credit for serving as caregivers of dependent relatives for up to five years of care provision.



PHOTO: HANA CENTER



*Survivors who lost their jobs and healthcare were forced to rely on abusive partners for their financial survival.*

**SHEERINE ALEMZADEH**  
Healing to Action



## Demand an Anti-Racist Healthcare System

There is evidence that Black, Indigenous, and People of Color (BIPOC)<sup>26</sup> neighborhoods with a low life expectancy have greater challenges accessing healthcare in general. COVID-19 exacerbated this problem by adding challenges in maternal care, reproductive care, and cancer care, where health workers and facilities prioritized COVID-19 cases and many treatments and care such as gynecologist visits, breast cancer screenings and treatment, and prenatal care either were considered elected procedures and thus delayed, postponed and/or decreased.



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Recent research on life expectancy in American urban areas indicates that cities with deep history and greater degrees of racial and ethnic segregation often have alarming disparities in life expectancies across urban neighborhoods in public health studies.<sup>27</sup> For instance, there is a 30-year difference in life expectancy between individuals living in the predominantly Black neighborhoods of the South Side of Chicago and the predominantly white Streeterville residents, just nine miles North. In Chicago, the difference in life expectancy between neighborhoods is on average 30.1 years, the largest life expectancy gap across 500 U.S. cities. Given that neighborhoods with higher life expectancies tend to have greater access to quality health care, increased educational attainment, and higher income, it's important to note how healthcare and its relevant social determinants (e.g., racism, discrimination, violence, access to care, safe housing, etc.) were exacerbated by the pandemic. In fact, the city of Chicago's Mayor Lightfoot recently declared racism as a public health crisis in Chicago.<sup>28</sup>

Prior to COVID-19, implicit bias in women's healthcare was an existing issue. Studies have shown that women are too often ignored within the healthcare system, blocking them from receiving the care they desperately need.<sup>29 30 31</sup>

During the pandemic, this reality worsened, particularly for Women of Color. One story highlights a Black woman being sent home from a health care facility with symptoms not deemed serious enough for testing; the woman eventually died from COVID-19 at home.<sup>32</sup> BIPOC children have also been unduly affected. The CDC released data saying that BIPOC children are 78% more at risk than their white peers to be infected by COVID-19. Federal statistics in September 2020 indicate that Hispanic, Black, and Native American children were dying of COVID-19 at much higher rates than their white peers. Of those dead due to COVID-19, more than 75% of them were identified as BIPOC children.<sup>33 34 35 36</sup>

Reproductive justice and the need to safeguard a woman's right to have a healthy pregnancy, safe childbirth, and a thriving infant, in addition to all the needed preventative and supportive healthcare, has never been more needed than now. According to the Illinois Department of Public Health's 2021 Maternal Morbidity and Mortality Report, Black women were about three times as likely to die from a pregnancy-related condition as white women. 83% of the pregnancy-related deaths were potentially preventable.<sup>37</sup> Fears about COVID-19 transmission, social distancing requirements, and diversion of

resources to COVID-19 responses forced healthcare workers to rethink protocols around gynecology and women's health. For example, low-risk women in prenatal care were encouraged to perform more routinized monitoring independently (e.g., checking blood pressure, monitoring and counting kicks from home).<sup>38</sup> In the U.S., where routine prenatal care consists of 12-14 visits throughout a normal pregnancy, some maternal care workers report that the number of in-person visits were reduced to 5 and combined services such as ultrasound, lab testing, and physical exams into a single visit. Furthermore, people are relying on telehealth for additional check-ins.<sup>39</sup> During the pandemic, global prenatal care research indicates that cancellation of prenatal appointments was associated with

increased odds of clinically elevated depression symptoms and clinically elevated anxiety.<sup>40</sup>

In terms of preventative care, researchers found that breast cancer screenings dramatically decreased from 2019 to 2020. Pre-pandemic an average of 13.6 mammograms per 1,000 women were performed per month, whereas in May 2020, that average drastically dropped 92% to 1.1 mammograms per 1,000 women.<sup>41</sup> Given that early diagnosis of cancer dramatically increases the chances of a successful treatment, decreases in preventive cancer screenings can cost lives in years to come.<sup>42</sup>

## CHICAGO WOMEN'S HEALTH CENTER

CFW GRANTEE: INVESTMENTS IN ACTION

Chicago Women's Health Center (CWHC) facilitates the empowerment of women, trans people, and young people by providing healthcare and health education in a respectful environment where people pay what they can afford. COVID-19's need for social distancing directly challenged CWHC's compassionate, collaborative, and comprehensive approach to healthcare services and education.

By quickly transitioning into telehealth and teletherapy sessions, CWHC remained connected to its most vulnerable clients. Even after the pandemic, this transition will help all clients overcome barriers to access like transportation, child care, and time off work. 80% of CWHC's current counseling clients would prefer or strongly consider teletherapy even after the pandemic.

CWHC adapted its sexual health education for young people to focus on social-emotional content to address the dramatic increase in anxiety, self-harm, and suicidality disclosures. While already part of the curriculum, the focus on social-emotional content (body image, self-esteem, communication of boundaries, and healthy relationships) created a



PHOTO - CHICAGO WOMEN'S HEALTH CENTER

better understanding and foundation for supporting students through challenging circumstances, changes to learning contexts, and increased time at home and online, today and into the future.





PHOTO - CHICAGO WOMEN'S HEALTH CENTER

## SHECOVERY™ ACTIONS

Chicago Foundation for Women is ramping up its efforts to ensure an equitable recovery by identifying, uplifting, funding, advocating for, and supporting nonprofits, grassroots organizations, and legislation focused on:

- Working toward dismantling the systems of structural racism and implicit bias that are preventing Chicago's Black and Brown communities from accessing the COVID-19 vaccine.
- Advocating to protect and support comprehensive sexual and reproductive health benefits in all forms of insurance coverage, including ensuring health plans have robust coverage for contraceptives, pregnancy management, and abortion.
- Supporting the full implementation of the Reproductive Health Act (H.B. 40).
- Investing in the expansion of access to quality mental health and substance abuse support, particularly for women and families on Chicago's South and West sides.
- Advocating at the federal level for the codification of the tenets of Roe V. Wade and fully fund Title X.



*I really appreciate [telehealth therapy] during this time, as I live with someone who is immunocompromised. Thankful for the level of care and accessibility.*

### CLIENT

Chicago Women's Health Center

## CONCLUSION

The impacts of COVID-19 will be felt for years to come. Chicago Foundation for Women is committed, as it has been for the last 36 years, to ensuring women and girls have the opportunity to thrive in safe, just, and healthy communities. This report underscores the importance of investing, advocating, and supporting work across sectors, which has been at the core of Chicago Foundation for Women's work since its inception. Whether it's grantmaking, capacity building, advocacy, and programming, exacting change takes all of us. It's essential to call out that this report also spotlights the deficiency and inadequacy of research and data related to the pandemic's impact on trans and gender nonbinary individuals. We know that trans and gender nonbinary people were impacted in various ways, and Chicago Foundation for Women is centering their experiences as part of its continued work.

Not only did COVID-19 bring to the surface new challenges that we are just beginning to see, like

long-term health complications and the future of the workplace, it also highlighted long-standing inequities across race and gender. Gains in workforce participation, healthcare, and housing access were quickly dismantled and eradicated by this fast-moving virus. It's not enough to work towards reestablishing those gains lost. We must work toward achieving our most aspirational tomorrow—a tomorrow where race and gender equity are attained.

As a trusted and proven partner, Chicago Foundation for Women looks to expand its targeted investments in community-led organizations and advocate for policies that will make a difference in the lives of all women and girls and their families. An equitable recovery is attainable if those most impacted, particularly Women of Color, are centered and heard.

When she recovers, we recover. Join the movement – visit [www.shecovery.com](http://www.shecovery.com) and support an equitable SHEcovery™.



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<sup>1</sup> Womxn is used as an alternative spelling of women, which is inclusive of women, girls, trans, and gender nonbinary individuals.

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<sup>4</sup> NWLC calculations using BLS, "Employment Status of the Civilian Population by Sex and Age," Table A-1 in April 2021 Employment Situation Summary (Washington, DC: May 7, 2021), <https://cutt.ly/nwlc1>. Historical data available at <https://cutt.ly/nwlc2>. Figures are seasonally adjusted and capture women and men ages 20 and over.

<sup>5</sup> <https://cutt.ly/ZWiPN6n>.

<sup>6</sup> Ewing-Nelson, C. (2021, January). All of the Job's Lost in December Were Women's Jobs. National Women's Law Center. Retrieved from <https://cutt.ly/SWiP6od>

<sup>7</sup> Piquero, A.R., Jennings, W.G., Jemison, E., Kaukinen, C., & Knaul, F.M. (2021). Domestic Violence During Covid-19: Evidence from a Systematic Review and Meta-Analysis. National Commission on COVID-19 and Criminal Justice. Retrieved from <https://cutt.ly/piquero>

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<sup>12</sup> U.S. Bureau of Labor Statistics-Midwest Information Office. 2021. Chicago Area Employment – February 2021. Retrieved from <https://cutt.ly/VWiPuaM>.

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<sup>23</sup> <https://cutt.ly/rWiPWIL>.

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<sup>26</sup> BIPOC: Black, Indigenous, and People of Color (BIPOC) is a term used to center the experiences of Black, Indigenous, and People of Color utilizing people-first language. The term Indigenous is inclusive of people who identify as American Indians or Native Americans, First Nations, Native Alaskans or Alaska Natives. The term People of Color is inclusive of people who don't identify as white

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<sup>28</sup> <https://cutt.ly/aWiP4fN>.

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WHEN SHE RECOVERS  
**WE RECOVER**

Written in partnership with



I would like to devote the rest of my time to Ai-Jen Poo. She is, as you know, the executive director of the National Domestic Workers Alliance and Caring Across Generations, which has done so much I think to raise the important issues of what the needs are right now in our economy for so many people.

So if you would focus especially on workers. You know, we call them the heroes of the pandemic and yet they are in such great need. If you could talk for a while—five minutes is so short that you had before. Take the rest of my time.

Ms. POO. Thank you so much, Congresswoman.

I do want to take a moment to just name that among the fastest growing job categories in our entire economy, not just for women but in our entire economy, are personal care aids and home healthcare workers. And these are workers who earn on average \$18,200 per year. Because of the growing aging population in this country, we know that the demand for this work force is only going to continue to grow. A Congressman mentioned earlier rural communities. There are massive home care deserts throughout rural communities all over this country because we have labor shortages. Workers cannot survive on the income that they earn and pay for gas to get to work on the incomes that they earn. They don't have access to healthcare or a safety net or paid time off. The quality of these jobs is so poor that we cannot sustain the current work force we have, let alone the huge demand that we need going into the future as an aging nation. We have the opportunity to make these jobs good jobs for the 21st century, just like we did for manufacturing jobs in the 1930's, where one generation could do better than the next. If we invest in care jobs becoming living wage jobs with real economic security and access to a safety net, we will create a pathway to the middle class for literally millions of working class and working poor women and their families.

It is a huge—it is a win-win-win investment and the cost of elder care to states right now is extraordinary because of our over reliance on nursing homes and nursing home care. When we invest in a home care work force and home and community based services—which is a big part of the plan in the build back better agenda—when we invest in a home and community base services, we are investing in cost savings on the part of states and the federal government long-term because the cost of home and community based care is a third of what it costs states to pay for nursing home care for people who need it.

So it is a win-win-win. Lower costs for states and the federal government, better jobs for a group of workers who have been forced to live in working poverty, and their families, support for working family care-givers who need the support of a strong work force and access to these programs in order to participate in the economy, and a dignified quality of life for our growing aging population in this country and people with disabilities who need these services and prefer to live and age in the home and community. What could be a better investment of our public dollars?

And investing in this work force, these are job enabling jobs. There are supporting all of us working class families who need this care to be able to do and contribute what we want to on our terms across all sectors of the economy.

So I do want to say the care economy investments are in my mind the highest return on investment, both from a job standpoint and from a long-term economic sustainability for working class families standpoint.

Ms. SCHAKOWSKY. Thank you so much. Appreciate these additional words. Appreciate it.

Chairman YARMUTH. The gentlewoman's time is expired.

I now recognize the gentleman from Texas, Dr. Burgess, for five minutes.

Dr. BURGESS. And thank you, Chairman.

And, first off, let me just start with the fact that I disagree with my colleague from Texas. I think Governor Greg Abbott has been one of the best Governors this state has had. And I only say one of the best because Rick Perry and George W. Bush were his immediate predecessors and I certainly don't want to slight their service either, because they have all been important.

Look, a year ago at the Rules Committee, I introduced the very same opinion pieces that Mr. Smucker just talked about the former chairman Larry Summers has written because as it turns out he was a regular Nostradamus with his ability to predict what was going to happen. We had the chairman of the Fed at that time saying inflation not a worry. But look, those of us who are old enough to remember what it was like going through the inflationary spiral of the 1970's and early 1980's also remember how painful it was to unwind that inflationary spiral. And, look, let us be honest, people at upper income levels were inconvenienced, people at the lower income levels were devastated. And that is the price that is paid for those types of policies.

I am so grateful Mrs. Lukas mentioned about the oversight of the spending that went into that \$1.9 trillion bill because I think it is important. And, Mr. Chairman, I have just got to say, this is my first term on the Budget Committee, we haven't done a budget. And if you don't do a budget, then you don't plan, then how do you know where—if you get to where you thought you wanted to go?

We also have not heard from the Congressional Budget Office. The Congressional Budget Office has not done the CBO baseline for this year. They say the problem is OMB. Fair enough. But people ought to get their acts together. And this is too important to just leave undone.

Now, the Congressional Budget Office did come in and visit with me and they went through a list of 20—of the top 20 agencies and institutes that have unspent money from the American Rescue Plan. And it turns out just in the top 20 that is \$340 billion. The aggregate of all the unspent money is over \$400 billion. So, yes, actually, there is some money there that could go to help people.

And here is another problem. A lot of that money went to the states before it gets doled out to municipalities and to individuals. We have not done any oversight of how the states have done with getting that money where we intended it to go. So it is very, very difficult to talk about new spending when we haven't done a good job with trying to keep track of what has already gone out the door.

Now, look, just like everybody else, I have voted for the CARES Act in March 2020. I thought it was important. We didn't know what was ahead of us. It was uncertain times and we were in un-



chartered waters. But since that time we have not done—and I am also on one of the authorizing committees, I am on Energy and Commerce—we have not sat down and done the work on what was actually needed. We had all the money dispensed in the CARES Act, but we never sat down and said what was actually needed, where did it go, could we have done more, should we have done less, were we in appropriate in some of our expenditures. So we get to the end of the year and do a big omnibus and we don't even know. We don't know because we have not asked the questions and we have not done the proper oversight.

So I was opposed to the omnibus bill in December 2020, even though there was consensus around its passage. But then not two months later we are passing another \$1.9 trillion bill. And we ask ourselves, well, why does it cost so much at the grocery store, at the gas station. Well, it was as plain as the nose on your face. And even the former secretary of the Treasury was able to recognize that.

Mrs. Lukas, I do actually have a question for you. You have posed a very interesting concept that mandatory paid leave programs are wealth transfer, but it is counterintuitive. The people that you thought you were going to help, you hadn't helped, and you gave help to people that probably didn't need the help in the first place. Would you care to talk about that a little bit?

Mrs. LUKAS. Yes. I appreciate that. Because I do think a lot of people, you know, really want to help people and they see paid leave and everybody feels bad when somebody has to make a real sacrifice when they need time off from work. But these programs are simply not serving who they are supposed to serve. When you look in Rhode Island, you look at these income brackets and the places that are getting the most, the income cohort that is getting the largest payout, is the upper income. It is the lowest income bracket that is the least likely to be taking these benefits. It is incredibly regressive. And that is—clearly we need to go back to the drawing board and not commit that on a federal level.

Dr. BURGESS. Correct. And of course the taxes are collected in payroll taxes from those lowest income workers.

Mrs. LUKAS. Exactly.

Dr. BURGESS. They don't pay income tax, but they do pay—

Mrs. LUKAS. Payroll tax.

Dr. BURGESS [continuing]. employment taxes.

Thank you, Mr. Chairman. I will yield back.

Chairman YARMUTH. The gentleman's time has expired.

I just note for the record that my Republican colleagues, who often criticize Ivy elites, are very free with their compliments of a Harvard guy today.

I now yield five minutes to the gentleman from Nevada, Mr. Horsford.

Mr. HORSFORD. Thank you very much, Mr. Chairman. I appreciate very much you holding this hearing and your interest in ensuring that women are able to fully participate in our changing economy. I also want to thank our witnesses for their tremendous insight, particularly as these issues have disproportionately affected women, especially women of color, and their involvement in the labor market.



We are working hard to make sure—as we have seen 7.4 million jobs created in the first 13 months of this new Administration. However, we know that there are still many who are struggling and there is more work that we have to do.

So, first, I want to touch on the fact that the effects of the pandemic and the subsequent economic downturn were not felt equally across racial and socioeconomic groups. The job that disappeared were predominantly held by women and the were predominantly held by women of color. These were the essential workers who kept our country running during the darkest days of the pandemic and now they are being “rewarded” with reduced hours, little opportunity for remote work, and in many cases, no options for childcare. Our communities of color are being left behind. And while the COVID-19 pandemic laid bare their tenuous position, the vulnerabilities within our economy for workers of color existed long before 2020 and the pandemic.

So Dr. Albanesi’s testimony—I know you touched about the systemic makeup of our country’s occupational distribution set up many women of color for failure. So will you briefly discuss the economic impact of decreased labor force participation by women of color and provide us with your thoughts on how we can help to train more women who are facing—low contact flexible jobs like you discussed earlier in your testimony?

Dr. ALBANESI. Yes. Thank you, representative.

Yes, it is true. Particularly Black and Hispanic women are over represented in these inflexible high contact occupations, basically in the care economy, that, you know, Ms. Poo so unequivocally described for us. And wages in those occupations are low for two reasons. They are low because they are primarily female occupations. And as economists we have done a lot of work to understand gender wage gaps, and it turns out that when occupations are predominantly female, wages in those occupations are lower, even if those occupations require the same qualification as another occupation that is primarily male.

But also, you know, historically in the care economy there have not been enough protections that are standard in other types of occupations. And this is really a heritage of the kind of structural barriers to advancement of people of color when these programs of employment protections were first introduced in the 1930’s. So if we as a society value employment protection, we should be giving it to all our workers and not just giving it to some kinds of workers and not other kinds of workers. That is inefficient, it causes disallocation of funds and it causes a crisis where many families desperately need care for their elderly relatives or for their children and they can’t find workers because workers in those occupations are underpaid.

So how do we solve this problem? The problem—you know, I think Ms. Poo had, you know, several suggestions in her testimony. If we just equate the kind of protections that are given to other workers who are care workers, that would do a lot to even the playing field and attract more talent to those sectors.

But I also want to recognize that, as I said before, as a result of the pandemic there has been some structural change in the economy. I mentioned, you know, sort of business travel is expected to

be permanently lower. The fact that more people are working from home who can—you know, several surveys have been conducted, you know, by employers and by economists suggesting that going forward more people are going to be working from home if they can more days, which means all of those restaurants and cafeterias and other jobs that are connected to serving people who work in offices or other establishments, those jobs may not come back to the extent that we saw them in 2019. So there is going to be a demand for certain types of jobs that were, you know, primarily employing, you know, women of color.

So there is a need to offer retraining and other, you know, kinds of services to enable those women to enter other occupations and are, you know, growing in response to the pandemic and demographic change, such as the care occupations.

Mr. HORSFORD. Thank you so much for your testimony.

I know I am out of time, Mr. Chairman. I did want to just highlight Ms. Walker's testimony and her focus on the child tax credit. And I am really proud that your youngest son was able to go back to preschool based on that child tax credit. And that is why we are working to provide those benefits for so many families.

Thank you, Mr. Chairman. And I yield back.

Chairman YARMUTH. The gentleman's time has expired.

I now recognize the gentleman from Virginia, Mr. Cline, for five minutes.

Mr. CLINE. Thank you, Mr. Chairman. I appreciate you having this hearing.

You know, from the start of this pandemic, the number of active small businesses have plummeted, with minority and female owned businesses disproportionately impacted. And that is because while lock downs and temporary business closures were intended to address the public health crisis, women and minority owned businesses were more likely to fall under the arbitrary designation of non-essential. These designations were put forward by aggressive administrations of Democrat led governments and therefore they were—these businesses were forced to close with very few resources to help them get by.

Now, I look at the title of this hearing "Ensuring Women Can Thrive in a Post-Pandemic Economy". Having suffered through in Virginia the strict shutdown requirements of a Democratic Governor, I think the answer to ensuring women can thrive in a post-pandemic economy would be to stop electing Democratic Governors.

But I would say that now we have the higher gas prices that are putting pressure on women, on families, and the Biden Administration and Washington Democrats are trying to put the blame on the Russian Federation's invasion of Ukraine that began just three weeks ago. Gas prices started rising 40 percent year over year before Russia's invasion.

And so I would ask our witness, who is here and I appreciate her being here in person, how do higher gas prices impact women and particularly mothers?

Mrs. LUKAS. Oh, absolutely. You know, it is such an obvious—sometimes we need to look at statistics and look at the data, but ask any mom and she knows every time she fills up the tank. Back when President Biden was elected it was about two bucks a gallon

and I mean a couple of months ago it was \$3 and now it is well over \$4. And this does impact every decision and it is pushing up, it is helping fuel what is happening in our grocery stores and across our economy.

And it is interesting, because I do think that—don't want to go off field here, but when we look at energy policy, this was another big driver of this. When we look at what has happened and what is happening the world today, the decisions that were made to reduce energy production here in the United States is a big driver of that inflation and it is rippling through our economy and hurting women.

Mr. CLINE. And it absolutely it. Over the past year women's outwear prices and dresses are up over 11 percent, women's footwear and jewelry, each up over 6 percent, baby food up almost 8 percent, baby clothing up almost 9 percent. Over a year of rising prices and Democrats are continuing to dismiss and downplay the impact of inflation on everyday goods. And often falsely blaming it on car and gasoline prices.

You mentioned in your testimony that back in December 2020 more than 70 percent of childcare centers were open while only about a third of public K-12 schools were fully in person. If the Democrat proposed government controlled childcare policies in Build Back Better were in place two years ago, do you think government run childcare centers would have also shut down as public schools did?

Mrs. LUKAS. Absolutely. You know, and it is not just what happened with COVID. You know, we talked about some of the problems that predated this pandemic. Well, certainly we have seen across the country, most recently in the city of Chicago, where there was a decision to close the schools and push everybody back to virtual learning. And I believe they just shut the doors for a while. And this is what happens when you have a system that really doesn't care whether or not how they serve those families because it doesn't affect their budgets, it doesn't affect their livelihoods.

Mr. CLINE. And, as you said, the impact on women in the work force of that type of situation would have been enormous. And so I am glad that we avoided that. I do think we need to look at rolling back some of the red tape. It is largely going to have to be done in the states because the states are aggressively over regulating our childcare centers, causing prices to go up. Democrats love to create a problem and then create a solution to the problem using aggressive government. And so here we go again with Democrats responsible for the rising price of childcare and now trying to cap it or in some way subsidize it with even more government intervention.

So the policies of the majority party are often the problem, not the solution. And I would urge us to take a step back from that.

So I appreciate the witnesses for being here and, Mr. Chairman, I yield back.

Chairman YARMUTH. The gentleman yields back.

I now recognize the gentlewoman from Washington, Ms. Jayapal, for five minutes.

Ms. JAYAPAL. Thank you, Mr. Chairman.

I just have to respond to that—to those last comments because I think it is also very clear that what we have going on right now is pandemic profiteering by the largest corporations. The reality is, yes, families are dealing with sticker shock and meantime, Mr. Chairman, profits for companies that put these goods on the shelves are skyrocketing. Data from the U.S. Commerce Department shows that corporate profit margins are the largest they have been in 70 years.

And even if you talk about energy costs, the reality is the President—President Biden has called out that prices for unfinished gasoline were down by 5 percent where the prices at the gas station went up by 3 percent. So, in other words, companies are selling gas at the gas station—are increasing prices by more or not handing down price decreases that they enjoyed just a few months back in November.

So, anyway, I just had to correct the record on exactly where these increases are coming from.

Now, that said, I want to talk about the subject at hand, which is the disparities among women in job numbers and industries that overwhelmingly employ women like the domestic work force. Normally there are about 2.2 million domestic workers and 91 percent are women. During the pandemic domestic workers lost jobs even as their work became more essential for senior and others who needed to avoid care in congregate settings. And so I think it is absolutely essential that as we work to provide an inclusive and thriving economy, we have to ensure that domestic workers are included.

Ms. Poo, thank you for your work. I have argued with you in the past that our immigration system is “sexclusionary”—is what I call it—because it places value on work typically performed by men. Do you think that a similar systemic undervaluing of women’s labor exists? And, if so, can you talk about how it is hindering efforts to ensure that women are included in recovery efforts?

Ms. POO. Thank you so much, Congresswoman, and thank you for your leadership.

You know, I think the entire debate on infrastructure is a really good example of the ways in which the contributions of women to the economy and how fundamental and essential they are is devalued in a systematic way. The fact that—the definition of infrastructure is that which enables the economy and society to function. Bipartisan infrastructure bill was passed and most of the jobs that were created in the context of the infrastructure bill will go to jobs that are predominantly held by men. There is another part of investment in infrastructure that we have yet to make, which is that investment in our care-giving systems and programs that will—an infrastructure where the jobs are largely held by women, as you just named, where we can actually turn these jobs into sustainable living wage jobs and ensure affordable high quality access to care for the millions upon millions of working class families and working women in particular who rely on those programs.

And so investing in prioritizing, investing in our care-giving infrastructure the way that we have invested in infrastructure—more traditional surface infrastructure is essential and fundamental. And the only reason why, that I can see we don’t see it in those

terms is because we devalue the work of women. And it is really time in the 21st century that we address that. And this is an opportunity.

Ms. JAYAPAL. Let me followup on that and just say that, you know, we are trying to build back better. And I think investing and protecting domestic workers gets at two issues, women who need the support of domestic workers to be able to do their own work outside the home, as well as the women who are doing very tough and often thankless work without the necessary support or basic rights. And you sort of referred to this. Why is supporting the domestic work force crucial to ensuring that women can thrive in a post-pandemic economy?

Ms. POO. Domestic workers as a work force, more than 90 percent women, majority women of color, were disproportionately—this is work that is by definition work that has to be done in person. It is not remote work. And we have seen over and over again about how essential it is. Domestic workers were an essential lifeline throughout the pandemic to some of the people who are most vulnerable to COVID-19, older people, people with disabilities, people with chronic illnesses. Enabling this work force to be secure, to have training, to have living wages, access to a safety net, rights and protections, like the ones that are included in the Domestic Workers Bill of Rights that you have championed, means that we have a secure—a set of jobs for a work force that is overwhelmingly women and those jobs will enable many, many other jobs throughout the economy. They will enable all kinds of essential workers, professionals throughout the economy to go to work knowing that they have access to care and the services they need inside their homes.

Ms. JAYAPAL. The work that allows all other work to happen. And it is also why it is important that we keep those investments that we have proposed in Build Back Better for elder care, for childcare, for all of this kind of work.

Thank you, Mr. Chairman. I yield back.

Chairman YARMUTH. The gentlewoman's time has expired.

I now recognize the gentlewoman from the Virgin Islands, Ms. Plaskett, for five minutes. Please unmute, Ms. Plaskett.

Ms. PLASKETT. Yes. Thank you so much for that. I appreciate you holding this hearing.

This is of course extremely important to me as a black woman and I am really very grateful to your leadership in recognizing that this is a topic that all women, particularly women of color, are specifically feeling the impact of.

I wanted to ask Ms. Poo a question related to post-pandemic and market conditions workers. Has the labor market changed in ways that affect women's ability to succeed in their work since the post-pandemic or the late stages of the pandemic? And do we have quantifiable evidence related to that? For example, are women better able to negotiate pay, working conditions, and scheduling with their employers now? Have we seen a change?

Ms. POO. We are still early days in terms of collecting the data we need, Congresswoman. Thank you for the question.

But what I do know anecdotally from our membership is that the lack of access to childcare, to paid family and medical leave, to paid

sick days, and to healthcare is still a huge, huge issue for workers. And the wages for domestic workers have not increased to better enable workers to afford the care that they need for their own families. So we are still hovering at about a 22 percent unemployment rate among domestic workers because the quality of the jobs is not good enough for workers to be able to work and take care of the people that they love and keep themselves safe.

So we will continue to collect data. I am not sure if Dr. Albanesi has more data as an economist, but from what I can tell, it is still a struggle. The American Rescue Plan investments did help, the child tax credit did help, and some of the emergency childcare subsidies and emergency paid leave did help, which is why I really advocate for extending those. And it is still a struggle and we need permanent investments in these jobs.

Ms. PLASKETT. Well, I want to thank you for that. You know, I recognize that statistically we are all aware that women of color of course, for the same jobs earn less pay, have additional difficulties in the workplace that other women do not. And thus there are long-term effects, even if they do find another job, that still impact them and their families. In general, do the effects of employment loss end when a worker finds a new job? Or do we know the statistics on what happens to those families—the incremental changes in and the incremental losses that that can happen to a family related to an initial job loss and that impact? And how can we in our budget and as Members of Congress cushion the American families or support them to rebound from this in the long-term?

Ms. POO. I think we have heard from Ms. Walker to day about what happens when workers don't have the right supports. And he and her family are in debt as a result.

Ms. PLASKETT. Yes.

Ms. POO. And I think what we need to do is extend some of the investments that were made in the American Rescue Plan, an invest in affordable high-quality childcare so people like Ms. Walker and our members at the National Domestic Workers Alliance can have those supports as they consider reentering the work force.

Ms. PLASKETT. Well, Ms. Walker has shown herself to be incredibly brave and we are all grateful for her testimony.

Dr. Albanesi, do you have anything that you wanted to add to that?

Dr. ALBANESI. Yes. Actually, I can add a couple of things.

With respect to the programs that we have seen during the pandemic, including the child tax credit, one thing that economics teaches us is that for programs to change behavior or workers they have to be sort of long lived. So if the child credit is only in place for six months or 12 months, it may not be enough to change the behavior of a single mother who, you know, is sort of deciding whether to go back to the work force and invest in a childcare arrangement or not. Instead, if a program is expected to last, you know, for two or three years, that will actually change behavior.

So, you know, the predictability of these kinds of benefits is really useful so that workers can count on them and actually make appropriate choices.

Ms. PLASKETT. Well, thank you so much for that information.

And I yield back. Thank you, Mr. Chair, for this important hearing

Chairman YARMUTH. Oh, sorry. Thank you very much. The gentleman's time has expired.

I now recognize the gentleman from Georgia, Mr. Carter, for five minutes.

Mr. CARTER. Thank you, Mr. Chairman. And thank all of the witnesses for being here today.

I want to start with you, Mrs. Lukas. I want to talk about this government mandated childcare. And I want to—first of all, you know what, it is funny, it seems like the majority party is always fond of declaring almost anything that they want to see happen a right, to just justify becoming something the government most guarantee. I don't—I know that this didn't evolve overnight, but it just baffles me as to how we ever reached this point where everything is a right.

But, anyway, now they have set their sights on government child and day care. And, look, I have got six grandchildren. The two youngest ones were born last year and I have got—this is an issue that is very important to me, but I want to ask you, Mrs. Lukas, what would happen if the majority party, the Democrats, got their way and mandated a government childcare program?

Mrs. LUKAS. Well, you know, I am concerned that it would change the dynamic where instead of day care and childcare providers being focused on providing for the family and serving the family, that they would be much more focused on serving regulators and public policy officials. So it would operate more like the K-12 public schools.

And if I can, you know, there is just—I would have a moment of caution, because there is a lot of discussion about what an investment childcare is and how it leads to tremendous returns on investment. And yet nobody brings up Head Start. And that is the existing federal program which spends about \$10,000 per child and serves, you know, thousands of children. And there have been congressionally mandated studies to see if this investment is paying off in terms of lasting school readiness, do you see gains. And any gains that these congressionally mandated studies that any benefits fade out over time. The programs that people point to to show this tremendous return on investment are small programs and that served extremely disadvantaged communities. In fact, there was just a study done of a program in Tennessee that they were hopeful that they were doing to see some real returns on this. And, in fact, they found again that not only did it not have positive effects, that it was actually associated with negative effects. And I will be sure to pass this on so that the information on that study is available to everyone here, because I think it is very telling and cautionary. Doesn't mean that the preschool can never be good or day care can never yield investment, but we should be rather humble about knowing that government programs are going to provide this return on investment.

Mr. CARTER. Well, thank you for that input. And we look forward to getting that information from you.

You know, I have been going through this—I haven't been going through it, but my sons and their families have been going through

the process of going to different day care centers and seeing the very diversity of them and making a decision based on, hey, we like this, we like that, and this is what we want to try to get. How do you think the curriculum would be change if we had government mandated day care centers, Mrs. Lukas? Could working parents maintain flexibilities do you think with private childcare centers?

Mrs. LUKAS. You know, I would be very concerned, that especially when it comes to right now, currently about 50 percent of childcares are faith based. And I think those would have a lot of trouble with mandates made by state governments; that those would be kind of pushed out of the marketplace. And I do think we would see—a lot like K–12 schools, it would become much more cookie cutter. You know, we have seen over the past several decades a steep decline in at-home childcare, which is something that parents really want. There was almost at 50—I believe it was a 50 percent decline between 2005 and 2016 in the number of at-home day care providers. We need to take a hard look at the regulations that are making it impossible for those small businesses to stay in business because there is a lot of regulatory overreach. And we would have a greater diversity if we were able to remove that red tape.

Mr. CARTER. So you would agree that it is important a have a diversity of institutions to serve parents and their kids?

You know, I mean I am so relieved to hear you say this, because this is such a big decision for parents. My daughter-in-law is Catholic, my son Methodist and Protestant. And, you know, they are interviewing all these different day care centers, including such thought and so much time into making these kind of decisions. And it is really such a fascinating thing to watch in this. And my fear that that is going to go away and that we are just going to have cookie cutter childcare centers anymore.

Any comment on that, Mrs. Lukas?

Mrs. LUKAS. I do worry about that. And I will just have one more, really quick—I know that the time is almost up. But you should look at the mask policies. Because I think one of the things that is a tremendous tragedy is how we have kept our youngest children masked. Everybody here has the freedom to take off their masks, yet the kids sitting in Head Start are still forced to wear masks even though it is impeding their learning development, impeding their speech. I think it is terrible and I have been terribly concerned about that being the wave of the future if the Build Back Better childcare program went into effect.

Mr. CARTER. Thank you, Mrs. Lukas.

Thank you, Mr. Chairman. And I yield back.

Chairman YARMUTH. The gentleman's time is expired.

Next in line is Ms. Jackson Lee, but her camera is not on. If you are there, Ms. Jackson Lee—OK, you are there. The gentleman—

Ms. JACKSON LEE. I am here.

Chairman YARMUTH. The gentlewoman from Texas is recognized for five minutes.

Ms. JACKSON LEE. Thank you very much, Mr. Chairman. This is a crucial meeting. Obviously there is much going on.



Let me ask—also the doctor, but let me make this point as I—I appreciate the witness who indicated that there would be a problem with trying to provide a 7 percent top of how much families, women, would pay for childcare. And because women's salaries—sometimes heads of households—are lower than men, if you will, even as heads of households, I am stunned that this would not be a positive. Clearly, good childcare would not be spending their time focusing on government regulations. They would be spending their time being grateful of the quality of childcare that would generate by securing federal funding. And the amount of people maximized beyond Head Start—Head Start is a governmental program, childcare is not a governmental program. Childcare is giving people access to childcare wherever they are.

So, Ms. Poo, let me ask you this question, what kind of seismic change would come about, for example, if you invested through, say, the Build Back Better Act in lowering childcare costs so that women could re-imagine their lives through new training, education, longer hour jobs? How would that improve the economic condition of children and women? And then, additionally could you find anything negative to having provisions that would increase the opportunity for childcare and lower the course? My third question is, you may not be a Head Start expert, but I am not really seeing those numbers. I guess I will have to explore that to say that their impact fades out. Well, you want the impact to be as a lead Head Start in going to elementary school and they are left in the hands of the teachers and hopefully they will move on with that foundation.

But, Ms. Poo, can you answer my first question please? Thank you.

Ms. POO. Thank you so much for the questions, Congresswoman.

I think that making childcare more affordable would be nothing short of transformative in the lives of women. And right now women are spending between 9 and 40 percent of their income on childcare. And so not having to spend more than 7 percent of their income means that there is more income to pay for food, to pay for—save for a rainy day, to pay off the debts, like the ones that Ms. Walker's family accumulated. It would be nothing short of transformative for women and their entire families and for the ability to transfer generational wealth to create economic mobility so that one generation can do better than the last. I think there are so many ripple effects that we will see, beginning from having less pressure on your pocketbook, which is absolutely essential in the short-term to achieve.

The cost of childcare is one of the most significant fixed costs for families right now. If we want to lower costs for families, making childcare affordable is the way to do it. And I have never heard any data that the impact of Head Start fades over time. In fact, I have heard the opposite. And I have encountered so many people across professions who have benefited from the Head Start program, that has allowed them to actually have an equal footing as they enter public school.

Ms. JACKSON LEE. Well, thank you for that.

Let me conclude my remarks. First of all, Mr. Chairman, this was a long overdue and very vital hearing to focus on women.

There are several elements of the Build Back Better Act. We contributed to its construction. I think the Budget Committee did an excellent job. But make the care economy real, women who care for people, make it a profession, increase the salaries of the women who had to stay out of the workplace, but they could come back to the workplace with a professional skilled industry of care workers. I believe that that combination, childcare, will put women on a sure footing, no matter what their educational level is and what level of job that they have. There are many women bosses who need childcare as well and there are many women who work day to day, hour to hour, that need childcare.

And so I hope we can move this forward. Thank you very much, Ms. Poo. Thank you for your testimony. And also for the witnesses.

I yield back.

Chairman YARMUTH. The gentlewoman yields back.

I now recognize the gentleman from Iowa, Mr. Feenstra, for five minutes.

Mr. FEENSTRA. Thank you, Chairman Yarmuth, and Ranking Member Smith. I want to thank you for all of our witnesses for their testimony today. And I share your concerns that we need our kids to have a great education and our economy recovery cannot exclude women who are trying to find work.

You know, of the toughest problems facing my constituents in Iowa is the lack of childcare. And we just talked about this. And here question after question about childcare. So it is great that we are talking about this topic.

There is a lot of work being done in this space with our Iowa Governor working to find solutions to ensure that moms aren't forced to stay home. However, one of the key drivers of this problem in my state is a lack of work force. And that hasn't been talked about a lot today, right. We have a lack of work force. We have a lack of staff for our childcare. Our unemployment in Iowa is at 3.7 percent and for women it is 2.8. that is because Iowans avoided some of the pitfalls that a lot of other states had when they recovered from this pandemic. You know what, for Iowa we kept our schools open to ensure that our kids are getting a great education. And our parents weren't forced to struggle between feeding their family and keeping their kids on track, right. Our schools were open.

Studies agree with this and the Federal Reserve Bank in Minneapolis found that nearly 70 percent of mothers in states that shuttered schools were forced out of work compared to mothers living in states that kept schools open. Isn't that amazing? You know, the states that shuttered also had this massive problem, but the states that didn't don't have this problem.

Second, Iowa didn't double or triple down on its harmful lock down policies after medicines became available. You know, we went mask free. We just hear earlier how important that was for kids.

The rising crisis that is starting to crush moms across this country is inflation. Just yesterday it was announced that the wholesale inflation rose by 10 percent over last year, gas up 40 percent, heating you homes up 15 percent. Expense after expense on that bottom line for families.

Flooding the country with trillions of spending is making Americans' lives worse. In Budget Committee we showed—actively accounting for the trillions we have printed to recommend recessions of unspent funds. And this is just again another hidden tax, this inflationary cost because of all this money we dumped in the system.

Mrs. Lukas, you have talked a lot about this already, and I appreciate all your comments, but do you have any thoughts or ideas when it comes to childcare and work force and how we can help the work force out? To me, the bottom line for us in Iowa is the childcare industry just simply needs work force.

What is your thoughts on that?

Mrs. LUKAS. You know, I appreciate—I do think that it is important to talk about kind of those supply side effects when it comes to labor. And there is an interesting study. I think there Heritage Foundation's Rachel Greszler wrote a piece that looked at some of this and she notes that states that ended the unemployment insurance bonuses in July 2021 or earlier experienced a significantly greater pace of employment recovery in July and August than the states that hadn't. And she estimates that if the economy of all the states had ended those unemployment bonuses earlier we would have had 800,000 more jobs gained in July and August.

I do think it is important—we have talked a lot about the need. Everybody supports helping people. We want there to be a robust safety net. We need to make sure that that safety net is a safety net, not one that impedes people from returning to work. Because some of my fellow witnesses have talked about, we need people in the childcare industry, that it is these jobs create jobs and we need to make sure that the incentives are right so that we are not discouraging labor force participation permanently.

Mr. FEENSTRA. Yes, thanks, Mrs. Lukas. I greatly appreciate those comments. And you said something very valuable. You know, and this very seldom gets talked about, but if you are a family like me, I have a family of four, I have got four children, when you are doing your monthly budget and all these items are drastically going up, it really limits what you can do and it really pinches day care, because you just don't have the dollars to do it.

Now, you can throw more dollars in, that is very, very temporary. And obviously what we have seen is that created more inflation, it creates higher call for product. So it is just to me it—being in economics, this is not the way we do things. I mean it is just wrong on so many levels.

So, with that, I yield back. And thank you again for each one of your testimonies.

Chairman YARMUTH. The gentleman yields back.

I now recognize the gentleman from Virginia, Mr. Good, for five minutes.

Mr. GOOD. Thank you, Mr. Chairman.

This hearing really should be called how recent government policies have hurt Americans, women included, because it has hurt women just as much as every other American to have our most basic freedoms that we couldn't have imagined being under assault and under attack even just two or three years ago, from what we have seen the last couple of years, but our most basic freedoms like

our freedom of movement, our freedom to travel—even today we don't have true freedom to travel without wearing a mask—our freedom of assembly, getting together. Heck, even in this room we don't have everybody in the hearing room, they are doing it by Zoom. This Congress votes by proxy. We continue to use the China virus as an excuse to have these emergency provisions, which we know are not necessary. Our most basic freedom just to earn a living, to operate our business, to go to work, to keep our job, our freedom to worship, and our freedom to educate our children, to have our children go to school and to be there in person. These have been trampled upon and harmed our children, harmed our families, harmed mothers, harmed women in general.

History will judge us harshly by how we have sacrificed our children on the altar of politics over these last two years. You touched on it just a few moments ago, but the fact that we would close schools for children who are at almost no risk—almost no risk to the virus. For two years kids are at home or trying to learn remotely when they were at almost no risk to the virus. We have treated everybody the same. We have treated children like senior citizens, we treated college students like those with multiple comorbidity factors. Children—how do we ever make up for these mother's, these women's children, how do we ever make up the lost learning for two years?

So they graduate—what? With just two years less of school. Not to mention the developmental delay, the social delay, the emotional issues that have come in there. In my home county we lifted the mask mandate thankfully, finally. It should have never been in place. It is child abuse to put a child in a mask all day long when we know masks don't make any difference. That is why no one who has been enforcing it all this time ever wears it when no one is looking. It is virtue signaling. That is even—I saw a doctor on CNN say, hey, it just shows what team you are on, it is virtue signaling, it just sends a message that you care when you wear your mask. But do to that to children all day long when they are almost no risk for the virus. And also, we know from studies that masks don't make any difference.

But in my home county of Campbell County outside Lynchburg in the fifth district of Virginia, half the kids are still wearing masks when they don't have to. Why? Because we have told them they are going to die from the virus. And they have gotten comfortable with this thing on their face.

In the meantime, for women across this country these policies that have made them less secure with the border invasion that we have not just allowed to happen, we have caused to happen by this government's policies, our weakness on the national stage, where we look across the ocean to Ukraine, what is happening there, or the threat of China, the threat of North Korea, the threat of Iran, and the American weakness that has been projected, the massive spending that is robbing women, Americans, and families of their purchasing power, costing them thousands of dollars a year more now than it did previously last year just to buy the essentials. Grocery prices through the roof, gas prices through the roof as we have declared war on American energy. These policies are harmful to women.

The crime explosion in this country, putting—undermining our police. Not to mention we have fired women for not getting vaccines. Not allowed them to keep their job as essential healthcare workers, not allowed them to stay in the military, not allowed them to stay in law enforcement, not allowed them to provide for their family because we have taken away their right, again, trampled on their right to their most basic freedom of their own health decisions, and then we fired them if they didn't do what their government wanted them to do.

So I know you are chomping at the bit to respond, Mrs. Lukas. I will let you just respond any additional thoughts you might have.

Mrs. LUKAS. I mean, no, I appreciate that. And I do think when we look at the decisions we have made about our children, it contrasts very much with the rest of the world. When you look at—we have talked a little bit about European systems and what they do to support families. But one thing they didn't do was to put little kids in masks. Even the WHO had said that masking children under age five was not recommended, was bad, was not just not recommended but was harmful. And through most of Europe they have long had something where—a policy that children under the age of 11 or 12 do not wear masks. I do think that we are going to see tremendous mental health impacts from this. We see now there was a 51 percent in teenage girls attempted suicides during these last two years. And this is something we are going to be living with. Damaging effects for a really long time.

Mr. GOOD. And we are not telling the truth about the risks of the virus, which I heard Dr. Ben Carson say was the most dangerous virus in the—the most dangerous—we are not telling the truth about the risks of the vaccine, which I heard Dr. Ben Carson say is the most dangerous vaccine in history, and we are forcing it upon children, who are at almost no risk for the virus.

Thank you.

Chairman YARMUTH. The gentleman's time expired.

I now recognize the gentleman from Wisconsin, Mr. Grothman, for five minutes.

Mr. GROTHMAN. Well, first of all, Mrs. Lukas, I would like to thank you for being here. You know, I know most of the people back home in Wisconsin where I am from, they go to work in the day and they make it do. And I am sure it would have been easier for you to just call it in and do this from your kitchen table. But I think, you know, you really can tell a lot more or learn about a lot more when somebody is here and in person. So I would like to thank you for understanding that and being here.

So a couple of comments here. During this pandemic a lot of people were mandated vaccine wise. And I certainly got calls from many nurses and I have such a high opinion of nurses. I thought it was so offensive and unAmerican to force them to get the vaccine. I know a lot of nurses who quit, particularly if they were concerned it might have an effect on a pregnancy down the line. I met with a doctor earlier today, he was concerned about that. And I could just envision a bunch of guys sitting around at NIH or CDC or whatever saying, well, everybody can have the vaccine.

Do you think the fear of a negative effect on the vaccine is something that—particularly because so many of them work in the healthcare field—disproportionately hurt women?

Mrs. LUKAS. Well, certainly when it comes to fertility issues, that was something that I know a lot of women personally were very concerned with because this is—you can be somebody who supports a concept of vaccine and wants people to get vaccinated, but when it comes to our kids and our fertility, there is a lot of questions. And so we need to let free people make their decisions.

Mr. GROTHMAN. Right. And when I go through a hospital, I certainly see more women working there than men overall.

Mrs. LUKAS. Sure.

Mr. GROTHMAN. And I wondered if there wasn't a little bit of tacit sexism going on there when they cracked down and told everybody who works in a hospital, but women in particular, that they would have to lose their jobs if they didn't get a vaccine. I was kind of—was very offended. But I just wondered if you had any other comments on that.

Mrs. LUKAS. Well, you know, I think that—again, we have learned a lot during the course of this pandemic and one of the things we really learned in the last several months in the wake of Omicron is that the vaccine's protection is for your personally and it has not been preventing the spread of the disease, which makes it all the more, I think, inappropriate to force people to not have the opportunity to work and support themselves merely because they make a different health choice and weigh their own risks differently than the government does.

Mr. GROTHMAN. We have all sorts of statistics before us today, do you have any general statistics as far as percentage wise women and percentage of men who want to stay out of the work force and take care of their kids?

Mrs. LUKAS. You know, I think that—it is actually—I am glad you asked that question, because I think we have talked a little bit and heard some about the wage gap. And it was actually a holiday the other day called Equal Pay Day, that is often used as a proxy to talk about how much women are underpaid systemically. And the truth is that a lot of women, a lot of that is not discrimination, but it is because women often do decide to prioritize things other than earning and want to stay home with their kids. And we should respect that. That is why I think it is important for any support that is given to families, people with young kids, isn't make conditional on using—hiring somebody else to care for your kids. We should be providing support and recognizing the value of people who choose to stay home.

Mr. GROTHMAN. Why do you think some people dislike—I mean I think it is fine. When I grew up my own mom was at home more often than not. Why do you think there is this dislike for women who are staying at home with their kids?

Mrs. LUKAS. You know, it is funny. I think that sometimes there is this almost like I think a myth of the mommy wars. But I think when you talk to actual women that, you know, I am a working mom and I know some stay at home moms and they are my—are fully staying at home moms and they are the people who bail me out when I can't get there to pick up my kids and they are the ones

who help so much in the classrooms. And I think there is a lot more respect.

I fear from a public policy standpoint that sometimes there is a lack of respect. But I do think it comes from elites, that it is not on the ground moms. Because I think on the ground moms respect the decisions that other women make.

Mr. GROTHMAN. And if a stay-at-home mom, say she decides to work part-time or not work overtime or whatever, that winds up statistically to look like that there is something wrong with our society, right. I mean if you—you know, some woman is taking the professional track and some woman, professional, but maybe working 20 hours a week, that they—when you—when that runs through the statistics, they claim that there is something wrong with our society for allowing women to stay at home or allowing women to work part-time. Do you think that means there is something wrong with our society?

Mrs. LUKAS. No. You know, I think that—and my old women's studies classes, they would have talked about this conversation as having a really male lens, just judging everyone by how much money they earn, where a lot of women focus on other things and including—they value the time they get to spend with their kids.

Mr. GROTHMAN. Yes. I think people who just look solely at money are shallow. And I have always felt that way.

OK. Well, again, thank you for being here today. It was very nice of you to come on down and talk to us in person.

Chairman YARMUTH. The gentleman's time is expired.

I now recognize the gentleman from Florida, Mr. Donalds, for five minutes.

Mr. DONALDS. Thank you, Mr. Chairman. It is good to be back. I love how Congress schedules all committee hearings all at the same time. Such a use of efficiency in the Nation's Capitol. I am quite sure everybody watching C-Span right now hears all my sarcasm.

I just want to jump into it. Obviously we have a limited amount of time.

First of all, look, the American Rescue Plan, when it was written so fast after the President was inaugurated, it was an excuse in my view to essentially unleash long held policy ideals from people on the political left that they wanted to accomplish for quite some time. And so the pandemic was the crisis not being let go to waste. It was pretty clear from economists all across the spectrum that if we actually passed that piece of legislation—and we talked about it here in the Budget Committee—that if we passed that piece of legislation it would lead to inflationary pressures in the United States. Obviously, Larry Summers' comments have been proven to be very accurate. His comments today about a potential Federal Reserve interest rate hike is that if the Federal Reserve does not do this quickly and in an appropriate manner, we are going to enter a period of stagflation in the United States.

And so the point I want to really bring home for the witnesses here, and I am going to ask you guys about this stuff, is, you know, Ms. Poo—I want to make sure I pronounce your last name correctly—but I know that, you know, you and your organization have advocated for I am assuming permanency in the child tax credit.

But my question for you is even if you have permanency in the child tax credit, but the United States enters a period of stagflation where inflationary pressures continue to be high, don't these families that receive this advancement of a tax credit—isn't the purchasing power of the dollars they receive already doing to be eroded from higher inflation rates in the United States, which come from passage of this policy to begin with? And many others, by the way.

Ms. POO. I think actually, Dr. Albanesi is probably in a better position to answer questions about how inflation works long-term, but what I will say is that we are paying for care, specifically which is my area of expertise, in incredibly costly, inefficient, and ineffective ways. Both—

Mr. DONALDS. Well, and I—and I will—because I only got two minutes and we are going to have to plug and play here. And I apologize. I wish we did this differently where we weren't tied to five minute segments, but I don't set the rules.

My point is that, listen, I get it. Listen, I have three kids, I pay childcare, I know what it is. It is a car payment, sometimes it is a Mercedes payment depending on where you live and what you are doing. Been there, done it. You know, I got the checks. I have written the checks, I know what I am talking about. I know you do as well.

My point is, is that when you interject with massive amounts of governmental spending, specifically to childcare, and you are chasing childcare, what actually ends up happening is the cost of childcare will actually increase as a result of additional federal stimulus. Look no further than the university system in the United States. We essentially subsidize federal student loans because we think it is in the best interest of students, but what it also does, it allows universities and colleges to raise their tuition rates because they know that there is essentially a pot of unlimited dollars chasing university slots and being able to pay tuition, which, you know, the good doctor obviously through her work sees on a day to day basis. And that has also spiraled us through the loan crisis.

I guess, look, at the end of the day—and Dr. Albanesi—that is correct?

Dr. ALBANESI. Albanesi, yes.

Mr. DONALDS. Albanesi. You said earlier that with respect to people coming out of the work force, it was really a differentiation between college graduates and non-college graduates. In your studies, was it college versus no college? And amongst the college segment, was there a differentiation between men and women? Because you didn't say that in that answer. I just want to expand upon that. Is the differentiation between—in the non-college graduates, men versus women versus college graduates, men and women? Or really is there no differentiation at all with respect to academic attainment?

Dr. ALBANESI. No, there is some differentiation. So most of the decline in participation of women is coming from women without a college degree. But there was a slight decline also for women with a college degree. But it was temporary and very short lived.

And as I mentioned earlier in response to another question, where we saw the decline in participation was not, again, women quitting their job, but women becoming unemployed and then de-



ciding that, you know, they weren't going to search for a new job, perhaps because of childcare challenges or other issues, including not having sufficient protection from infection in a care job where you work.

Mr. DONALDS. I appreciate your answer, I really, really do. I am already out of time. I am abusing the chairman's time right now.

The only thing I would add to your point is, yes, it goes without question that there are many people who are out of the work force because we literally shut down the economy in the United States. And I would argue, especially if you are the woman in the household and you are in an industry that Ms. Poo represents, you were first on the chopping block because you are service oriented. And if people are basically locked in their houses, then those service jobs are no longer needed. So I don't really think that it is appropriate to say that it is about men versus women, that it is much more appropriate to say that it is about governmental policy and how you shut down an economy. And it actually had the most impacts on women as a result of the policy decisions that were made in shutting down an economy, which is why we shouldn't be shutting down economies.

But I digress. And I yield back.

Chairman YARMUTH. OK. The gentleman's time has expired. And I will remind the gentleman that he has the right to ask—submit any questions to the witnesses that he didn't get to for the record. And you submit them within a week when we do it.

I now yield myself 10 minutes. And I love going last because I get to push back against a lot of things, but also I am going to start in an uncharacteristic way and I am going to agree with my Republican colleagues on two things.

One is we do need to provide much better oversight over everything the government does. That has been one of my biggest complaints since I have been here. And now that I am on my way out, I will repeat it. We don't spend nearly enough time dealing with the impact and the effectiveness of the actions we take. Been true before the American Rescue Plan. And I will remind everyone that the American Rescue Plan really has not been in effect for a year yet, so the question is when do you make that—when do you conduct that oversight? I am not sure we are actually ready to do that because a lot of decisions are still being made as to how that money is spent.

The second thing I will agree with, some of the comments of my colleagues has been the question of the supply side aspect of things like childcare. I stressed this over and over with the Administration as we were developing the American Rescue Plan that we have to focus as much on building capacity as we do on helping our citizens afford service, because if we don't create capacity—and that is true of early childhood education, it is true of senior care, regardless of what it is, that all we are doing is providing much more money to chase and not an increased number of opportunities, and that will necessarily lead to inflation.

So that said, I am finished agreeing with my Republican colleagues and I want to push back on a few things. One is I know that the ranking member talks a lot about only 9 percent of the American Rescue Plan was spent on actual COVID treatment and

combatting COVID, but virtually all of the American Rescue Plan was designed to deal with the impact of COVID. And for instance, \$122 billion to help schools reopen, which we all want to do, which is a high priority of Republicans and Democrats—\$122 billion to make sure that schools can reopen safely and effectively. And part of that \$122 billion was for remedial education, which many of the schools are trying to figure out how to do. So, you know, the biggest complaint I get now from some of my citizens is they are trying to get one program or another financed through the American Rescue Plan and the government is telling them, not, that is not COVID related. So I would take issue with the characterization, although the way you have expressed it, you are technically correct.

Now, I want to talk about inflation and gas prices. You know, everybody wants to—everybody has an idea of what causes inflation and the American Rescue Plan is an easy target, although on the one hand you say so much of the American Rescue Plan hasn't been spent yet and then you blame it for creating inflation. You have got to have it one way or the other. And I know—I love the way Mr. Donalds said economics across the spectrum believe this. The only economist who has been mentioned today taking issue with the American Rescue Plan and inflation has been Lawrence Summers. And so I am—I would look to cite some other economists like Moody's Analytics, which said—and this is a few weeks ago, this is prior to what has happened to gas prices—I will qualify that—but as of a few weeks ago Moody's Analytics said that the American Rescue Plan was responsible for less than 1 percent of the inflation we are experiencing. Something like .6 percent. And the Fed in San Francisco did a similar study and came up with the same answer. So Mr. Smucker wanted to have a hearing on the causes of inflation, I think it would be very instructive to do that because I think you would find a lot of different answers and a lot of different opinions as to what is responsible for how much of the inflation.

Again, we have talked a lot about Republican Governors and Democratic Governors. And Mr. Doggett talked about his opinion of the Texas Governor. I have a great Governor. He is a Democratic Governor, the state legislature is 75 percent Republican. So, you know, it is kind of hard to call Kentucky a red state—I mean a blue state by any stretch of the imagination, although our Kentucky Governor has done a great job. And when you contrast it, not with some of the metrics that have been mentioned here today, but with the issue of number of cases per capita, number of cases over all, percent of hospitalizations, number of deaths, I think you would find that the states that have done the worst in terms of preventing damage, health consequences to their citizens, they have been Republican led states and not Democratic led states.

Finally, I want to talk about gas prices. You talked about gas prices and suggested, Mrs. Lukas, some of the things we ought to do. Do you know how many gallons—how many barrels of oil the United States is producing today?

Mrs. LUKAS. I don't.

Chairman YARMUTH. OK. It is over 12 million barrels a day. Do you know where that ranks among all the countries in the world?

Mrs. LUKAS. No, sir.

Chairman YARMUTH. No. 1. We produce more oil on a daily basis right now than Russia and Saudi Arabia and every other country. And so to say that somehow the policies that apparently Joe Biden has put in place over the last 13½ months that he has been in office have done damage to our production of energy is not born out by the facts. And in fact we are producing more oil now than we ever did under Donald Trump, than we ever have done under any other president, Republican or Democrat. And in addition, there are 9 million acres of licensed drilling opportunities in the United States right now. And I don't think that any Republican or Mrs. Lukas would want us to have a Gazprom, a government sponsored oil company doing the drilling. We have private enterprise in this country and they make the decisions as to when to drill, when it is their economic interest to drill and to produce oil. They are doing that right now.

So, you know, I don't necessarily blame—I think—you know, there has been a current spike that has actually receded because of the invasion of Ukraine, but I don't think it—I don't call it Putin's inflation of oil prices. That is an international market which we don't control, but we are doing our best to accommodate.

I want to thank Ms. Walker for her very compelling story. And I know that that is a story that is true of many, many women throughout the country. And I do want to make one comment, and that is—because it is important that everybody realizes this, you may or may not know, but the child tax credit expansion is not ended. The monthly checks have ended. There are six months more of child tax credit expansion this year. You have to file a tax return to get it. But the same criteria. You don't have to make money, you just have to—you don't have to have an income or taxable income, you just have to file the return.

And speaking to the CBO director last week, there was a very encouraging sign that he said only about 6 percent he thought right now is the estimate of those who are eligible have not taken advantage of that. So I want to make sure that people if they haven't do take advantage of it.

In the remaining time I do want to ask a question of Dr. Albanesi. You mentioned the child penalty that is up to 40 percent. Could you explain a little bit about how that—what is in that 40 percent?

Dr. ALBANESI. Yes.

Chairman YARMUTH. Or how did you get to that 40 percent?

Dr. ALBANESI. Basically it is how much, you know, women's wages drop three years or more after having their first child, as a result of having become mothers. And it is 40 percent, as I said, and it contributes to the largest fraction of the gender wage gap overall. And it is a combination of both career choices, labor supply, and, you know, also forced career choices that women make, as well as, you know, outright discrimination in some types of occupations. But it is why, you know, in most, you know, households, you know, mothers tend to be the less earning, you know, member of the household, you know, a two earner couple. And it is also why, you know, single mothers, you know, have more trouble making

ends meet compared to maybe single fathers, because they are paid less.

So it is, you know, a substantial—the United States is not the only country where this exists unfortunately. It is very common amongst comparable countries, though it varies quite a bit across countries depending on, you know, the wage structure and so on.

Chairman YARMUTH. Great. Well, one final comment before I close, and that is my daughter-in-law is in a childcare business. She has a day care center with her mother and grandmother. They run it. And one of the things that Kentucky did with the ARP money was to set up a fund to help support childcare. And what that has enabled my daughter-in-law's business to do is actually compete on salary with other businesses. And she is now able to pay them a competitive wage. She is having a much easier time, although not—I wouldn't characterize it easy—she is having a less difficult time finding qualified personnel to work in the day care center. And so that has been a positive way that the American Rescue Plan has helped support childcare, again, going through Kentucky government.

So, with that, I only went 17 seconds over my time and I was very lenient with the other side and I am not going to—I am going to let everybody go and get lunch.

But I want to once again thank all of our witnesses.

I will take issue with the one comment that we learn more from a witness. Mr. Grothman said we learn more from a witness in the room than we do from—virtually. I wouldn't say that is necessarily true. It would be nice to have all the witnesses in the room. I agree it does create a better dialog. But I think we have learned a lot from our virtual witnesses as well.

So with no—if there is no further business, I thank the witnesses for their testimony and responses and this meeting, without objection, is adjourned.

[Whereupon, at 1:35 p.m., the Committee was adjourned.]

*Dr. Albanesi*  
*Professor of Economics*  
*University of Pittsburgh*

**The Honorable Jan Schakowsky**

1. Did the gender wage gap increase during the pandemic, and if so, why did it increase?
2. Do lower-wage earning women not take advantage of paid leave? Do paid leave policies hurt lower earning women?
3. Is the current inflation we are seeing a consequence of federal covid relief spending, like the American Rescue Plan?

**“Ensuring Women Can Thrive in a Post-Pandemic Economy”**

**03/23/2022**

**Questions for the Record for Carrie Lukas**

**Representative Ashley Hinson (IA-01)**

**Background:** As our country moves back to normal, workforce shortages are prevalent and persistent. The labor force participation rate is still far from pre-pandemic levels, with the rate for women aged 20 and up still 1.3 percent shy of the February 2020 rate.

Meanwhile, Iowa has one of the lowest female unemployment rates in the country after keeping students in school, ending federal pandemic unemployment programs early, and rejecting lockdowns.

**Question:**

- In your view, what is the most significant disincentive or barrier to entry that has kept women from returning to work or entering the workforce?
- What policies do you think will help reverse this “she-cession” seen in the past two years?

**Background:** Data shows that women place higher value on flexibility and job security than men, while more than 1 in 3 Americans perform independent work or freelance.

**Question:**

- What benefits do these flexible work environments provide to women, specifically working moms?
- What can Congress do to continue to support, not stifle, innovation in the creation of flexible work environments?

*Dr. Stefania Albanesi*  
*Professor of Economics*  
*University of Pittsburgh*

**House Budget Committee Hearing “Ensuring Women Can Thrive in a Post-Pandemic Economy,” March 16<sup>th</sup> 2022**

**Answers to Questions Posed by The Honorable Jan Schakowsky**

1. Did the gender wage gap increase during the pandemic, and if so, why did it increase?

The average gender wage gap is a function of the composition of the workforce. Gender wage gaps are higher among workers with a college degree than they are among workers without. This is well known among economists, but less understood by the public, despite recent attention paid to this phenomenon by the media (for example see Marketwatch 2019). Given that more women and men without a college degree lost jobs during the pandemic, the resulting rise in the fraction of college educated workers contributed to a rise in the average gender wage gap. Additionally, hours of work conditional on employment decreased since the start of the pandemic (Faberman, Mueller and Sahin 2022). The decrease in 2021 was about 0.75 hours per week for men and one hour a week for women. The bigger decline in work hours conditional on employment for women likely also contributed to a rise in the average gender wage gap.

2. Do lower-wage earning women not take advantage of paid leave? Do paid leave policies hurt lower earning women?

The main reason lower-wage earning women do not take advantage of family leave is that they are not eligible. Most state and local leave programs do not cover small firms, temporary workers and independent contractors or self-employed individuals. Additionally, even when the leave programs are more comprehensive in terms of worker coverage, as in the case of California’s paid family leave policy, they do not offer job protection. Especially lower-wage earning women may feel pressure to not take leave for fear of losing their job under these conditions.

The empirical evidence clearly shows that *job-protected paid parental leave* increases employment for women across the wage and education distribution for leaves to up to a year (Olivetti and Petrongolo 2017). Ruhm (1998) finds that short leave entitlement around three months are associated with a 3 to 4% rise in employment rates, with little impact on wages.

3. Is the current inflation we are seeing a consequence of federal covid relief spending, like the American Rescue Plan?

Inflation has risen in all countries comparable to the United States, due to the rise in world energy and commodity prices and a sharp increase in transportation costs. Most comparable countries have enacted relief programs (similar to the CARES Act or the American Rescue Plan) of similar or larger value in per capita terms. But in European countries, inflation has grown a bit less, as shown in Figure 1. There are two possible reasons. First, European countries used a “paycheck protection” system rather than unemployment insurance, to provide relief in response to the sharp decline in labor demand at the start of the pandemic. These practices kept workers attached to their pre-pandemic employers. When the economy restarted, most firms in European countries did not have to scramble to hire workers, because they did not lay them off. This reduced costs for firms, as they did not have to advertise positions, interview candidates and train new employees. It also prevented wages from growing as much as they did in the United States, where competition among employers to attract new employees spurred wage growth in some sectors. Second, most other rich countries, and especially the European Union, have built robust anti-trust enforcement. As a result, there are more firms in each industry and consumers have more choice (Philippon, 2019). Greater competition typically leads firms to absorb rising costs by reducing profit margins, rather than increasing prices.

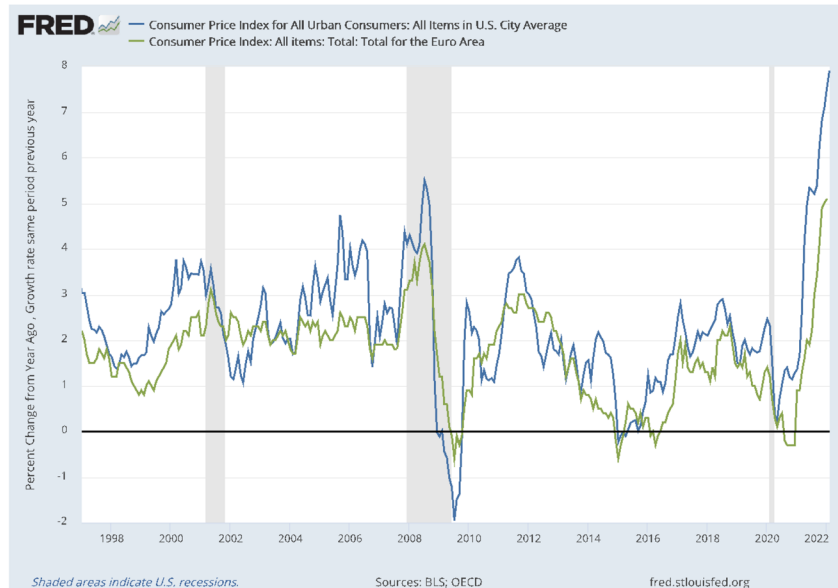


Figure 1: Consumer Price Index Inflation in the United States and the Euro Area. Source: Federal Reserve Bank of St. Louis.



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03/23/2022

**Questions for the Record for Carrie Lukas**

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Meanwhile, Iowa has one of the lowest female unemployment rates in the country after keeping students in school, ending federal pandemic unemployment programs early, and rejecting lockdowns.

**Question:**

- In your view, what is the most significant disincentive or barrier to entry that has kept women from returning to work or entering the workforce?

*School and childcare arrangements were disrupted particularly in the early months of the pandemic as many cities and states went into lockdowns. This forced many women out of the workforce as they had greater family responsibilities. While the disruptions today are certainly fewer, uncertainty about mandatory quarantines and closures continues to be a barrier to women working in the office.*

- What policies do you think will help reverse this “she-cession” seen in the past two years?

*Allow for safe, commonsense [regulatory reforms](#) that took place in telemedicine, education and other telework arrangements to continue and grow. When in-person medical services were limited, more providers gave patients access online, including via video conference. Regulations that were relaxed temporarily in response to COVID-19 should be repealed or reformed permanently. Advancements in telework made it possible for millions of workers to continue their jobs working from home. This positive trend is likely to continue after the pandemic. Innovation that allowed businesses to continue serving customers in spite of the lockdowns also prevented many small businesses from failing and enabled the creation of small enterprises. Online learning allowed schools to continue serving students and in some cases expand educational offerings, from K-12 and university levels. These innovations should continue to better equip women for the modern economy.*

*Parents should also be given more control over resources meant for their children's education. School choice isn't usually discussed as a work-related or economic policy. However, if parents were in control of resources and had leverage, schools would be less likely to close and stay closed. Parents would be better able to find in-person alternatives in the event of public school closures.*

**Background:** Data shows that women place higher value on flexibility and job security than men, while more than 1 in 3 Americans perform independent work or freelance.

**Question:**

- What benefits do these flexible work environments provide to women, specifically working moms?

*Flexible work environments are incredibly important for working moms because they allow them to balance their work with responsibilities at home. Instead of being forced into a rigid, 9-5 job structure, flexible work allows moms to work from home (eliminating commute time) or even work odd hours so they can fit their work to their family's specific schedule and needs. Flexible work also affords women control over their work and the ability to become entrepreneurs. As independent contractors, they choose their clients and determine for themselves how, when, where, and in what manner work gets accomplished.*

*According to one [survey](#), 48% of freelancers were motivated to pursue freelance because of the ability to make decisions for themselves, rather than at an employer's discretion. [Women in the gig economy](#) named flexibility, income, and building a business among the top three reasons they gig. The report noted that "Flexibility is important to 94% of women in the gig economy." Other benefits to flexible work include the ability to negotiate greater earnings—whether to supplement regular income or as the primary household income. Women understand that they forgo benefits and wage guarantees that traditional employees enjoy such as overtime, paid leave, and minimum wages. However many of them secure their own health benefits or are covered by their spouse's healthcare plans.*

*Women also discover greater fulfillment and positive health outcomes as independent workers. Nearly half of freelancers depend on contract work because personal circumstances such as their own health issues prevent them from working traditional jobs. Over eight out of ten ([87%](#)) workers said they were happier working independently and 78% indicated that they were healthier.*

- What can Congress do to continue to support, not stifle, innovation in the creation of flexible work environments?

*Congress must recognize how much flexible work, such as freelance work, has helped Americans, both in the pandemic and outside of it. Congress should not pass legislation such as the Protecting the Right to Organize (PRO) Act, which would backfire on women and force them to choose between a rigid 9-5 schedule and leaving the workforce entirely. The PRO Act includes a three-pronged ABC test to determine whether a worker is an employee. If passed, it would reclassify millions of the nation's independent contractors leaving them economically vulnerable and threatening flexible work nationwide. Sadly, this has been the case in California where AB5, on which the PRO Act is modeled, took effect in 2020. Thousands of contract jobs have been eliminated throughout the state, leaving many struggling to make ends meet. IWF has profiled dozens of individuals whose livelihoods have been lost due to AB5 ([Read their stories here](#)).*

*Instead, Congress should encourage solutions that make it easier for women to enter the workforce by creating an environment in which women can find jobs that meet their unique situations. For example, IWF, our sister organization, supports the [Employee Rights Act](#) (ERA), introduced by Senator Tim Scott (R-SC). The ERA updates federal law to utilize the common-law definition of an employee. This standard is less severe than the PRO Act's three-pronged ABC test. The ERA bill would also allow companies to extend benefits to independent contractors without restricting the flexible work options that give these individuals more choice and control over when they work.*