



August 2017

Before the Great Recession, women were gaining a stronger foothold in the labor market. The Recession and lackluster recovery erased some of that economic progress. Tar Heel women continue to deal with higher rates of unemployment, underemployment, and poverty compared to men despite having more education. Rather than enacting policies that narrow this gender gap and increase women's economic security, state lawmakers have consistently pursued policies that create significant barriers for low-income women and their families.

Flawed Tax Plan & Mediocre Budget Undermine Women's Ability to Prosper

Instead of investing adequate resources in public priorities like education, state lawmakers made room for another round of tax cuts in the new budget that largely benefits the wealthy. These tax cuts will reduce annual available revenue by nearly \$1 billion once they are fully phased in. That billion dollar loss balloons to an estimated \$3.5 billion when combined with tax cuts passed since 2013. This new budget particularly hurts low-income women because lawmakers ended the state's Earned Income Tax Credit in 2013. This credit is particularly effective at encouraging work among low-wage working mothers. Women hold the majority of low-wage jobs, and more than 4 in 10 working women in the state are their family's primary breadwinner.

Since all of the tax cuts since 2013 have lost North Carolina so much revenue, it is no surprise that the 2018 fiscal year budget fails to catch up—let alone keep up—with the needs of women, their children, and their communities. This budget hurts a range of critical programs that benefit women and their children, including:

- **Education:** The new budget doesn't provide any of the estimated \$293 million schools need to meet the state-mandated class size reduction requirements.
- **Early Childhood:** The new budget does not eliminate existing Pre-K waitlist, or cover the additional \$191 million needed to ensure that a Pre-K slot is available to all eligible 4-year-olds.
- **Health Care:** The new budget fails to ensure more North Carolinians have access to affordable health care services.
- **Workforce:** The new budget doesn't expand childcare subsidies available to families. Instead, it reduces state funding for the Child Care Subsidy Fund and replaces it with federal TANF block grant funding – funding which is in jeopardy of being cut.

The "New Normal" and Missed Opportunities

When state lawmakers undermine and dismantle North Carolina's basic public structures, they disproportionately hurt women. Here are the ways in which this new normal is creating huge barriers for women:

- Women bear the brunt of job losses in the public sector disproportionately. State and local government jobs fell by more than 26,000 in the depths of the Great Recession. There would need to be 98,000 more state and local government jobs to deliver public services to the state's growing population.
- The lack of early childhood educational opportunities for all eligible children and the rising cost of child care make it difficult for women to stay connected to work and move up in their career.
- Cuts to women's health care providers and the coverage gap in health insurance affect women's health and well-being.
- The lack of affordable post-secondary education and skills training makes it difficult for women to secure the credentials that allow them to command higher wages.
- Failure to invest to address the scarcity of affordable housing makes it difficult for women to find safe, affordable homes, increases the chances of eviction and creates instability for their children and communities.