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Over the past four decades, forward-thinking policies have enabled women to gain a stronger foothold in the labor market. Unfortunately, the economic downturn and lackluster recovery rolled back some of the economic improvements women achieved during this time. Tar Heel women continue to deal with elevated levels of unemployment, underemployment, and poverty compared to men—despite having higher education levels. Rather than enacting policies that increase women’s economic security, state lawmakers have pursued policies that fall particularly hard on 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 tax cuts for the wealthy and profitable businesses that will cost over \$2 billion over the next 5 years. This plan is particularly damaging to low-income women because it allows the state’s Earned Income Tax Credit to expire in 2013. This credit goes to people who work but earn low wages, and is particularly effective at encouraging work and improving economic outcomes among single mothers. In the state, women fill a majority of low-wage jobs and more than 4 in 10 working women are their family’s primary breadwinner.

Given the deep revenue loss resulting from the tax plan, it is no surprise that the 2014 fiscal year budget fails to catch up—let alone keep up—with the needs of women, their children, and their communities. A range of critical programs that benefit women and their children were hit hard by the 2014 fiscal year budget, including:

- **Education:** the budget falls \$117 million short of what was needed to continue an already inadequate level of education services. Harmful cuts—such as reduced funding for teachers and the loss of 1 in 5 teacher assistants—hit women harder because women fill the lion’s share of these positions. There will also be no pay raises for teachers and state employees.
- **Early Childhood:** the budget cuts slots for an estimated 2,400 at-risk students from pre-Kindergarten education. It uses lottery receipts to fund 2,500 additional slots in the NC Pre-K program, down from the 4,900 additional slots that were temporarily funded last year. Fewer slots make it more challenging for mothers to stay attached to the labor market and put at risk the quality of children’s early education.
- **Health Care:** There is some additional funding in the budget for Medicaid—which serves more women than men—to cover enrollment growth, higher drug prices and other cost increases. Yet the budget reduces the number of doctor visits it will pay for from 22 to 10, increases co-payments, and lowers reimbursement rates for providers.
- **Workforce:** the budget eliminates the Displaced Homemaker Program, which provides important workforce development services to North Carolinians with barriers to self-sufficiency—such as a recently divorced or widowed low-income working mothers. Also, there will no longer be state support for the Women’s Business Center, which provides entrepreneurs with technical and financial assistance on business plans, loan applications, and branding strategies.

### The “New Normal” and Missed Opportunities

When state lawmakers undermine and dismantle North Carolina’s basic public structures, the burden is felt disproportionately by women. Outside of the budget and tax plan, two major decisions will make matters worse for women in the state.

- **Restructured Unemployment Benefits:** Lawmakers ushered through a radical restructuring of the state’s unemployment insurance system, permanently cutting maximum benefits and rejecting more than \$700 million in federal aid for the long-term unemployed—nearly half of whom are women. Lawmakers also eliminated the family hardship provision that directly affects caregivers, most of whom are women. So now, a woman who is unable to work due to care-giving responsibilities may be disqualified from benefits.
- **Blocked Medicaid Expansion:** Lawmakers blocked the Medicaid expansion, forgoing the opportunity to provide health coverage for a half-million poor, uninsured working parents and other adults. More than 1 in 5 women in North Carolina aged 18 to 64 lack health insurance. Some of these women will now face a health coverage gap in which they will be both unable to enroll in Medicaid and ineligible for the tax credits to buy coverage in the new health insurance exchange. This means that many women will continue to rely on costly emergency room visits for their health care.

