

Strategies which address inequality must address the specific needs and experiences of women. Supporting women has numerous ancillary benefits and research shows that their families and their neighborhoods benefit when women emerge from poverty.

More women than men live in poverty and women of color are disproportionately poor. In 2003, 12.4 percent of women over the age of 18 were living with incomes below the Federal poverty threshold. African American women are almost three times more likely than non-Hispanic white women to be poor.

Children in women-headed households also are disproportionately poor. Approximately one quarter of families consisting of single women and children are poor. In California high child care¹ and housing expenses, mean that motherhood drives many women earning low-wages into poverty. The Institute for Women's Policy Research (IWRP) reported that in 2002 half of all women in poverty in California in were single mothers².

Poverty matters to individuals and families and on a broader scale to entire communities. Research has shown that children who live in poverty are at a higher risk for "health problems, teen pregnancy, dropping out of school, substance abuse and behavioral problems."³ Children who grow up in impoverished neighborhoods are more likely to live in such areas as adults as well.

- Graduation from Women's Initiative causes \$10,000 per year increase in income within in one year.
- The majority of our clients are economically self sufficient after attending our program. This means that they no longer have to make choices between paying for childcare, health insurance, food or rent.
- Each \$1 invested in Women's Initiative training generates \$23 dollars for the local economy within 18 months.

Many working women – particularly at the lowest and also the upper ends of the earning spectrum – struggle to provide for and care for their families.

California ranks sixth in nation in terms of wage inequity.⁴ Women in California received only 79% of men's wages in 2000, with women of color receiving only 62.3% of white men's wages, and Latina women making only 44%. Government research has found that *45% of this disparity was due to discrimination*, rather than education level, job title or other typically assumed factors.⁵

- The Monthly Labor Review has shown that for women self-employment produces faster growth on average than wage and salary employment. ^(Fairlie, MLR, Feb 2005)

¹ In 2001 average childcare expenses in California exceeded \$8,500 and 67% of low income people spend over 70% of their income on housing.

² Iwpr 30

³ Population Reference Bureau report on "the Concentration of Negative Child Outcomes in low-income Neighborhoods", Feb 2006 (4)

⁴ Iwpr 12

⁵ Iwpr 14

Even at the upper echelons, highly-educated and successful professional women who do not always fare well in the workplace. The UC Davis Graduate School of Management found that just 8.2 percent of the highest-paid executive officer positions in the 200 largest publicly traded companies in California and just 11.4 percent of the board seats. More than 27 percent of these companies, 55 of the 200, have no women board members and no executive officers.⁶

Many working women struggle to simultaneously provide for and care for their families in a workplace that too often does not accommodate caregiving responsibilities for young and old family members. It has been estimated that as much as 75% of family or informal care is provided by women, with an annual value ranging from \$148 to \$188 billion annually.⁷ The demands on caregivers' time are often substantial and many women need flexible work schedules, which are not always accommodated in the labor market, in order to fulfill their caregiving responsibilities. Several studies have highlighted the conflicting demands of work and eldercare or other caregiving.

Poverty results in poor health and risk of violence for women and children

The US Department of Health and Human Services links poverty and issues related to violence as significant factors in women's health. The Kaiser Foundation 2004 report shows that *low-income women are twice as likely to report being in fair or poor health as higher income women.*⁸ The American Cancer Society estimates that cancer survival rate of poor individuals is 10 to 15 percent lower than those of other Americans.

Approximately one quarter of women in the US report experiencing physical abuse by an intimate partner at some point in their adult lives and for women who are economically vulnerable, this number is even higher. A recent study of two California counties showed lifetime abuse rates for welfare recipients exceeded 80%.⁹ Economic dependence, low self-esteem, and social isolation are all factors which may make a woman more vulnerable to domestic violence.

- For many women, self-employment provides the chance to fully take advantage of their skills and achieve their earning potential.
- For women who have encountered the limitations of the 'glass ceiling', self-employment is an opportunity to achieve levels of success not otherwise attainable in the workplace.
- Women's desire to do business on their own terms often stems from their commitment to broader social or environmental issues. Over 75% of clients surveyed by Women's Initiative in 2006 report environmentally responsible business practices.
- Recognition that health disparities are tied to socioeconomic standing, indicates that moving women out of poverty is key to improving their health.

⁶ "UC Davis Study of California Women Business Leaders: A Census of Women Directors and Executive Officers", UC Davis Graduate School of Management, February 2006. www.gsm.ucdavis.edu/census

⁷ "Fact Sheet: Who are the Caregivers", National Center on Caregiving and Phyllis Mutschler, PhD., May 2003.

⁸ "Health Coverage and Access Challenges for Low-Income Women", The Henry J Kaiser Family Foundation, March 2004.

⁹ Meisel, J., Chandler, D & Rienzi, B. (2003). Domestic violence prevalence and effects on employment in two California TANF populations. *Violence Against Women*, 9(10), 1191-1213.

Women entrepreneurs have different needs than men starting businesses and women-centered training is the best way to boost women's achievement.

Training is Essential for Women Entrepreneurs' Growth and Success. Women are less likely to start a business without training. Women generally report lower self-confidence in their entrepreneurial capacity than their male counterparts. Recent research has shown that business *training positively benefits women's self-efficacy, where no such relationship was found for men.*¹⁰

Women's Initiative provides entrepreneurial training in a women-centered environment, which has been shown to produce higher success in business as well as to increase self-esteem more than co-educational training programs.¹¹ Numerous studies have shown that at every level of education – from secondary school to higher education to adult education – women educated in an all-women environment demonstrate better mastery over specific skills, including critical thinking ability and cultural awareness, as well as increased professional achievement, leadership development, and personal confidence. They also demonstrate higher rates of involvement in government, civic and professional organizations and philanthropic activities.

Women-owned firms continue to grow at twice the rate of all firms, according to the biennial update by the Center for Women's Business Research, and women-of-color entrepreneurs start businesses at a much higher rate than all other women business owners. The Center's updated September 2006 projections also show that "there are 10.4 million businesses 50% or more owned by a woman or women that employ 13 million employees and generate nearly \$2 trillion (\$1.9) in revenues."¹²

Women microentrepreneurs not only create thriving businesses, but also look to support their communities as mentors, volunteers, patrons and civic leaders. These local businesses help deepen the social fabric of neighborhoods, and additionally create a network of

- Through our multi-pronged business management program, Women's Initiative empowers women to achieve economic self-sufficiency. Along the way, women build self-esteem, financial literacy, and strong networks of other supportive women, each of which is a factor in preventing domestic violence.

- Women's Initiative client businesses with employees average three workers and pay these employees over double the minimum wage in California. The average Women's Initiative client business pays **\$14.49 an hour** in wages. This wage is especially impressive given that many clients operate in sectors such as housekeeping and food service that traditionally pay minimum wage.

¹⁰ Chowdhury, Sanjib and Megan Lee Endres. "Gender Difference and the Formation of Entrepreneurial Self-Efficacy"

¹¹ Women's College Coalition. (2005) "How Women's Colleges Rate Academically," www.womenscolleges.org (downloaded 12/15/05). "A Brief on the Continuing Relevance of Women's Colleges and of Douglass College of Rutgers, the State University of New Jersey: a Look Inside the Numbers" (2005) www.savedouglasscollege.org (downloaded 12/15/05).

¹² "Women-Owned Businesses Continue to Outpace Growth Rates for All Other Firms," Center for Women's Business Research, September 12, 2006.

supporters for those who may lack professional contacts and resources. In the past year, 75% of Women's Initiative clients donated money or made an in-kind donation, compared to 45% of all Californians. Donations averaged \$700. Despite having numerous responsibilities as business owners, mothers, and caretakers, our clients volunteer an average of 84 hours per year, compared to the national median of 50 hours. Nine out of 10 clients spend time volunteering and mentoring each month.

Many lower income women start businesses in the green sector. 58% of Women's Initiative participants consider their business to be environmentally responsible. Of these businesses, 82% go beyond just recycling to producing certified organic food, using recycled materials in their production, using biodegradable and organic products, using soy based inks and other natural materials

- As business owners, women are choosing to redefine success and embracing the triple bottom-line: serving people, the planet and profit..

Women's Initiative training generates significant economic and non-economic benefits for local neighborhoods and the local economy as graduates' incomes increase, unique businesses thrive, new jobs are created, and women give back to their communities.