



ADDRESSING COVID-19'S DISPARATE ECONOMIC IMPACT ON WOMEN OF COLOR



of Virginia

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Disclaimer

The author conducted this study as part of the program of professional education at the Frank Batten School of Leadership and Public Policy, University of Virginia. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgments and conclusions are solely those of the author, and are not necessarily endorsed by the Batten School, by the University of Virginia, or by any other agency.

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Last, I would like to thank my loved ones for being my inspiration for this project and for everything that I do. My mom and dad for having sacrificed everything to emigrate from Colombia to the United States so that I could have an opportunity to do great things. My little sister, Alex, for the much-needed movie and pizza nights that have kept me grounded during this past difficult year. My Abuelito Marcos, who continuously inspires me to be better every single day and to leave a lasting legacy of change. And my boyfriend, David, for being the best friend and support system for me these past 5 years.

Honor pledge

On my honor as a student, I have neither given nor received aid on this assignment.

A handwritten signature in black ink that reads "Catalina Victoria Perez". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end.

Glossary of Terms

Wealth: Value of the accumulation of assets (cash, owned properties or vehicles, and money in checking and savings accounts) subtracting all debts.

- **Median Wealth:** The median wealth is a positional value. If there were 25 people in a population were lined up from those with the least wealth to those with the most wealth, the 13th individual (the person in the exact middle of the distribution) would be considered to have the median wealth. The median is a better measure of centrality, meaning the value of the wealth for the common person, especially in distributions such as wealth that can be skewed at the extremes where there are people with many assets and people with little to no assets.
- **Average Wealth:** The average wealth of a population is calculated by the sum of all values of wealth divided by the number of individuals in the population. This is a good measure to use in conjunction with the median wealth because if the median and average values are greatly different then we can tell that the population wealth is likely skewed with some individuals that have extreme wealth and those with little to no wealth.

Income: Money received on a regular basis through work or investment

Poverty: When referring to a state of poverty, I am referring to the official U.S. threshold of poverty recognized by the government. For single individuals under 65, those in poverty earn up to an income of \$12,760. For a family of four (with two children) the threshold is \$26,200.

Minority Women/Women of Color: For the purpose of this study when I refer to minority women, I am referring to women that are racial and ethnic minorities (Black, Latino, Asian, and Native)

COVID-19: When referring to the COVID-19 pandemic, I will sometimes refer to it as COVID as an abbreviation

Pandemic Unemployment Assistance (PUA): “The Pandemic Unemployment Assistance (PUA) provides up to 79 weeks of unemployment benefits to individuals not eligible for regular unemployment compensation or extended benefits, including those who have exhausted all rights to such benefits.” (Department of Labor, n.d.)

Unemployment Insurance (UI): Individuals eligible for unemployment insurance must: be unemployed through no fault of their own, have worked during a specified period (usually up to 18 months), have earned a minimum amount of wages as determined by each state, and be actively seeking work for each week the individual collects benefits. Benefit amounts vary dependent on the state.

Executive Summary

As a result of the COVID-19 pandemic and the related business closures, women of color have experienced significant economic setbacks nationwide primarily as a result of acute income loss and a lack of assets (Sim & Asante-Muhammad, 2021). Though wealth and income are terms that can be interchanged in common vernacular, the distinction between the two is important to take into account. Income is considered a “flow variable” meaning that the stream of money that an individual receives from employment is constant until the flow is disrupted (by say, a promotion, demotion, or a lay off all of which affect the relative flow of money) (Investopedia, 2020). Wealth, on the other hand, is considered a “stock variable” because it is measured by taking inventory of all the assets an individual has and deducting any debt (Investopedia, 2020). A good way to think about income compared to wealth is that income is simply the amount of money a person receives regularly whereas the stock of wealth is what a person can use to maintain their current lifestyle in the case that they have no income flow (S, n.d.).

In terms of income, women of color are more likely than any other group to have been laid off during the business closures across the country and even as businesses have reopened, minority women are the least likely to be hired back (Caprino, 2021). In December 2020, more than 1 in 12 (8.4%) Black women and more than 1 in 11 Latina women were unemployed (9.1%) (Ewing-Nelson, All of the Jobs Lost in December Were Women’s Jobs, 2021). Compared to the national unemployment rate at that time, 6.7%, we can see that the unemployment rate for minority women was higher than the national average despite minority women making up only 20.3%¹ of the population (Bureau of Labor Statistics, 2020). Due to not being able to have a stable employment, minority women have lost a tremendous amount of income in the pandemic, which has led to higher rates of poverty and income insecurity (Erickson, 2020).

The wealth gap, one of the causes of which is attributed to the long-standing poor and racist treatment of minority women by banking institutions, has historically contributed to economic division between whites and minority communities (particularly Black and Latino communities) (National Community Reinvestment Coalition, n.d.). Minority women have long felt discouraged in creating formal bank or credit accounts, which has led to these women not having adequate savings and capital to sustain them during the COVID job losses (Moss, McIntosh, Edelberg, & Broady, 2020). Minority women make up 40% of all of the women in the U.S. and 20.3% (nearly ¼) of the total population (Catalyst, 2021) meaning that nearly ¼ of the population experiences the negative effects of both the wealth gap and a lack of stable employment.

Should neither the effects of the income or wealth disparities be addressed, there will be significant consequences to women of color as individuals and the broader U.S. society at large. The effect of a large wage gap to the individual largely results in large income losses from wages that women would have earned if they were paid equally. By the year 2058 if there is no reform in the gender race income gap, we can expect an estimated income loss of \$834,670² per person total for that entire 40-year period (Bleiweis, 2020). The wealth gap’s effects to the individual revolve around the lost opportunity to build wealth that individuals face when they earn lower incomes, which continues cyclically throughout generations. The effect of the loss of income and wealth gap on society both revolve around GDP consequences. With more minority women being laid off as a result of COVID, there are less people in the labor market which leads to lower national economic productivity. As a result of the lower labor force participation, GDP dropped by nearly 9 percent in

¹ Calculations for this value available in Appendix A

² See Appendix A for full calculations

2020 (Bauer, Broady, Edelberg, & O'Donnell, 2020). Similarly, as a result of the persistent wealth gap in the nation, studies show that the lack of investment and consumption that comes as a result of minority individuals having lower wealth will cost the U.S. between \$1 trillion and \$1.5 trillion between 2019 and 2028 (about a 4-6% GDP loss) (Noel, Pinder, Stewart, & Wright, 2019).

The American Association of University Women (AAUW) is an advocacy organization that is known for publishing research reports and conducting advocacy campaigns on issues related to women's rights. In particular, AAUW has a vested interest in promoting women's economic security and gender equity. This project ties in perfectly with those two topics as I will discuss ways AAUW can advocate for minority women's economic improvement.

In this paper I will discuss three potential alternatives that address ways to improve income as viable short-term options. Additionally, I will discuss two potential wealth improvement alternatives that AAUW can consider implementing in addition to the recommended income improvement option as supplements to improve outcomes for women of color in the long run. Both the wealth options are very similar in that they involve both an advocacy component and an information campaign to increase general knowledge about the benefits of wealth building in populations of minority women. Each of the wealth criteria will not be evaluated as it is beyond the scope of this paper.

Long-run wealth improvement considerations

- Using Community Development Financial Institutions (CDFIs) to bolster minority women owned businesses
- Improving access to banking for minority women

Short-run policy alternatives for improving income

1. Status quo: Pandemic Unemployment Assistance reauthorized in American Rescue Plan 2021
2. Improving PUA to target minority women
3. Supporting the Federal Job Guarantee

Each of these alternatives will be evaluated based on the following criteria:

- **Equity** as a measure of whether the policy option benefits women of color to a greater degree than white women or men. This criterion is measured on a high/medium/low scale with high equity being the most ideal score.
- **Effectiveness** as a criterion that indicates if a policy increases minority women income from a baseline income. Since the policies in question all support unemployed women of color, the baseline income in all cases is zero. This criterion is measured on a high/medium/low scale with high effectiveness being the most ideal score.
- **Cost** will take into consideration the cost to start up and fund each individual policy alternative. The value of cost is presented in its dollar value.
- **Political feasibility** measures the likelihood of a policy to be adopted in the policymaking environment. Each policy alternative involves interacting with Congress, this criterion will be measured by the likelihood of Congressmen and women voting for the policy. This criterion will be measured on a high/medium/low scale with high political feasibility being optimal.

Based on the evaluation, I recommend improving PUA to target minority women as the income improvement approach. This alternative has the highest score for equity and is also high in

effectiveness and has a similar price range to the status quo, thus it is the best alternative for AAUW to implement. To implement this alternative, it is important to consider the Congressional stakeholders that will be key to lobby in order to pass the renewal of PUA as well as the timeline for which any lobbying efforts would need to occur. Last, AAUW should consider potential barriers such as low political will to invest more in COVID welfare efforts especially after the passage of the costly American Rescue Act.

Though the income policy option is the main recommendation and focus of this paper, I believe that supplementing that option with a wealth improving policy will provide a great deal of support to minority women. Income improvements will help women of color in the short term to earn much needed income but wealth alternatives will help to ensure that minority women add to their assets overtime so that next time there is an economic downturn they are less negatively affected.

Introduction

“Shesession”, a term used to describe the current economic crisis, aptly encompasses the extreme negative impacts that the pandemic has had on all women. Particularly, loss of employment and the need to stay at home to take care of the children has led to notable gender economic disparities (Goggans & Medina, 2021). In the pre-COVID era, the gender wage gap, one of the leading measures of economic equality between the sexes, was predicted to close by the year 2040 (Shannon & Kidd, 2003). Now as a result of COVID, if there are no changes in policy, the gender wage gap will close in the year 2058 (Rosalky, 2020). Though certainly all women are experiencing the negative effects of COVID’s economic impact, single mothers and women of color are disproportionately negatively affected. Currently, 51% of Latina women and 48% of Black women do not have enough money to pay for basic food and housing needs (Time's Up Foundation, 2020).

Problem Statement

Women of color have disproportionately experienced income loss due to COVID restrictions and have continued to have financial troubles throughout the pandemic due to wealth disparities (Time's Up Foundation, 2020). Studies show that minority women are more likely to be the primary breadwinners in their households (Institute for Women's Policy Research, 2016). Due to COVID business closures and stay at home orders, however, women of color have been laid off at a higher rate than any other group and thus have faced the most economic disadvantages (Frye, On the Frontlines at Work and at Home: The Disproportionate Economic Effects of the Coronavirus Pandemic on Women of Color, 2020). Not only are women of color experiencing extreme income loss, but as a result of systemic inequities, these women are also likely to have lower wealth than any other group of people and typically were financially unprepared for COVID due to a lack of savings or investments (Chang, 2015).

Client overview

The American Association of University Women (AAUW) is a nonprofit organization that advocates for narrowing the gender pay gap through federal and state lobbying efforts that focus on passing bills and policies that favor women’s economic security (AAUW, n.d.). This study on COVID-19 economic effects on women of color is likely to be extremely relevant to AAUW’s goals in providing information to its members on the current state of gender and race equality and will

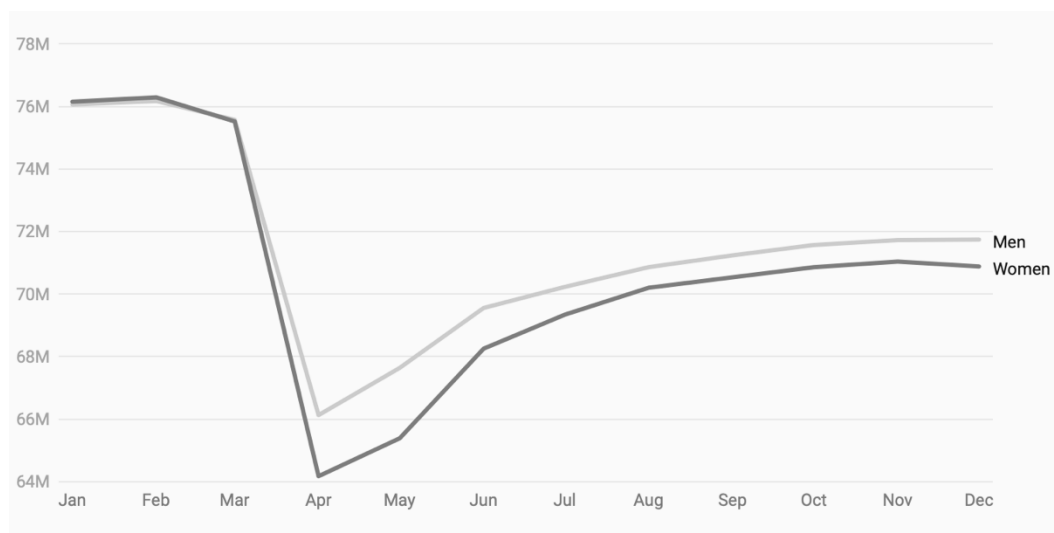
also inform AAUW on potential avenues of advocacy in order to best address the wealth and income disparities women of color are currently facing. In the past AAUW has conducted several independent studies on the wage gap and gender discrimination in the workforce. I believe this study will provide a valuable supplement to the current studies and will hopefully shine a light on race-based economic issues that women face. Not only does this project align well with the interests of AAUW, but it is also of great timely importance. The COVID-19 pandemic is still ongoing in this country and the economic effects of the pandemic are yet to be fully realized. Therefore, it is important for AAUW to take into consideration the findings of this study in order to provide support for minority women via lobbying public institutions and through informational campaigns to reduce the economic damages that minority women have experienced and help to prevent any future damages as well.

Background

COVID-19 Impact on Women of Color

The COVID-19 pandemic led to huge losses for all women. Between February 2020 and December 2020, women – and particularly women of color – lost more jobs than men. This comes as a result of COVID disproportionately affecting traditionally women dominated sectors such as leisure or hospitality (Boesch & Phadke, 2021; Aspan, 2021; Rouse, 2021). As of February 2021, women have lost a net total of 5.4 million jobs during the COVID pandemic while men have lost only about 4 million jobs (Boesch & Phadke, 2021; Figure 1). This figure demonstrates that not only are women losing more jobs, but also that they have been less likely to get them back as businesses have reopened.

Figure 1: Total Number of Jobs Lost from January 2020 to December 2020

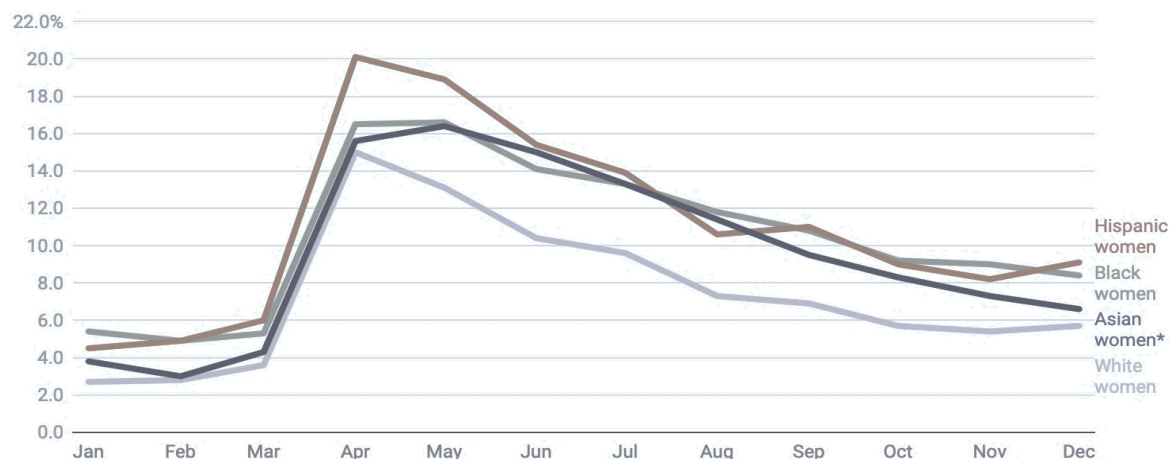


Source: U.S. Bureau of Labor Statistics via Center for American Progress

Though certainly the pandemic has negatively affected employment for all women in general, minority women have experienced higher unemployment levels than white women, on average (Boesch & Phadke, 2021; Figure 2). Historically, women of color have faced inequities both

through sexism and racism. These prejudices have resulted in minority women facing unfair expectations in their work, unique challenges not imposed on any other group, and biased assumptions about where minority women fit in the workplace (Frye, 2020). All of these factors have made it difficult for minority women to maintain stable employment even prior to COVID (Frye, 2020; Wingfield, 2020; Reid & Clayton, 1992). These barriers have been especially accentuated during the COVID business closures, as women of color are often overlooked as valuable assets to a business and are more likely to be let go during business cuts (Frye, 2020; Gould & Wilson, 2020).

Figure 2: Percent Unemployment for Hispanic, Black, Asian, and White Women from January 2020 to December 2020



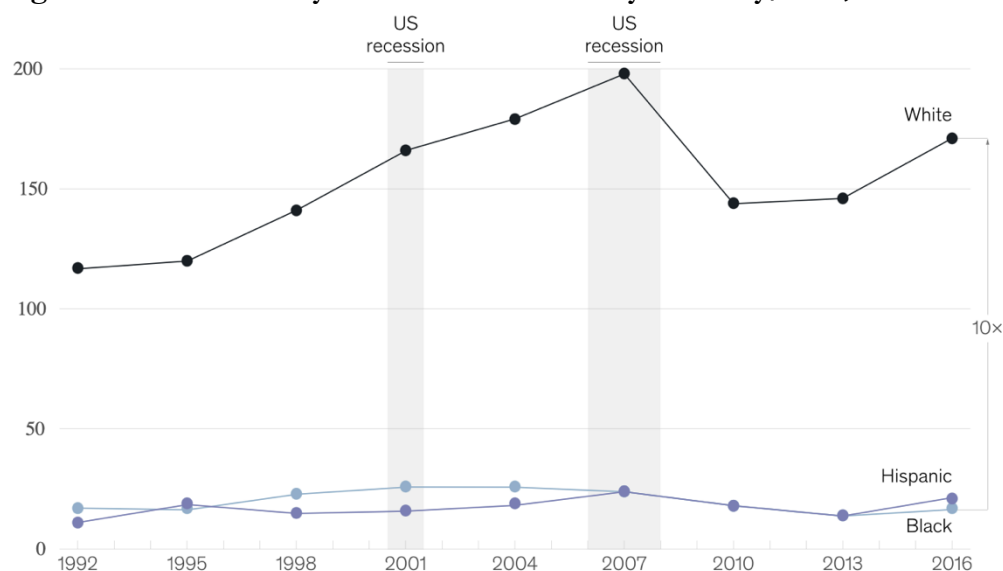
Source: U.S. Bureau of Labor Statistics via American Progress

Additionally, racist inequities have also contributed to the persistent gap in wealth between minority families³ just as much in times of prosperity as in times of crisis (Noel, Pinder, Stewart, & Wright, 2019; Figure 3). In the figure we can see that despite the wealth of white individuals varying greatly and for the most part increasing, black families not only have consistently low wealth, but they see no variability in their wealth throughout the years despite there being years of economic boom and bust. This stagnation in wealth has led to minority families having lower economic mobility, the ability to move to a higher economic bracket as a result of income or wealth increases, as they are caught in a cycle of low wages leading to low wealth for generations (Chetty, Hendren, Kline, & Saez, 2015). It should be noted as well, as will be discussed in subsequent sections of this paper, that income inequality plays a great role in keeping minority women's wealth stagnated. Having the largest gap in income for equal work when compared to white men, minority women on average earn anywhere between 55-63 cents⁴ on the dollar (National Partnership for Women and Families, 2021). Having lower pay means that minority women are not able to save or invest as much as other populations, which is a key part of building wealth (McKernan, Ratcliffe, Steuerle, Quakenbush, & Kalish, 2019).

³ Because of the history between Black and white individuals in the U.S. the racial wealth gap is typically in reference to Black individuals

⁴ The extremes show an income gap of 55 cents on the dollar for Latina women and 63 cents on the dollar for Black women

Figure 3: Median family wealth⁵ in 1992-2016 by ethnicity/race, \$ thousand

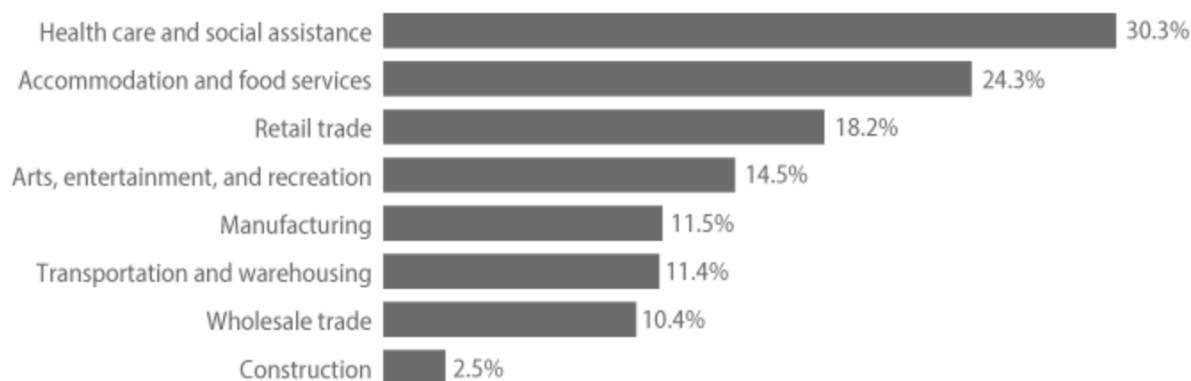


¹2016 dollars.
Source: "2016 survey of consumer finances," Federal Reserve Board, September 2017, federalreserve.gov

Source: 2016 survey of consumer finances Federal Reserve Board via McKinsey & Company

Women of color also disproportionately work in industries that have been hit hardest by COVID: the food service industry and the healthcare industry. Women overall make up 53% of workers in the food industry and 80% of workers in the medical assistance industry, however delving deeper we can see that women of color represent 24.3% of workers in food service and 30.3% of workers in healthcare (Frye, 2020; Figure 4). These fields also tend to have the lowest wages, making women of color some of the lowest paid workers with little access to sick days or paid family and medical leave.

Figure 4: Percent of Minority Women Represented in Each Industry

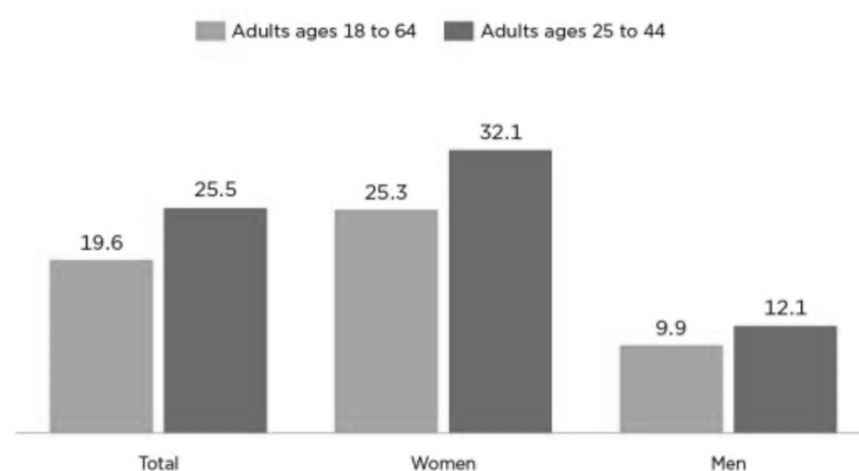


Source: U.S. Bureau of Labor Statistics via American Progress

⁵ See definition for median wealth in glossary

Due to the rigid schedules that many minority women face, these women have had to decide whether or not they are able to stay at home to take care of their children, who were required to stay at home as schools and daycares closed in the early months of the pandemic, or if they have to work. The issue of a lack of childcare and having to stay at home to care for children is relevant for both married and single mothers. Studies show that married working women are three times more likely than working men to stay at home to take care of the kids (Heggeness & Fields; Figure 5) meaning that among married couples, minority women are likely to choose to stay at home and assume the caretaker duties even if the mother was previously working. Single moms, by virtue of being the primary caregiver in the family, have to make tough decisions when it comes to work and taking care of their children. Minority women are more likely to be single moms, especially Black women with 77% of all Black babies being born to unmarried mothers as of 2017 (Bedard, 2017). This implies that there is virtually no option for these women when it comes to deciding if they should go back to work.

Figure 5: Percent of Adults with Children Who Are Not Working Due to COVID-19 Child Care Related Issues



Source: U.S. Census Bureau July 16-July 21, 2020

Another important factor that has affected minority women's employment is the role that these women play in their families more broadly. Women of color are more likely to earn the primary income in a household⁶ meaning that any sort income loss for a minority woman is devastating to the entire family (Frye, 2020; Glynn, 2019).

It is clear that women of color have been disproportionately affected by COVID in many different ways. In order to understand why wealth and income have such importance for minority women's outcomes, it is important to delve into the history of wealth and income discrimination in this country as well as into the reason why wealth and income are important drivers of economic success for any individual.

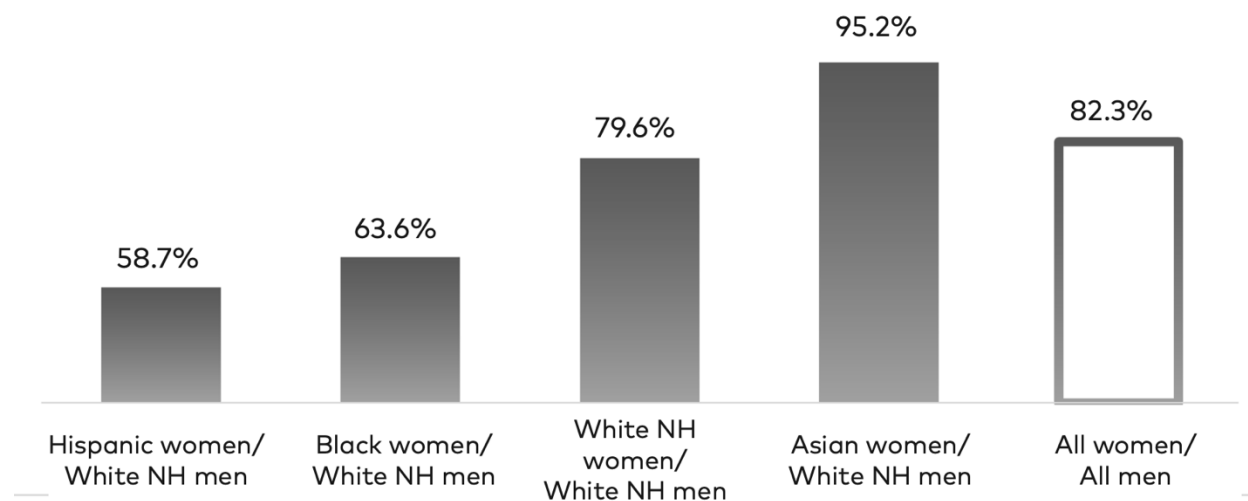
Why wealth and income are important

⁶ Especially among low-income families who coincidentally tend to be disproportionately minorities

Income

Having a stable income is necessary for any individual regardless of race or ethnicity to maintain economic stability. Income provides us with cash that in turn we can use to pay our debts and buy any other items that we may deem necessary at the moment. Income, as a steady flow of cash from an employment, provides individuals with security knowing that they will be able to maintain their current way of living for the foreseeable future so long as they keep their employment. As of 2015, the average hourly wage for minority women was as low as \$12. When compared to the average hourly wage of white women (\$18) it is evident that minority women earn less (Women's Policy Research, 2020). Whereas a white woman makes roughly 80 cents off a white man's dollar, a minority woman (Latina, Native, and Black) currently makes 55 cents, 60 cents, and 63 cents respectively (National Partnership for Women and Families, 2021; Figure 6). Due to the racial/gender wage gap, minority women have experienced greater difficulties than any other group as they already earned less pre-COVID and are now more likely to be unemployed, leading to higher likelihood of living in poverty⁷ (Bleiweiss, Boesch, Gaines, 2020; Figure 7). Disproportionately holding low wage occupations lead minority women to be at a greater risk for poverty (Women's Policy Research, 2020).

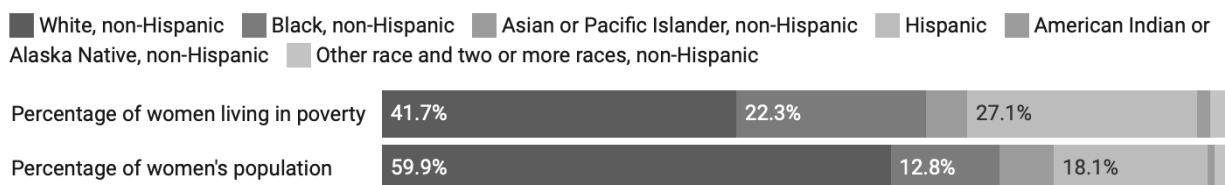
Figure 6: Earnings as a Percent of White NH (Non-Hispanic) Male Earnings by Race, 2020



Source: Institute for Women's Policy Research 2020

⁷ Poverty is defined in the glossary

Figure 7: U.S. Population of Women Compared with Women Living in Poverty by Race and Ethnicity



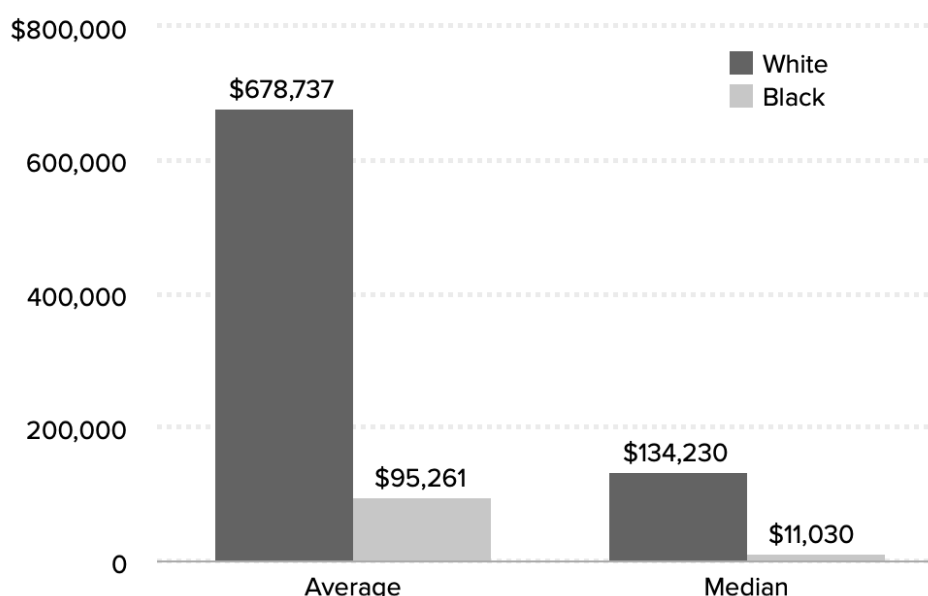
Source: Center for American Progress

Wealth

Having wealth, the value of the accumulation of assets, is one of the key ways in which an individual can have economic security. Wealth allows individuals to use income earned in the past to meet spending demands in the future through savings and investments (Jones J. , 2017). This affords individuals a greater chance to have economic mobility, which is the ability of an individual or family to improve their economic status (Chetty, Hendren, Kline, & Saez, 2015). Minority communities, in particular, greatly benefit from the economic mobility that wealth provides. Income from wealth (such as investments) is taxed at a lower rate than income from work meaning that it is more cost-effective for an individual to have greater assets in order to build more net wealth to improve economic status (Moss, McIntosh, Edelberg, & Broady, 2020). Most importantly, however, wealth allows individuals to protect against periods of sudden economic insecurity or unemployment when they are able to spend saved money or liquidate any assets on short notice (Jones J. , 2017). Minority families, specifically Black families, have an average wealth that is seven times lower than that of white families (Jones J. , 2017). Additionally, nearly 25% of Black families have zero or negative net worth (meaning they likely live paycheck to paycheck) (Jones J. , 2017). The difference in wealth between white and families of color persists even when controlling for age, household structure, education level, income, and occupation, (Jones J. , 2017) which is as a result of the large structurally discriminatory aspect to the problem of the racial wealth gap (Jones, 2017; Figure 8). These disparities come as a result of several policies that have excluded racial and ethnic minorities from fully participating in the market. Some of these policies include Jim Crow Era Black Codes (McIntosh, Moss, Nunn, & Shambaugh, 2020), which limited economic opportunity for Black individuals and the New Deal's Fair Labor Standards Act, which exempted domestic agricultural and service occupations⁸ from being subject to minimum wages and maximum hours (Boris & Honey, 1988).

⁸ Occupations which minority individuals disproportionately were employed in

Figure 8: Median and Average Wealth⁹ Between White and Black families



Source: Survey of Consumer Finance 2013 via Economic Policy Institute

Though the wealth gap is a concern for minority families, especially Black and Latino families, women of color are at an even greater wealth disadvantage as they experience discrimination in the workforce due to both race and gender (Richard, 2014). This disparity especially shows itself during nationwide economic downturns as minority women tend to have less savings. In 2007, while white women had a median wealth of \$45,400, Black and Latina women had an around \$100 in median wealth (Richard, 2014).

Consequences

The two most important consequences to consider when evaluating why income and wealth deficiencies for minority women are relevant are: the effect on individual women of color and the effect on society at large.

Consequences to the individual

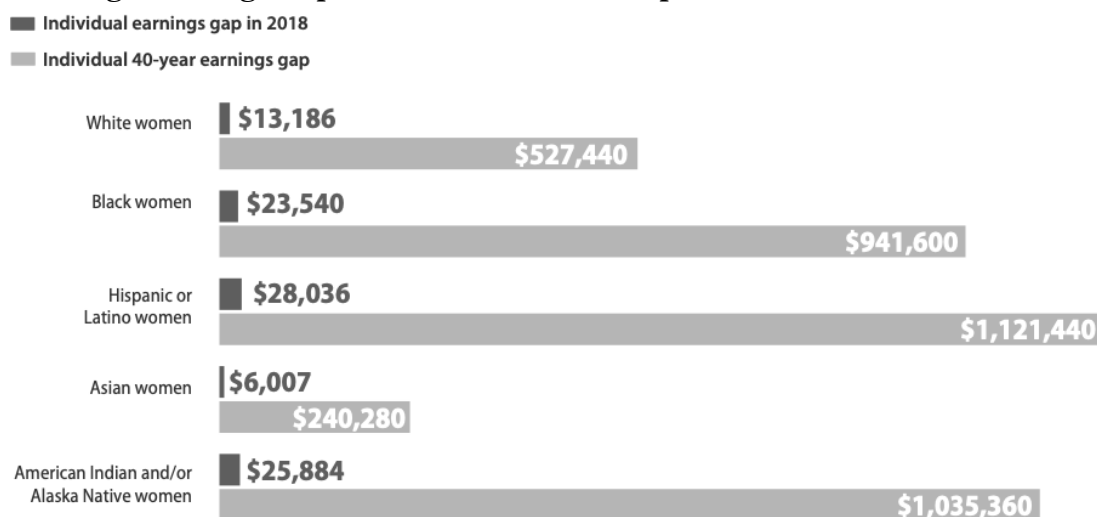
Individually, women of color have higher levels of labor force participation when compared to white women and, as a result, have experienced greater job disruptions overall (Kashen, Glynn, & Novello, 2020). Latina women tend to face greater financial loss on average than any other subgroup for this reason. 72% of Latinas say that they have lost a job, hours, or pay due to COVID compared to only 46% of Black women and 41% of white women (Jones C. , 2020). In 2018, the average earning gap for minority women (Black, Hispanic, Asian, and Native American) was \$20,867.¹⁰ Though this gap has increased by a few cents on the dollar due to the pandemic per each racial and ethnic group, the data remains largely the same (Bleiweis, 2020; Figure 9). The effects of these few cents, however, have profound long-term impacts. The wage gap is not predicted to close for minority women until around 2224, while white women would close the gap in earnings with men

⁹ Definition of median wealth and average wealth can be found in the glossary

¹⁰ See Appendix A for full calculations

around the year 2059 (Women's Policy Research, 2020). By the year 2058 if there is no reform in the way that society pays its women of color, we can expect an estimated income loss of \$834,670¹¹ per person for that entire 40-year period (Bleiweis, 2020).

Figure 9: Average Earnings Gap for Women in 2018 compared to 2058



Source: U.S. Census Bureau via American Progress

One of the more severe consequences of economic inequity to women of color is an increased chance of mental health difficulties. Studies show that women who experience wage cuts or are in poverty are 2.4 times more likely to develop clinical depression or anxiety disorders than women who do not experience wage inequity (Center for Workplace Mental Health, 2016). Minority women, however, are only half as likely to seek help for their mental health needs (Richards, 2020). Being undervalued and unappreciated can lead to a loss in self-esteem, which takes a long-term psychological toll on women who experience these inequities (Stieg, 2020; SAMHSA, n.d.).

Additionally, the families of these women experience some negative repercussions of these mental health issues as well. Due to the increased stress that the primary income earners face when dealing with unemployment (factors that lead to anxiety and depression), these individuals sometimes turn to child neglect and domestic violence (Anderson & Perrin, 2018). Increased depression and anxiety among women of color also affect society more broadly as businesses are unable to work at peak efficiency if not all of their workers are fully motivated (Stieg, 2020; Nuffield Foundation, 2020).

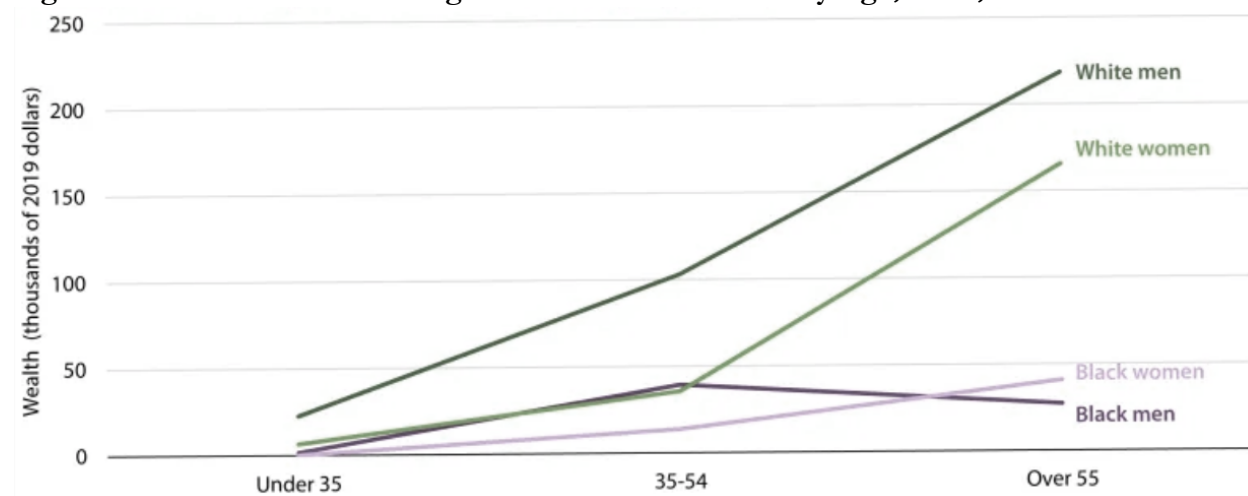
In terms of wealth inequities, not addressing the wealth gap has had profound effects on minority women's ability to withstand the economic shock of the COVID recession. In 2019, the average single black woman¹² had a median wealth of \$101. In comparison, the average white man of the same age had a median wealth (\$22,640) nearly 224.2 times greater than that of a single black woman (Moss, McIntosh, Edelberg, & Broady, 2020; Figure 10). Having fewer resources to combat high levels of unemployment, minority women have high self-reported levels of economic distress and have even begun to resort to extreme measures to stay afloat during the economic crisis (Board of Governors of the Federal Reserve System, 2020). Most notably, 14% of Black individuals under the age of 35 had to borrow or cash out their already meager retirement savings during COVID

¹¹ See Appendix A for full calculations

¹² Under the age of 35

compared to only 4% of white individuals under the age of 35 that did the same (Moss, McIntosh, Edelberg, & Broady, 2020). Retirement equity for Black individuals under 35 in 2019 was valued at around \$5,000 compared to \$7,500 for white individuals of the same age. This shows that despite having less assets, some Black families did what they had to do in order to stay afloat even if it meant jeopardizing their financial future in retirement.

Figure 10: Median Wealth among Unmarried Households by Age, Race, and Gender in 2019



Source: Survey of Consumer Finance 2019 via Brookings Institute

Consequences to society

There are considerable economic consequences due to society having wage inequity. A high labor force participation¹³ is associated with a high gross domestic product (GDP) (Congressional Budget Office, 2018). GDP is generally used as an indicator of economic progress, where a rising GDP indicates that the economy is moving forward, whereas if the GDP is falling then the nation's economy is likely in trouble (Smith, 2020). Women's participation in the workforce has historically contributed to higher GDP as greater labor force participation leads to more valuable goods and services being created in society, and thus a measure of good economic health. In 2012, the number of women predicted to be in the 2020 labor force was roughly 77,232,000 (Burns, Barton, & Kerby, 2012). Unfortunately, however, because of COVID these predictions did not hold and the actual labor force participation was about 1 billion individuals fewer with only 76,852,000 women in the workforce (Catalyst, 2020). With lower labor force participation, national GDP dropped 9 percent in 2020¹⁴ (Bauer, Broady, Edelberg, & O'Donnell, 2020). Though the exact contribution of minority women job losses to total jobs lost in the labor force is unknown, we can assume that because minority women have been disproportionately affected by COVID job losses and tend to have low-paying jobs as well, they contribute greatly to the GDP losses that the nation is experiencing presently. If present trends of minority women having difficulty finding and sustaining employment continue, the economic effects will limit the overall productivity and progress of the country (Follett & Hentze, 2021).

¹³ Labor force participation is measured as the percent of the civilian population older than 16 that is working or actively looking for work (U.S. Bureau of Labor Statistics, 2016),

¹⁴ It should be noted that this drop is huge. Historically, GDP has never dropped greater than 3 percent since 1947 when GDP was first recorded.

Similar to the consequences to society that the wage gap presents, the wealth gap also leads to constraints to the U.S. economy. In 2019, McKinsey estimated that the lack of investment and consumption that has resulted because of the racial wealth cap will cost the national economy between \$1 trillion and \$1.5 trillion from 2019 to 2028 (Noel, Pinder, Stewart, & Wright, 2019). This value can be translated to a loss of 4-6% of the projected GDP in 2028 (Noel, Pinder, Stewart, & Wright, 2019).

Prior Attempts to Minimize Negative Economic Impacts of Recession on Women of Color

Increasing income of minority women via small business support

Similar to the present COVID recession, in 2007 women of color lost their jobs at a substantial rate and were the least likely to gain their jobs back once the economy began to improve (Johnson, 2018). In order to try and reverse the negative economic effects they were facing, minority women turned increasingly toward starting their own businesses to create their own sources of income. The percent of minority women owned businesses increased by 14% to 35% dependent on race¹⁵ in the years before 2007. Between 2001 and 2007, minority women-owned business growth was larger than both white male businesses and white women-owned businesses (Barr, 2015). Though there was already an increase overall in minority women-owned business pre-recession, the effects of the economic downturn incentivized minority women to start small businesses at a greater pace than before. These businesses eventually were integral to not only improving the financial well-being of the minority women who started them, but also to stabilizing the economy during the Great Recession. Between 2007 and 2012, minority women-owned businesses added 1.8 million jobs to the economy while white men and women owned businesses contributed to a loss of 1.6 million jobs in the economy (Liu & Parilla, 2020).

In response to the pronounced growth of minority owned businesses, in 2008 the Small Business Administration (SBA) began the Business Development Program in which small businesses could identify themselves as being controlled by “socially and economically disadvantaged individuals” in order to receive special grants and funding from the SBA (Small Business Administration, n.d.). Since then, the federal government set a goal to award at least 5% of all its federal contracting dollars toward small, disadvantaged businesses (Small Business Administration, n.d.). Through the Business Development Program, the SBA has provided \$2.3 billion in federal contracts to economically disadvantaged businesses including over 100,000 startups (Bell, n.d.). The SBA created the SBA Women’s Business Center in order to help reach out to women specifically to offer counseling and business advice on how to successfully run a small business (Office of Women's Business Ownership , n.d.). The mission of the Women’s Centers is to specifically offer support to women who are economically, socially disadvantaged, or historically under-served to offer training on how to grow their business (Office of Women's Business Ownership , n.d.) meaning that women of color greatly benefit from this organization. This program has been of great assistance to women’s businesses overall and we can take it as a learning point that supporting minority individuals in starting small businesses is a good way to offer support to an individual, but also is beneficial to the country at large by expanding the market.

Targeted policymaking in the U.K. to improve economic welfare of minority individuals

¹⁵ Hispanic and Black women owned businesses increased by 14 and 17% respectively while Asian-, American Indian-, and Pacific Islander-owned small businesses increased by 35% (Barr, 2015)

Looking at comparable policies that target the well-being of minorities from around the world, United Kingdom is a great example of a country that enacted policy targeted toward improving the economic welfare of minority individuals. From 2001 to 2003, the Labour Party in the U.K. took notice of the economic disadvantage that ethnic minority individuals face and proposed that the U.K. government adopt a target that in “10 years’ time, the ethnic minority groups living in Britain should no longer face disproportionate barriers to accessing and realizing opportunities for achievement in the labour market” (Blackaby, Leslie, Murphy, & O’Leary, n.d.). In pursuit of this target, the U.K. government created the Ethnic Minority Employment Task Force to reform government programs and tackle the barriers that were blocking minority individuals from success. These included targeting minorities to provide them special employment opportunities to increase their income (Hogarth, et al., 2009). Ultimately, the program showed improvements in the first few years with the House of Commons Committee of Public Accounts reporting the ethnic employment gap decreasing from 16.9% to 15.6% between spring 2003 and spring 2004 (Hogarth, et al., 2009). The decrease in percentage points was calculated by using census data from spring 2003 and spring 2004 and determining the difference in the gap between the two years. The methodology of conducting this sort of analysis is rigorous as the census data shows accurate accounts of employment per year based on race and ethnic status. Parliament set a target goal of a 1 percentage-point reduction in the employment gap per year that the program was active and the program met its goals in reducing the gap in the first year, though the rate at which the program reduced the employment gap fell below 1 percentage points for the following years of the program (House of Commons Committee of Public Accounts, 2008). In analyzing this study, the U.K. government set a competitive goal (the reduction by 1 percentage point per year) especially when considering that the U.K. has only seen a 2.8 percentage point decrease in the employment gap for minorities and whites in the 10 years prior to 2003 (House of Commons Committee of Public Accounts, 2008).

Though the setup of the program had high rigor, the actual implementation was a bit lacking. Between 2002 and 2006, the pilot programs set up to train minority individuals for jobs were either not fully rolled out nationally or abandoned completely. Additionally, the study of this program did not account for the differing conditions that minority individuals face in order to compare the conditions between white and minority workers, which could have masked even greater inequities that minority individuals were facing in terms of economic outcomes. It is important to learn from this study as we move forward in creating better programs for our country. We want to propose programs that have realistic yet meaningful targets and we want to ensure that the policies we employ, for whatever the time frame, are rolled out properly and reach the most individuals in the target population.

Improving wealth through the Earned Income Tax Credit (EITC)

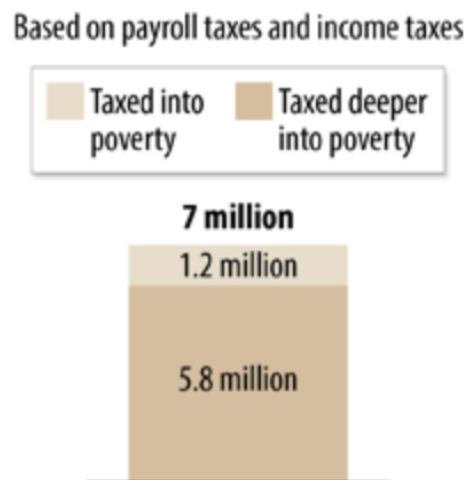
As a means of addressing the racial wealth gap, in December 2015 the U.S. government expanded the Earned Income Tax Credit (EITC) and child tax credit to increase the maximum amount of credit that can be claimed for childless individuals (Obama White House, 2016). In 2016, of all childless workers, 45% were women and 43% were minorities (Carlson, 2016). Prior to the policy change, these individuals were disadvantaged by the federal tax code simply because they did not have any children. Of two individuals with wages at the federal policy line, the person without a child would face \$1,978 in federal taxes while the childless individual would not (Center for Global Policy Solutions, 2015). The EITC program of the Internal Revenue Service (IRS) helps low to moderate income workers receive a tax break (via the tax credit) as a means of reducing total taxes owed and potentially increasing tax refunds (Internal Revenue Service, n.d.). In 2015, childless

individuals at the poverty line over the age of 25 could only receive a maximum of \$270 in tax credits per year (Center for Global Policy Solutions, 2015). Since an individual at this income level (\$12,566) faced a tax burden of \$1,016 at that time, the tax discount that the \$270 in credits provides still places most of the payroll tax burden on the worker (Marr & Huang, 2015). Childless workers across the board faced such small credit amounts at that time that they were the only group in the federal tax system to be taxed into poverty. In 2012, income and payroll taxes pushed 1.2 million childless workers into poverty and pushed 5.8 million workers even deeper into poverty (Marr & Huang, 2015; Figure 11).

To address this disparity, in December of 2015 the federal government expanded the maximum EITC credits available to childless individuals to \$538 (IRS, n.d.). This policy was intended to significantly reduce the tax burden of individuals particularly at the poverty line. With the new policy in place, EITC could alleviate up to half of the tax burden for an individual with a poverty level wage which was a great improvement to only alleviating an eighth of the burden.

Alleviating tax burden allows individuals more freedom with the income that they earn to invest in wealth increasing options such as properties (owning houses or cars), setting aside money for savings, or general investments. In expanding the EITC maximum credit for childless workers, the federal government was able to alleviate, at least in part, the tax burden on a vulnerable population of workers to help with their wealth outcomes in the long term.

Figure 11: Federal Taxes Push Millions of Childless Workers Into or Deeper Into Poverty



Source: CBPP Analysis of the March 2012 Current Population Survey

Evaluative Criteria

In order to evaluate the three suggested policy alternatives, I will be using four criteria as a way to determine which single policy option is ideal for AAUW.

Criteria 1: Equity

For a policy to be high in equity the alternative needs to show that it benefits women of color to a greater degree than white women or men. To measure this, I will be considering whether or not the policy is likely to successfully target minority women more than any other group. This criterion will be measured on a high/medium/low scale with high equity being an ideal policy choice and low equity being a policy that is not preferred. Since improving equity is the most important concern for AAUW, the recommended policy option must have a high score in equity.

Criteria 2: Effectiveness

The criterion of effectiveness will measure how well each alternative actually achieves its goal of improving income. To measure this, I will be determining if the policy option is likely to increase an individual minority women's income level from a baseline. Since the policy alternatives I propose are intended to support unemployed women of color, that baseline income will be zero. Effectiveness will be measured on a binary ranging from low effectiveness to high effectiveness. Low effectiveness will indicate that the policy did not increase the income of the individual at all and high effectiveness will indicate that there was some income improvement as a direct result of the policy in question.

Criteria 3: Cost

This criterion will take into consideration the cost of each program. To estimate cost for each program, I will be looking at similar programs proposed or implemented in the past to get a better idea of the cost to start and maintain an income improving program. The cost will be presented in its dollar value.

Criteria 4: Political Feasibility

This criterion is relevant in determining the likelihood of the policy to be adopted. This criterion can be measured by looking at previous trends relevant to the body AAUW will be advocating to. For example, the voting patterns of potential supporters in Congress can be measured to see if they would likely vote for the policy to pass. This idea can also be applied to patterns of policy uptake within government agencies. Each policy option will be categorized by being either high, medium, or low in political feasibility depending on the past voting patterns and how they may relate to the policy alternative. This is an important consideration for AAUW as it will determine whether or not a policy is worth advocating for in the long run since resources are scarce.

Policy Options and Criteria Evaluation

In formulating alternatives, I took into consideration the most relevant economic deficiencies in terms of income loss that women of color have faced in the past several months to formulate options that would best serve to improve economic outcomes for minority women. In this project I am defining income as money received on a regular basis through work or investment. I will ultimately recommend a single policy alternative as the most optimal for AAUW to implement based on an evaluation of each policy option using the previously mentioned criteria.

Alternative 1: Status Quo

Currently there are no minority women-specific federal programs available to provide economic support for the population of interest; however, there are programs that offer some assistance to laid off workers more broadly. The CARES Act of 2020 introduced the Pandemic Unemployment Assistance (PUA) program, which expanded the traditional unemployment insurance (UI) relief program to individuals that are self-employed, independent contractors, and gig economy workers (Department of Labor, 2021). Each individual eligible for PUA will receive a base of \$200 - \$300 in federal benefits per week as calculated on a case-by-case basis by each state. Though this program provides support for many individuals, there are many programmatic barriers including long wait times and complicated forms to fill out making it a difficult program to apply for. Currently, women outnumber men proportionally in making PUA claims (roughly 53% of all claims are made by women) despite women only comprising 47% of the workforce (Novello, 2020). For the minority women who have virtually no savings and have lost the primary source of income for the household, this type of assistance, only available for 39 weeks, is not a large enough source of income to support an average 4-person family (Rogers, n.d.).

PUA was reauthorized in March 2021, extending benefits for recipients through September 2021 (Virginia Employment Commission, 2021).

Criteria evaluation

In terms of equity, this policy scores **low**. There are currently no data available on the number of minority women that currently receive PUA benefits, however, as a policy PUA is intended to aid any individual that qualifies for the program without taking into account gender, race, or ethnicity. Thus, this alternative does not specifically improve the outcomes of minority women.

When measuring effectiveness, it is important to take account the nature of the program and the individuals that it serves. PUA provides benefits to eligible unemployed individuals. This means that the people that receive aid from PUA have a baseline income of zero. Since PUA provides \$200-\$300 per week (depending on the state) per individual, we can say that this alternative is **high** in effectiveness since it increases income to the individual. Though this policy is not limited to providing support for minority women, those women of color that receive PUA still benefit.

Because PUA is a program that is already in existence the cost value is already known and thus no other calculations need to be made. According to the Ways and Means Committee report, **\$290 billion** is set aside in the CARES Act to fund and run the PUA program for a single year (Ways and Means Committee, 2020).¹⁶ This cost breaks down to cover 39 weeks of unemployment benefits (the value of the benefit is determined based on individual need – typically \$200 - \$400 per week depending on the state) plus a temporary \$600 additional weekly stipend provided until July 31, 2020 (Office of Unemployment Compensation, n.d.). Though the number changes each month, since March 2020 there have been around 100,000-200,000 individuals applying for PUA each week (Weidinger, 2020). On average, the PUA federal expenditure from the budget amounts to around \$6 billion per week for just the coverage of UI insurance. The rest of the funds go to operating each individual PUA program in every state's Department of Labor division (USA Facts, 2020).

¹⁶ The American Rescue Plan passed in March 2021 used the same funding amount as in the CARES Act to extend PUA until September 2021

Since PUA was reauthorized in March 2021, we can say that the policy has a **high** level of political feasibility. Under the American Rescue Plan Act of 2021, PUA was reauthorized for the second time with a Yea-Nay vote of 50-49 in the Senate and 220-211 in the House of Representatives.

Alternative 2: Improving PUA to target minority women

Studies show that despite many broad policies being enacted in ways that are intended to support minority women, if these policies are not specifically targeted then they will be less effective in achieving programmatic goals. PUA is one of these policies. In providing economic support to individuals that would not traditionally be covered by UI, the program also inherently supports minority women as they are most likely to be laid off. Unfortunately, however, as a result of systemic inequities, minority women are more likely to be denied to PUA and other UI programs (Opoku-Agyeman, 2020). Since programs like UI and PUA require that an individual must have left their place of employment through no fault of their own, eligibility for these programs is largely dependent on the employer's account of the separation. Research shows that these accounts can be greatly prejudiced against those of a gender, ethnic, or racial minority (Fields-White, Graubard, Rodríguez Álvarez, Zeichner, & Robertson, 2020). This sort of disparity is largely due to discrimination in hiring practices as well as in company reported reasons for letting an individual go from work, which can affect eligibility (Nichols & Simms, 2012).

In this policy alternative I suggest supporting adjusting PUA in the upcoming reauthorization of the CARES act. The adjustment would include adding that minority women should be prioritized when under review by the unemployment insurance agency of their state so these women receive more streamlined access to benefits. Currently, PUA does not offer any special opportunity for any minority to receive priority access to UI benefits, though there are programs in other agencies (such as the Small Business Agency) that prioritize aid to certain groups within some programs. This would greatly help to cut the red tape that minority women typically have to go through when it comes to receiving government aid. This alternative would likely be very costly, however, as it would require authorizing more funds for the PUA program in order to be able to the most vulnerable eligible minority women.

Criteria evaluation

This alternative scores **high** in equity. In a study conducted on improving racial equity when targeting care in comparison to universal policies in healthcare, the results showed that targeting care improved equity and increased positive outcomes (in the case of this study, more enrollment in the program) within minority populations (Obermeyer, Powers, Vogeli, & Mullainathan, n.d.) Because this option offers an expansion to PUA to provide targeted assistance to minority women it is certain that women of color will benefit from having a more streamlined way to receive PUA funds. It should be noted that in the past the U.S. government has implemented targeted policies in the past in order to improve equity for minority communities. In particular, the Small Business Administration's Minority Business Development Agency, receives federal funding from the CARES Act to provide targeted business assistance to African Americans, Asian Americans, Hasidic Jews, Hispanic Americans, Native Americans, and Pacific Islanders (Small Business Administration, n.d.).

In terms of effectiveness this policy scores **high**. In a study conducted on improving efficiency in poverty alleviation programs, the authors found that in order to best distribute resources to the poorest and most vulnerable, these programs had to be targeted in order to

concentrate limited resources (Dutrey, 2007). Since the goal of this option is to provide a way to improve the income of women of color who have been affected negatively by COVID closures, this policy specifically addresses that concern through its targeting of benefits to prioritize minority women. Additionally, the roughly \$800 - \$1600 per month¹⁷ in benefits is enough to help single minority women or women with families cover at least food expenses and some emergency purchases. A Gallup poll survey revealed that an average family of four in 2018 needs about \$58,000 per year to get by (Troutman, 2018). This yearly income amounts to about \$4,800 a month. PUA benefits are not enough to cover all expenses, however, as of 2020 the average family of four spends about \$800 on food expenses, (Intuit, 2020) which means that PUA can at least help families alleviate some financial burden while unemployed. Thus, if we make sure that women of color get priority access to these benefits, we can assure that they are receiving the monthly benefits needed to sustain their families and that they get an increase in income greater than their baseline of no income.

Since this alternative proposes an adjustment to the current PUA program, which is already stretched thin, an additional cost to cover the unemployed women of color in the market would be necessary. According to The Century Foundation, using a weighted average of weekly benefits from PUA and UI shows the estimated loss in income to minority women who do not receive PUA or UI is a total of \$1.3 billion (Novello, 2020). In order to make up for this loss in income, an added cost of \$1.3 billion would be required to PUA in order to ensure there is enough money to cover these women. This additional cost, coupled with the base cost of PUA at \$290 billion, would lead to a total program cost of **\$291.3 billion** for a fiscal year. In terms of the cost to AAUW, since the organization has its own lobbying services there will be no extra cost to contracting outside lobbying firms to advocate for this policy.

In order for this policy to be enacted, Congressional support would be imperative to not only pass the re-authorization of PUA but also to any additional funds to the program. Policies that are “race-conscious” are typically considered to be more extreme in the eyes of politicians in Congress (Sawhill & Reeves, 2016). Congressmen and women often prefer policies that are broader based in order to garner the most support within their district from the most people. Policies such as the ACCESS Act, introduced to amend the Americans with Disabilities Act of 1990 to provide more protections to the individuals in that subgroup, that are very targeting toward a disadvantaged group typically have a low (less than 50%) prognosis score in likelihood to pass on govtrack.us, despite the Democratic control of Congress¹⁸. It is likely that a policy such as the one proposed would have a similarly low chance of passing (Govtrack.us, 2021) and thus would score **low** in political feasibility.

Alternative 3: Supporting the Federal Job Guarantee

A federal job guarantee program is by no means a new concept. The idea was created in the early 20th century with the basic concept of providing a sustainable solution to the problem of inflation and unemployment by having the federal government promise to hire unemployed workers as a last resort in the case that there is some economic downturn (Paul, Darity, & Hamilton, 2018). Now as a result of COVID layoffs, minority women (in particular Black and Hispanic women) have the highest likelihood of being unemployed (Gezici & Ozay, 2020) and are less likely to be rehired as businesses have begun to reopen (Williams, 2020). During the Great Recession of 2007 minority

¹⁷ See Appendix A for calculations

¹⁸ A Democratic control of Congress is a relevant consideration to make when determining the support for a more left leaning policy.

workers experienced this same trend and studies show that Black and Asian individuals, in particular, were only able to recover their pre-recession income after 10 years (Wilson, 2018).

In order to prevent history from repeating itself, this policy alternative proposes supporting a Federal Job Guarantee program proposal in Congress as a way to support women of color now that businesses have re-opened and minority women have found jobs so hard to find. H.R. 4278 – Federal Jobs Guarantee Development Act of 2019, introduced September 2019, established a plan to require the Secretary of Labor to establish a system that provides the grants for the job guarantee program (Congress.gov, 2019). This job guarantee program would involve creating a “community Job Bank” website that compiles jobs in each local community as well as jobs created by federal agencies. Each job would include a fair wage¹⁹, paid family and sick leave, and health care coverage. Most importantly, every person would be guaranteed a job of their choice from the job bank website (Booker, 2019) and would have the option of keeping the job as long as they are still in need of a job at non poverty wages (Paul, Darity, & Hamilton, 2018).²⁰ Additionally, the Federal Jobs Guarantee Program would offer support in moving individuals from the government provided jobs to more desirable and higher paying jobs in the private sector (Paul, Darity, & Hamilton, 2018). Women of color experience the highest unemployment rate of any group, 8-9% unemployment compared to the national unemployment rate of only 6%-7% (Rosenberg, 2021). Because women of color are more likely to be unemployed and less likely than any other group to be rehired, a federal jobs guarantee would ensure that these women no longer experience the disproportionately high rate of unemployment that they currently face through assured job options from the community job bank.

Currently, the act has been stuck in committee since the advent of COVID due to other Congressional priorities. AAUW is in the position to be able to use its influence as a lobbying organization to influence Congressmen and women in the Committee on Education and Labor to pass the bill through committee. Passing an act such as the Federal Job Guarantee would ensure that the thousands of women of color unemployed even after the COVID business closures ended would have a place to turn to. The cost of this policy would be in the resources used to lobby Congressmen and women to support the passage of the bill.

Criteria evaluation

The Federal Jobs Guarantee Program is similar to that of PUA in that it is a program intended to help all jobless individuals. Though as a result minority women will inherently experience a benefit in income, this policy is **low** on equity because it does not specifically target minority women in its target population.

In terms of providing a stable income for women of color, this policy is **high** in effectiveness. A federal jobs guarantee would provide roughly 10 million jobs to those that are looking for work or are not adequately employed (Carpenter & Hamilton, 2020). This would not only insure an income increase from the baseline of having no wages when unemployed to also having a sustainable source of income for all individuals that are employed for as long as they wish to hold employment at non-poverty wages²¹, including women of color.

¹⁹ A fair wage is defined as being at least the federal minimum wage of \$7.25

²⁰ One of the key aspects of a Federal Job Guarantee Program is that there are always enough jobs for individuals that apply to the program regardless of the type of community that they are in. The “Community Job Bank” would be comprised of employment opportunities in the private sector and supplemented by federal jobs that are created for the purpose of providing enough jobs for the Federal Jobs Guarantee Program (Scholars Strategy Network, 2020).

²¹ A federal jobs guarantee is meant to be a long-term solution that would provide permanent job opportunities to individuals at non-poverty wages. However, it is likely that individuals in the program would want to seek higher paying

In 2018, a Federal Jobs Guarantee Program similar to the one introduced in 2019 was proposed in Congress. Though in 2018 the economic conditions were different to those we are experiencing now, according to the program, 10 million jobs would be provided by the federal job's program of 2018. Currently there are 10 million unemployed workers in 2021, which leads me to believe that the estimates for the 2018 program can be used for this new program. In order to provide a wage for individuals of up to \$15 an hour²² and full benefits, the Federal Jobs Guarantee Program would have an estimated **cost of \$543 billion a year** in order to cover the 10 million jobs needed, as provided by the CBO cost estimate (Kim, 2018). As mentioned previously, since AAUW has an action fund directed toward funding lobbying interventions, there will be no extra cost to the organization in contracting an outside lobbying firm.

Though there have been several proposals for a Federal Jobs Guarantee Program in the past, there has not been much support for it due to the heavy partisan (leaning towards the left specifically) nature of the policy. However, as a result of COVID and the nearly 30 million unemployed workers it resulted in, there is more push among economists and activists for a federal jobs guarantee (Roberts, 2020). Despite the renewed energy in a Federal Jobs Guarantee Program, in lieu of the recently passed American Rescue Plan (costing \$1.9 Trillion) that has promised a national vaccination program to aid in reopening businesses and schools, the likelihood that Congress will pass such an expensive policy like the Federal Jobs Guarantee soon after the American Rescue Plan is **low**. For the American Rescue Plan, Republicans on the hill nearly unanimously opposed the bill citing that it was too expensive (Franck, 2021). In the initial senate vote, not a single Republican voted for the bill forcing the Democrats to make large concessions to appease the Republicans (Franck, 2021). We can expect that there would be similar Republican resistance to a federal job guarantee not only in its cost but also because it is so left leaning. There would likely need to be major concessions in order to pass this policy.

Outcome's matrix evaluation

Policy option's value is shown on the table below. The green shaded row indicates the recommended policy alternative.

	Equity	Effectiveness	Cost (USD)	Political Feasibility
Status Quo	Low	High	\$290 billion per fiscal year	High
Improving PUA to target minority women	High	High	\$291.3 billion per fiscal year	Low
Supporting the Federal Job Guarantee	Low	High	\$543 billion per fiscal year	Low

Recommendation

jobs in the long term which is why the program also provides job mobility support. Therefore, even though this would be a sustainable option in the long term if someone would want to stay in the job for years to come, it is unlikely that they would.

²² This wage is for a regular 40-hour work week

In order to provide the most comprehensive recommendation for AAUW to best address and support minority women experiencing economic difficulty, I will choose both an income alternative and a wealth alternative that AAUW can consider implementing. Each of these solutions will address different aspects of the struggles that minority women are currently facing and in conjunction will help to alleviate some of the financial burden that minority women are facing presently and hopefully will help to build strong financial skills for these same women in the future.

Recommendation: Improving PUA to target minority women

After evaluating each alternative using the criteria mentioned, I recommend **Alternative 2: improving PUA to target minority women**.

Improving PUA is the leading income improvement policy option in **equity**, a metric that AAUW values most importantly above all. It also measures highly in **effectiveness**, which is also important to ensure that the target population achieves an income improvement²³. This policy is second in **cost**. The least costly (status quo) is only slightly cheaper than this option, however, this option measures low on the scale of equity which makes it a non-contender as AAUW requires a policy alternative to improve equity outcomes. The PUA improvement policy is low in **political feasibility** simply because of its additional cost; however, the low political feasibility (largely referring to Congressional support) is contingent on the state of the country and economy come September 2021, which is always subject to change. There is the possibility that despite there being improvements in managing the COVID pandemic, the economy will not be fully recovered from the damage and thus PUA may still be needed

Wealth Improvement Options to Consider

While wealth improvement alternatives are just as important as income improvement alternatives, for the purpose of this paper I am including two wealth related options in this section as equally feasible options for AAUW to consider coupling with the main income improvement recommendation that this study evaluates²⁴. Wealth building is a long-term endeavor and would be difficult to measure in terms of effectiveness which is why these two options can be considered to be “strong suggestions” rather than strong recommendations. Both the wealth options are very similar in that they involve both an advocacy component and an information campaign to increase general knowledge about the benefits of wealth building in populations of minority women.²⁵

Using Community Development Financial Institutions (CDFI) to bolster minority women owned businesses

Community Development Financial Institutions (CDFIs) are public-private institutions that use private sector capital alongside Department of the Treasury funds to offer business installment loans and mentoring/business advising to low income, low wealth, and generally disadvantaged communities (U.S. Department of the Treasury, n.d.). These institutions offer a great deal of support

²³ Income improvement here refers to any increase in income that an individual experiences. Since all policies are targeted toward unemployed minority women, any increase in income will satisfy this criterion

²⁴ See Appendix D for more detail about each of these alternatives

²⁵ See Appendix E for a sample implementation strategy for improving access to banking

to small minority owned businesses as CDFIs tend to give loans to entrepreneurs that might not be eligible for a traditional bank loan. The main drawbacks to CDFIs are that these loans come at a higher interest rate than traditional bank loans because many of the individuals that CDFIs lend to have lower credit scores²⁶, there is a long application process due to the long list of business documents required by CDFIs to proceed with the loan process, and there is limited funding available for small businesses (roughly \$500 million in bond guarantee authority for FY 2021 (CDFI Fund, 2021)). Though CDFIs are a great tool for building businesses, minority women entrepreneurs are the least likely of any group to use CDFI support in their own businesses typically as a result of not knowing about CDFI services or not having access to them (Concious Company, 2020).

This option proposes two routes to ensuring minority women reap the benefits of CDFIs. First, I recommend AAUW advocate for setting aside a percentage of the bond guarantee funds to cover minority women owned businesses. It is unknown the number of minority women owned businesses that are currently in need of loans or the number of businesses that will exist in the future; however, it is known that currently 18.3% of all businesses are minority women owned (Census Bureau, 2021) thus setting aside that percentage of the funds available from FY 2021 would ensure that \$91 million are available exclusively for minority women that seek CDFI assistance, which should be a good starting point to provide coverage that is proportional to the number of minority women owned businesses in the population. Since this amount is just a baseline rate to propose to the CDFI Fund, more money would be needed to cover additional women should more seek out this resource. Second, AAUW would launch an informational campaign targeting minority women-owned business owners as borrowers to educate women on the resources available to them via CDFIs especially in the wake of COVID. A campaign such as this would require AAUW to reach out to other organizations for partnership opportunities to spread the word to each respective target population.

Improving access to banking for minority women

This alternative involves working with the Office of the Comptroller of the Currency (OCC), which regulates the activities of national banks (Office of the Comptroller of the Currency, n.d.), to reform the way that banks approach communities of color and other disadvantaged communities. One of the inequities that exists, for example, is in checking and savings accounts minimum balances. These accounts are quite difficult to obtain in majority Black communities as there is typically a higher minimum balance (\$871 for Black neighborhoods compared to \$626 for white neighborhoods) in order to avoid service fees (Moise, 2019).

There is currently a proposal for a new rule change within the OCC, called the Fair Access Rule, which outlines guidelines for banks to conduct risk assessments on individual customers, rather than making broad based assessments on classes or groups of people (Office of the Comptroller of Currency, 2021). Though this rule was supposed to be fully incorporated into the Federal Register in January 2021, as a result of the change in Presidency, however, the OCC Chairman under President Trump, Brian Brooks, elected to put a hold on officially registering the Fair Access Rule in the Federal Register as a courtesy to whoever would be selected as the new administration's Chairman²⁷ (McDonald, 2021). Additionally, there was pushback from banking

²⁶ Though CDFIs have higher interest rates than banks in many instances, they still offer lower rates than payday loans or other loan offering institutions that minority individuals are likely to turn to

²⁷ It should be noted that as of the writing of this report, President Biden has not selected a new OCC chairman. Any lobbying should be directed toward that individual and their staff in the future

institutions, which could have potentially contributed to why Chairman Brooks decided to put the rule on hold (Hrushka, 2021). This rule is a huge step in improving banking in minority communities and ensuring its incorporation in the Federal Register would ensure that women of color have better access to the banking institutions that will help them create wealth for themselves and their families in the future.

AAUW can consider a two-sided approach to this policy alternative. First, AAUW can consider engaging in administrative advocacy to advocate for the Fair Access Rule to be re-introduced, and then to ally with fellow minority women focused organizations to comment in the Registrar showing support for the rule's approval. Second, AAUW can engage in an informational campaign targeting the minority women in discussing the importance of credit building and saving for financial stability. The purpose of the informational campaign would be to educate these women on why wealth building is important but most importantly to try and break those long held stigmas that minority women have against banking institutions.

Implementation and Next Steps

In order to best carry out the recommended policy option of improving PUA to target minority women and improving access to banking and credit building, it is important to consider the stakeholders present in each option and necessary steps to implement each program.

Improving PUA to target minority women

Stakeholders and perspectives

- Target population: minority women

Minority women would certainly be supportive of this policy as they would be the primary beneficiaries to an alternative that provides them an easier route to receiving much needed unemployment benefits. As advocates for their own benefits, these individuals need to express their support of PUA and its reauthorization to their Congressional Representatives in order to push Congress to take this change seriously.

- Senate Appropriations Committee

This policy requires \$291.3 billion per fiscal year. In its current state, PUA has an estimated cost of \$290 billion to cover the entire cost of running the program. Since this alternative adds an additional \$1.3 billion, per the estimated loss of income to minority women that do not receive PUA, that increase is the amount that the Senate Appropriations Committee would need to approve of. It is likely that there will be some resistance to spending more money on unemployment insurance as there is always the risk of individuals taking advantage of the system if there is more money to give out. That being said, Chairman Leahy (D-VT) and Vice Chairman Shelby (R-AL) of the Senate Appropriations Committee have been staunch advocates of PUA and the need to provide Americans with much needed financial assistance during COVID-19. These are potential allies that AAUW could align with in order to assert influence on the Appropriations committee to ensure that the extra cost of PUA for CARES III is approved. This will likely involve meeting with these individuals and presenting them informational materials (such as this report) to show the facts on how minority women are in most need of financial support and greatly need an adjustment in the PUA policy.

- Department of Labor (DOL)

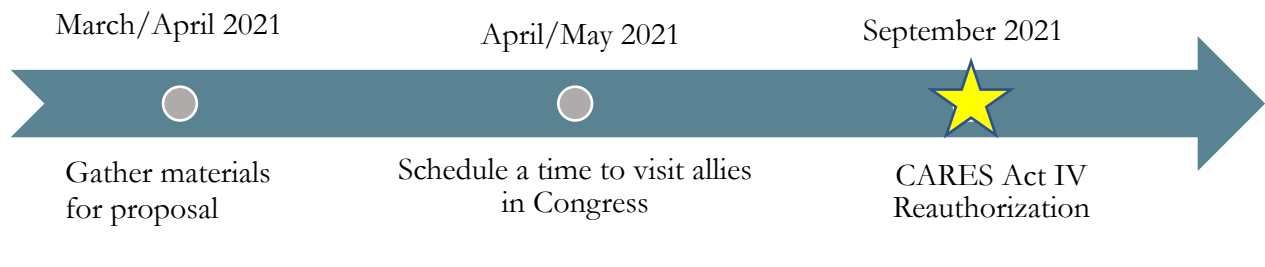
DOL is a stakeholder in that they ultimately are the ones that implement PUA in each state and can determine the speed at which the policy is carried out. They will likely be supportive of the policy overall, given that DOL as an agency reports to a Democratic President, but may be resistant to the implications of the policy: increased work and strain on the bureaucracy. Because federal welfare programs are implemented on a state-by-state basis, bureaucrats are charged with reviewing and accepting/denying applications for PUA aid. It has become increasingly difficult for the bureaucracy to keep up with the nearly 5 million PUA applicants nationwide (Bartash, 2020) especially considering that the welfare system of review is extremely antiquated and not equipped to manage welfare applications in such high numbers as we are seeing now (Aborn, 2020). Roughly 4 in 5 state workforce agencies state that their IT systems are “barely functional” or “in need of improvement” as of 2017 as these systems typically still run on 60-year-old coding languages not built to process a high volume of claims (Aborn, 2020). Currently, DOL is struggling greatly with keeping up with the massive number of PUA applicants and adding more work onto them will not be greatly received but as long as AAUW takes DOL into account and reaches out to Secretary, Marty Walsh, and convinces him of the importance of this policy, the rest of the bureaucrats are likely to follow their department head.

- Congress

In order to adjust PUA the CARES III Act needs to be re-authorized, which takes a majority vote in both the Senate and the House of Representatives. Passing the CARES Act has not been very difficult in the past due to the great constituent need for monetary support during the COVID pandemic. Though because of the nationwide vaccination campaign by President Biden COVID is unlikely to last until September 2021, the economic repercussions of COVID will likely still persist. The unemployment rate in normal times is typically steady at around 3-4% and currently the unemployment rate is at 6.2% (Amadeo & Boyle, 2021). This number is a great improvement from the 14.8% unemployment from April 2020 (Congressional Research Service, 2021), the government will still need to provide support for those individuals that are still unemployed. Building back the economy will require investment in public safety net programs (Gould, Job openings and hires ticked up in February , 2021) such as PUA, which leads us to believe that Congress will want to keep PUA aid until the unemployment is stabilized.

It should be noted, however, that because of President Biden’s recent election and the now-majority of Democrats in the Senate, a policy that increases the welfare benefits of minority individuals may be more well-received than in the prior administration.

Timeline and next steps



1. Use this report as a starting point to gather research materials to present to members of Congress during lobbying
 - See Appendix B for a list of potential research materials that AAUW could compile when advocating for CARES Act IV
 - It will be important to present allied Congressmen, especially Chairman Leahy and Vice Chairman Shelby, sound evidence that this policy is not only going to be beneficial for minority women but that it will improve the economy overall and the well-being of all Americans. In this report, the literature review and explanation of the policy alternative will be good starting points for showing sound data that supports adjusting PUA. It may also be beneficial to include data specific to the Congressmen's state that shows minority women are not receiving the PUA benefits that they should.
2. Schedule a time to visit allies in Congress
 - PUA in the CARES Act III is set to be reauthorized in September 2021. In order to catch Congressmen before the summer holidays, it will be beneficial to schedule an appointment with key Congressional stakeholders in April or May (American Humanist Association, n.d.).
3. Aim to have support of a simple majority of members in both the House and the Senate to pass the legislation as well as the support of Senate Appropriations Committee Chairman
 - By September 2021, the reauthorization for the CARES Act, AAUW should have already met with Congressional stakeholders and monitored for general support throughout Congress for a reauthorization of PUA. If lobbying is successful, once the reauthorization is proposed there will already be support for a reauthorization despite increased costs.

Worst Case Scenario Analysis

- COVID-19 is no longer a threat so PUA does not get reauthorized in September 2021
 - The chance of this happening, I would say, is moderately likely. President Biden has announced that by April 2021 vaccinations against COVID-19 will be available for all Americans. It is possible that if everyone is vaccinated by September that we can all return back to work as normal and there will not be a need for PUA. This being said, even if the risk of the disease is no longer imminent, the economic fallout of COVID will continue to persist as we are seeing even now that businesses are re-opening and minority women are having the most trouble finding employment compared to other groups. It is likely that some form of PUA will still be needed in September until the economy stabilizes more fully.
 - If PUA does not get reauthorized because of wide-spread vaccinations, AAUW can shift to proposing changes to UI, as it is a permanent program and will still be active when PUA ends. This would involve proposing that UI benefits should prioritize allocating aid toward minority women that are eligible as they are the population most in need of financial support.

Conclusion

Minority women have faced higher rates of unemployment, lower wages, and wealth disparities even before COVID-19 but the pandemic has exacerbated these differences and led to

minority women having disproportionately negative economic outcomes as a result. AAUW can be a driver of change in supporting minority women through wealth and income improvements, which are proven to improve the quality of life and lessen the negative economic impact of COVID on these women. Taking into consideration the wealth and income recommendations in this paper will be the first step that AAUW can take in being a leader for minority women advocacy. There is truly no time to waste when addressing the disparities that these women face and the opportunity, we have now to improve the outcomes for these women as a result of the policy windows that COVID has opened cannot be missed.

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Appendix A: Cost Calculations

Calculating percent of minority women in the population

Percent of women in the total population (2019) (U.S. Census Bureau, 2019): 50.8%

Percent of minority women out of total women (2019) (Catalyst, 2021): 40%

$40\% \text{ of } 50.8\% = 20.32\%$

Percent of minority women in the population: 20.3%

Calculating average earnings gap for minority women more broadly, 2018

All of the following values provided by (Bleiweis, 2020).

Black Women: \$23,540

Hispanic/Latino Women: \$28,036

Asian Women: \$6,007

American Indian and/or Alaska Native Women: \$25,884

Sum = \$83,567

Divided by the number of entities (4): \$20,866.75

Calculating estimated income loss for minority women by 2056

All of the following values provided by (Bleiweis, 2020).

Black Women: \$941,600

Hispanic/Latino Women: \$1,121,440

Asian Women: \$240,280

American Indian and/or Alaska Native Women: \$1,035,360

Sum = \$3,338,680

Divided by the number of entities (4): \$834,670²⁸

Calculating an estimate of PUA aid per month

Guaranteed aid under PUA per week: \$200-\$400 per week depending on the state (Office of Unemployment Compensation, n.d.)

Weeks in a month: About 4

PUA Aid: $(200-400) * 4 = \$800 - \1600

²⁸ These values are not adjusted for inflation. These earnings are reflected in 2018 dollars.

Appendix B: Research Materials to lobby for CARES IV

I. Issue Paper

This document will:

- a. State the issue for consideration: adjusting PUA to prioritize minority women when allocating unemployment benefits
- b. Include research on how minority women have been disproportionately economically affected by COVID and why receiving priority PUA funds would help both them and the economy
- c. Indicate why this option is ultimately a good recommendation compared to the current PUA program
- d. List of references and supporting information or resources on the topic (the background of this paper could be a good resource for this section)

II. Costing analysis

This document will include a brief explanation of how much extra funding the new PUA program would require and why adding that extra amount will be ultimately a benefit in improving minority women's income outcomes

III. Research on key Congressmen and women

This research would involve looking into the previous voting history of Congress men and women to determine the likelihood of these individuals supporting a CARES IV reauthorization and adjusting PUA in the way that this policy advocates for. Additionally, research into the breakdown of percentage of individuals overall that have applied for PUA within their state and the percentage of minority women in their state that have either received PUA or are PUA eligible would help in determining whether a Congress person may be inclined to vote for a policy (those in states that are more PUA dependent are more likely to support reauthorizing PUA in order to keep supporting their constituencies)

- a. In addition to creating research documentation on the key Congressional stakeholders that may be interested in supporting this policy, AAUW will want to draft letters those Congress people that would be most in support indicating that AAUW would like to formally meet with these Congresspeople.

Appendix C: Potential partner organizations

This Appendix contains a list of organizations that support the interests of minority women and would likely ally with AAUW to push forth the Fair Access Rule.

Buy from a Black Women

Annual sales for Black female business owners are five times smaller than other female-owned businesses. To remedy this disparity, Buy From a Black Woman aims to empower, educate and inspire Black female business owners, as well as provide them with tools and resources to succeed.

The Foundation for Black Women's Wellness

This Wisconsin-based nonprofit is committed to eliminating the health disparities that impact Black women and girls. Its multi-faceted approach focuses on physical health, building community and providing COVID-19 relief for Black women and their families in the Madison, WI area.

Black Women's Health Imperative

For 35 years, Black Women's Health Imperative has been the only national organization solely dedicated to improving the health and wellness of Black women and girls. They run a number of evidence-based programs and campaigns to support physical, maternal and reproductive health for Black women. They are also leading the effort to establish the first National Health Policy Agenda for Black women.

National Latina Business Women Association

Our mission is to empower Latinas to develop their business and professional goals through education and collaboration.

National Asian Pacific American Women's Forum

The mission of the National Asian Pacific American Women's Forum is to forge a grassroots progressive movement for social and economic justice and the political empowerment of Asian and Pacific-American women and girls.

Center for Asian Pacific American Women

The Center for Asian Pacific American Women (formerly The Asian Pacific American Women's Leadership Institute) is the only national, nonprofit organization dedicated to enhancing and enriching leadership skills for Asian-American and Pacific-Islander women leaders. Its mission is to address the challenges facing Asian-American and Pacific-Islander women and to nurture trusteeship within their communities by expanding leadership capacity, fostering awareness of Asian-American and Pacific-Island issues, creating a supportive network of Asian-American and Pacific-Island women and strengthening community.

Appendix D: More information about wealth improvement options

Using Community Development Financial Institutions (CDFI) to bolster minority women owned businesses

Owning a business can lead to huge improvements in wealth for minority women in the long-run (Concious Company, 2020). Though starting a business would be an income improvement, this option is considered a wealth improvement because owning a small business can lead to long term financial stability (which is the focus of wealth improvement) whereas the income of a regular job is dependent on staying employed. While the median wealth of a non-entrepreneur single Black woman is \$200, the median wealth of a Black woman entrepreneur is \$2,000, a near ten times increase in wealth (McColloch, 2017). It is the act of owning and creating businesses that has helped these women of color to bolster their wealth and create jobs within their communities. Furthermore, a recent study conducted by American Express found that if revenues generated by minority women owned businesses matched those of all women owned businesses, there would be an added \$1.2 trillion in revenue to the U.S. economy (American Express, 2019), thus showing that aiding minority women owned businesses would be beneficial to all Americans.

Minority owned businesses have experienced great difficulties due to existing systemic barriers to accessing financing resources, which have only been exacerbated due to COVID closures. Nearly one third of minority owned businesses have cut business hours, a quarter of businesses temporarily closed their doors at the start of the pandemic and roughly 60% of those businesses never restored their businesses once pandemic restrictions began to lift (Arora, 2021). Coupled with the difficulties of pandemic closures, which increased the number of small businesses overall seeking loans, small minority owned businesses experienced systemic troubles when applying for loans or financing their business during COVID. Even with the Paycheck Protection Program (aimed at providing monetary relief for small businesses), minority owned businesses were the last to receive any of the benefits and were more likely to be turned away from the bank when applying for loans (CBS News, 2021). That being said, even before COVID minority owned businesses were less likely to be approved for small business loans (Weitz, 2018) and if they receive loans at all these loans are typically in lower amounts at high interest rates (Concious Company, 2020). The problem is not a lack of motivation for minority women to create small businesses, as studies actually show that the number of business owned by women of color is growing at a higher rate than other racial groups (Concious Company, 2020), rather the issue is one of a lack of information on how to start a successful business and access to financial support to start-up a business.

Based on prior informational and awareness campaigns conducted by other nonprofit organizations, the average amount of money spent per campaign is **\$200,000** for one year. Additionally, the most effective informational campaigns last anywhere from 12-18 months (AdEdge Digital Marketing, n.d.). This cost includes the cost of printing, publishing, and distributing informational materials to specific channels both in person and online (Triner, 2014). This alternative would likely incur a similar cost of printing and publishing for the timeline of 12-18 months. The second cost to consider is that of the proposed programmatic change in the CDFI funding grant. \$91 million will be needed to set apart a proportional amount of funds to be able to support solely minority women owned businesses. Since this amount of money would come from the already allocated \$500 million in grant money, there is no additional cost to implementing this program, rather there would just need to be some readjustment in where the allocated funds are spent.

Improving access to banking for minority women

This option is intended to address long-term financial concerns that minority women face in order to ensure that the economic instability that this recession has caused does not repeat itself. Due to historical discrimination and a lack of generational wealth, minority women are less likely to have assets that add to the value of an individual's wealth (Chang, 2015). When combining all assets (cash retirement funds, investments, and real estate) studies show that single Black and Hispanic women have a median wealth of \$200 and \$100, respectively. Compared with the wealth of single white women, \$15,640, it is no wonder that women of color are less likely to withstand the pandemic-related economic changes (Chang, 2015). The greatest factors that contribute to a lack of assets for minority women include not having a bank account and not having strong credit scores (Frye, *On the Frontlines at Work and at Home: The Disproportionate Economic Effects of the Coronavirus Pandemic on Women of Color*, 2020). In 2017, it was estimated that roughly 17% of Black households and 14% of Hispanic households had no access to banking services compared to only 3% of white households that were unbanked (Federal Deposit Insurance Corporation, 2018).

The two main costs to consider are the cost of the informational campaign directed toward minority women and the cost of advocating for and implementing a rule change at the OCC. As we know, the cost of a campaign would be roughly \$200,000 for one year. In terms of cost related to advocating for the Fair Access Rule, there is no cost in adding a rule to the Federal Register nor is there a cost to implement this as a suggestion of best practices to banks. Additionally, commenting and interacting with the rule is also free as the Federal Register is publicly available on the internet. Lobbying the OCC will not require any extra expenditure as AAUW has its own in-house lobbying groups so there will be no extra cost in contracting outside lobbying services. There may be a cost to banks in the long run of having to provide more equitable practices (as we know that banks sometimes capitalize off of charging people of color more for minimum balances) but that cost is not relevant to AAUW.

This approach requires expenditure on research, final products, and personnel to come up with the best ways to create and deliver presentations that will have the biggest impact on the respective populations of interest.

Appendix E: Implementation for improving access to banking and credit building for minority women – wealth improvement

Stakeholders and Perspectives

- Office of the Comptroller of the Currency (OCC)

OCC proposed the Fair Access Rule in November 2020 so it is fair to say that they are supportive of their own rule.²⁹ That being said, with a change in administration there will be revisions to the Fair Access Rule, which will need to be monitored to ensure that the rule maintains its equitable goals.

- Minority women and communities

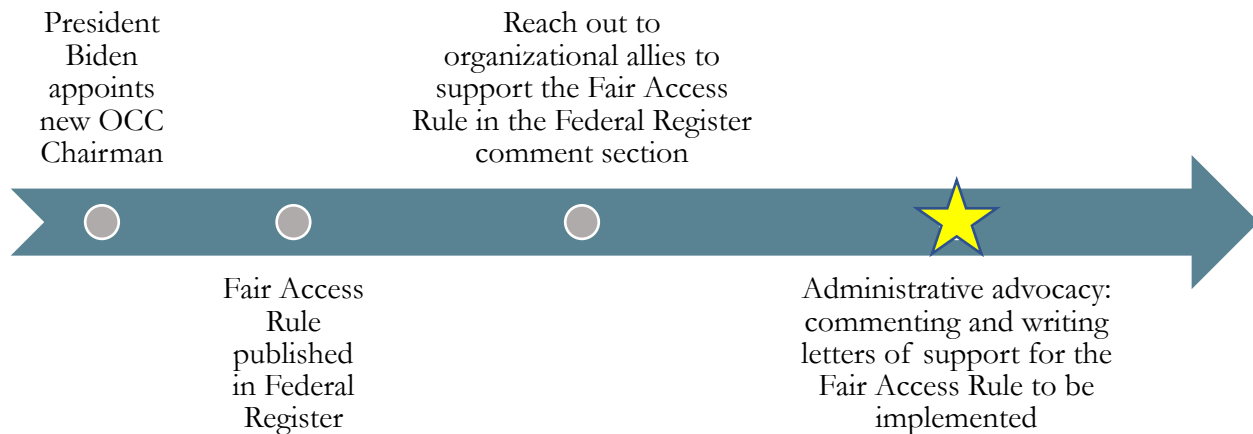
Minority women will likely feel both supportive and resistant to the idea of starting savings and credit accounts. Due to a long history of discrimination and unfair banking practices, minority communities are understandably averse to placing their hard-earned money into these institutions. In order to manage this resistance, it is important that AAUW is empathetic and understanding in its informational campaign. People will have reservations about banking and it is important to listen actively while assuring them that banking will help to increase their wealth for generations to come. On the other hand, minority women will likely be supportive of any way that they can increase the wealth of their families. Increasing wealth, especially when a woman has a family to provide for, means that she will be able to pass down her legacy to her children and ensure their future.

- Banking institutions (member FDIC)

The banking institutions will likely be the most resistant to change especially due to this rule increasing oversight from the government on their banking policies. Banks have a long history of discriminating against groups of individuals due to race and ethnicity and this bias has benefited banking organizations monetarily as they have been charging higher minimum balance fees for minority communities than for white communities, for example. In order to mitigate this resistance, AAUW will likely be best off working from the angle of ensuring that OCC is not swayed by the interests of the banking corporations. The OCC has a mandate to oversee equitable banking practices so it is imperative that AAUW remind OCC of this during the administrative advocacy phase.

²⁹ Though President Biden will eventually appoint a new OCC Chairman, as this paper is being written there have been no changes to the personnel nor has a new OCC Chairman been officially appointed

Timeline and next steps



Phase 1: This diagram only shows Phase 1 because in order to advocate for a rule there are certain actions that must be taken at the Federal level before AAUW can intervene. For Phase 2 there are no such time constraints and each action can be done at any time and in any order.

Phase 1: Change at the Executive Agency Level

1. Reach out to partner organization to find allies for the Fair Access Rule
 - The comment section of the Federal Register is crucial in determining public support for a rule. Thus, it is important for advocacy organizations such as AAUW to garner as much support from other organizations that can mobilize their supporters to write comments in favor of the Fair Access Rule. The comment section for this rule is currently very divided between supporters and detractors of the policy so every voice counts.
 - See Appendix C for a list of potential partners.
2. Administrative advocacy for the Fair Access Rule
 - Administrative advocacy would involve commenting, writing letters, and meeting with OCC officials to show AAUW's support for the Fair Access Rule. This action would be similar to lobbying but for executive agencies.

Phase 2: Change at the Community Level

1. Start a "Take Action" activism campaign on the AAUW website to garner interest and support for spreading information about the importance of building credit and having savings for overall wealth improvement.
 - AAUW currently has a web page on its website titled "Take Action" where members can choose a policy area that they wish to support and donate their time and money to. Creating a page where individuals can read about the importance of banking and savings in increasing wealth for minority individuals will be beneficial in not only spreading information but will also give activists a chance to share the information on their social media and donate to AAUW (this money would fund the paper outreach discussed next). Additionally, since we would like to maximize the spread of information, AAUW can send resources to local banks so they can provide brochures for individuals, to media outlets that can publish articles on the

- importance of wealth building, and television channels that can air short segments to discuss the importance of increasing wealth in minority communities.
2. Reach out to primarily minority community leaders near each AAUW branch to ask for help in disseminating informational pamphlets
 - Many minority communities are also low-income communities so it is important to be mindful of access to technology in these spaces. That being said, AAUW needs to conduct a paper campaign alongside its internet campaign in order to ensure that the most minority women are reached. There are AAUW branches in every state and having each branch partner with minority community leaders in their state would greatly help in finding an outlet to disseminate the information. These community leaders would know best where to put the paper information so that minority women actually receive it.
 3. Incorporate a SMS marketing aspect to the informational campaign
 - a. In order to maximize the use of media and paper dissemination, AAUW should consider also spreading information through SMS text messages. Studies show that text messages have a 98% “open rate” when compared to email, which has just an average of 20% “open rate” (Campaign Monitor, 2019). If choosing between the best way to send out newsletter information or just key updates SMS is definitely the best option to allocate resources efficiently.

Worst Case Scenario Analysis

The worst-case scenario here would be that the OCC decides to reverse its decision of introducing the Fair Access Rule as a result of large bank corporation pressure. The OCC was never bound to the federal regulatory freeze announced by President Biden because OCC is an independent executive agency. This could mean that there were other factors at play in delaying this policy. If the OCC were to not re-introduce this rule into the Federal Register, then AAUW could take a different approach in lobbying OCC to re-introduce it, rather than the current approach, which is simply to support it and ensure that it passes.