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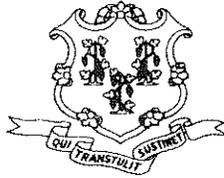
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PERMANENT COMMISSION ON THE STATUS OF WOMEN

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Written Testimony of The Permanent Commission on the Status of Women Before the Planning and Development Committee Monday, March 3, 2008

Re: S.B. 2, AAC an Emergency Relief Plan for Connecticut Families for Housing Costs.

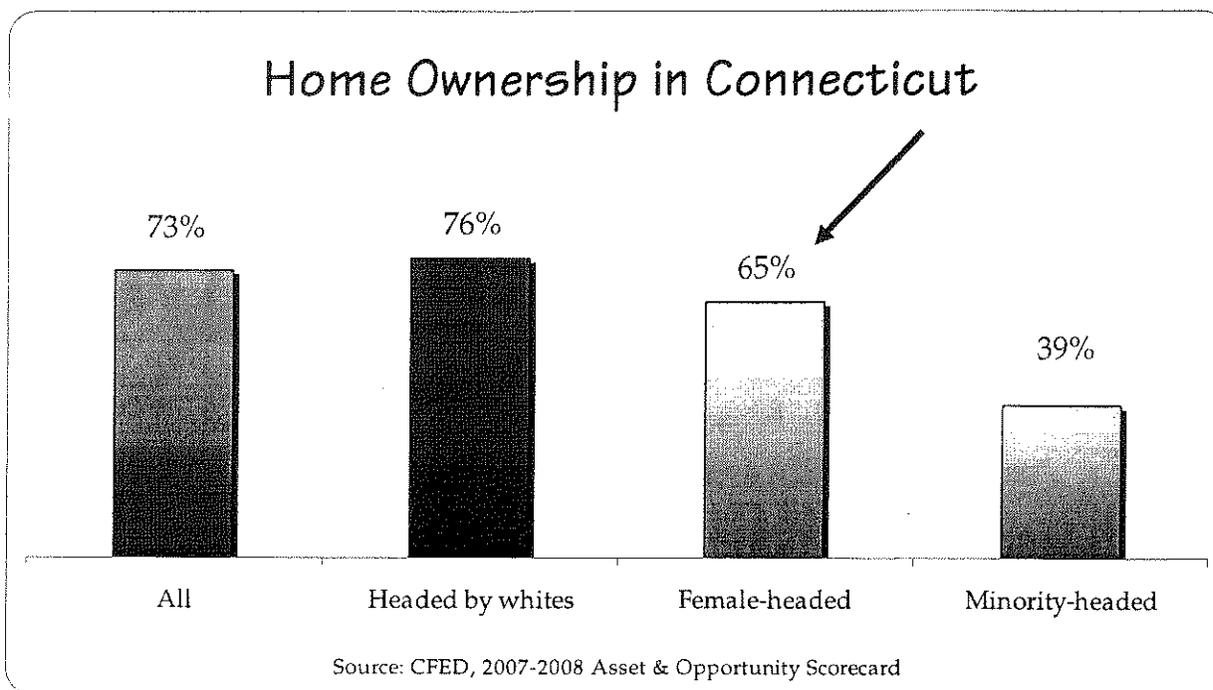
Senator Coleman, Representative Wallace and members of the committee, thank you for this opportunity to provide written testimony on the above referenced bill on behalf of the Permanent Commission on the Status of Women (PCSW) and its Young Women's Leadership Program (YWLP), which represents women ages 18 to 35. PCSW and YWLP support the concepts in S.B. 2, AAC an Emergency Relief Plan for Connecticut Families for Housing Costs, which would provide emergency mortgage assistance and provide certain other protections to homeowners.

PCSW is addressing this issue because women have become a key component in the real estate market. For women, the impact of problems in the lending industry crosses age, class, and racial lines as well as neighborhoods. According to both the Consumer Federation of America and the National Community Reinvestment Coalition, women borrowers are overrepresented in the sub prime lending market. Across the economic spectrum, women receive less favorable terms than similarly situated men on home purchase, refinance, and home improvement loans.

Homeownership is a significant issue in retaining or attracting young people in the state of Connecticut. Connecticut has lost more 20-34 year olds since 1990 than any other state, in large part due to the high cost of housing.¹ The shrinking

¹ HomeConnecticut.org.

labor pool of young professionals and families will deter business from coming, staying or expanding in the state. Young women are particularly vulnerable to the sub prime mortgage crisis because the average age of first time homebuyers is 32². Consumers in their 20s are growing more and more likely to purchase property at a younger age than their older brothers and sisters - as well as their baby boomer parents - had been. These individuals are not necessarily waiting for marriage or even a long-term relationship before becoming homeowners³. Single females represent the fastest growing segment of the home buyers market. The proportion of single women buying homes has increased, from 14% in 1995 to 21% while the single men make up 9% of buyers.⁴



A recent study put Connecticut in the top ten states for foreclosure rates.⁵ There were 7,747 foreclosure filings in Connecticut in the 3rd quarter of 2007 – this is a 920% increase over the 3rd quarter of 2006.⁶ In addition to the impact that foreclosures have on family and community stability, a single foreclosure can have a cumulative negative effect on neighboring property values reducing them by as much as \$100,000.⁷

Homeownership is particularly significant as nearly one in five Connecticut

² <http://www.cbsnews.com/stories/2006/01/19/earlyshow/contributors/raymartin/main1220382.shtml>

³ <http://www.floridahomeloan.com/2006/09/younger-first-time-home-buyers-enter.html>

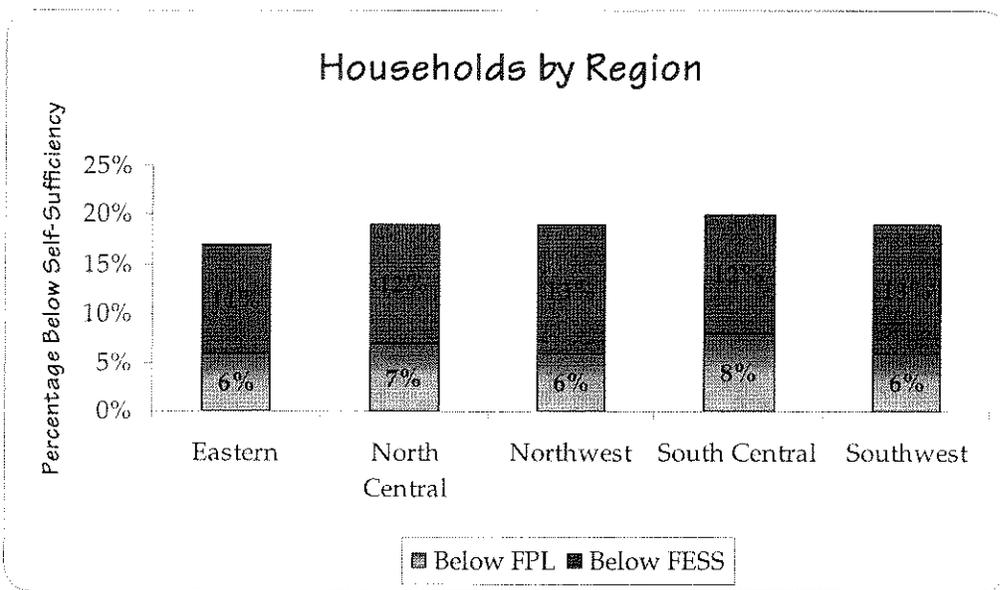
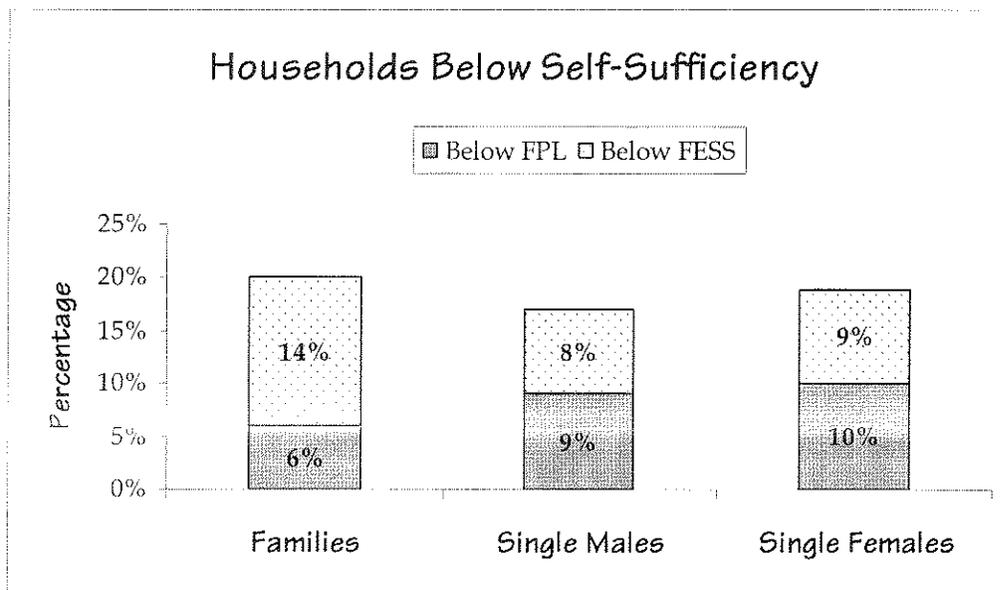
⁴ <http://www.realtor.org/rmodaily.nsf/0/ec9b3798c397dc42862571ea00594a7c?OpenDocument>

⁵ Realtytrac.com

⁶ Realtytrac.com. Provided by the CT Fair Housing Center, 2008.

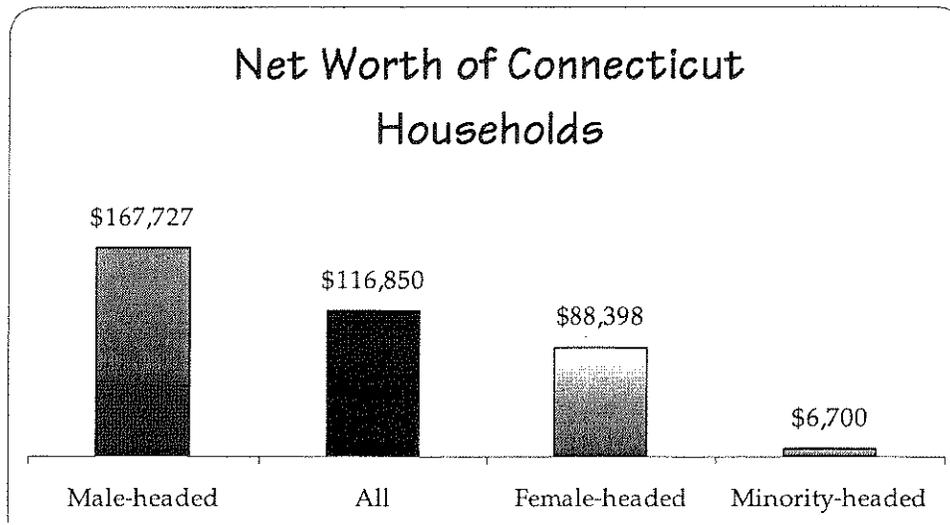
⁷ William C. Agpar and Mark Duda, *Collateral Damage: The Municipal Impact of Today's Mortgage Foreclosure Boom*, (Homeownership Preservation Foundation, May 11, 2005) at 23. Provided by the CT Fair Housing Center, 2008.

households do not have enough income to meet their basic costs of living based upon the **family economic self-sufficiency standard (FESS)**.⁸



The combined effect of lack of self-sufficiency and lack of homeownership is particularly important as many Connecticut households do not have assets; and therefore do not have resources to rely on during hard times.

⁸ Diana M. Pearce, Ph.D. *Overlooked and Undercounted: Where Connecticut Stands*. Prepared for the Permanent Commission on the Status of Women, June 2007 – also source for self-sufficiency charts.



In addition to the proposals in the bill before you today, the PCSW has researched and developed the following recommendations to improve the economic situation of Connecticut families:

- Expand financial literacy programs for low- and moderate-income households
- Create incentives to save and improve access to mainstream financial services
- Improve affordability and equity of mortgage and insurance products

We look forward to working with you to address these important issues. Thank you for your consideration.

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Keeping Young Professional Women in the State of Connecticut

Connecticut has lost more 20-34 year olds since 1990 than any other state.¹ The shrinking labor pool of young professionals and families may deter business from coming, staying or expanding in the state. Over the next 10 years the baby boomer generation will hit retirement age and Connecticut will face a shortage of skilled, educated workers.

There are several ways the State of Connecticut can encourage young women professionals to stay and seek employment in the state, ranging from more affordable housing to providing job training in new emerging fields and supporting workplace friendly initiatives.

Young Women and Housing

Consumers in their 20s are more likely to purchase property at a younger age than their older family members. These individuals are not necessarily waiting for marriage or even a long-term relationship before becoming homeowners². Single females represent the fastest growing segment of the home buyers market. The proportion of single women buying homes has increased, from 14% in 1995 to 21% while the single men make up 9% of buyers.³

Many young people are deterred from staying in the State of Connecticut because of the high cost of housing. From 1995-2000, Connecticut lost over 6,000 young, single college educated persons. This means the State has spent time, energy and money on providing an educated workforce for other states.⁴

¹ HomeConnecticut.org.

² <http://www.floridahomeloan.com/2006/09/younger-first-time-home-buyers-enter.html>

³ <http://www.realtor.org/rmodaily.nsf/0/ec9b3798c397dc42862571ea00594a7c?OpenDocument>

⁴ HomeConnecticut.org

Recommendations

- Support the development of affordable housing, expand financial literacy programs, create incentives to save, improve access to mainstream financial services and improve affordability and equity of mortgage and insurance products.

Job Training and Educational Equality

As the state looks to build the workforce of nanotechnology, "green jobs", the film industry and other fields there is great potential to encourage young women to stay in the state by providing more job training for these new emerging fields.

For example, nanotechnology is a new field with great opportunity for the development of the younger workforce. Connecticut has shown a strong interest in this field. The president of the Connecticut Nanotechnology Initiative stated that, "Connecticut is well positioned to become a leader in Nanotechnology." In addition he states that many industries will be impacted by the development of nanotechnology including: biotech, pharmaceuticals, aeronautics, defense, transportation, environment and field cells.⁵ A viable workforce is necessary in order for Connecticut to substantially profit from nanotechnology.

Recommendations

- Strengthen gender equity in career and technical education, prioritize non-traditional [including Science, Technology, Engineering and Math (STEM)] training programs for women and expand career ladders initiatives.

Workplace Friendly Initiatives

Another important factor in young women's career choices is job quality. Without the availability of work supports such as paid sick days, women often lose pay for a sick child, and low-wage working women are the most likely to financially suffer.⁶ Jobs that provide paid sick days, paid family and medical leave and quality, affordable health insurance are much more attractive to young female workers. In addition, their loyalty to their company is significantly greater than if they were in a job without these work supports⁷.

Recommendations

- Ensure that workers have paid sick days they can use for themselves *and* their families, guarantee workers the right to paid vacation, increase access to health care through public insurance, and support paid family and medical leave initiatives.

⁵ <http://www.nanotech-now.com/CNI-release-10142003.htm>

⁶ The National Partnership for Women and Families

⁷ <http://www.paidleave.org/basics.html>