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Permanent Commission on the Status of Women

The State's leading force for women's equality

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**Testimony of
The Permanent Commission on the Status of Women
Before the
Appropriations Committee
Friday, March 20, 2009**

Re:

**S.B. 1, AAC Economic Security for Connecticut Families
S.B. 246, AAC A Commission on Federal Stimulus Distribution**

Senator Harp, Representative Geragosian and members of the committee, thank you for this opportunity to provide testimony on S.B. 1, AAC Economic Security for Connecticut Families and S.B. 246, AAC A Commission on Federal Stimulus Distribution.

S.B. 1, AAC Economic Security for Connecticut Families

PCSW has identified economic and financial security as one of its top priority areas and are supportive of S.B. 1 which proposes to enhance economic security for Connecticut families. PCSW has worked on three projects that analyze the self-sufficiency level of Connecticut families and encourage you to consider these reports when making decisions regarding economic security for Connecticut families.

Below is an overview of the key findings and recommendations for the Family Economic Self-Sufficiency, the Health Economic Sufficiency Standard, and the Elder Economic Security Standard.

Family Economic Self-Sufficiency (FESS)

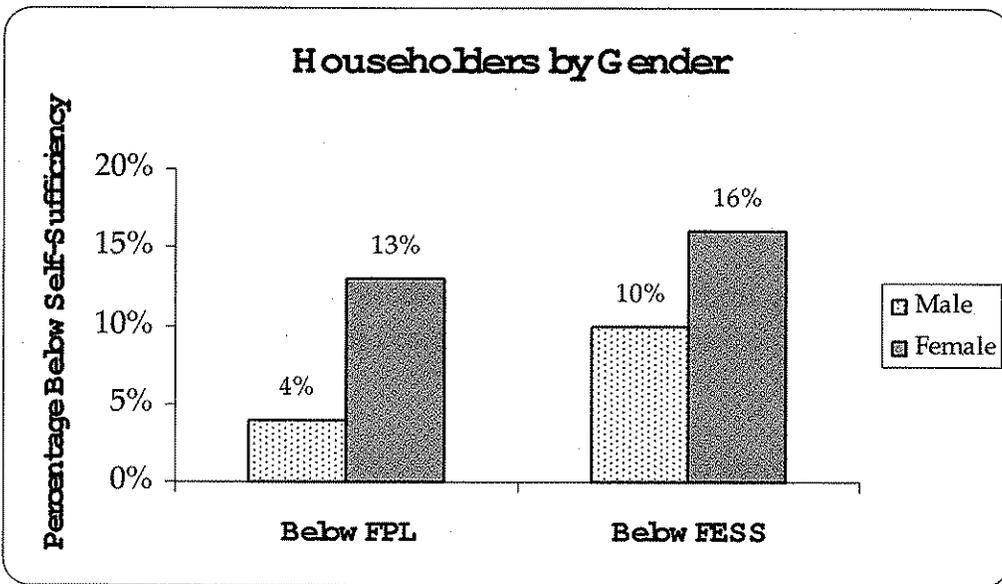
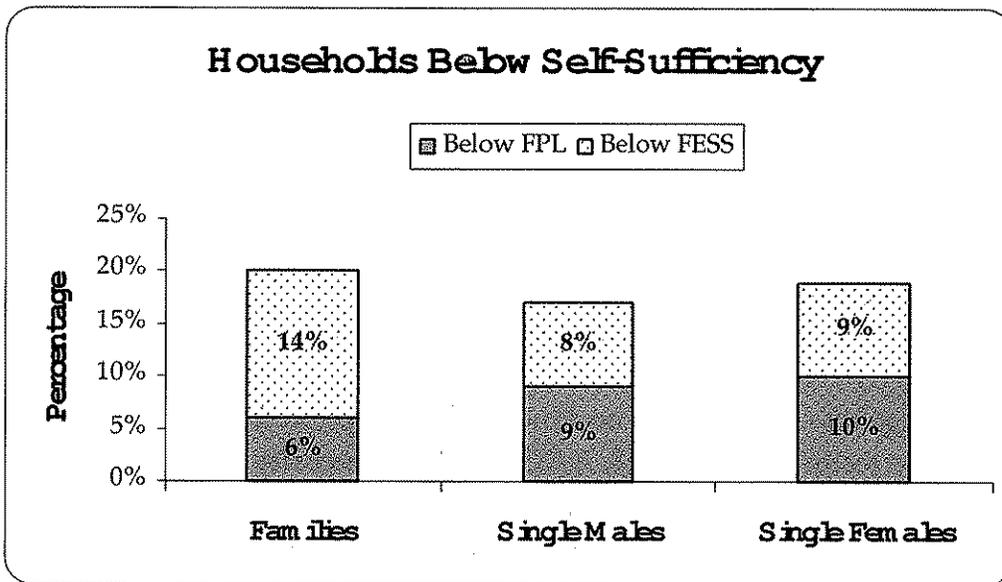
FESS measures the income a working family needs to meet their basic expenses – housing, childcare, healthcare, transportation, miscellaneous and taxes –without public or private assistance.

In 1999, Connecticut created its Self-Sufficiency Standard and updated it in 2005. PCSW provided administrative and research support on this project headed by the Office of Workforce Competiveness and Wider Opportunities for Women (WOW).

In 2007, PCSW contracted with the Center for Women’s Welfare to determine whether families in Connecticut were self-sufficient. The result of this effort is entitled *Overlooked and Undercounted: Where Connecticut Stands*.¹

FESS Key Findings:

1. Twenty-percent of Connecticut working families do not have enough income to meet their basic costs of living. Of this population, female head of households represent 29% vs. 14% of male head of households.



¹ Diana M. Pearce, Ph.D. *Overlooked and Undercounted. Where Connecticut Stands*. Prepared for the Permanent Commission on the Status of Women, June, 2008.

In dollars, this means that individuals and families are not able to maintain the following self-sufficiency levels:²

Self-Sufficiency Standards for Selected Family Types in Selected Connecticut Cities, Metro Areas and Regions, 2008				
Jurisdiction	Adult	Adult + Infant	Adult + Preschooler + Schoolage	2 Adults + Preschooler + Schoolage
Greater Waterbury	\$26,099	\$48,122	\$62,900	\$69,526
Greater Danbury	\$26,383	\$48,672	\$63,530	\$69,994
Northwest Corner	\$20,485	\$40,659	\$55,312	\$61,958
Bridgeport	\$17,362	\$38,234	\$54,610	\$57,899
Upper Fairfield <i>(high, Adult)</i>	\$29,536	\$53,152	\$70,257	\$76,415
Hartford <i>(low, Adult)</i>	\$16,146	\$34,873	\$48,713	\$51,847
Hartford Suburbs	\$23,472	\$43,678	\$58,012	\$64,915
North Central	\$22,576	\$42,330	\$56,785	\$63,814
New Haven	\$17,357	\$36,271	\$50,128	\$52,943
Upper Connecticut River <i>(median, Adult)</i>	\$22,238	\$42,105	\$56,372	\$62,971
Greater New Haven	\$23,757	\$43,562	\$57,859	\$64,837
Greater New London	\$21,073	\$36,995	\$48,432	\$54,754
Northeast Corner	\$18,928	\$35,309	\$46,496	\$52,908

2. Families of color are more likely to have inadequate income.
3. Higher rates of inadequate income are linked to foreign birth and non-citizenship.
4. Women who maintain families alone, especially single mothers, have high rates of income inadequacy.
5. Education reduces the rate of income inadequacy, especially for people of color and/or women.
6. Employment is key to income adequacy, but not all jobs are equal.

Implications for Connecticut:

- With one-fifth of households lacking adequate income, the problem is clearly not one explained by individual characteristics, but rather one that reflects the structure of the economy.
- It is not the lack of work that drives poverty, but rather the nature of the jobs and economic opportunity in the economy of those who are working.

² Wider Opportunities for Women. *The Self-Sufficiency Standard for Connecticut, 2008.*

- The majority of families with inadequate incomes include adults who are working, many full-time, yet are struggling to make ends meet without help from work support programs.
- The Self-Sufficiency Standard's "bare bones" budgets point to the areas where families most need help, particularly childcare and housing.

Recommendations to Increase Family Economic Self-Sufficiency:

- Improve affordability and access to continuing education including high-technology training rather than training for low-wage, low-skill jobs. Investments in skilled occupational and incumbent worker training as well as adult education should be expanded.
- Invest in sustained sector initiatives. Targeted development would allow the Department of Economic and Community Development to leverage previous investments in career ladder pilots and build on successful programs.
- Expand access to asset-building strategies, including individual development accounts (IDAs).
- Expand microenterprise support and development especially targeted to women, the Latino community and urban residents.
- Institute a State Earned Income Tax Credit, which has proven to be one method to reduce poverty.
- Provide tax incentives for business that offer sustainable family and work policies. Tax credits could be offered to small and mid-size businesses that offer paid sick or family leave, flexible work schedules and reduced work week options.
- Raise eligibility levels for subsidized housing, health, childcare, food and energy programs to help bridge the gap between low wages and basic needs for working families.
- Increase wages by raising the minimum wage.

Health Economic Sufficiency Standard (HESS)

HESS measures the economic burden of healthcare and illness on Connecticut families. It is based on three possibilities workers face: good employer-sponsored insurance, where the employer pays the average share of the premium; "underinsured" wherein the worker pays 50% of the health insurance premium; and no employer-sponsored insurance, wherein the worker purchases non-group insurance and pays the full cost.

In 2006, PCSW provided administrative and research support on the development of a report on the health sufficiency standard for Connecticut. The result of this effort is entitled *The Real Cost of Living and Getting Health Care in Connecticut: The Health Economic Sufficiency Standard*.³

³Connecticut Health Policy Project. *The Real Cost of Living and Getting Health Care in Connecticut: The Health Economic Sufficiency Standard*. Prepared for the Permanent Commission on the Status of Women, February 2006.

HESS Key Findings:

1. Access to employer sponsored insurance has a much greater impact on family finances than health status or family illness.
2. Women experience higher family financial health burdens.
3. Income loss due to family illness threatens economic security.
4. Mounting health care costs and medical debt put families' economic security at risk because such costs, whether for premiums, out-of-pocket medical expenses, or both, compromise other financial obligations.
5. Workers aged 55-64 are vulnerable to unmanageable financial health burdens.

Implications for Connecticut:

Developing a comprehensive model of health-related economic burden is important for three reasons:

- Rising health care costs create financial insecurity for families. Health-related expenses cause economic stress and dislocation for Connecticut families.
- Access to insurance means access to care. Health care costs relative to income are major determinates of access to health services and medical outcomes.
- Fewer uninsured means a stronger Connecticut economy. Uninsured residents weaken both health and economic community resources.

Recommendations to Increase Health Family Economic Self-Sufficiency:

- Expand programs such as HUSKY to include more children and caregiving adults and streamline the enrollment of eligible families.
- Target interventions to those in Connecticut least likely to have employer-sponsored insurance, including women, the working poor, part-time workers, service/retail-sector employees, childless adults, and employees of small firms.
- Strengthen and expand employer-sponsored insurance, particularly among smaller firms.
- Study private insurers' policies that restrict health insurance benefits to certain employees or impose exclusions or limitations.
- Make paid sick leave and paid family leave available to Connecticut workers.

Elder Economic Security Standard Index (ESSI)

ESSI measures the cost of basic expenses and necessary living expenses of elder households (those with household heads who are age 65 or older) to age in place, continuing to live in the community setting of their choice without public support.

In 2009, PCSW and the Commission on Aging provided funding, administrative and research support on the development of a report on the State's economic status of the State's elderly population. The result of this effort is entitled *Elders Living on the Edge: Toward Economic Security for Connecticut's Older Adults*.⁴

⁴Wider Opportunities for Women. *Elders Living on the Edge: Toward Economic Security for Connecticut's Older Adults*, 2009.

ESSI Key Findings:

1. Connecticut older adults cannot meet their basic living expenses whether they live at the federal poverty level or the level of the average Social Security benefit. This is true of elders statewide, whether they rent or own a home.
2. Housing costs (mortgage or rent, taxes, utilities and insurance) put a heavy burden on some elder households, representing as much as half of their total expenses. Housing assistance has the biggest impact on economic security. Without housing assistance, renters across the state and across a spectrum of incomes fall well below economic security.
3. The significance of healthcare costs for Connecticut older adults who must purchase supplemental health and prescription drug coverage to Medicare.
4. Even older adults who are currently making ends meet face an uncertain future if their life circumstances change, such as loss of a spouse/partner or a decline in health status.
5. The need for home and community-based long-term care can more than double an elder's expenses, significantly increasing the income needed to meet basic needs.

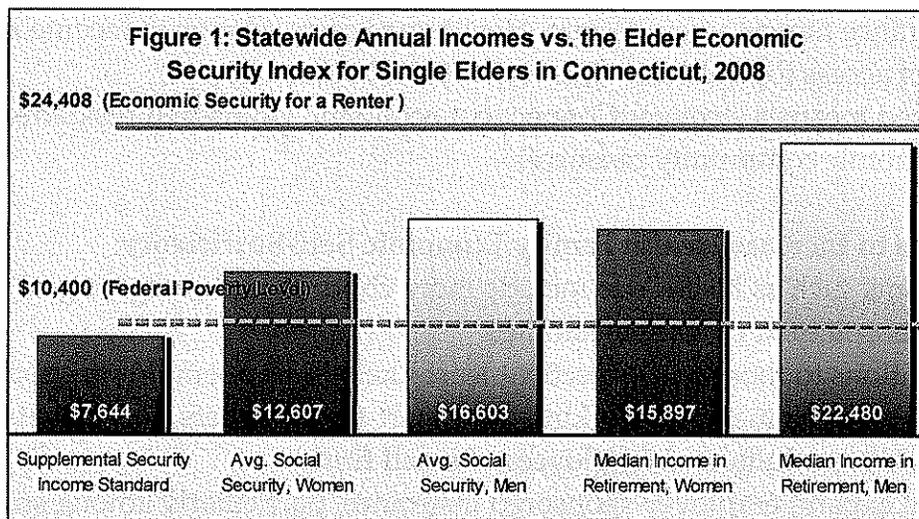
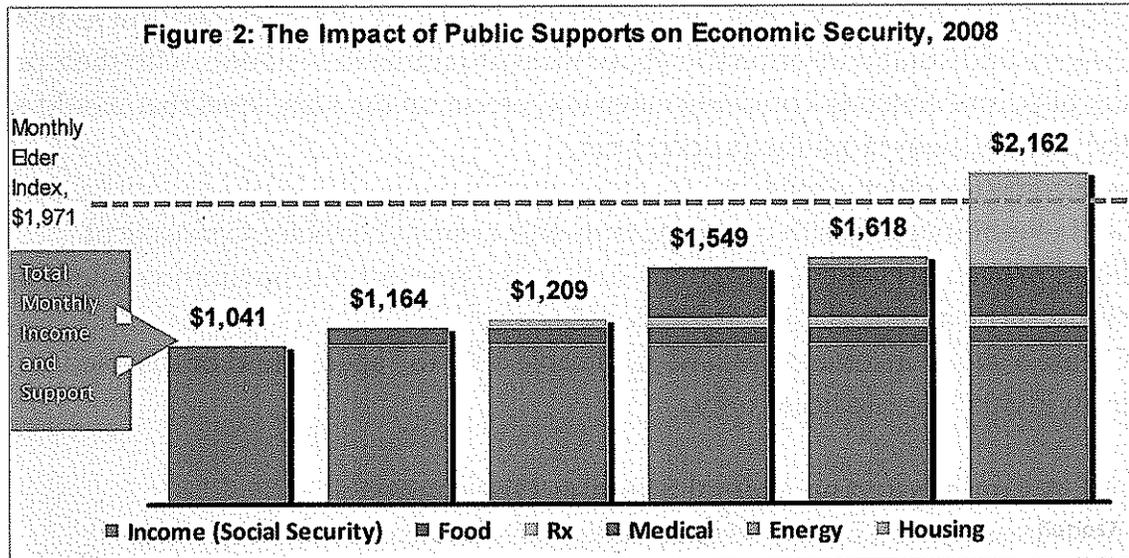


Table 1: The Statewide Elder Economic Security Standard Index for Connecticut, 2008 (Annual)

Monthly Expenses	Single Elder			Elder Couple		
	Owner w/o mortgage	Renter	Owner w/ mortgage	Owner w/o mortgage	Renter	Owner w/ mortgage
Housing	\$657	\$909	\$1,483	\$657	\$909	\$1,483
Food	234	234	234	430	430	430
Transportation	209	209	209	368	368	368
Health Care (Good Health)	385	385	385	770	770	770
Miscellaneous	297	297	297	445	445	445
Total Monthly (Index) Expenses	\$1,782	\$2,034	\$2,608	\$2,670	\$2,922	\$3,496
Total Annual (Index) Expenses	\$21,383	\$24,408	\$31,296	\$32,039	\$35,064	\$41,952

Recommendations to Increase Elder Economic Security:

EESI has identified six categories of public assistance that are important to helping older adults achieve economic security. The categories are; housing assistance, income assistance, medical assistance, food assistance, prescription assistance and energy assistance.



Short Term

- Use the Elder Economic Security Initiative to prioritize programs that support the economic well-being of low-income individuals and families, particularly in housing and health care.
- Encourage employers, both public and private, to “redefine retirement.” This means providing more flexibility in work options, including pro-rated benefits for part-time workers, telecommuting, and a shorter work week.
- Reduce confusion and duplication of applications for eligibility for benefit programs such as ConnPACE, Food Stamps and energy assistance. A single intake application could streamline the processes in place, creating efficiencies for intake workers and applicants.
- Broaden and diversify outreach and public information on income supports, including targeted outreach and support for caregivers – the majority of whom are women juggling work and family.
- As recommended in the state’s Long-Term Care Needs Assessment, Connecticut should embark on an educational campaign encouraging individuals to plan for their and their families’ future long-term care needs.
- The state should adopt measures to allow more low-income older adults to participate in the Medicare Savings Program. This could save older adults hundreds of dollars annually and would also shift some prescription drug coverage from ConnPACE to Medicare Part D.

Long Term

- Reduce housing costs
 - Increase the number of housing vouchers to help more older adults achieve economic security as well as overall independence
 - Reform property taxes by; examining the combining or streamlining of existing property tax relief programs for efficiency and ease of use, requiring towns to send easy-to-understand information about local programs to residents with their property tax bills, and enacting comprehensive tax reform on the state level that would shift the burden away from the property tax.
- Raise income for older adults
- Expand eligibility for health care programs and create a healthier Connecticut
 - Fund proven prevention programs such as fall prevent, flu/pneumonia shots, and chiropractic and podiatric care under Medicaid
 - Create a single income disregard applicable only to "aged, blind or disabled individuals" for Medicaid only.

S.B. 246, AAC A Commission on Federal Stimulus Distribution

PCSW supports passage of S.B. 112, which would convene a commission to make recommendations regarding the prioritization and distribution of federal stimulus program grants to the state. We would encourage that any plan to maximize federal stimulus funding adhere to the following principles:

1. Make investments that stabilize the economy, promote growth, and benefit those hurt most by the recession.
 - a. Make it a priority to create family-supporting jobs.
 - b. Use resources to build worker skills and link training to job-creation efforts.
 - c. Invest in distressed communities.
 - d. Maximize resources to benefit workers and their families.
2. Assure that funds are spent in an open and accountable manner that maximizes benefits.
 - a. Allocate resources based on goals and standards through transparent processes.
 - b. Maintain public accountability.
 - c. Align public systems and resources to achieve optimal impact.

In regards to the proposals to cut health care programs by \$273 million, we urge you to reconsider these proposals in light of the federal stimulus money being granted to the State under Medicaid. The federal government will increase the federal share from 50% to at least 56.2%, which will result in a distribution to the State of \$1.3 billion. Although the funds are not specifically marked for health care services, the intent behind this new money is that states would not cut their Medicaid programs and the health care safety net.

This intent is clearly stated by President Barack Obama in his remarks at a meeting of the National Governor's Association on February 23rd, where he emphasized that the increased Medicaid reimbursement will "...help ensure that you don't need to make cuts to essential services Americans rely on now more than ever." He further stated:

"To show you we're serious about putting this recovery plan into action swiftly, I am announcing today that this Wednesday, our administration will begin distributing more than \$15 billion in federal assistance under the Recovery Act to help you cover the costs of your Medicaid programs. That means that by the time most of you get home; money will be waiting to help 20 million vulnerable Americans in your states get health coverage and 49 million Americans keep it. Children with asthma will be able to breathe easier, seniors won't need to fear losing their doctors, and pregnant women with limited means won't need to worry about the health of their babies."

We appreciate your attention to these matters.

