



# YOUNG WOMEN OF COLOR AND FINANCIAL STRAIN

**Structural barriers** are **systemic challenges** embedded in our culture, economy, and institutions that **cause inequality**. Produced by systems of power, they require **large-scale investment** and **policy solutions** to achieve meaningful change. CLASP conducted focus groups\* with young women of color to learn what structural barriers they encounter in daily life. This fact sheet includes insights from **Latina, African-American, and Native** young women about experiences with financial strain. Uprooting financial strain and other structural barriers demands **turning over the ground** to reveal these root causes, **partnering with young women of color** to identify solutions, and **seeding change** in equitable ground.

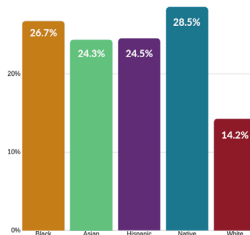
## POVERTY

*“I wanted to be like famous, so I could be able to give money because I was always poor growing up, so I wanted to give money to people that needed it...”*

- Central Valley

In 2017, young women of color ages 18-24 experienced poverty at nearly twice the rate of white young women. Single adults living in poverty earned \$12,060 or less per year.

Poverty Rate for Young Women<sup>1</sup>



Financial strain is the stress of economic hardship and being unable to meet one’s financial responsibilities. Financial strain also includes one’s overall financial well-being including budget management, savings, loan repayment and assurance of future economic security.<sup>2</sup>

## FAMILY FINANCIAL OBLIGATION

Women of color are more likely to provide critical financial support to their families.<sup>3</sup> Teens from low income families who are working contribute 22% of their household income on average, that supports parents, siblings, and other family members.<sup>4</sup> A primary reason why young people of color are unable to save as adults is because they give financial support to close family.<sup>5</sup>

For Latina young women, being self-sufficient meant being able to help the family through financial contribution and relying less on family for financial support. Self-sufficiency in Latino culture is seen as a way to honor the family and includes contributing to the economic wellbeing of the nuclear family.<sup>6</sup>

*“I’m trying to help support my mom with her bills and all that type of stuff. My own bills that I need, that I need to get going. Like... and also my sister’s.”*

- Denver



## HIGH COST OF LIVING

*"...my mom you know, she has six kids you know, the rent and the house is super high, so you know when her paycheck comes that's literally what it all goes to you know bills and rent..."*

- Central Valley

Among all families in 2014, Black (43.3%) and Latina (26.7%) women were more likely to be heads of household than white (13.3%) women.<sup>7</sup>

Housing is the biggest monthly expense for many households, and renters consistently report higher rates of material hardship than homeowners. In 2017, 1 in 2 renters was a young adult age 18-34, and more than half of all renters were people of color.<sup>8</sup>

In no state, metropolitan area, or county can a worker earning the federal minimum wage or prevailing state minimum wage afford a two-bedroom rental home at fair market rent by working a standard 40-hour week.<sup>9</sup>

## UNEMPLOYMENT AND DISCONNECTION FROM SCHOOL/WORK

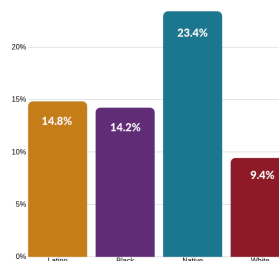
*"...like applying for jobs and sometimes like you know just by seeing your name or whatever you won't get it or you don't have the education, you don't have the experience so it would be helpful to get something that like a program or something that would help us get the experience so we could find jobs"*

- Central Valley

In 2017, the unemployment rate for young women of color aged 18-24 was much higher than the national average of 4%. Native young women have the highest unemployment rates at 41.3%, followed by Latina young women at 23.3%, African American young women at 22.1%, and Asian young women at 20%.<sup>10</sup>

Young women of color experience higher rates of disconnection from school and work than white young women.<sup>11</sup> The estimated lifetime earnings difference for those who earned a high school diploma compared to those who did not is \$260,000.<sup>12</sup>

Female Youth Disconnection



These elevated rates of unemployment and youth disconnection are driven by discrimination and limited job opportunities in low-income communities. On average, white job applicants receive 36% more callbacks than equally qualified African-Americans and 24% more callbacks than Latinos.<sup>13</sup>

## ARBITRARY TIME LIMITS

*"eventually if you're working they do give you an apartment, but you have to be working so you can be able to pay for those things because once they give you that apartment they're not really there no more..."*

- Birmingham

Many publicly funded programs, such as SNAP and TANF, impose time limits on participants that end eligibility for support according to a pre-determined time frame.<sup>14</sup>

These time limits are common in underfunded programs where there are insufficient resources to support every individual who is eligible for the program. Rather than effectively meeting the needs of young women and their families, these time limits restrict access to needed assistance and perpetuate financial instability.<sup>15</sup>

<sup>7</sup> CLASP conducted five focus groups with African-American, Hispanic American, Native, and Latina girls and young women as well as gender non-conforming youth as part of a research project with Frontline Solutions focused on structural barriers and identity. Different groups of young women highlighted different structural barriers and each group that we spoke to is not represented on every fact sheet.

<sup>8</sup> CLASP analysis of Current Population Survey, 2018 Annual Social and Economic (ASEC) Supplement Microdata, Bureau of the Census for the Bureau of Labor Statistics, 2018.

<sup>9</sup> Jonathan J. Fox & Suzanne Bartholomae, Economic Stress and Families, Families & Change: Coping with Stressful Events and Transitions, PFC McKewey, 2000 <http://erflibrary.readings/copingwithfinancialstress.pdf>

<sup>10</sup> Sarah Jane Glynn, Breadwinning Mothers Are Increasingly the U.S. Norm, Center for American Progress, December 2016, <https://cda.americanprogress.org/content/uploads/2016/12/19065819/Breadwinners-report.pdf>

<sup>11</sup> Molly Scott, Simone Zhang, and Heather Koball, Dropping Out and Clocking In: A Portrait of Teens who Leave School Early and Work, Urban Institute, 2015, <https://www.urban.org/sites/default/files/publication/49216/2000189-Dropping-Out-and-Clocking-In.pdf>

<sup>12</sup> Mel Jones, "Why So Many Minority Millennials Can't Get Ahead: Without the financial support that many white families can provide, minority young people have to continually make sacrifices that set them back," The Atlantic, November 29, 2015 <https://www.theatlantic.com/business/archive/2015/11/girls-debts-silverlanes/417423/>

<sup>13</sup> Susan R. Sy, Jessica Romero, "Family Responsibilities Among Latina College Students From Immigrant Families," Journal of Hispanic Higher Education Volume 7, Number 3 (July 2008), <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1.863.5148&rep=rep1&type=pdf>

<sup>14</sup> The Economic Status of Women of Color: A Snapshot, Women's Bureau U.S. Department of Labor Issue Brief, April 2016, [https://www.dol.gov/wb/resources/economic\\_status\\_women\\_of\\_color.pdf](https://www.dol.gov/wb/resources/economic_status_women_of_color.pdf)

<sup>15</sup> Corianne Payton-Scully and Dulce Gonzalez, Homeowner and Renter Experiences of Material Hardship, Urban Institute, 2018, [https://www.urban.org/sites/default/files/publication/92271/homeowner\\_and\\_renter\\_experiences\\_of\\_material\\_hardship\\_implications\\_for\\_the\\_safety\\_net\\_2.pdf](https://www.urban.org/sites/default/files/publication/92271/homeowner_and_renter_experiences_of_material_hardship_implications_for_the_safety_net_2.pdf)

<sup>16</sup> National Low Income Housing Coalition, Out of Reach: The High Cost of Housing, 2018, [https://nlihc.org/sites/default/files/oor/OOR\\_2018.pdf](https://nlihc.org/sites/default/files/oor/OOR_2018.pdf)

<sup>17</sup> Current Population Survey, 2018 Annual Social and Economic (ASEC) Supplement, U.S. Census Bureau, 2018, <https://www.census.gov/cps/data/cpsablecreator.html?#>

<sup>18</sup> Sarah Burd-Sharps and Kristen Lewis, More than a Million Reasons for Hope: Youth Disconnection in America Today, Measure of America, 2018, <https://s3.amazonaws.com/moa/dy18.full.report.pdf>

<sup>19</sup> Martha Ross, Kristin Anderson Moore, Kelly Murphy et al., Pathways to High-Quality Jobs For Young Adults, Metropolitan Policy Program at Brookings Child Trends, October 2018, [https://www.brookings.edu/wp-content/uploads/2018/10/Brookings\\_Child-Trends\\_Pathways-for-High-Quality-Jobs-FINAL.pdf](https://www.brookings.edu/wp-content/uploads/2018/10/Brookings_Child-Trends_Pathways-for-High-Quality-Jobs-FINAL.pdf)

<sup>20</sup> Lincoln Quillian, Devah Pager, Ole Hoel, et al., Meta-analysis of field experiments shows no change in racial discrimination in hiring over time, Proceedings of the National Academy of Sciences of the United States of America (PNAS), October 2017, <https://www.pnas.org/content/pnas/114/41/10870.full.pdf>

<sup>21</sup> Helly Lee, SNAP Works: SNAP Work Requirements and Time Limits, CLASP, 2013, <https://www.clasp.org/sites/default/files/publications/2017/04/SNAP-Work-Requirements-and-Time-Limits-ABAWD.pdf>

<sup>22</sup> Ibid.