

Despite Making Critical Contributions to the Labor Force, Women Face Obstacles to Economic Prosperity

In recent decades, women's participation in the U.S. labor market has grown significantly. Women workers have helped increase productivity, earnings, and economic growth. They are critical to the economy and should be able to participate in the labor force with dignity. Unfortunately, work done by women continues to be undervalued, and women still face discrimination based on their gender. This creates unique economic barriers that hinder women's economic mobility and discourage their potential full participation.

Addressing economic barriers for women in the workforce will foster a stronger and more equitable economy. Democrats in Congress and the Biden administration have taken important steps investing in child care and protecting workers' rights, but there is more to be done. Enacting policies that close the gender pay gap, support caregivers, and help women enter male-dominated industries are key steps to removing obstacles and encouraging women's participation in the workforce, creating a stronger economy for all.

Women workers make critical contributions to the U.S. economy

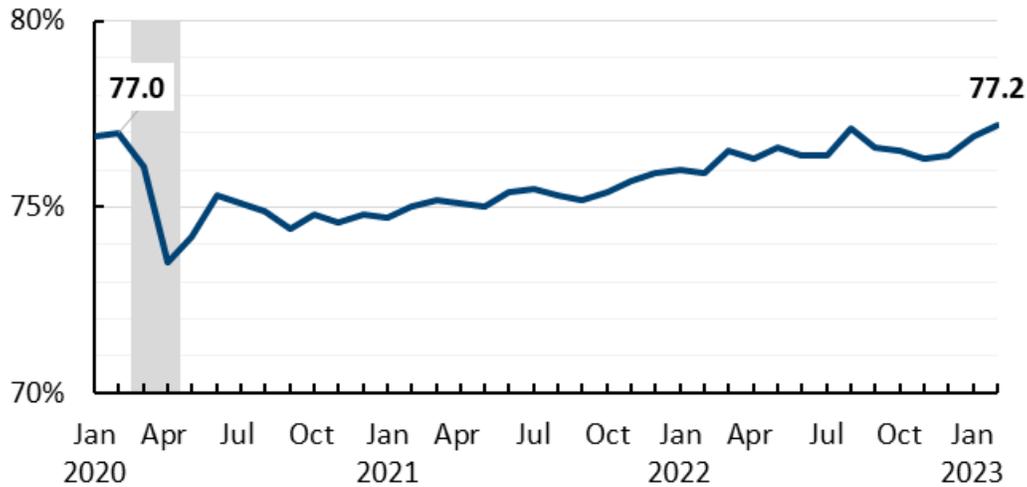
Women are significant drivers of the economy, as demonstrated through strong and continuous labor force participation

Over the past 75 years, women's participation in the labor force has risen significantly. Today, over [half](#) of women (57%) participate in the labor force, compared to just 32% when record-keeping started in 1948. For women ages 25 to 54 [three-quarters](#) of the population is working or looking for work. Additionally, the unemployment rate among all women in the labor force is very [low](#)—just 3.5% in February 2023 compared to 3.6% for men.

Women's participation in the labor force has been critical for maintaining overall labor force participation, especially during the economic recovery from the pandemic. Women were hit hard during this time, with many leaving the labor force or becoming unemployed. However, women have since seen an impressive recovery. Their unemployment rate has fallen rapidly—faster than among men or the economy overall—before stabilizing. Labor force participation among women also saw a quicker recovery than participation by men, with the rate for women ages 25 to 54 now surpassing pre-pandemic levels (see figure below).

Labor Force Participation for Women Ages 25-54 Has Surpassed Pre-Pandemic Levels

Labor force participation rate of women ages 25-54, January 2020 to February 2023



Source: Bureau of Labor Statistics
Note: Data are seasonally adjusted.



Increasing women's participation in the labor force can further improve economic outcomes, with the potential to grow the economy by \$1 trillion over the next decade

Economic data shows numerous benefits for women and the economy as women's labor force participation rises. For example, higher numbers of women entering the workforce are associated with positive wage growth for all workers. One [study](#) of metropolitan areas found that for every 10% increase in the number of women working, median wages grew by 5% overall.

More women joining the labor force is also an important source for continued GDP growth. Historically, women have participated in the labor force at lower levels than men—due in large part to the unique barriers they have faced. As a result, women represent the majority of potential labor market expansion. In fact, evidence shows that if women were empowered to participate in the labor force at the higher rates seen in other developed countries, U.S. GDP could grow by [\\$1 trillion](#) over the next 10 years, or by about 4%.

Barriers in the labor market continue to limit women's access to equitable, dignified employment

Occupational segregation leads to large income disparities between men and women

Occupational segregation is the largest measurable factor creating an earnings gap between men and women. Economists characterize [occupational segregation](#) by the overrepresentation or underrepresentation of a demographic group among different kinds of work or occupations. At

the median, [women's earnings](#) are only 84% of men's earnings and, for all women, differences in industry (24%) and occupation (18%) explain 42% of this [total wage gap](#).

Even within occupations that are female-dominated, women are often paid less on average than men in the same job. For example, in physically demanding and essential service occupations, women make up 54% of the industry. However, all groups of women in the service sector are paid less than white non-Hispanic men (see figure below).

Service Occupations Are Female-Dominated, Yet Even Within This Sector Women Are Paid Less

Absolute and relative median earnings for full-time workers in service occupations, by race, ethnicity, and gender, 2021



Source: U.S. Department of Labor

Notes: White refers to the non-Hispanic white population. Black refers to Black alone. Asian refers to Asian alone.



Importantly, the economic recovery from the pandemic and accompanying economic support have been dominated by male-centered industries, leaving many female-dominated industries without means to raise wages or increase hiring. In the ten industries that have recovered from their pandemic lows, only two of these industries have a greater share of female representation than male. Specifically, the female-centered care industry has yet to make a full recovery. In February 2023, child care employment was 5.7% below its pandemic level, nursing and residential care was 8.1% below its pandemic level, and government education was 2.5% below its pandemic level.

Societal expectations, stereotypes, and discrimination create barriers to women's upward mobility

A mix of societal expectations, negative stereotypes, and outright discrimination hinder women from upward mobility in their career and negatively impact their earnings. Women are more likely than men to be [multi-generational caregivers](#) and more women would increase their earnings and seek new job opportunities if they had greater access to reliable and affordable

[child care](#). In addition, stereotypes that are [embedded](#) in educational institutions and workplaces dictating what types of jobs are suitable for women have hurt women's chances of upward mobility. While women are often evaluated as better performers in the workplace, they are simultaneously [judged](#) to have less leadership potential, leading to fewer promotions. Finally, threats to [women's reproductive rights](#) also threaten gains in economic participation and agency, since access to abortion and contraception increases women's earnings and labor force participation.

Conclusion

Women are critical to the growth of the U.S. economy and implementing policy solutions that support and protect working women is a significant part of fostering future economic growth. Congressional Democrats and the Biden administration are pushing to support and protect working women by closing the wage gap, creating affordable and reliable care, and implementing paid leave, but more work remains to be done.

Raising the minimum wage and increasing workers' collective bargaining power can fight pay disparities and improve wages. Raising the minimum wage, including eliminating the lower minimum wage for tipped workers, would increase the wages of more than 1 in 4 full-time and part-time [working women](#). Protecting workers' right to collective bargaining would also help close the wage gap. Organizing activity [increased](#) in 2022, including in female-dominated [service sector](#) industries. The [PRO Act](#) would further support workers' rights across the economy, especially in [female-dominated](#) industries that have not previously been unionized.

Future investments in care infrastructure are essential to ensuring more women, who want to, can enter and grow within the labor force. In the 2022 omnibus, [child care funding](#) saw a 30% increase, which could help 130,000 more families access affordable, quality child care. Funding under the [CHIPS Act](#) will require companies to provide affordable, high-quality child care for their employees in order to receive public funding. In addition, states like New Mexico are investing in child care initiatives such as [universal early childhood education](#). Policies like universal paid medical and family leave would further [help working mothers](#), ensuring they do not have to choose between keeping a paycheck and caring for their family or themselves.

Congress should invest in helping women enter male-dominated industries for the economic success of the United States. The Inflation Reduction Act, CHIPS Act, and the Infrastructure Investment and Jobs Act all made important investments in infrastructure industries. While this is an overall net benefit to the U.S., these industries are male-dominated. Investing in [apprenticeship programs](#) in male-dominated infrastructure industries can encourage women to train and enter into these jobs—increasing their numbers in those fields and creating more gender balance in these sectors.