

Women's Participation in Education and the Workforce

Council of Economic Advisers



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Executive Summary

Over the past forty years, American society has been transformed by an increasing role of women in the economy, but in 2014, far more can still be done to expand economic opportunities for women. While female labor force participation rose through the 1970s and 1980s, it began to stall in the 1990s. Yet women have continued to make gains in earning educational credentials—today young women are more likely than young men to be college graduates and equally likely to have many advanced degrees. As a result, women have continued to make inroads in traditionally male-dominated occupations and have succeeded in reducing de facto occupational segregation.

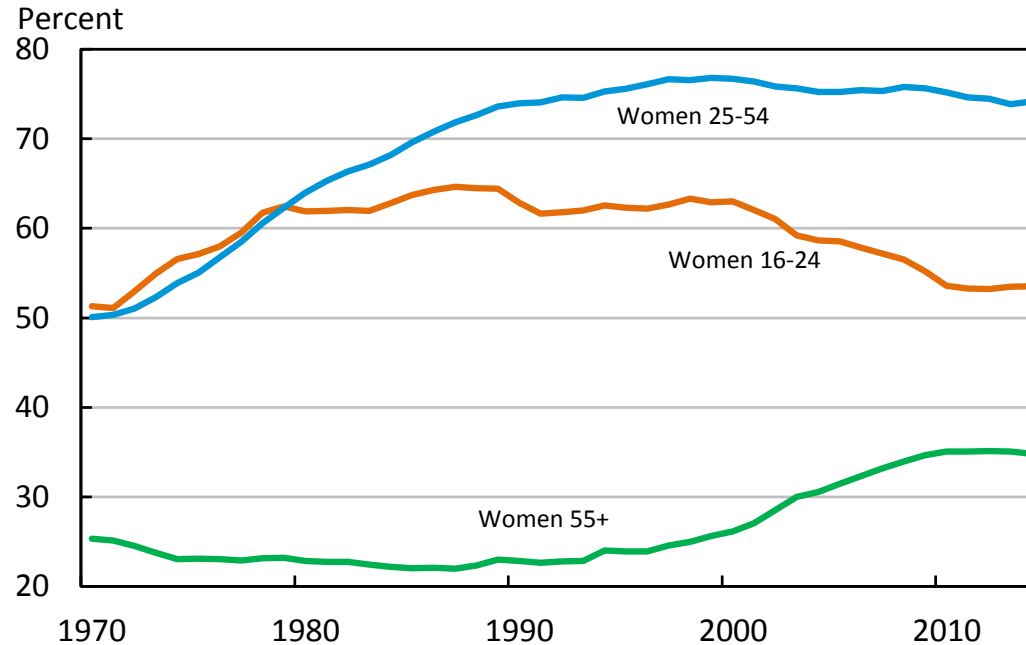
Despite these improvements, a gender wage gap persists: on average, full-time year-round female workers earn 77 cents for every dollar earned by their male counterparts. While the wage gap reflects a variety of causes, it is clear that there are wage gaps across the income distribution, within occupations, and are seen even when men and women are working side-by-side performing similar tasks. Additionally, women are still more likely to work in low-wage occupations and are more likely than men to earn the minimum wage. For this reason, the President's proposal to raise the minimum wage and index it to inflation would help shrink the gender wage gap by nearly 5%.

Crucially, raising wages for women means raising income for families, as women continue to account for a rising share of family income. In 2013, married women's earnings were on average nearly 45% of total family earnings.

The facts reflected in the following charts and the issues they raise impact our economy and millions of families. The questions they pose will be explored as part of the Working Families Summit the White House will host in June.

About 75% of Women Ages 25-54 Participate in the Workforce, Up From 50% Forty Years Ago

Female Labor Force Participation by Age Group, 1970-2014



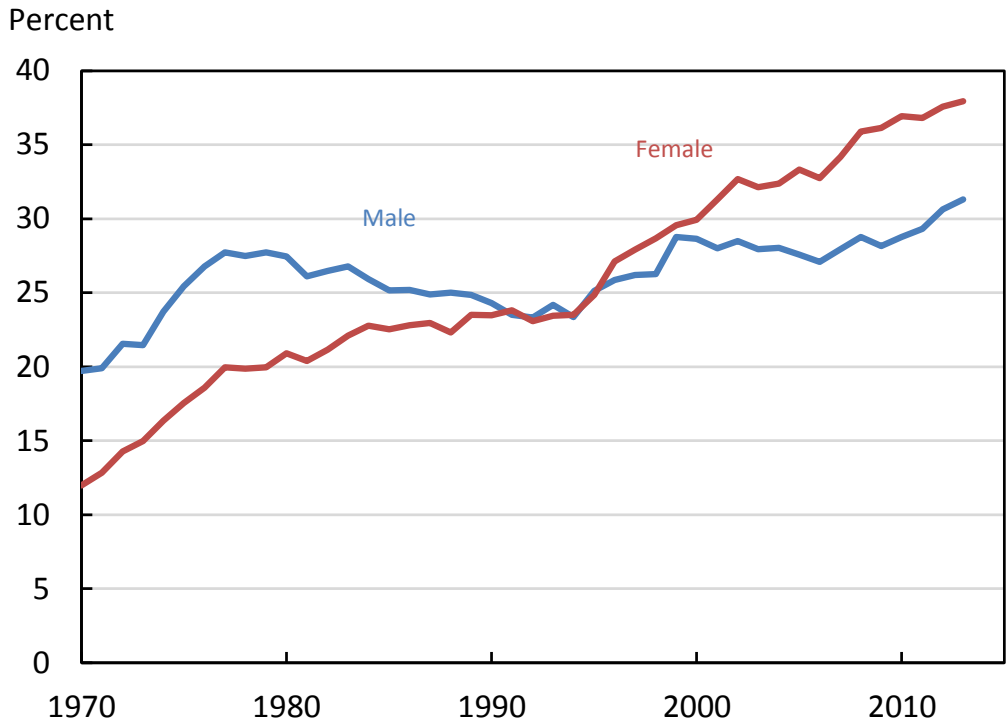
Source: Bureau of Labor Statistics.

Women's labor force participation grew quickly for those born from the 1920s to the 1960s, however it has plateaued for more recent cohorts.

- *About 75% of women ages 25-54 are currently working, compared with 50% in 1970.*
- *Young women's workforce participation has fallen in recent decades. One reason is that young women are attending college and graduate school more than in the past.*
- *Older women have increased their participation over the past 15 years.*

College Completion Rates Have Risen Among Men and Women; Women Now Complete College at Higher Rates Than Men

People Ages 25-34 With a College Degree, 1970-2013



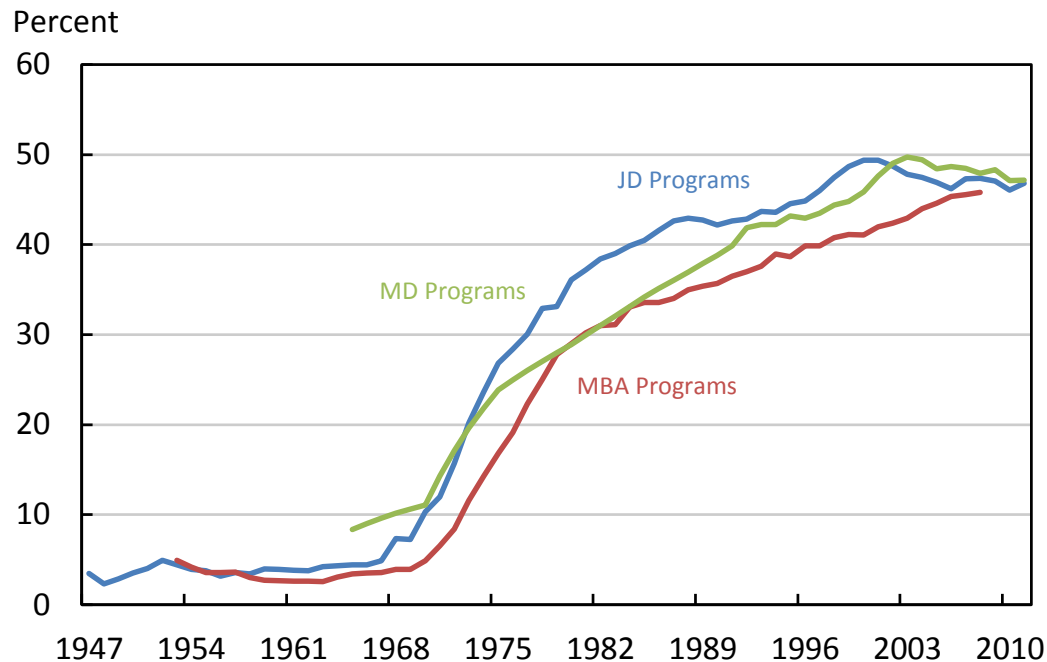
Source: Bureau of Labor Statistics.

Women’s college going has caught up with men’s and surpassed it in recent decades. Women are both more likely to go to college and more likely to graduate from college when they go.

➤ *In 2013, 25-34 year old women were 21 percent more likely than men to be college graduates.*

Women Are Increasingly Attending Professional Degree Programs

Percent of Women Among First-Year Students in Selected Professional Programs

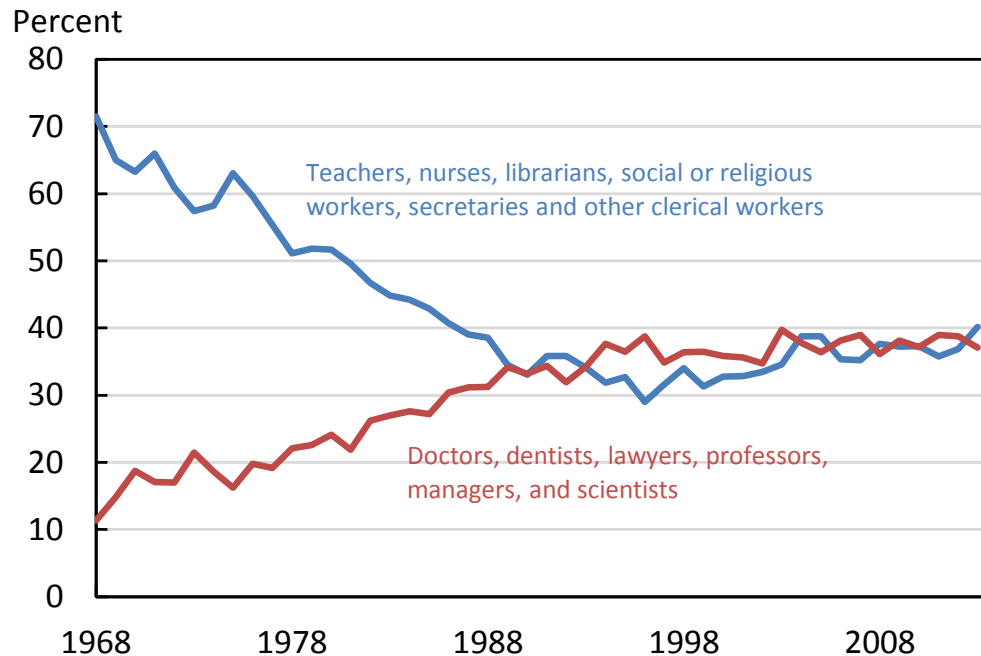


Source: American Bar Association; Association of American Medical Colleges; U.S. Department of Education

Women now account for almost half of students in JD, MBA, and MD programs.

Occupational Segregation has Fallen: Female College Graduates are Increasingly Employed in Traditionally Male-Dominated Occupations

Occupations of College Graduate Women, 30-34 years old



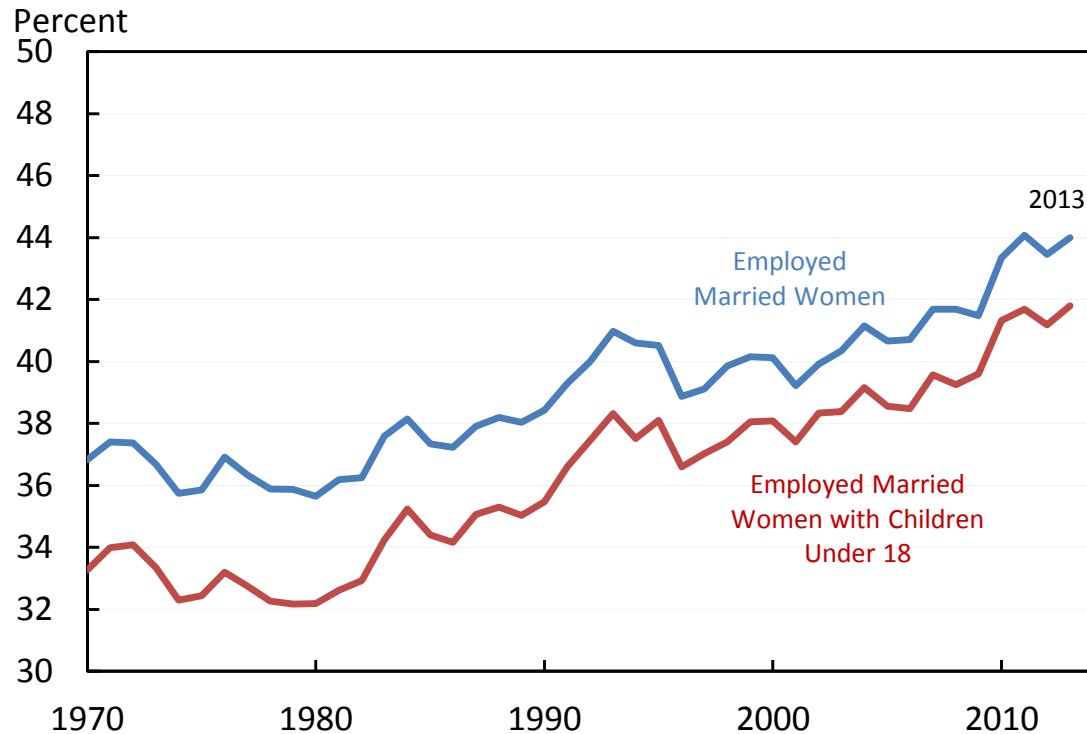
Source: Current Population Survey, Annual Social and Economic Supplement.

Women have increasingly entered previously male-dominated occupations.

- College-educated women ages 30-34 are now as likely to be employed as doctors, dentists, lawyers, professors, managers and scientists as traditionally female-dominated occupations such as teachers, nurses, librarians, secretaries, or social workers.

Married Women's Earnings Are an Increasing Share of Total Household Earnings

Employed Married Women's Percent Contribution to Family Earnings



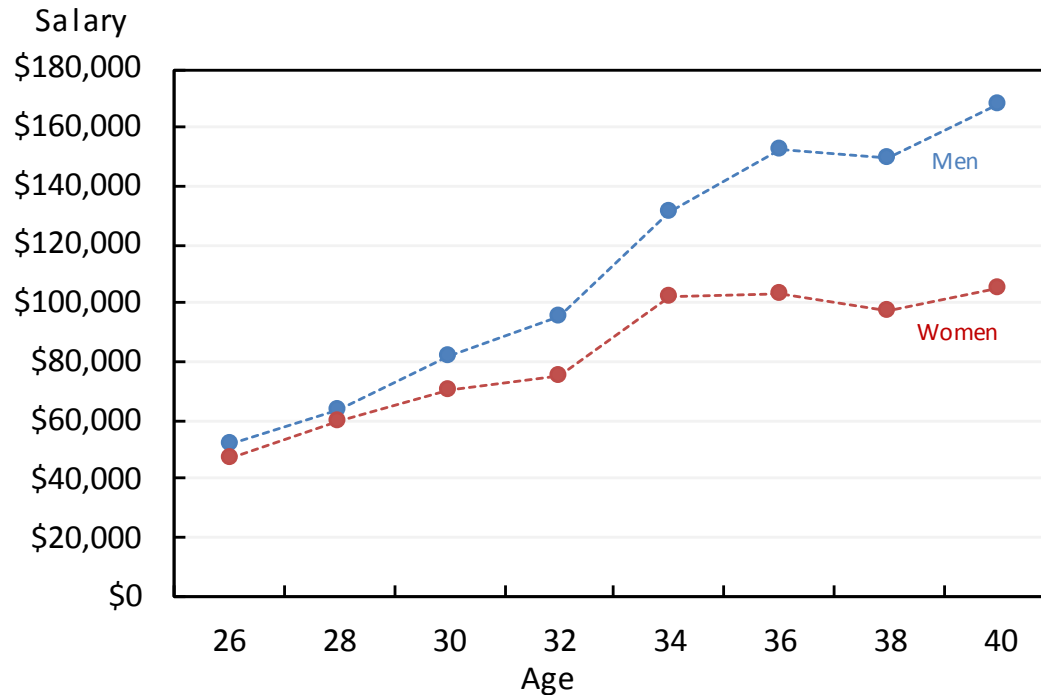
Source: Current Population Survey, Annual Social and Economic Supplement.

Women's earnings have continued to grow in importance to American families, despite the stall in their labor force participation.

- *Employed married women's earnings are now 44% of their families earnings, up from 37% in the 1970s.*

Men and Women Have Similar Earnings After Completing Professional School, but Men's Earnings Grow Substantially More Thereafter

Average Salary of Men and Women Who Receive Professional Degrees by Age



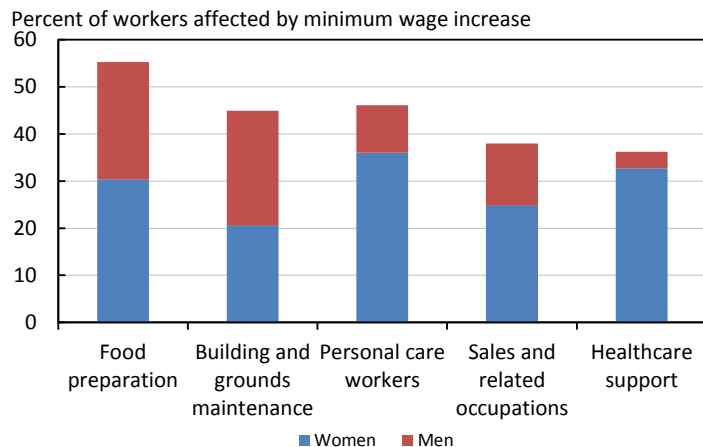
Source: Current Population Survey, Annual Social and Economic Supplement, 2010-2013.

The gender wage gap is particularly high among those with advanced degrees and it grows throughout women's lifetimes.

- *Men and women with professional degrees have similar earnings in their 20s. The earnings gap widens over time, so that by their late 30s, men earn more than 50% more than women.*
- *Among all people who work full-time year-round, women make 77 cents for every dollar men make.*

Although Women Are Increasingly Entering High-Wage Occupations, They Remain Concentrated in Many Low-Wage Industries

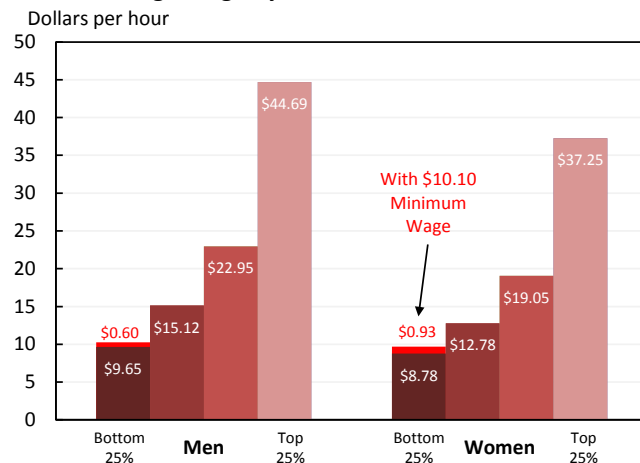
Gender Composition of Workers Affected by Minimum Wage Increase, by Sector



Note: Tipped workers are not included.

Source: Current Population Survey, 2013, CEA calculations.

Average Wage by Quartile for Men and Women



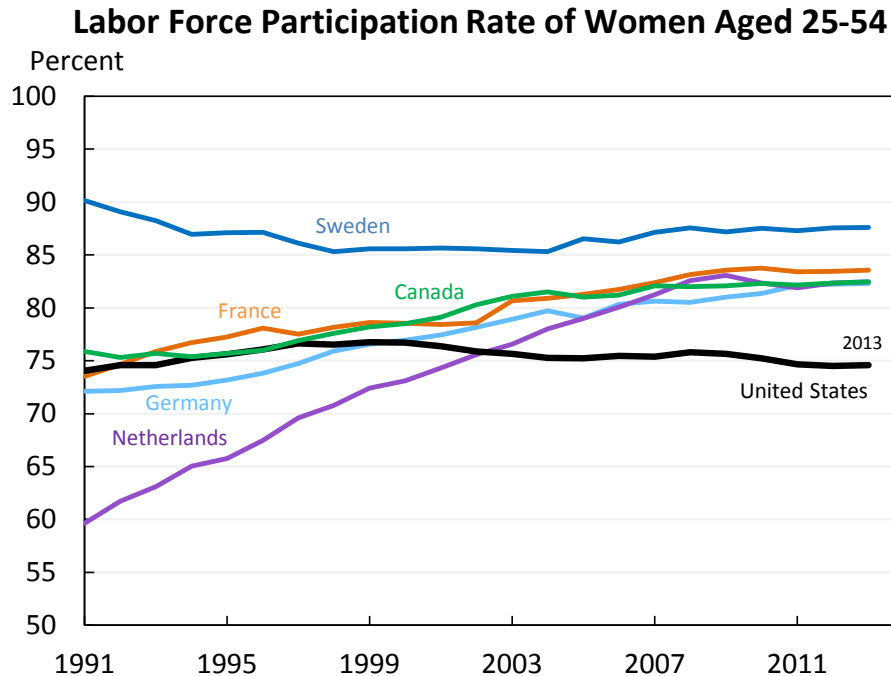
Note: This chart shows average wages within quartiles of the wage distribution for male and female workers earning at least \$7.25/hour. The bright red bars show the predicted wage increase under the Harkin-Miller proposal. All wages are shown in 2013 dollars and the Harkin-Miller counterfactual raises the wages of all workers earning below \$9.54/hour to \$9.54/hour (\$9.54 is the 2013 dollar equivalent of \$10.10 in 2016 dollars, using the CBO forecast for inflation).

Source: Current Population Survey, Monthly Outgoing Rotation Groups, 2013; CEA calculations.

Although occupational segregation has fallen, women are still concentrated in low-wage sectors of the labor force

- Women are concentrated in low-wage sectors of the labor force such as health care support and personal care, and are underrepresented in occupations with high average wages, such as STEM occupations.
- Within occupations, women's hourly wages are lower than men's, on average. This general pattern holds in almost all high- and low-wage occupations.
- While women account for about half of the workforce, 55 percent of non-tipped workers benefiting from increasing the minimum wage to \$10.10 an hour are women.

More Needs to Be Done To Help Women Overall: The U.S. Now Lags Behind Other OECD Countries in Female Labor Force Participation



Note: Workers on leave are considered employed

Source: International Labour Organisation, Key Indicators of the Labour Market (KILM)

Today, the US has lower female participation in the workforce than 17 out of 22 developed countries covered by ILO data.

- *In 1991, American women had greater labor force participation than women in all but 6 (out of 22) developed countries.*
- *Since 1991, labor force participation among American women has remained flat, while it has risen in much of continental Europe and Canada.*