

Women's Participation in Education and the Workforce

Council of Economic Advisers



Updated October 14, 2014

Executive Summary

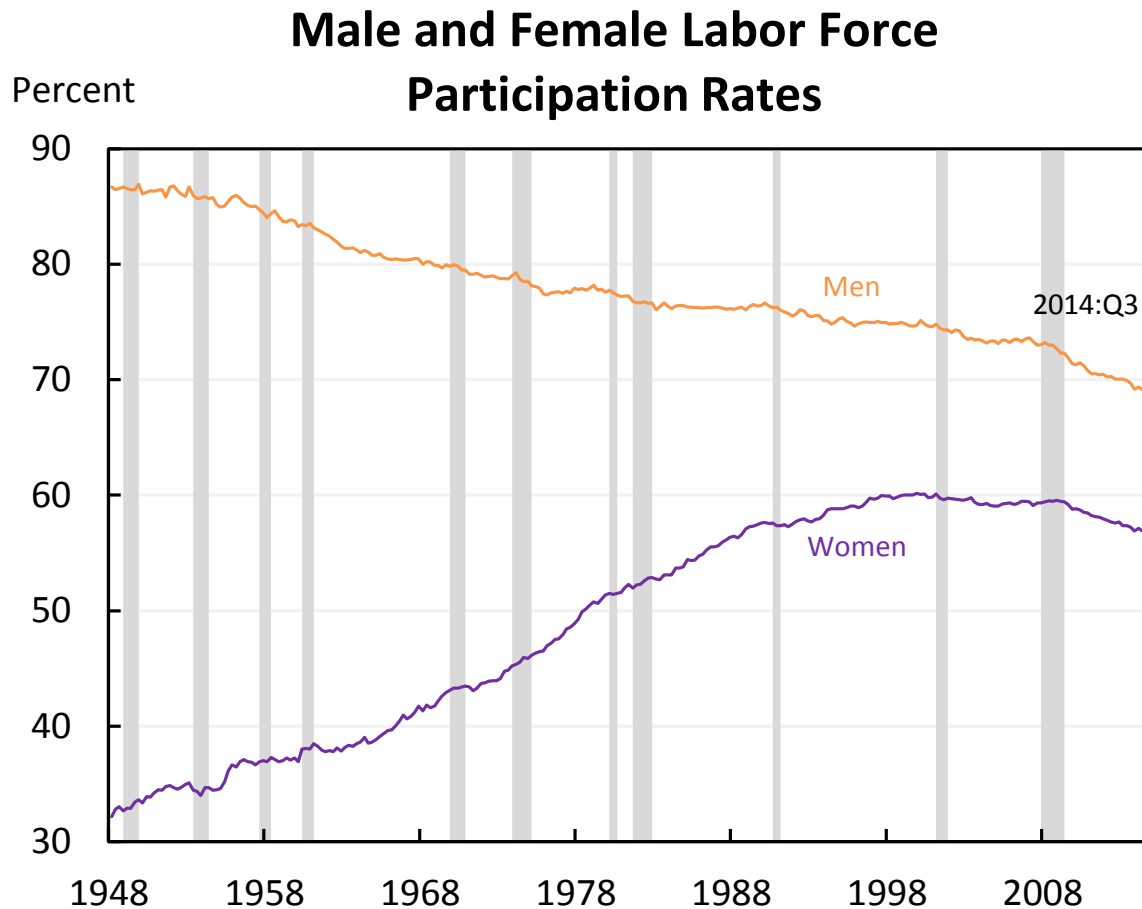
Over the past forty years, women have made substantial gains in the workforce and economy, but in 2014, far more can still be done to expand economic opportunities for women. While female labor force participation rose through the 1970s and 1980s, it began to stall in the 1990s. Yet women have continued to make gains in earning educational credentials—today young women are more likely than young men to be college graduates or have a graduate degree.

These improvements have important implications for American families. On average, women's earnings account for more than 40 percent of married parents' income, up from less than a third 40 years ago. And women are the primary breadwinner for nearly 30 percent of dual-earning couples.

Despite this progress, a gender wage gap persists: on average, full-time year-round female workers earn 78 cents for every dollar earned by their male counterparts. This gap is even more pronounced among women of color. While the wage gap reflects a variety of causes, there are 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.

The Administration has supported numerous policies to help ensure equal pay for equal work and help workers better balance their work and family obligations. For example, the President's proposal to raise the minimum wage would help shrink the gender wage gap by nearly 5 percent. Expanding the EITC for childless workers and extending the 2009 expansions to the EITC and CTC would likewise benefit millions of women. And workplace policies such as paid leave and workplace flexibility can help workers maintain a connection to the labor force as they balance their work and family demands.

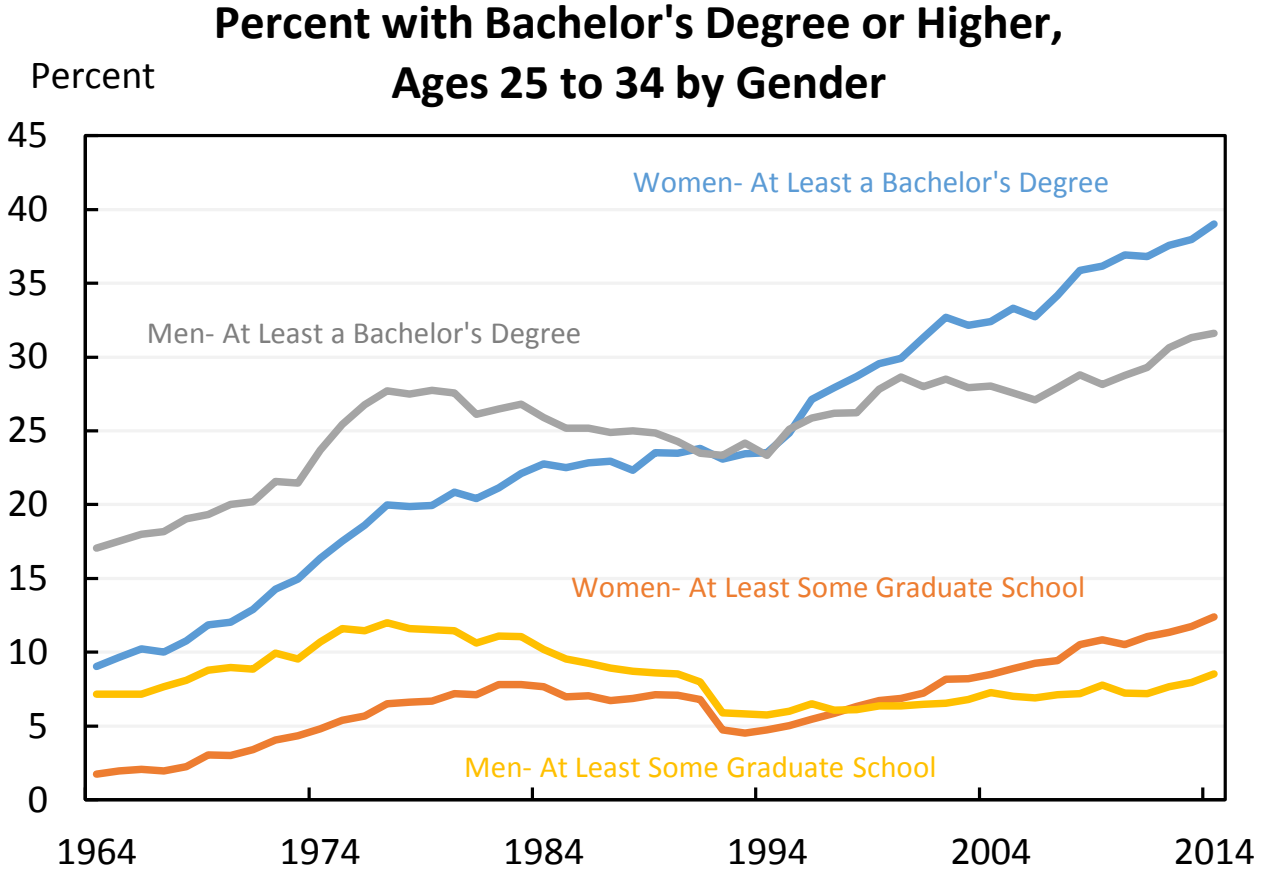
Female Labor Force Participation Increased Between 1948 and 2000; Most of the Recent Decline is Due to the Aging Population and Cyclical Effects



Of the total decrease in labor force participation since 2007:

- *Half is due to the aging population,*
- *One-sixth is due to cyclical factors in line with historical patterns following a recession, and*
- *One-third is due to other factors, such as trends that pre-date the recession and the unique severity of the Great Recession.*

Postsecondary Attainment Has Risen Among Men and Women; Women Now Complete College and Graduate School at Higher Rates Than Men



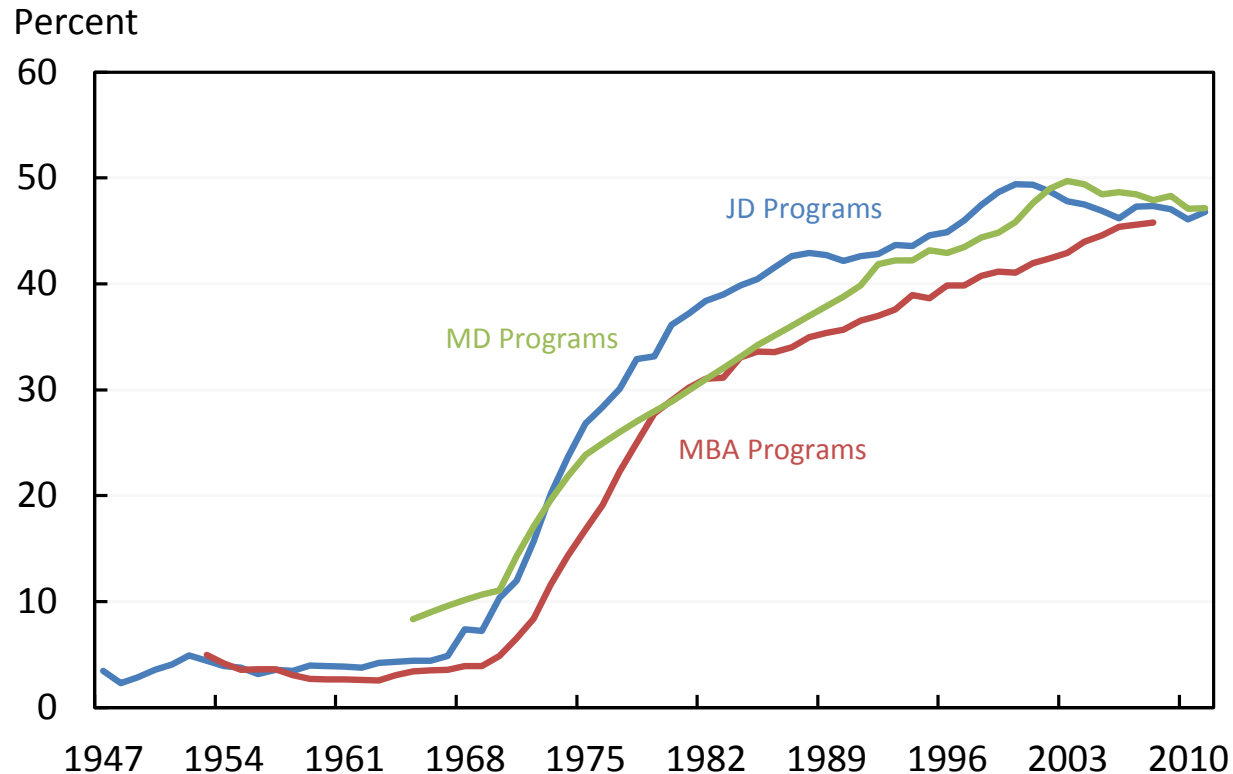
Women's college going has surpassed men's in recent decades and has continued to increase.

- Women are more likely to go to college and graduate school and more likely to graduate from when they go.
- In 2013, 25-34 year old women were 21 percent more likely than men to be college graduates and 48 percent more likely to have completed graduate school.

Source: Current Population Survey; CEA calculations.

Women Are Increasingly Attending Professional Degree Programs

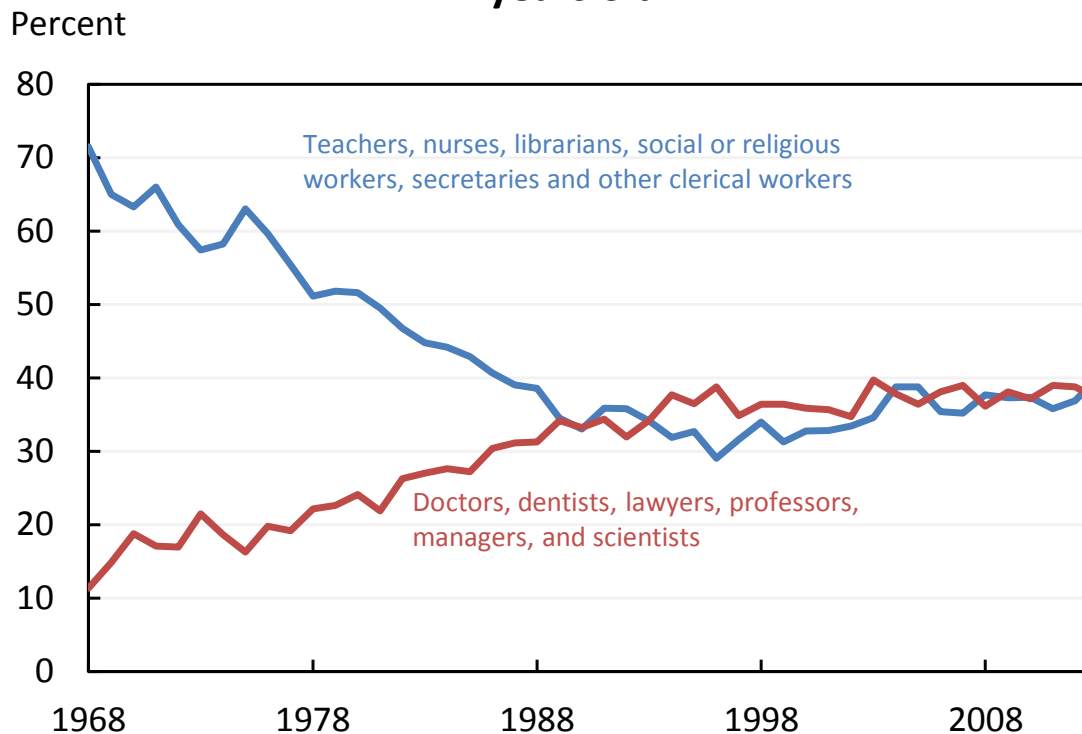
Percent of Women Among First-Year Students in Selected Professional Programs



Women now account for almost half of students in JD, MBA, and MD programs, up from less than 10 percent in the 1960s.

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

Occupations of College Graduate Women, 30-34 years old

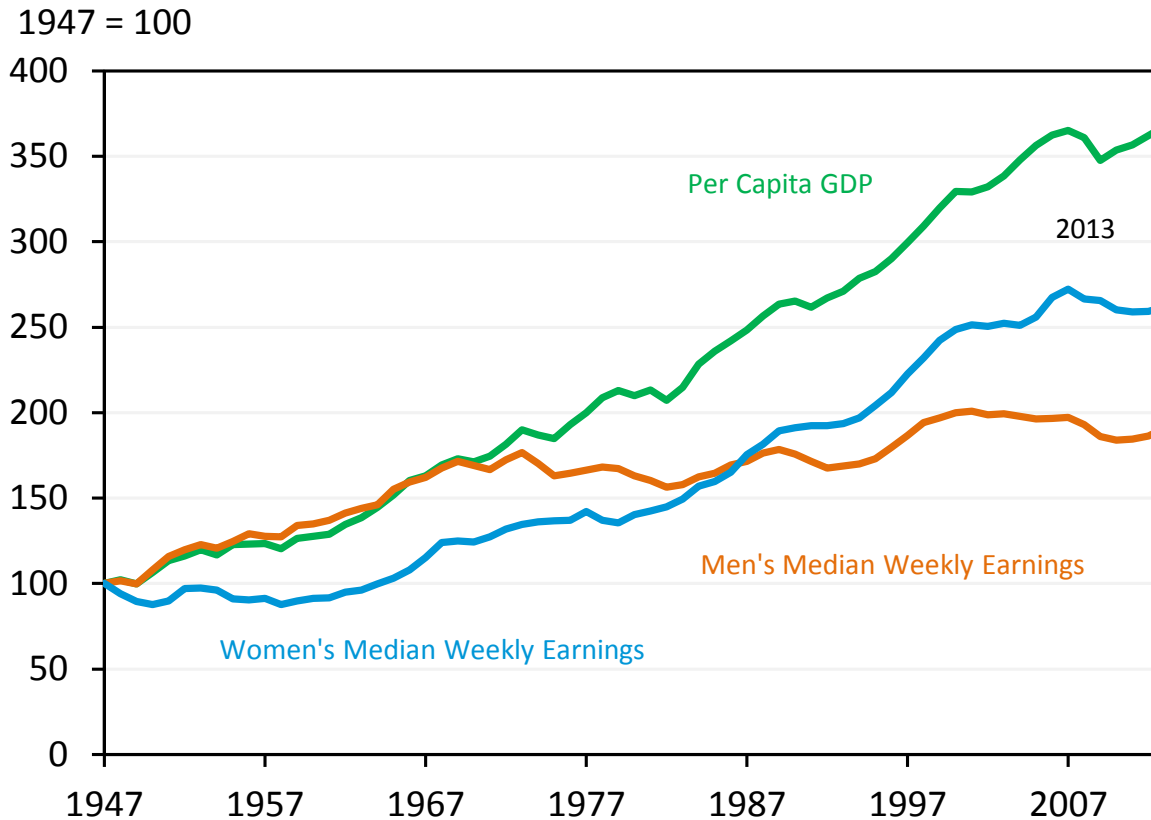


Women have increasingly entered previously male-dominated occupations.

- College-educated young women 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.
- Although the share of male-dominated occupations has fallen since 1970, the share of occupations in which women are at least 80 percent of all workers has remained relatively constant.

Over the Past Four Decades, Women's Earnings Have Tracked Per Capita GDP More Closely Than Men's

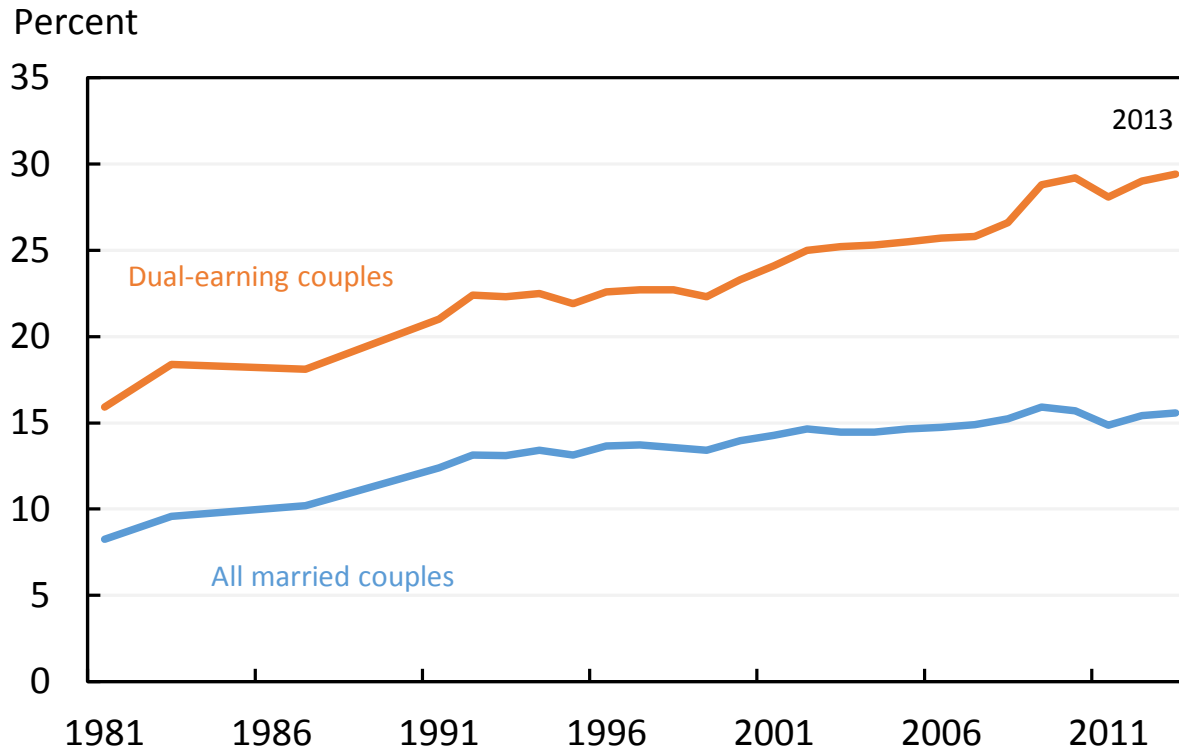
Per Capita GDP and Median Earnings Growth by Gender



- *Since 1970, men's real median earnings have slightly fallen 1.3 percent, from \$35,709 in 1970 to \$35,228 in 2013 (in 2013 dollars).*
- *Women's real median earnings have risen faster and more closely tracked GDP growth, nearly doubling since 1970. In 2013 women's real median earnings were \$22,063, up from \$11,976 in 1970. As a result, women's share of household earnings has risen.*

Women Are Increasingly Primary Breadwinners in Dual-Earner Couples

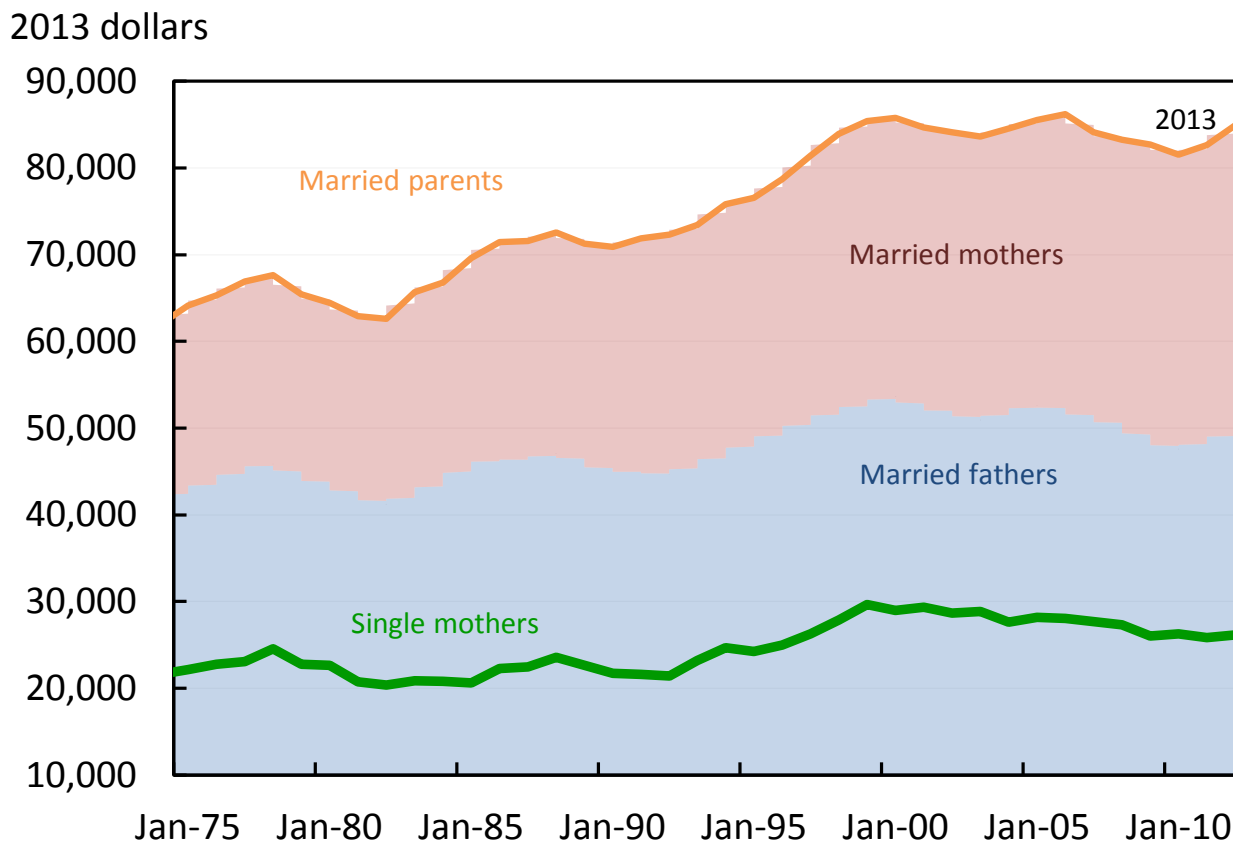
Percent of Married Couples With a Female Primary Breadwinner



Women earn more than men in 16 percent of all married couples and 29 percent of married couples where both spouses work. These shares have nearly doubled since 1981.

Since the 1970s, Real Earnings Have Increased for Both Married and Single Mothers

Real Median Family Income, 1974-2013

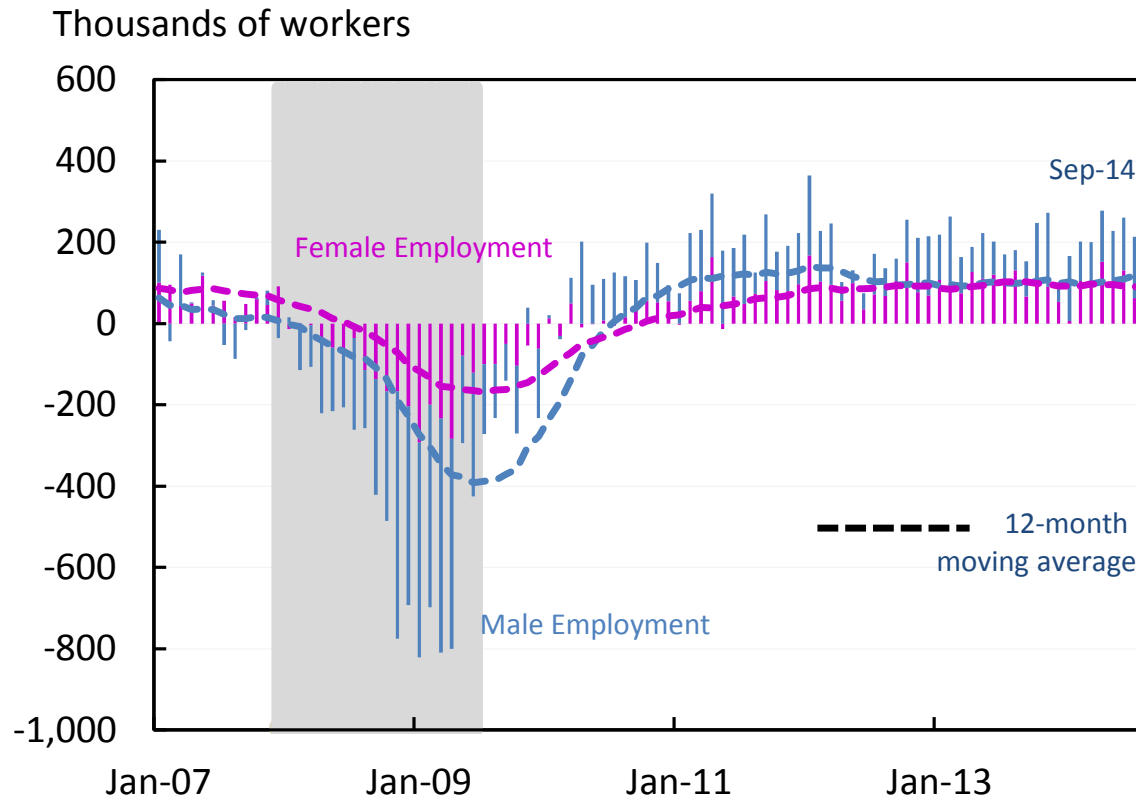


Typical income was \$84,916 for married parents in 2013.

- Median income among married parents increased 2.8 percent between 2012 and 2013.
- Median income among single mothers increased 1.1 percent between 2012 and 2013, and stood at \$26,148 in 2013.
- While married mothers' earnings accounted for less than a third of family income in 1974, they have accounted for more than 40 percent since 2010.

Women Have Gained 4.2 Million Jobs Over the Last 55 Months of Private-Sector Job Growth

Monthly Change in Private Payroll Employment

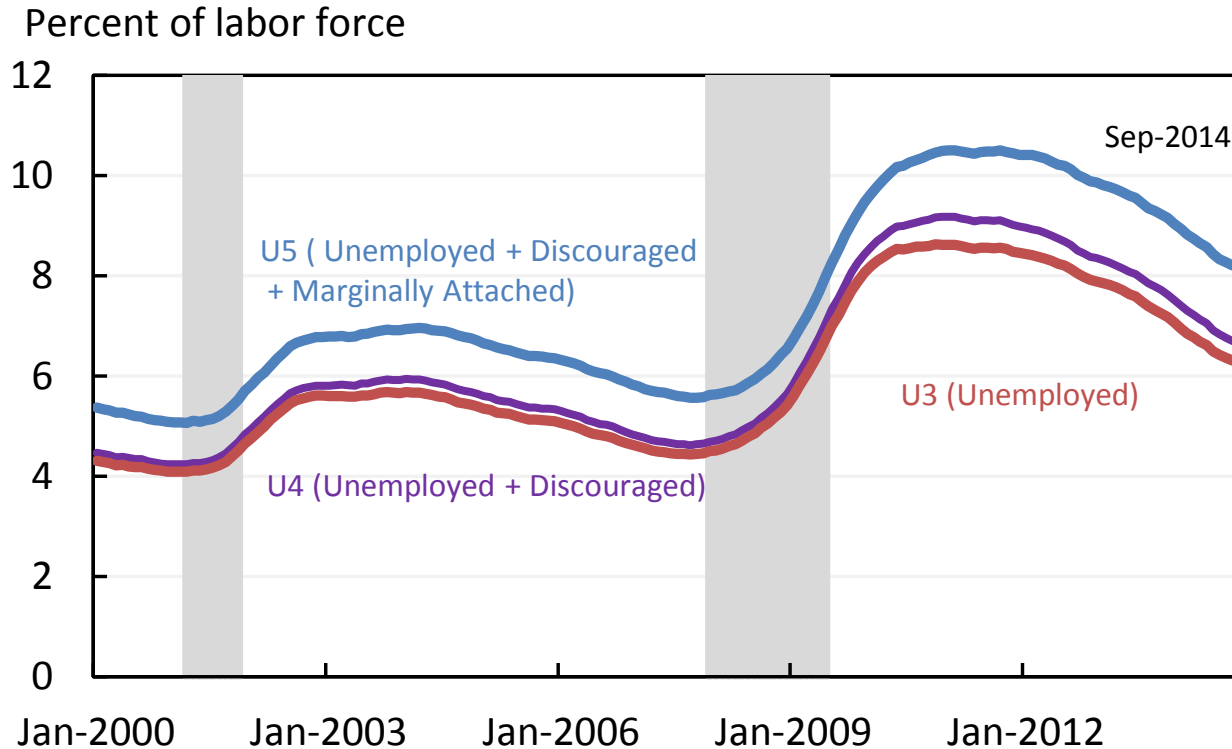


Women's employment is less cyclical than men's:

- Women lost 2.7 million jobs between December 2007 and February 2010, compared to 6.1 million lost among men.
- Since February 2010, women and men have recouped 4.2 and 6.1 million private sector jobs, respectively.
- The share of private sector workers who are women rose from 46.9 percent prior to the recession to 47.9 percent this past September.

Women's Unemployment Has Fallen From 9.0 Percent in 2010 To 6.0 Percent

Female Unemployment Rate, Including Discouraged and Marginally Attached Workers



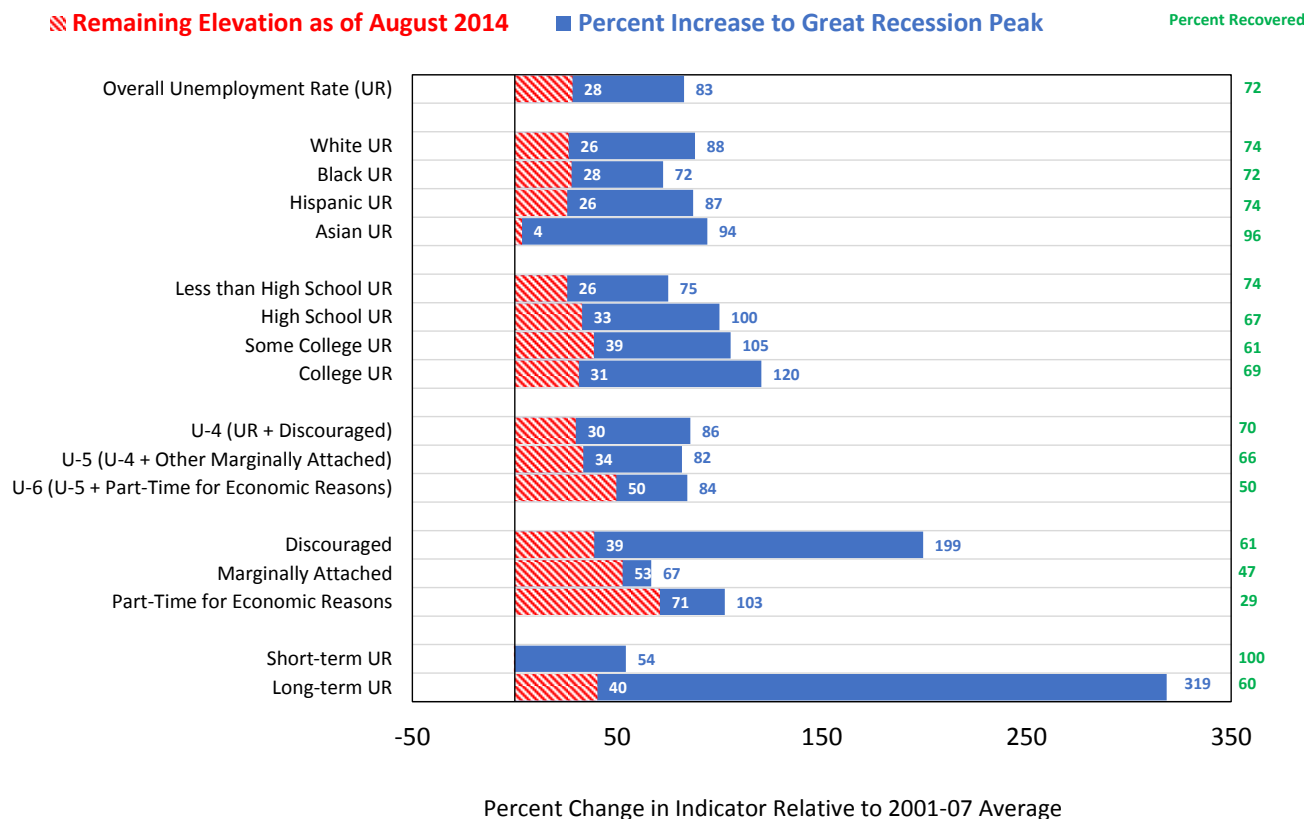
Broader measures of labor underutilization show the same general pattern as the headline unemployment rate.

- The fraction of female workers either discouraged from looking for work or unemployed averaged 6.7 percent over the past 12 months, down from a 12-month moving average peak of 9.2 percent in 2011.
- The fraction unemployed, discouraged, or conditionally available for work averaged 8.2 percent, down from 11.2 percent in 2010.

Over the Past Year, the Labor Market was about 65-75 Percent Recovered For Women on Average

Labor Market Indicators in the Recession for Women

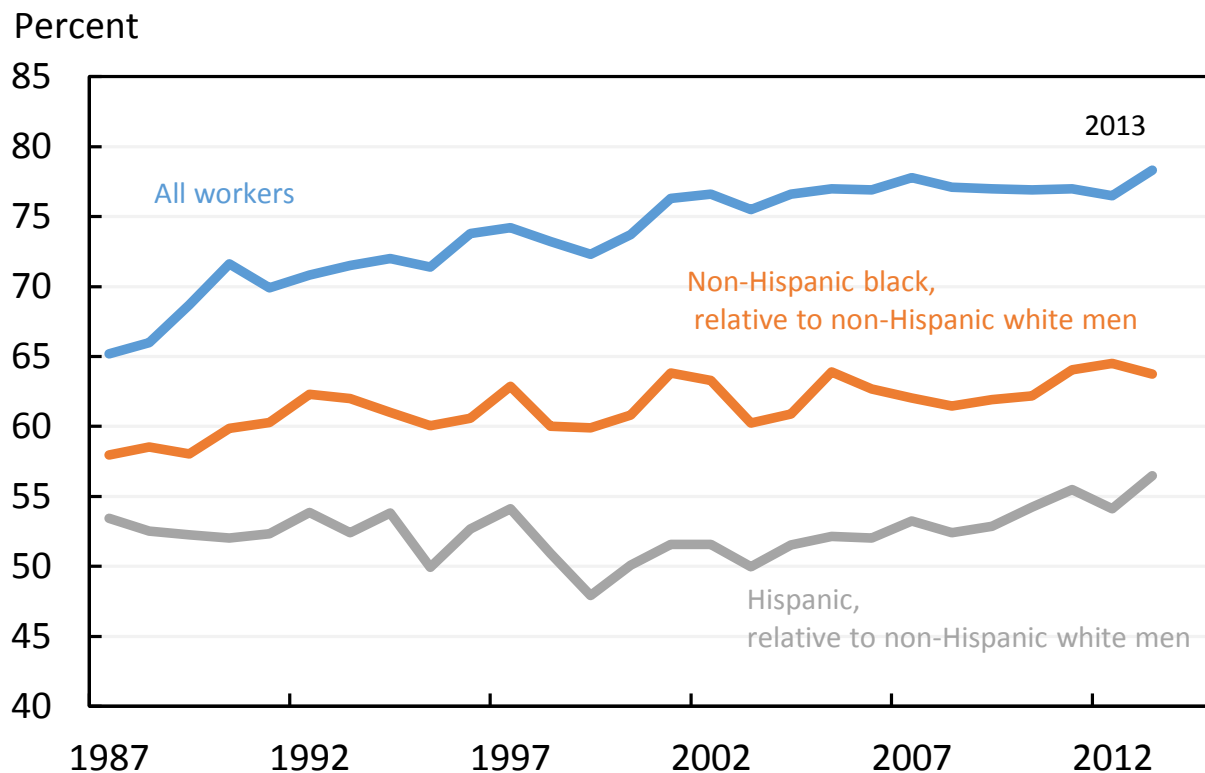
All Data as of August 2014



Paralleling trends for the labor market as a whole, among women, unemployment rates have fallen across demographic groups and by measures of labor underutilization, but the recovery remains incomplete.

On Average, Full-Time, Year-Round Women Workers Make 78 Percent of What Men Earn; The Gender Pay Gap Is Greater Among Women of Color

Gender Pay Gap Among Full-Time, Year-Round Workers, by Race and Ethnicity

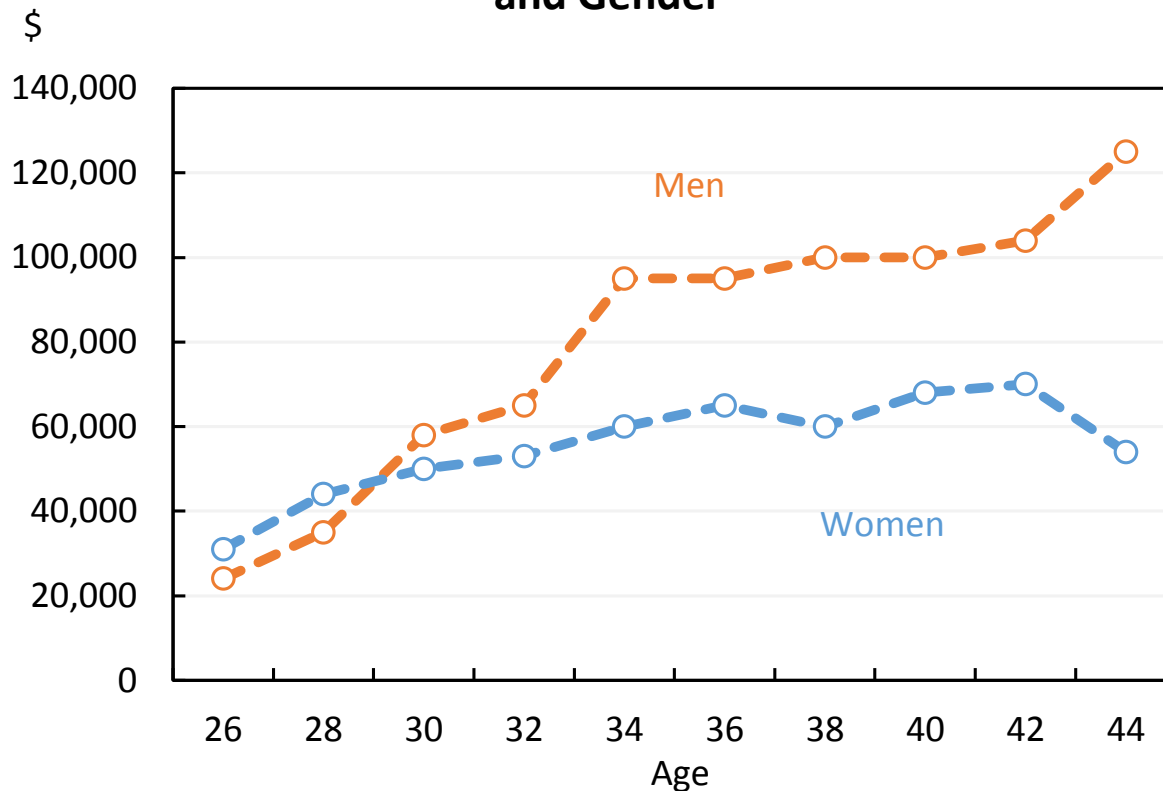


Despite gains over the past half century, a gender pay gap still exists. For every dollar earned for full-time, year-round, non-Hispanic white men, in 2013:

- Non-Hispanic black women earned 64 cents.
- Hispanic women earned 56 cents.

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

Median Salary of Professional Degree Recipients by Age and Gender

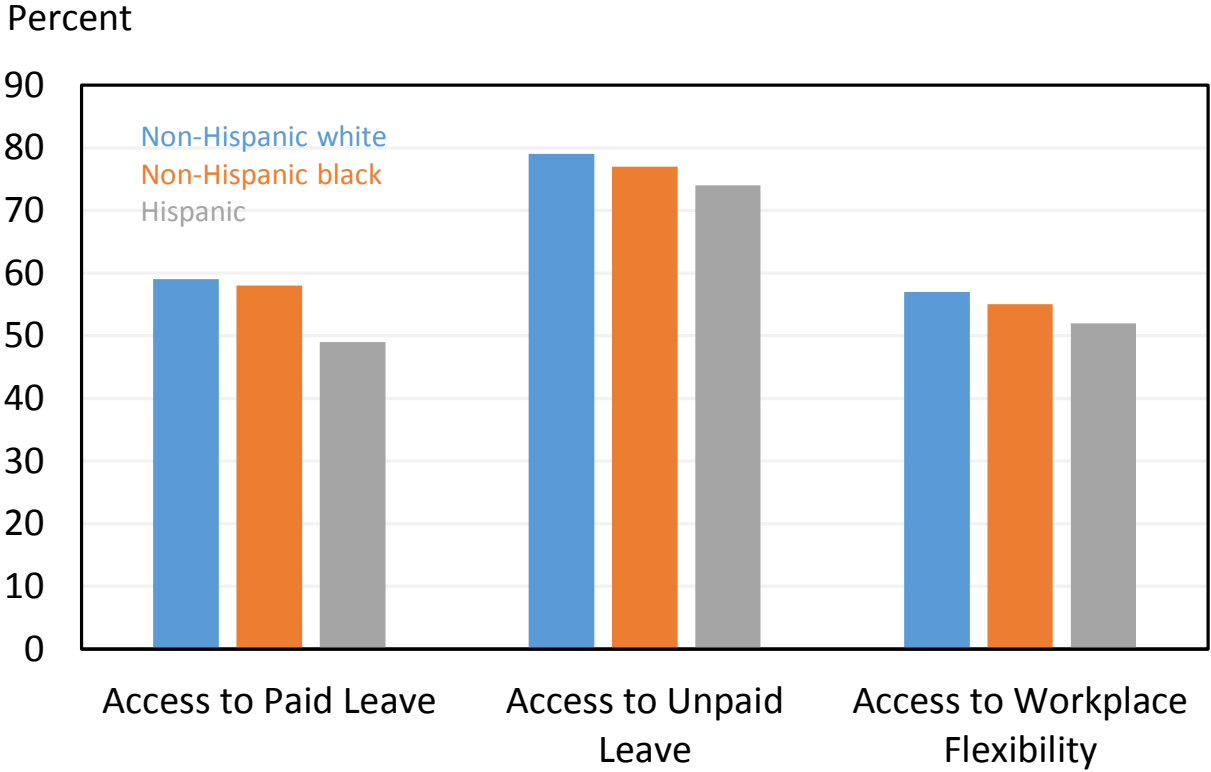


The gender wage gap is particularly high among those with advanced degrees and it grows throughout women's lifetimes.

- *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 approximately 50% more than women.*

Women of Color, Particularly Hispanic Women, Are Less Likely to Have Access to Paid Leave and Flexible Work Arrangements

Access to Leave and Flexibility Arrangements, by Race and Ethnicity



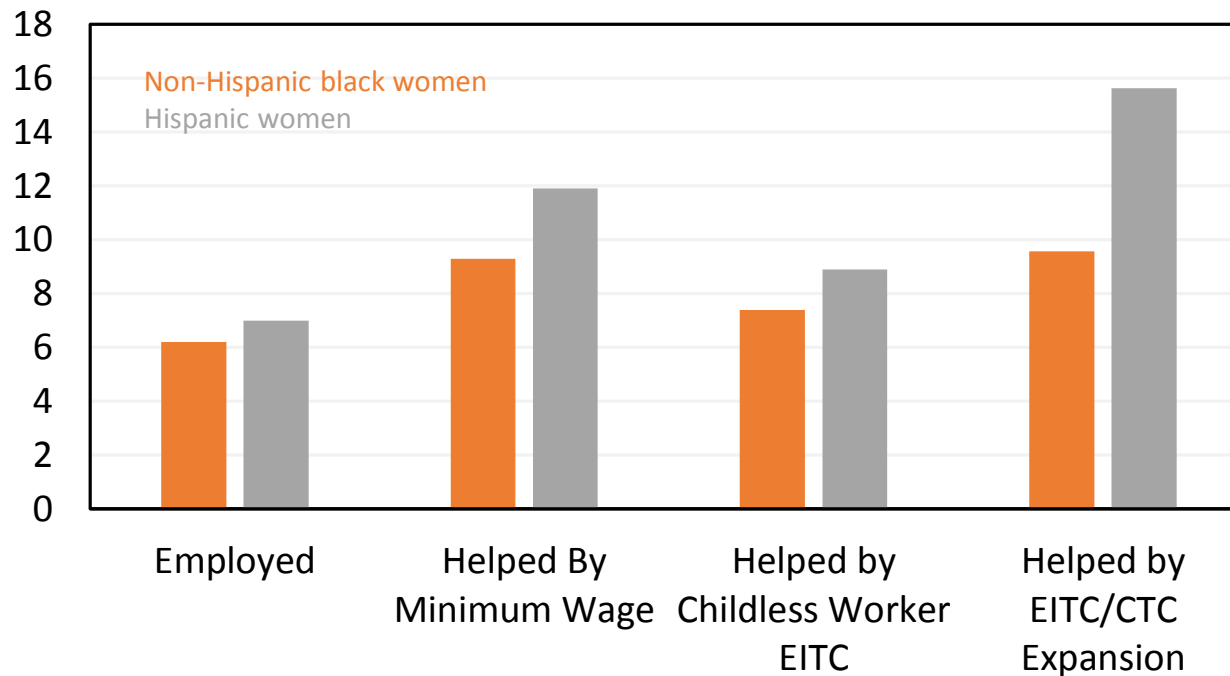
Less than half of Hispanic women have access to paid leave, compared to just under 60 percent of non-Hispanic women. Hispanic and black women are also less likely than non-Hispanic white women to have access to unpaid leave or flexible work arrangements.

Source: American Time Use Survey, 2011; CEA calculations

Administration Proposals to Increase the Minimum Wage and Expand the EITC Would Help Millions of African-American and Hispanic Women

Black and Hispanic Women As a Share of Labor Force and Those Helped by Administration Policies

Percent of all workers



Black and Hispanic women account for 6 and 7 percent of the labor force, respectively, and:

- 9 and 12 percent of workers who would benefit from increasing the minimum wage,
- 7 and 9 percent of workers who would benefit from expanding the EITC for childless workers, and
- 10 and 16 percent of workers who would benefit from extending the EITC and CTC expansions.