

Women and the Economy 2010: 25 Years of Progress But Challenges Remain

August 2010

Report by the U.S. Congress Joint Economic Committee
Representative Carolyn B. Maloney, Chair
Senator Charles E. Schumer, Vice Chair

INTRODUCTION

On August 26, 2010, Americans will celebrate the 90th anniversary of the ratification of the 19th amendment, which granted women the right to vote and led to their increased participation in our political system. In 1984, Geraldine Ferraro shattered the political glass ceiling by becoming the first woman nominated to a national ticket and ushered in a new era of political leadership for women. Over the last quarter century, women have become a powerful political force, both as voters and as elected leaders. Did that political benchmark have implications for women's economic well-being? Data compiled by the Joint Economic Committee suggest that the answer is yes.

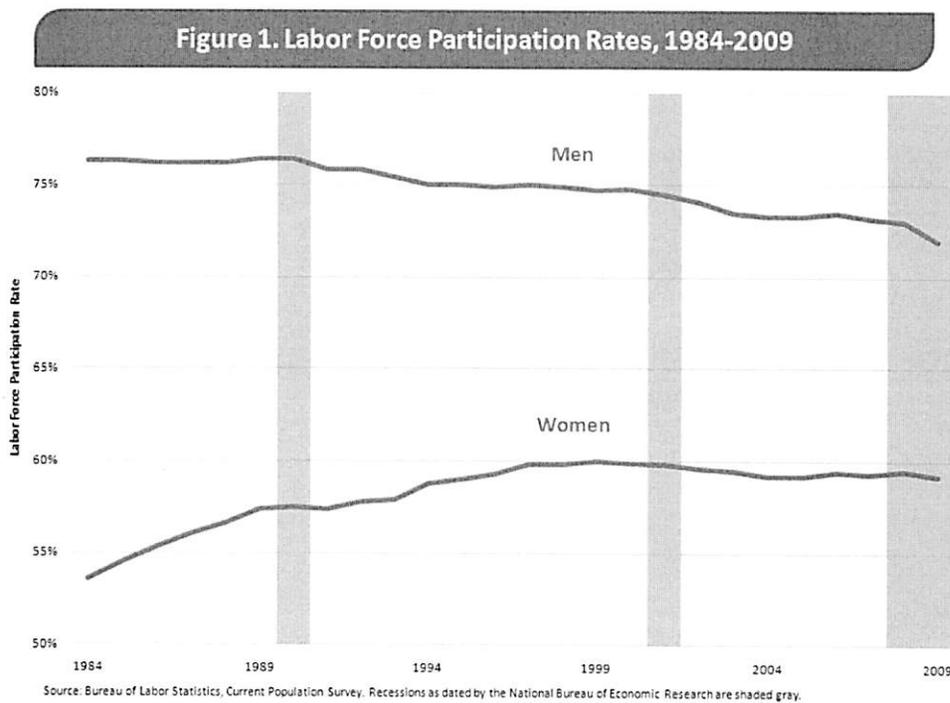
Twenty-five years ago, America was recovering from the double-dip recession of the 1980s, and women's role in the labor force was beginning a multi-decade-long period of expansion. Today, as our nation's economy continues down the road to recovery from the Great Recession, women are poised to be the engine of future economic growth. Women comprise half of all U.S. workers, and well over half of all American women are in the labor force. Women's educational attainment outstrips that of men, and women's share of union membership is growing rapidly. Families are increasingly dependent on working wives' incomes in order to make ends meet.

Despite a quarter-century of progress, however, challenges remain. While the pay gap has narrowed over the last 25 years, the average full-time working woman earns only 80 cents for every dollar earned by the average full-time working man. Certain industries remain heavily gender-segregated. In addition, millions of women are struggling to juggle work outside the home with family care-giving responsibilities.

This report, which includes annual data from 1984 through 2009, provides a comprehensive overview of women's economic progress over the last twenty-five years and highlights the additional work left to be done. The role of women in the American economy is of indisputable importance. The future of the American economy depends on women's work, both inside and outside the home.

Women are a critically important part of the labor force.

- ❖ In the last 25 years, women's labor force participation has grown sharply. In 1984, 53.6 percent of women were in the labor market. By 2009, that number had grown to 59.2 percent. All of the growth in women's labor force participation occurred prior to 2000. In contrast, over that same period, men's labor force participation rates were falling. Since the late 1990s, women's labor force participation rates have remained roughly flat while men's labor force participation has continued to decline. (Figure 1)

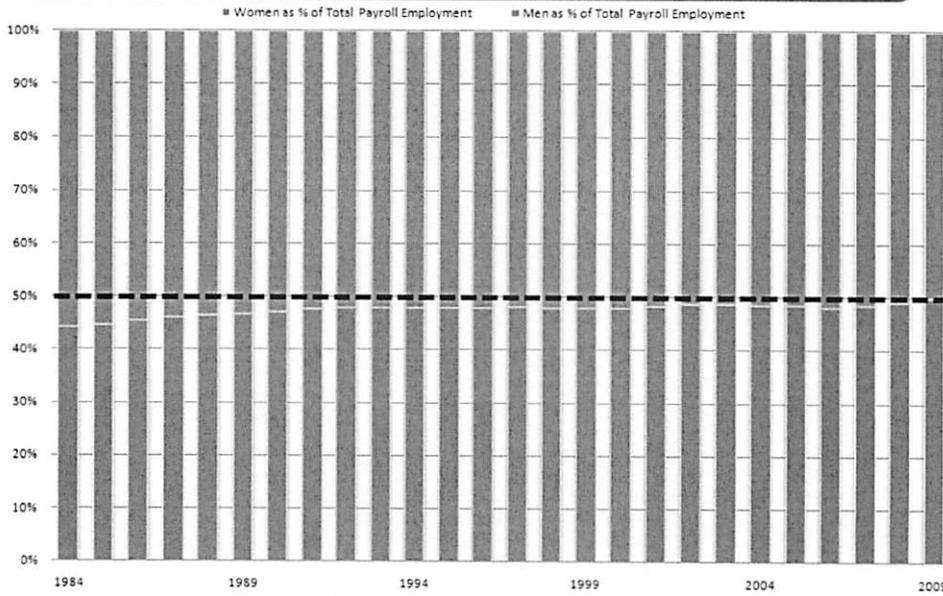


- ❖ Women's share of payroll employment has grown over the last 25 years. In 1984, women comprised just 44 percent of payroll employment. In 2009, women comprised nearly half (49.8 percent) of payroll employment. The recent gender parity in payroll employment is most likely explained by the disparate impact of the Great Recession on industries, such as construction and manufacturing, which employ greater concentrations of men than women. (Figures 2 and 3)

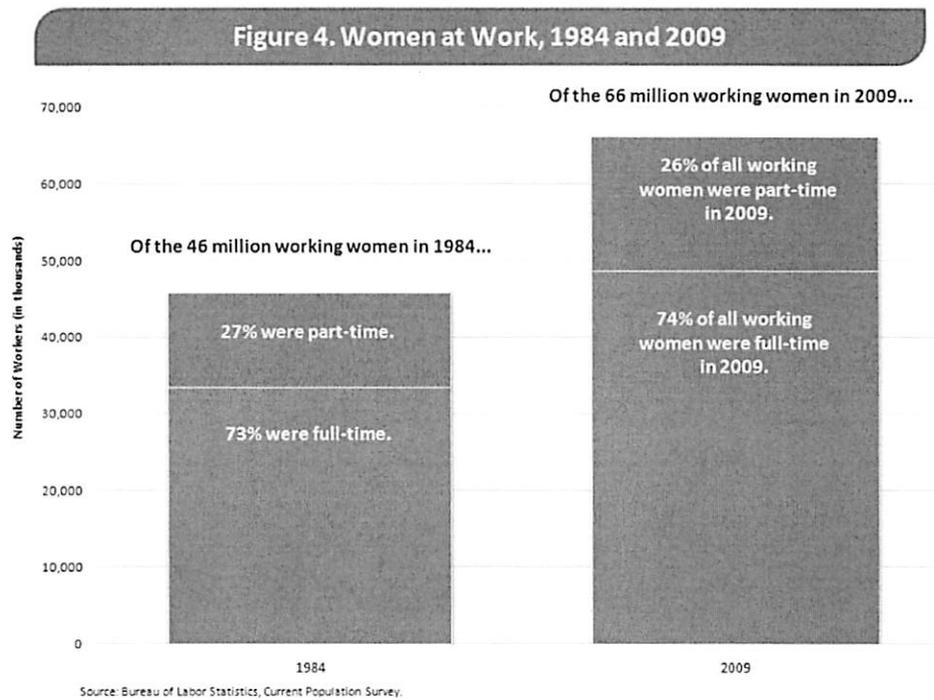
Figure 2. Non-Farm Payroll Employment, 1984-2009



Figure 3. Share of Payroll Employment by Gender, 1984-2009

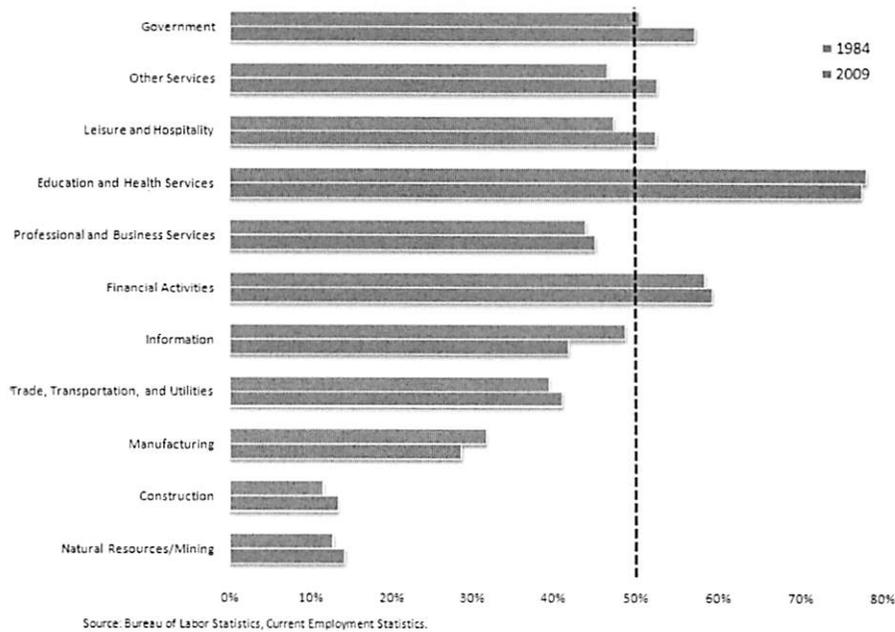


- ❖ The number of women in the workforce has grown by 44.2 percent over the last 25 years, from 46 million in 1984 to 66 million in 2009. Yet the distribution of those working women’s work schedules has remained remarkably constant: about one-quarter work part-time, while the remaining three-quarters work full-time. (Figure 4)



- ❖ Progress toward gender parity by industry has been varied over the last 25 years. In 1984, women made up 50 percent or more of the workforce in three industries: government, education and health services, and financial activities. By 2009, women made up 50 percent or more of the workforce in 5 industries: government, leisure and hospitality, education and health services, financial activities, and other services. In some industries, little progress has been made. For instance, women comprised just over 13 percent of those employed in construction in 2009, compared to 12 percent in 1984. And in some industries, women have lost ground. While women comprised 49 percent of those employed in the information industry in 1984, they made up just 42 percent of the industry in 2009. Similarly, in 1984 women comprised 32 percent of the manufacturing industry. In 2009, women were just 29 percent of the manufacturing workforce. (Figure 5)

Figure 5. Women's Share of Total Employment, by Industry, 1984 and 2009



- ❖ Women’s educational attainment has edged out men’s in the last twenty-five years. In 2009, 87 percent of women had at least four years of high school or more education, as compared to 86 percent of men. In contrast, in 1984, 74 percent of men and 73 percent of women had at least four years of high school or more education. (Figure 6)

- ❖ While total union membership has declined over the last twenty-five years, women’s union membership has been on the rise. In 1984, women made up just over one-third (34 percent) of all union members. In 2008, women comprised 45 percent of all union members. The growing importance of women in the labor movement is likely due to the expansion of female-concentrated sectors such as health care, education, and the service sector combined with the contraction of male-concentrated sectors such as manufacturing. (Figure 7)

Figure 6. Educational Attainment, 1984-2009

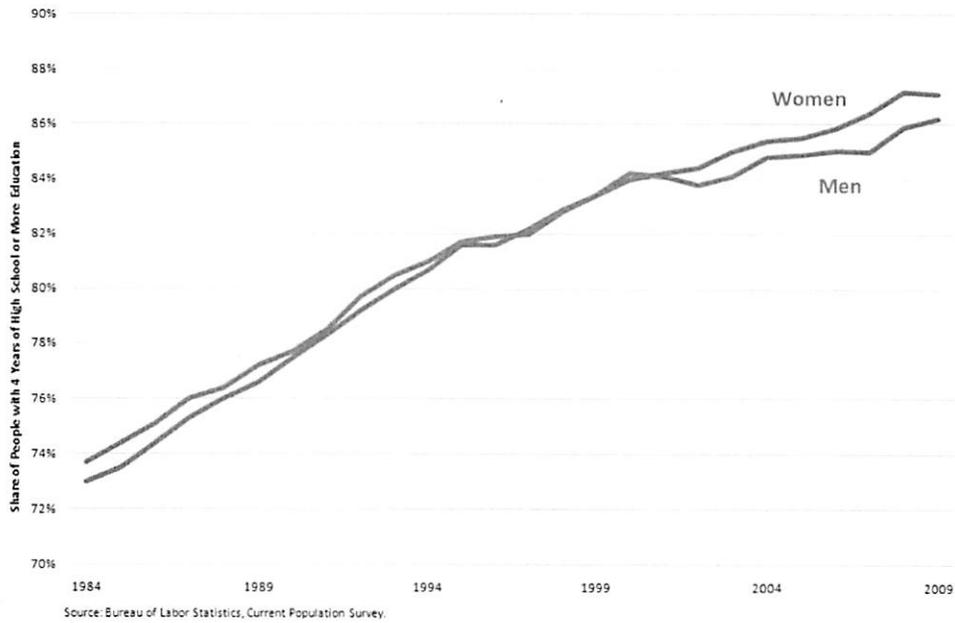
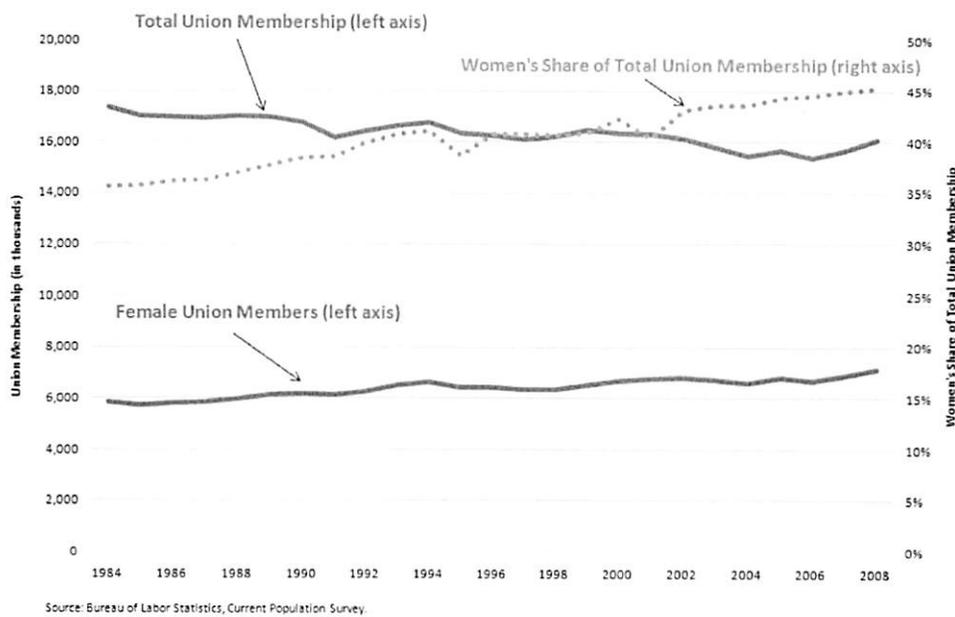
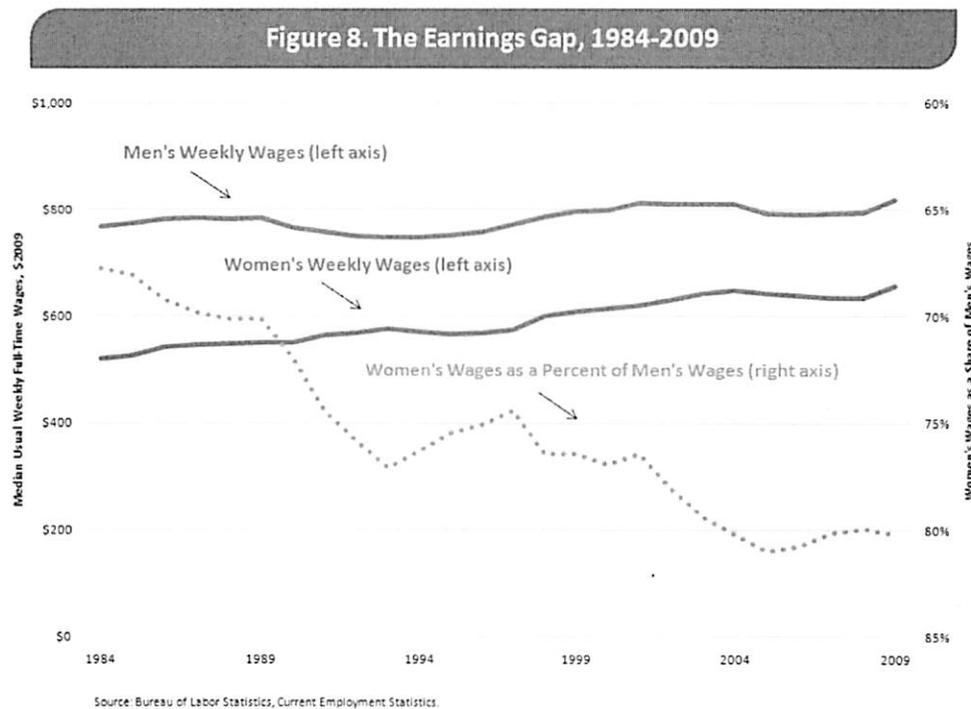


Figure 7. Union Affiliation, 1983-2008



- ❖ While the pay gap between men's and women's wages has decreased sharply over the last 25 years, it remains remarkably high. In 1984, the average full-time weekly wage for women was just 68 percent of men's full-time weekly wage. In 2009, the average full-time weekly wage for women was 80 percent of men's full-time weekly wage. (Figure 8)



Families depend on women's earnings.

- ❖ Wives' earnings play an increasingly important role in families' incomes. In 1983, wives' incomes comprised just 29 percent of total family income. By 2008, wives' incomes comprised 36 percent of total family income. (Figure 9)
- ❖ Families need a working wife in order to see their incomes grow. Between 1983 and 2008, married couples with a working wife enjoyed average annual income growth of 1.12 percent per year. In contrast, married couples with a stay-at-home wife saw their average annual incomes decrease by 0.22 percent per year. (Figure 10)

Figure 9. Wives' Earnings as a Share of Total Family Income, 1983-2008

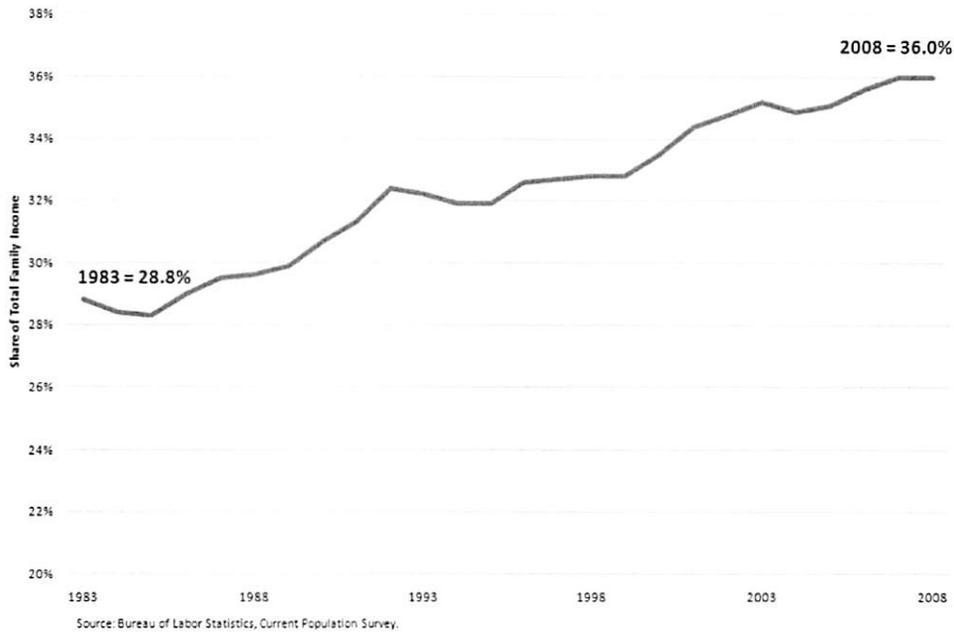
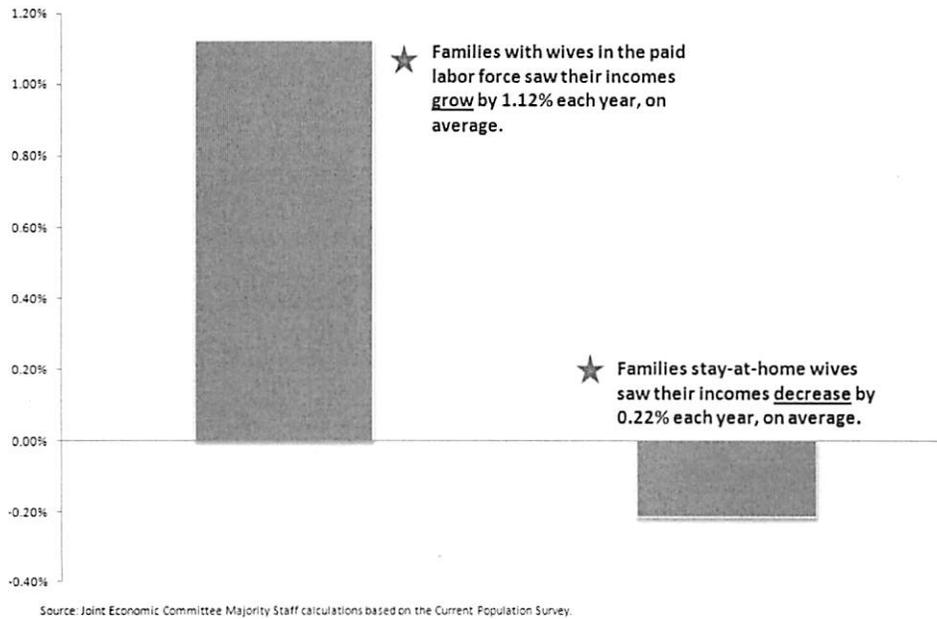


Figure 10. Average Annual Income Growth for Married Families, 1983-2008



Working women have significant care-giving responsibilities at home.

- ❖ Female heads of household for families with children ages 18 and under comprise an increasing share of all families with children. In 1983, 20 percent of all families with children (or 6.6 million families) were female-headed households. By 2009, 25 percent of all families with children (9.8 million families) were female-headed households. The increase in female-headed households was sharpest during the second half of the 1980s and in the early 2000s. (Figures 11 and 12)

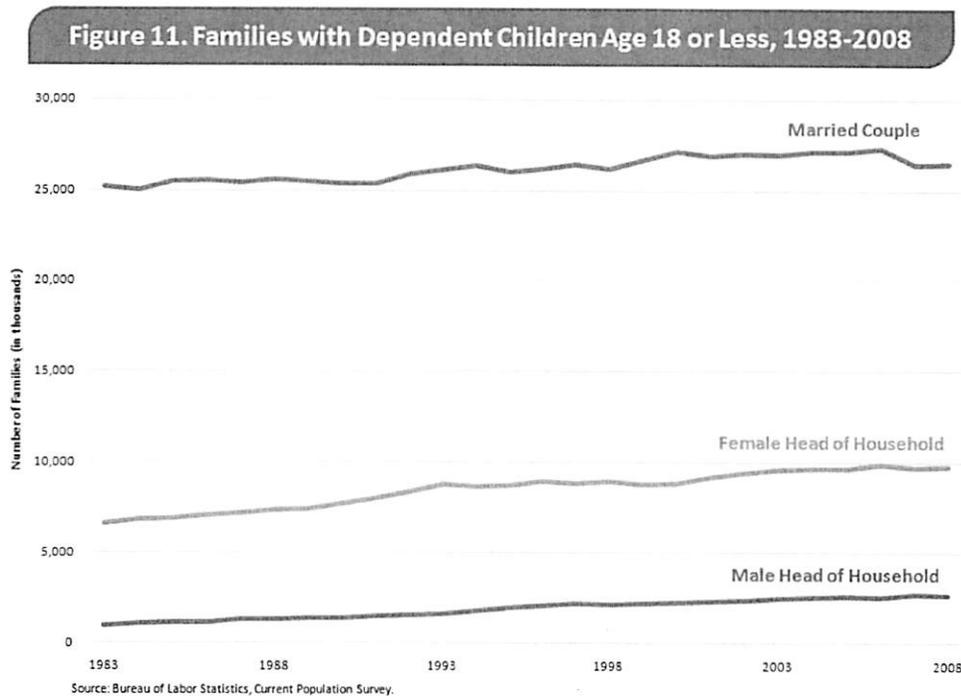
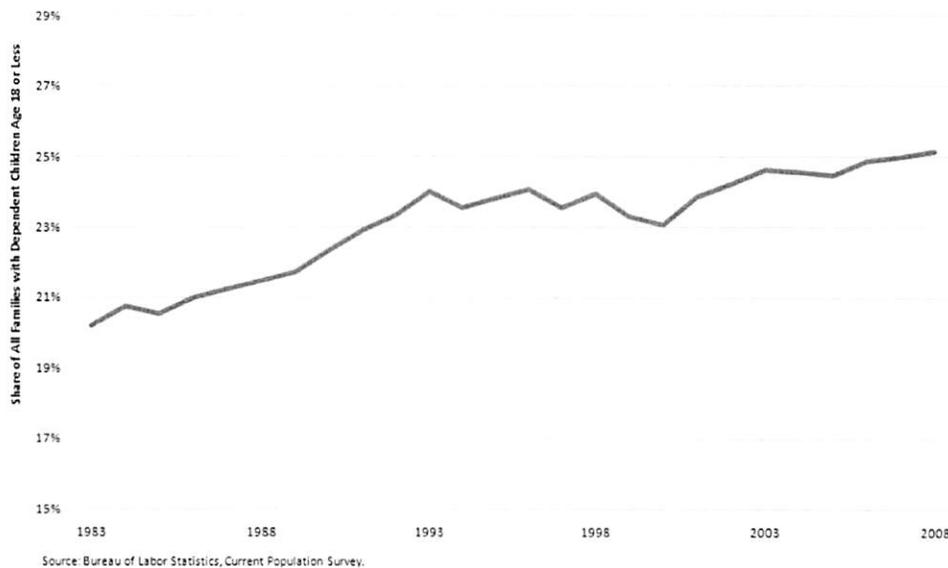
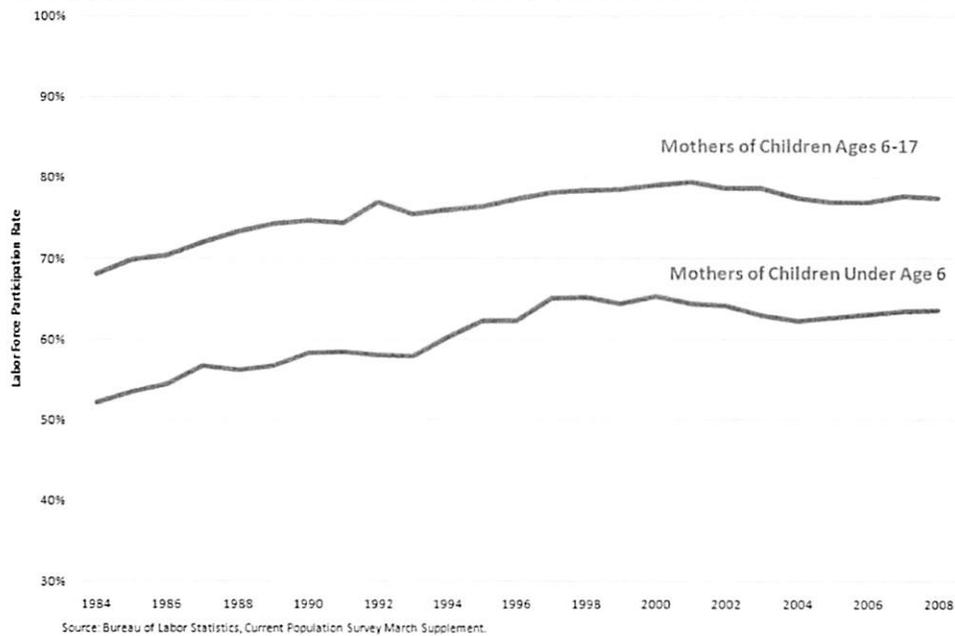


Figure 12. Female Heads of Household as Share of All Families with Children, 1983-2008



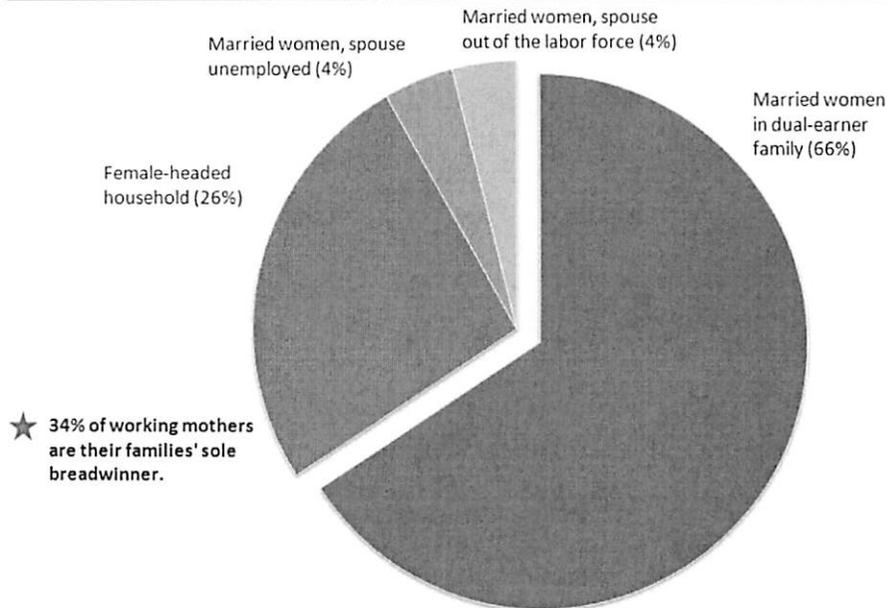
- ❖ Mothers' labor force participation rose over the last 25 years. While mothers with young children are less likely to work than are mothers of older children, both groups' labor force participation rates have increased over time. In 1984, 52 percent of mothers with children under the age of 6 and 68 percent of mothers with children ages 6-17 were in the labor force. In 2008, 64 percent of mothers with children under the age of 6 and 78 percent of mothers with children ages 6-17 were in the labor force. (Figure 13)

Figure 13. Mothers' Labor Force Participation Rates, 1984-2008



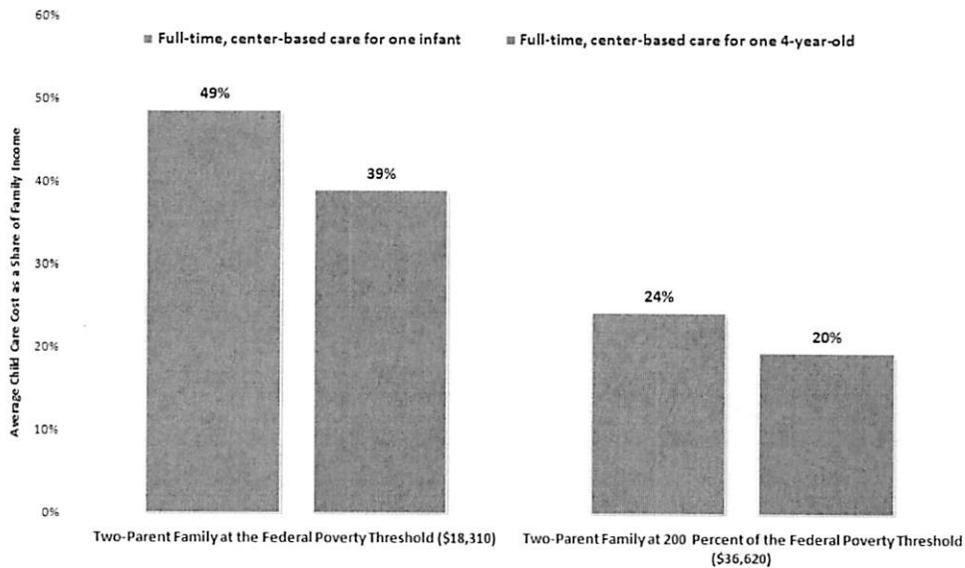
- ❖ Amongst employed mothers with children under the age of 18, over a third (34 percent) were their families' sole breadwinners in 2009. Two-thirds (66 percent) of working women with children were in dual-earner households. (Figure 14)
- ❖ Child care costs place a significant burden on families, particularly the working poor and the middle class. Child care for an infant costs a two-parent family living at the federal poverty line nearly 50 percent of their annual income, while a family living at 200 percent of the federal poverty line spends nearly 25 percent of their annual income on child care for an infant. While costs are somewhat lower for an older child, the burden on working families remains heavy. (Figure 15)

Figure 14. Employed Mothers with Children Under 18 Years Old, 2009



Source: Joint Economic Committee Majority Staff calculations based on unpublished data from the Bureau of Labor Statistics, Current Population Survey.

Figure 15. Child Care Costs as a Share of Family Income, 2009



Source: National Association of Child Care Resource and Referral Agencies.