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BLS Spotlight on Statistics: Women in the Workforce Before, During, and after the Great Recession

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BLS Spotlight on Statistics: Women in the Workforce Before, During, and after the Great Recession

Abstract

[Excerpt] A major factor that contributed to the growth of the U.S. labor force in the second half of the twentieth century was the remarkable increase in the labor force participation rate of women. During this time, the U.S. economy experienced economic growth that increased the demand for labor. Baby boomers (those born between 1946 and 1964) began entering the labor force in large numbers in the early 1960s as they reached working age. Coupled with the rapidly increasing labor force participation rate of women, this resulted in a large influx of women into the labor market. After peaking in 1999, the labor force participation rate of women has continuously declined. During this time, the baby-boom generation aged and the economy experienced the impacts of the severe 2007–09 recession. BLS projects women's labor force participation rate to continue its decline in the 2014–24 decade.

Keywords

women, work, labor market, participation, Great Recession

Comments

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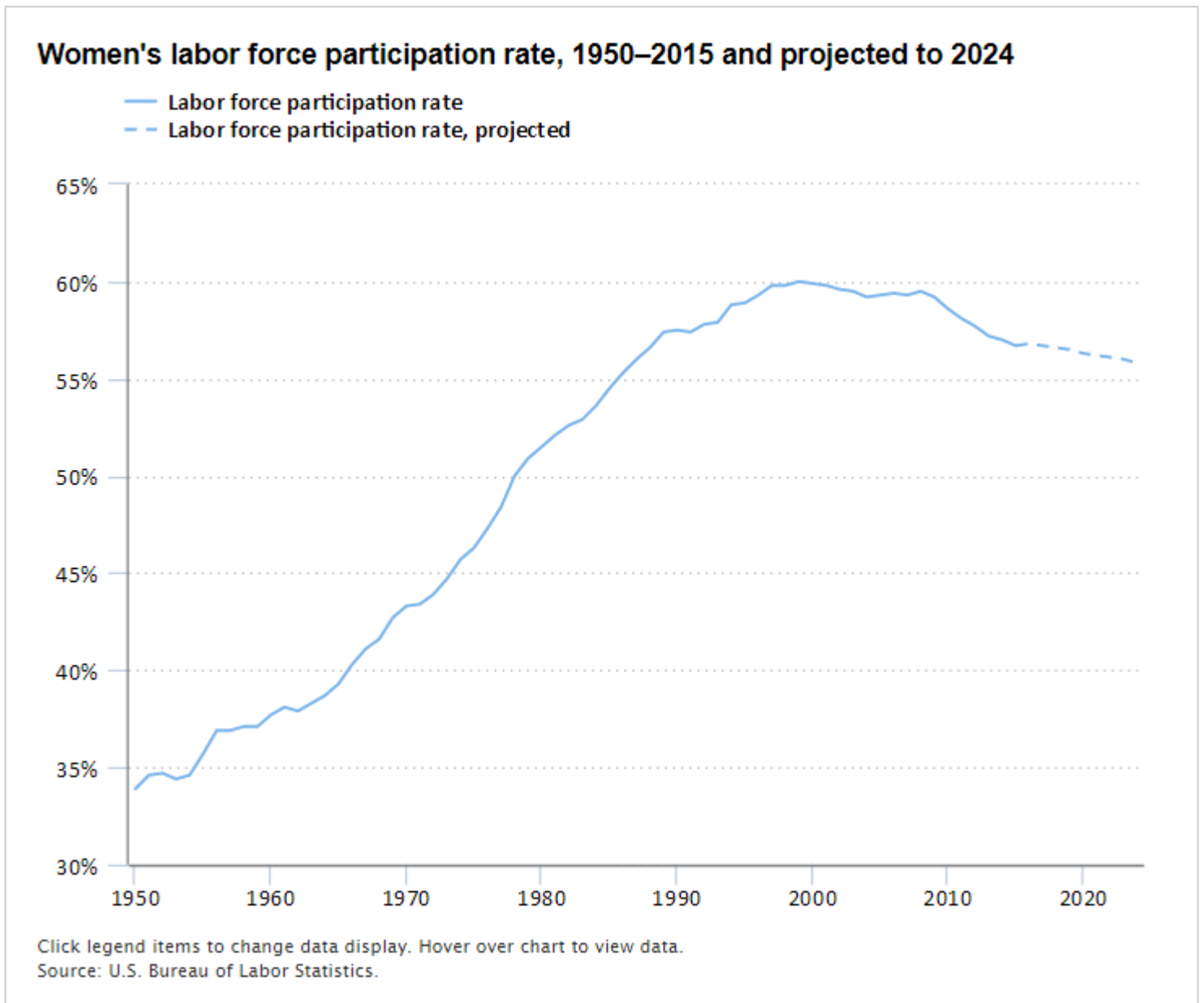
Women In The Workforce Before, During, And After The Great Recession

Mitra Toossi and Teresa L. Morisi

A major factor that contributed to the growth of the U.S. labor force in the second half of the twentieth century was the remarkable increase in the labor force participation rate of women. During this time, the U.S. economy experienced economic growth that increased the demand for labor. Baby boomers (those born between 1946 and 1964) began entering the labor force in large numbers in the early 1960s as they reached working age. Coupled with the rapidly increasing labor force participation rate of women, this resulted in a large influx of women into the labor market. After peaking in 1999, the labor force participation rate of women has continuously declined. During this time, the baby-boom generation aged and the economy experienced the impacts of the severe 2007–09 recession. BLS projects women's labor force participation rate to continue its decline in the 2014–24 decade.

Labor force participation rate of women, 1950 to 2015 and projected to 2024

The labor force participation rate of women increased throughout the 1960s, 1970s, and 1980s, and peaked at 60.0 percent in 1999. Over these four decades, the women's labor force participation rate increased even during several economic downturns. Since the peak, the women's labor force participation rate, which historically offset the decline in the men's participation rate, has been decreasing and is now contributing to a decline in the overall labor force participation rate. Since the midpoint of the Great Recession in 2008, the rate has further declined by 2.8 percentage points to 56.7 percent in 2015. BLS projects that this rate will continue its decline and fall by 0.9 percentage point to 55.8 percent in 2024.



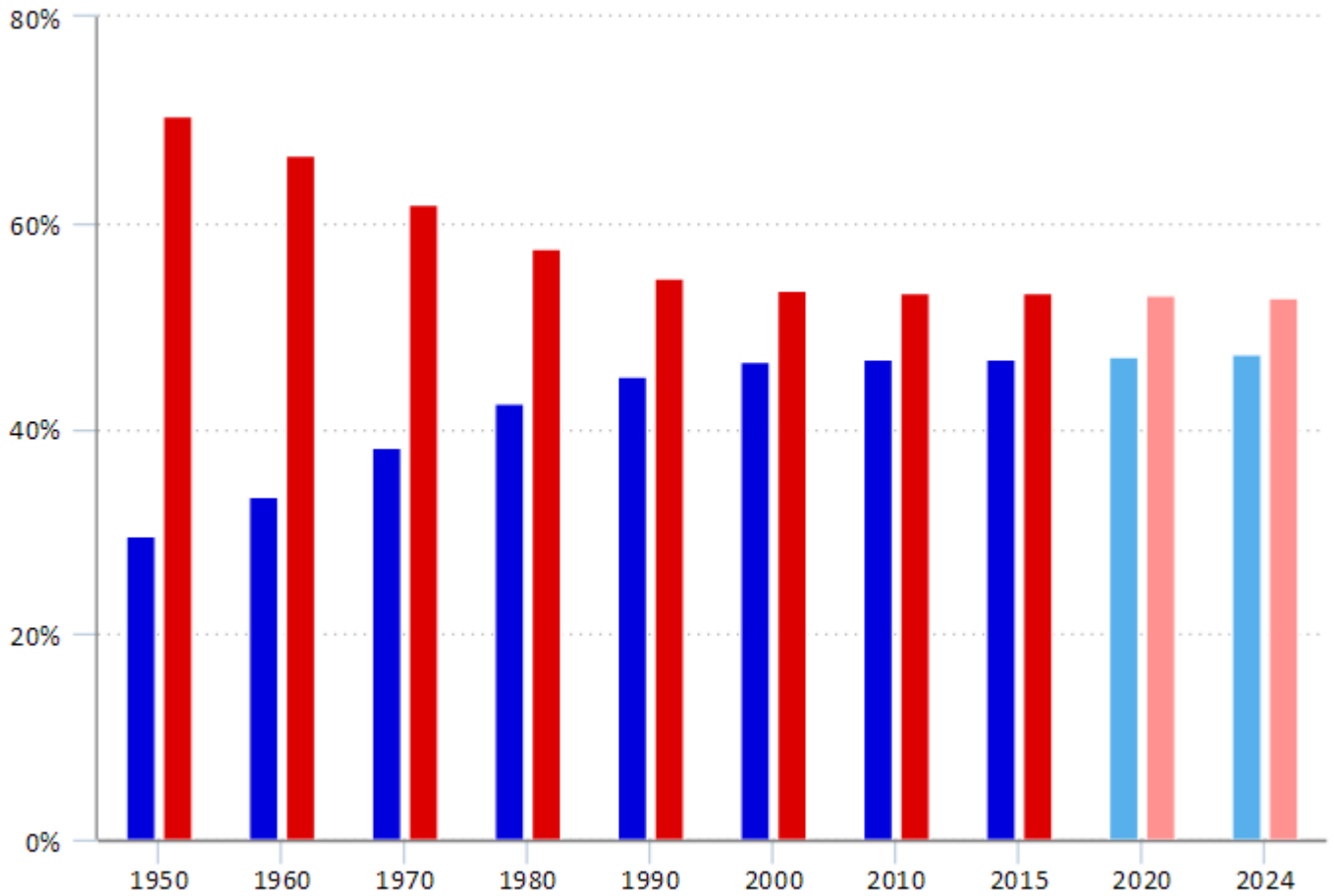
Share of labor force held by women continues to grow

As a result of the surge in the women's labor force participation rate from the 1960s to 1990s and large numbers of women in the baby-boom generation entering the labor market, the share of women in the labor force progressively increased. In 1950, there were 18.4 million women in the labor force, which accounted for about one-third of the total labor force. In 2000, there were 66.3 million women in the labor force, who made up 46.5 percent of the total labor force. By 2015, the number of women in the labor force had increased to 73.5 million, comprising 46.8 percent of the overall labor force. According to BLS projections, the number of women in the labor force will increase to 77.2 million in 2024 for a 47.2 percent share.

The gender gap has significantly narrowed in the past several decades. Men made up more than two-thirds of the labor force in 1950. By 2000, the gap between the share held by women and by men had narrowed to just 7.0 percentage points. By 2024, the gender gap is projected to be 5.6 percentage points.

Women's and men's share of labor force, 1950–2015 and projected to 2024

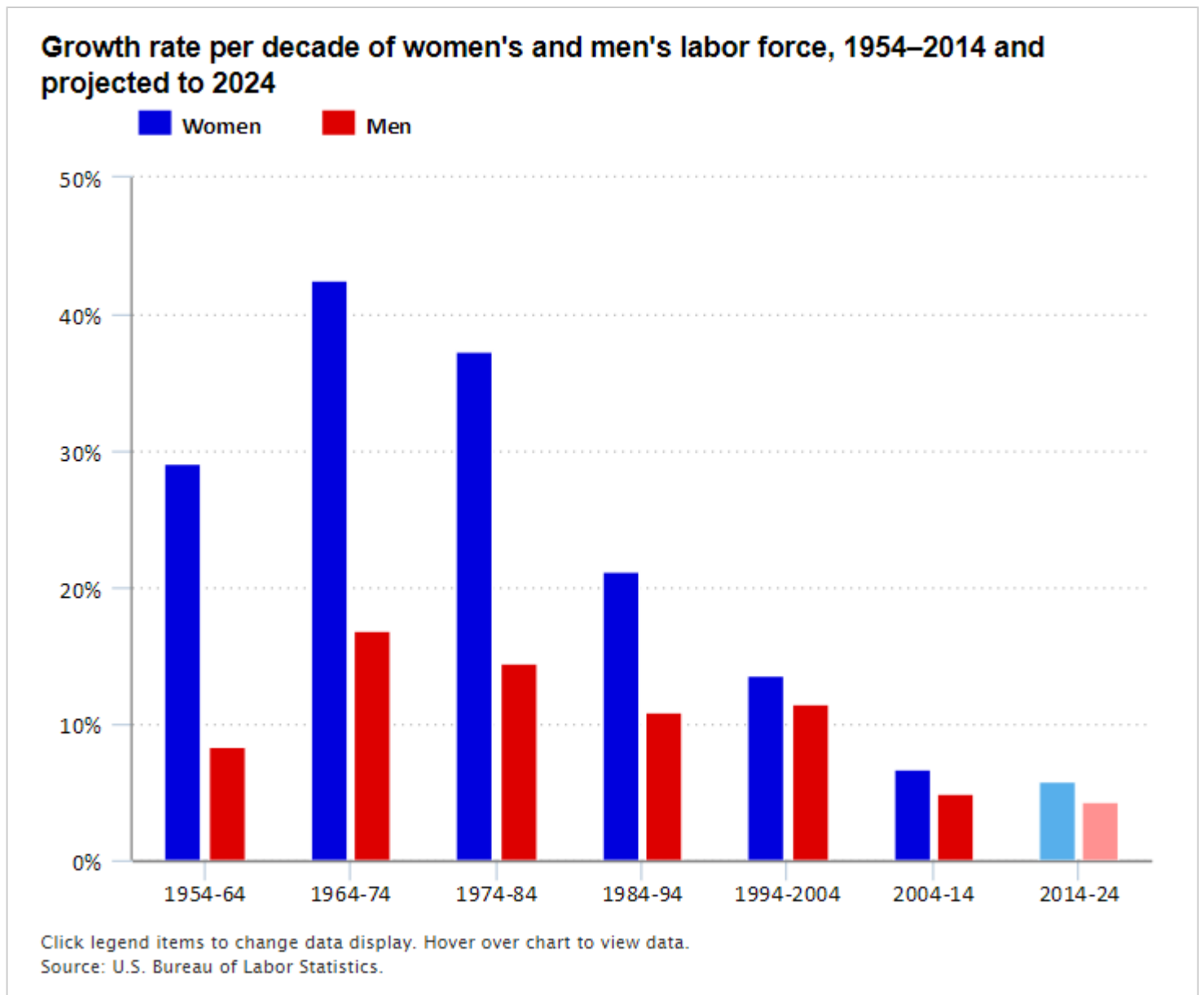
■ Percent women in overall labor force ■ Percent men in overall labor force



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

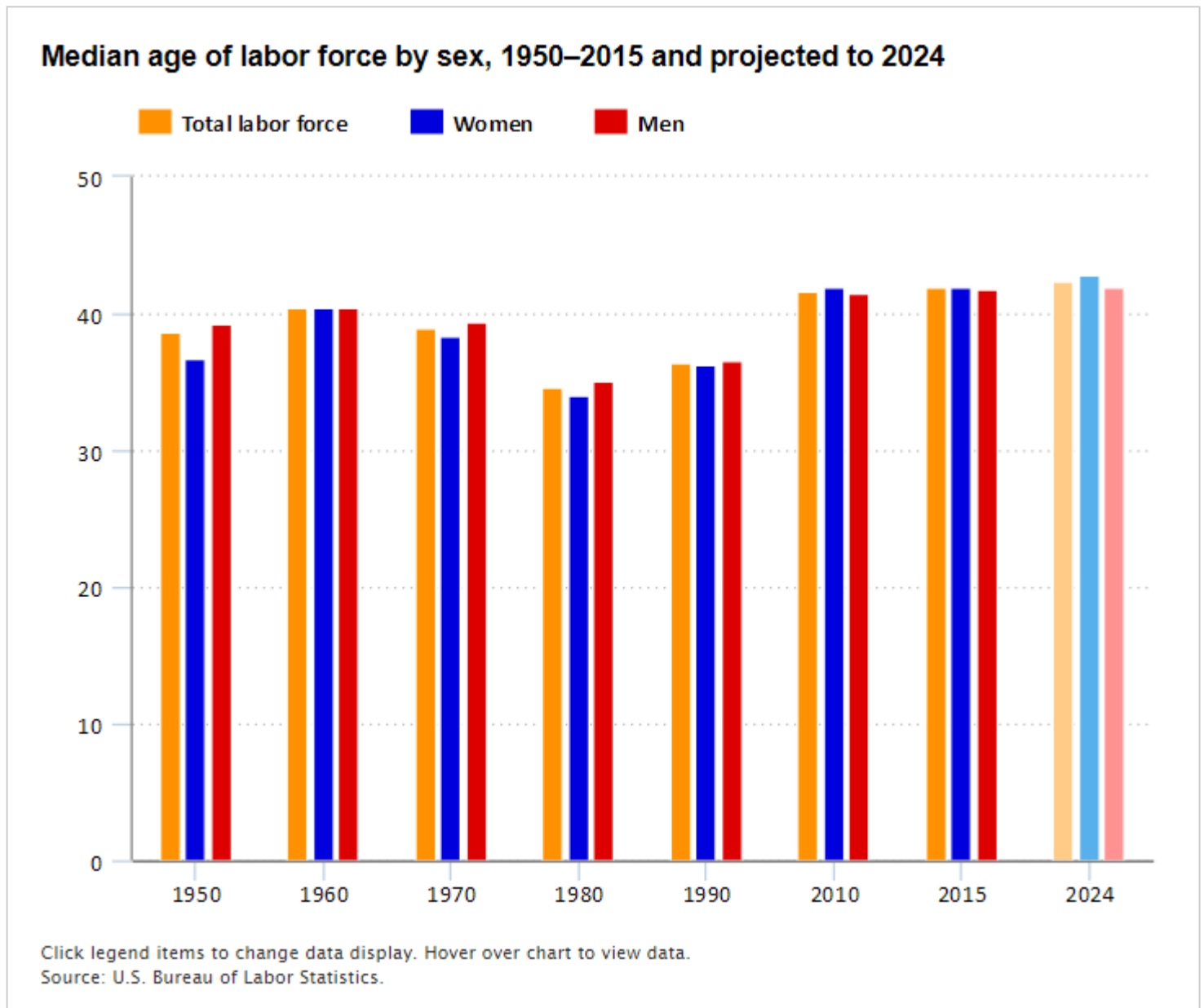
Labor force of women continues to grow at a higher rate than the labor force of men

The percent growth of the labor force for women has been greater than for men for the past six decades. The first wave of the baby boomers began entering the labor force in the early 1960s. From 1964 to 1974, the women's labor force grew by 43 percent, compared with growth of about 17 percent for men. As the remainder of the baby boomers entered the labor force through the early 1980s, the women's labor force continued to display impressive growth. The gap between the women's and men's growth rates narrowed through the next decades. From 2014 to 2024, the growth in the women's labor force is projected to be a bit larger than that for men—5.8 percent compared with 4.4 percent.



The median age of the labor force is increasing

The median age summarizes the age distribution of the labor force; it is the age at which half the labor force is above it and half below. The median age points to a rapid aging of the U.S. labor force, which has had a measurable impact on labor market behavior such as participation rates. As the baby-boom generation entered the labor force, the median age of the labor force decreased steadily until 1980. Since then, as the baby boomers have aged, so has the labor force. For the decades before 2000, the men's labor force has been older than the women's labor force. However, since 2000, the median age of the women in the labor force has surpassed that of men. This trend is expected to continue in the future, reflecting the higher level of labor force participation of older women than in previous decades.



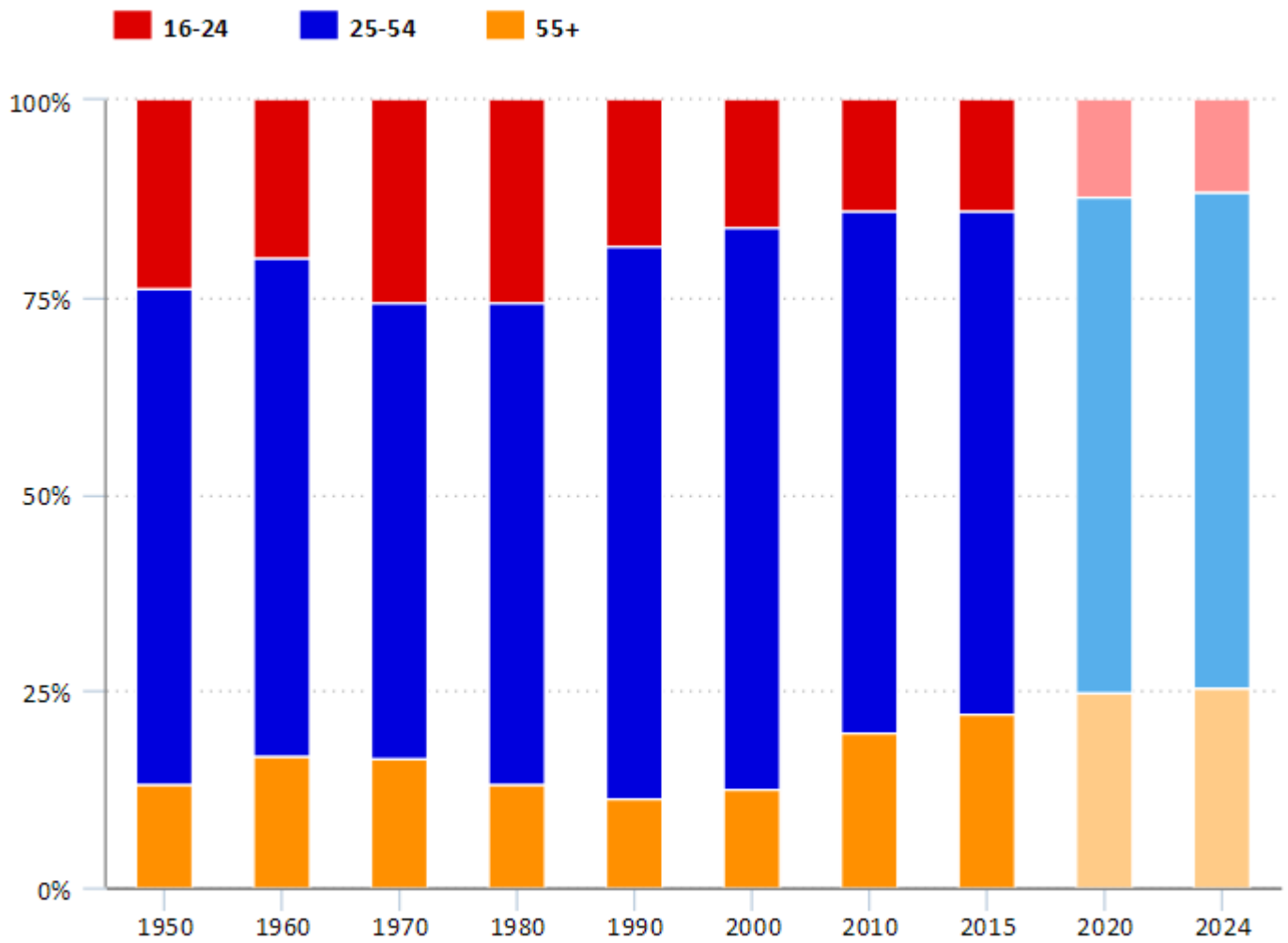
Older women projected to increase their share of female labor force

Over time, women born during the baby boom have affected the shares of each age group in the labor force. For young women, 16 to 24 years old, their highest share in the labor force of women was 27.4 percent in 1975. The share held by young women has declined since then and is expected to decline further by 2024, to 11.6 percent.

Women 25 to 54 years old increased their share of the women's labor force from the 1980s until 2000. Since then, their share of women in the labor force has declined. BLS expects the share held by women ages 25 to 54 to decline even more and account for 61.3 percent of the women's labor force in 2024.

Since 2000, the share of women 55 years and older increased from 12.6 percent of the women's labor force in 2000 to 22.2 percent in 2015. Their share is projected to grow to 25.3 percent of the women's labor force in 2024.

Share of women's labor force by age group, 1950–2015 and projected to 2024



Click legend items to change data display. Hover over chart to view data.
 Source: U.S. Bureau of Labor Statistics.

Labor force participation rate of women by age groups

The labor force participation rate of 16- to 24-year-old women reached its high point of 64.6 percent in 1987. It has declined considerably since 2000. This decline is expected to continue and the rate is projected to be 48.6 percent in 2024. Increased school enrollment is a major reason for the declining participation rate of young people. Also, their participation rate is affected by economic downturns and expansions and competition from older workers and foreign-born workers for jobs.

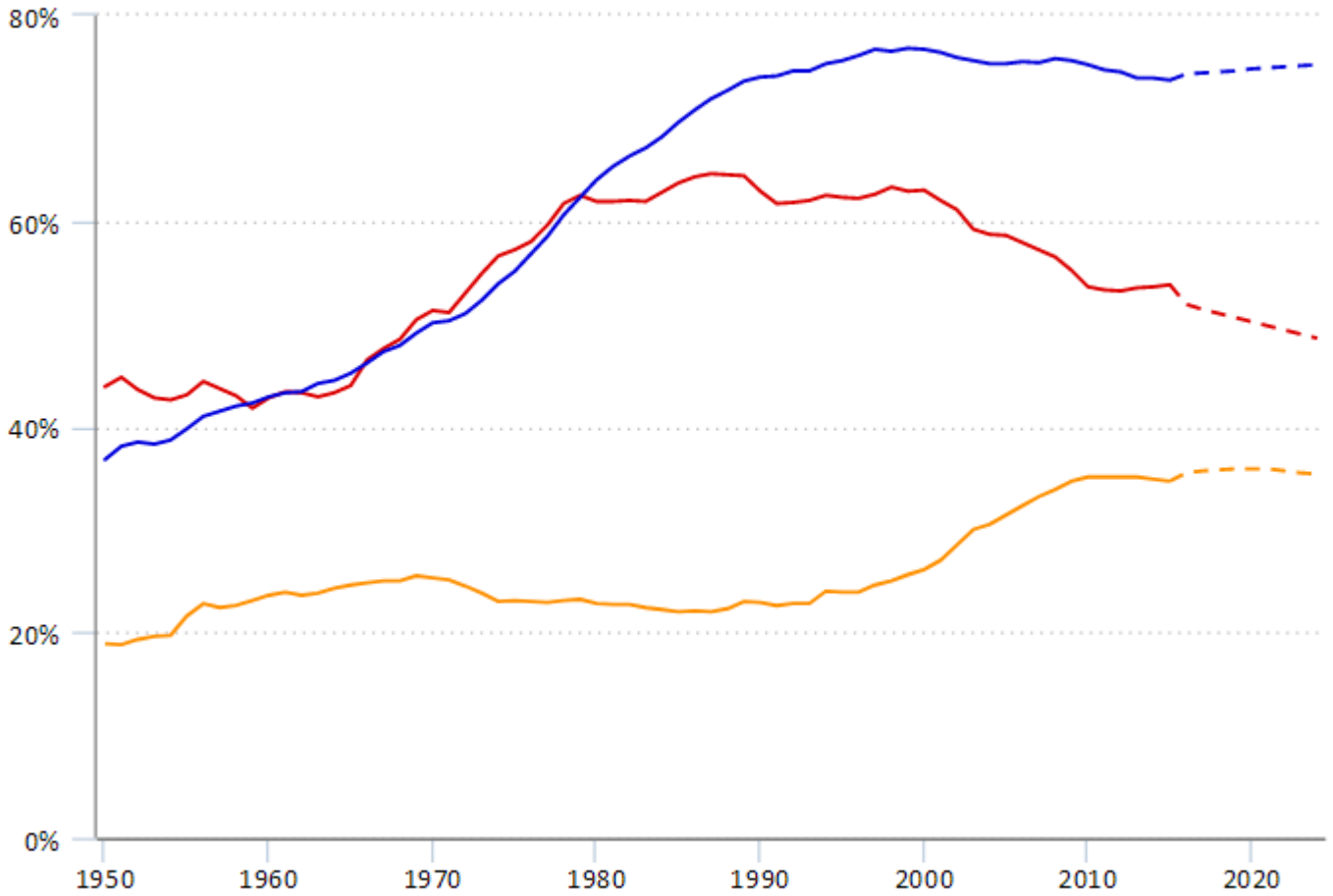
Women's labor force participation rates are at their highest when they are in the 25- to 54-year-old age group. Since 1999, the participation rate of women in this age group has declined. The labor force participation rate for this age group is least sensitive to economic downturns because people in this age group typically have gained the necessary skills and experience and have strong ties to the labor market. By 2024, the labor force participation rate of women ages 25 to 54 is projected to trend up to 75.2 percent. This is mainly due to a higher projected labor force participation rate for 45- to 54-year-old women.

The labor force participation rate of women age 55 and older, which had increased to 26.1 percent in 2000, reached its peak in 2010, at 35.1 percent, and remained there until 2013. Their participation rate edged down to 34.7 percent by 2015. By 2024, their rate is projected to edge up to 35.4 percent.

The historical, sharp increase in participation for older women can be traced to several reasons. Older women are living longer and healthier lives than in the past. Today's older women are more educated and more skilled than ever before. Higher education levels result in higher participation in the labor market. Other factors include an increase in the Social Security retirement age and the elimination of the Social Security earnings test. Also, more employers are offering defined contribution retirement plans instead of defined benefit plans, which means more uncertainty about retirement savings. In addition, women may continue working to keep their employer-provided health insurance.

Labor force participation rates of women by age, 1950–2015 and projected to 2024

— 16-24 — 25-54 — 55+
- - 16-24, projected - - 25-54, projected - - 55+, projected



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

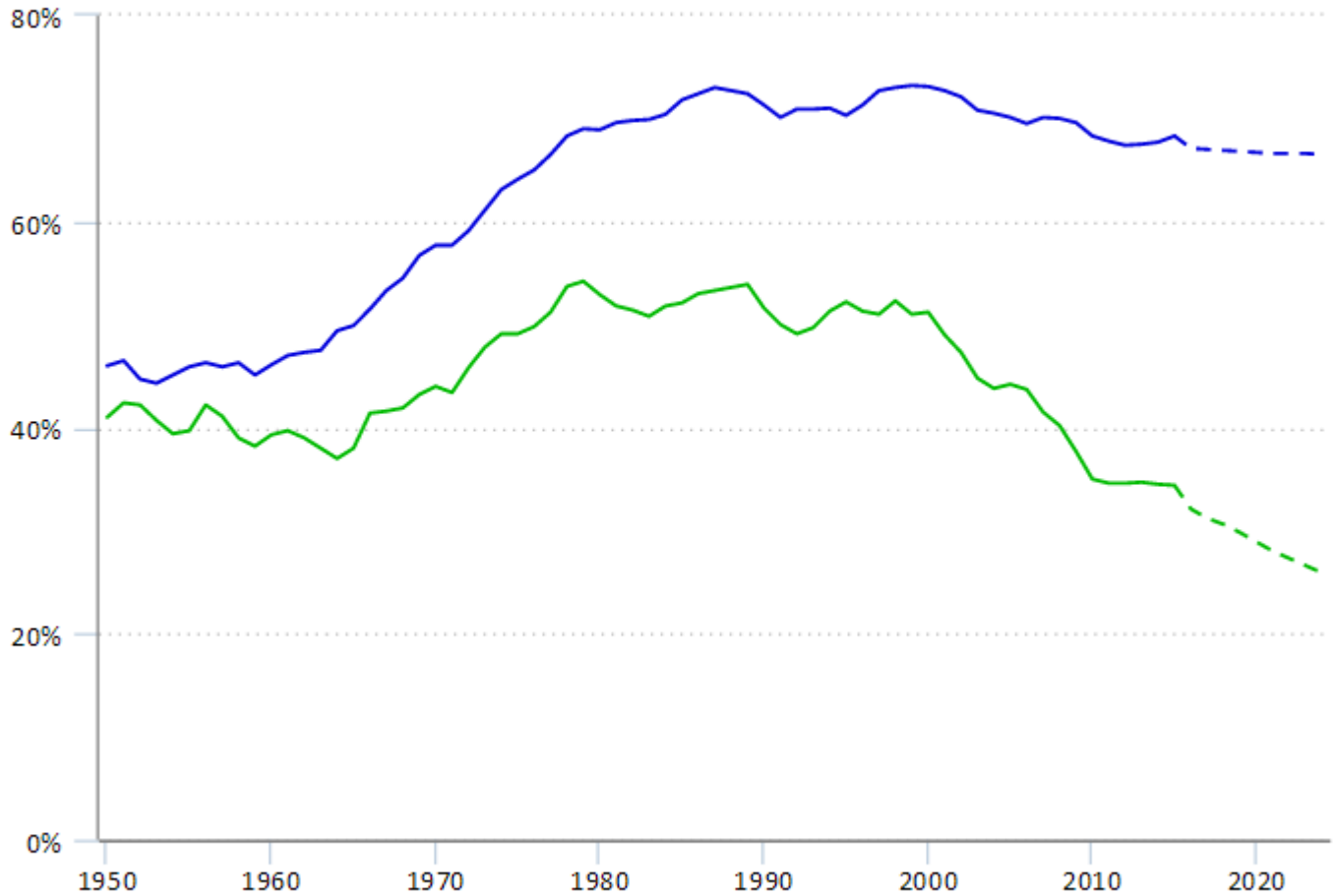
Most of decline of labor force participation of young women attributable to teenagers

A significant decline in the labor force participation rate of 16- to 24-year-old women has pushed down the overall participation rate of women in the past 15 years. The labor force participation rate of women in their teenage years (16–19) reached its peak in 1989, at 53.9 percent, and has since been on a declining trend. The rate has declined by nearly 17 percentage points since 2000. The high point of the labor force participation rate of 20- to 24-year-old women was in 1999, at 73.2 percent. Since 2000, this rate also declined for a drop of nearly 5.0 percentage points by 2015. Increased school enrollment, economic downturns, and competition for jobs have contributed to lower participation rates for young women.

The projected labor force participation rate of teenage women, at 25.9 percent in 2024, reflects a decline of 7.0 percentage points since the latest recession. The projected decline for women ages 20 to 24 for the same time period is smaller—2.6 percentage points—to 66.5 percent.

Labor force participation rates of young women by age, 1950–2015 and projected to 2024

- 16-19
- 20-24
- 16-19, projected
- 20-24, projected



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Women ages 45 to 54 are projected to have higher labor participation rates than younger women

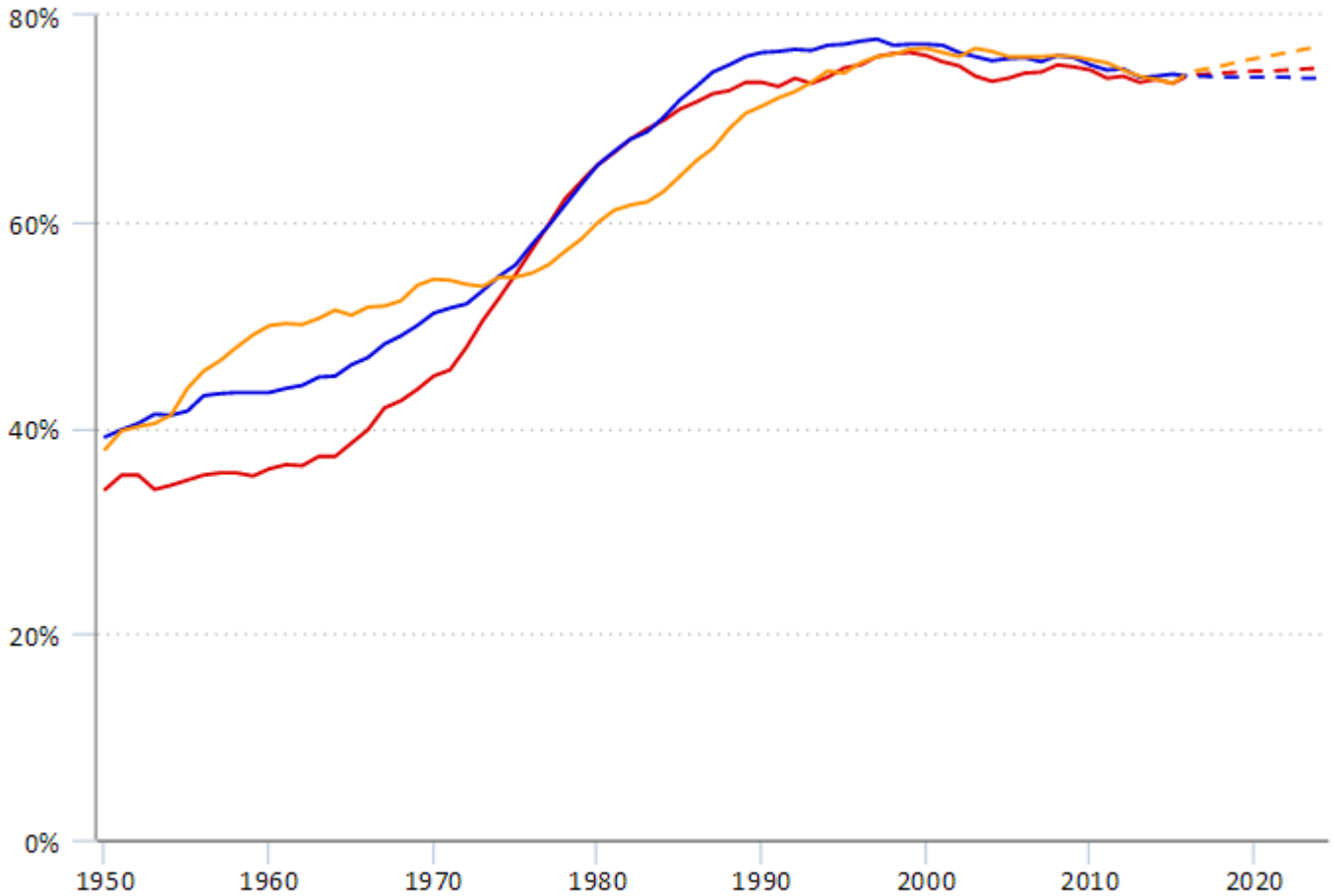
All groups of women in the 25- to 54-year-old age group (25 to 34, 35 to 44, and 45 to 54) have experienced decreases in their participation rates since 2000. Along with the decline in participation rates of 25- to 54-year-old women, their relative share has also decreased—from 72.4 percent of the labor force of women in 1996 to 63.8 percent in 2015. An important factor in this declining share has been the effect of the cohorts of women born from 1965 to 1975. In 2015, these women were between 40 and 50 years old. Both the declining size of the age group and their declining labor force participation rates have put downward pressure on the overall participation rate of women.

There has also been a long-term shift in the age composition of women within the 25–54 age group. The shares of women ages 25 to 34 and 35 to 44 with higher participation rates have fallen, while the share of women ages 45 to 54 has risen. This has pushed down the overall labor force participation rate of women ages 25 to 54.

The rates for 25- to 34-year-old women and 45- to 54-year-old women have tracked closely together in recent years and were the same in 2015—73.4 percent. By 2024, the participation rate of 45- to 54-year-old women is projected to be 77.0 percent and the rate for 25- to 34-year-old women to be 74.9 percent. The projected rate of 35- to 44-year-old women—73.9 percent—will change little.

Labor force participation rates of women ages 25–54 by age, 1950–2015 and projected to 2024

— 25-34 — 35-44 — 45-54
- - 25-34, projected - - 35-44, projected - - 45-54, projected



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

Labor force participation rate of older women is projected to increase

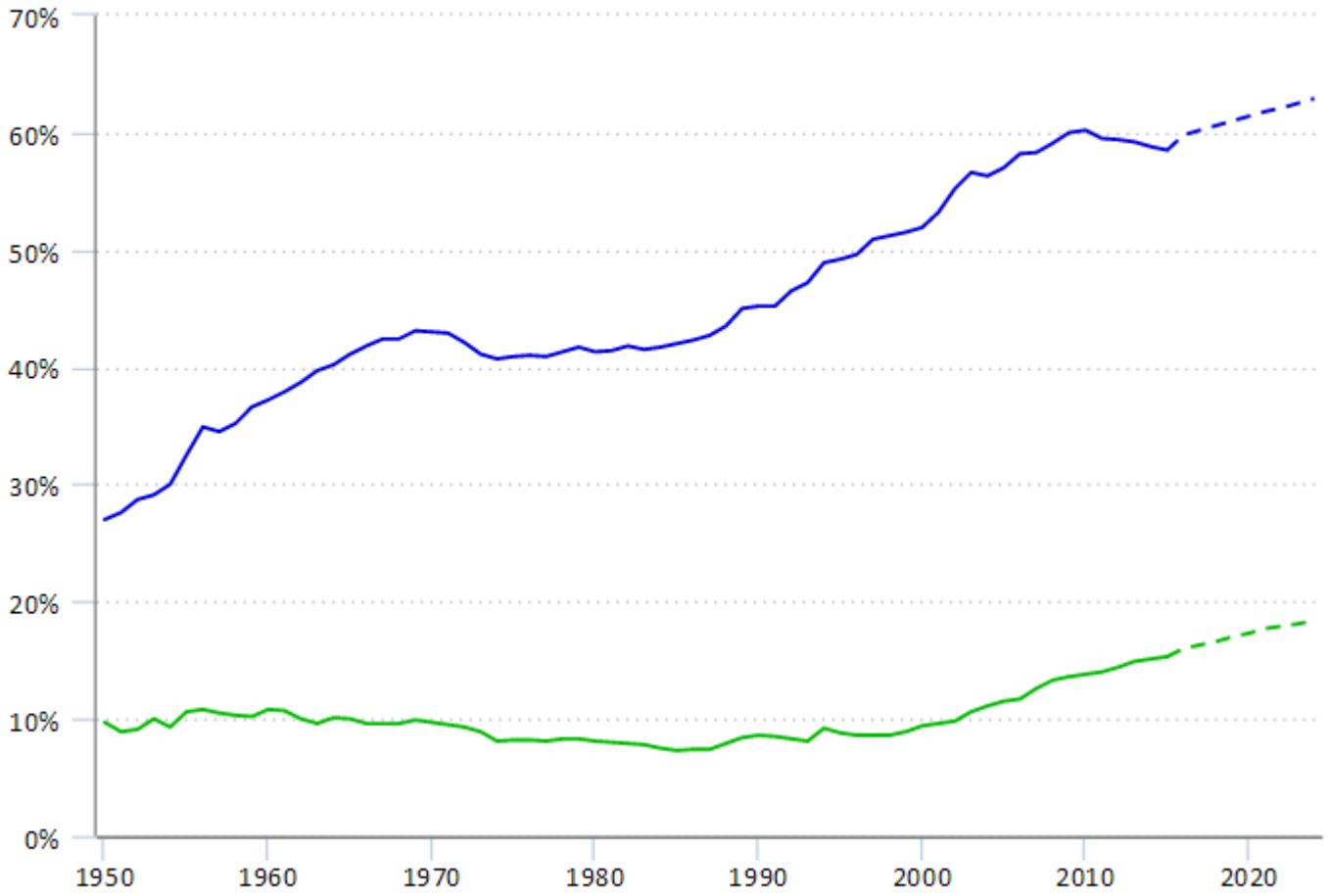
The labor force participation rates of older women have been increasing significantly since the end of the 1990s and are projected to continue to do so in the next 10 years.

The labor force participation rate of 55- to 64-year-old women increased by 6.6 percentage points, from 51.9 percent in 2000 to 58.5 percent in 2015. Their rate is projected to be even higher in 2024—62.9 percent. Even women age 65 and older saw their participation rate rise since 2000—from 9.4 percent to 15.3 percent in 2015. BLS projects their rate to increase to 18.4 percent in 2024.

With the aging of the baby-boom generation, people age 55 and older are expected to make up a much larger share of both the population and the labor force than in the past. Because age is a major determinant of the labor supply, the aging of the U.S. population will lower the labor force participation rates of women, men, and the overall rate, which in turn affects the growth of the labor force.

Labor force participation rates of women ages 55+ by age, 1950–2015 and projected to 2024

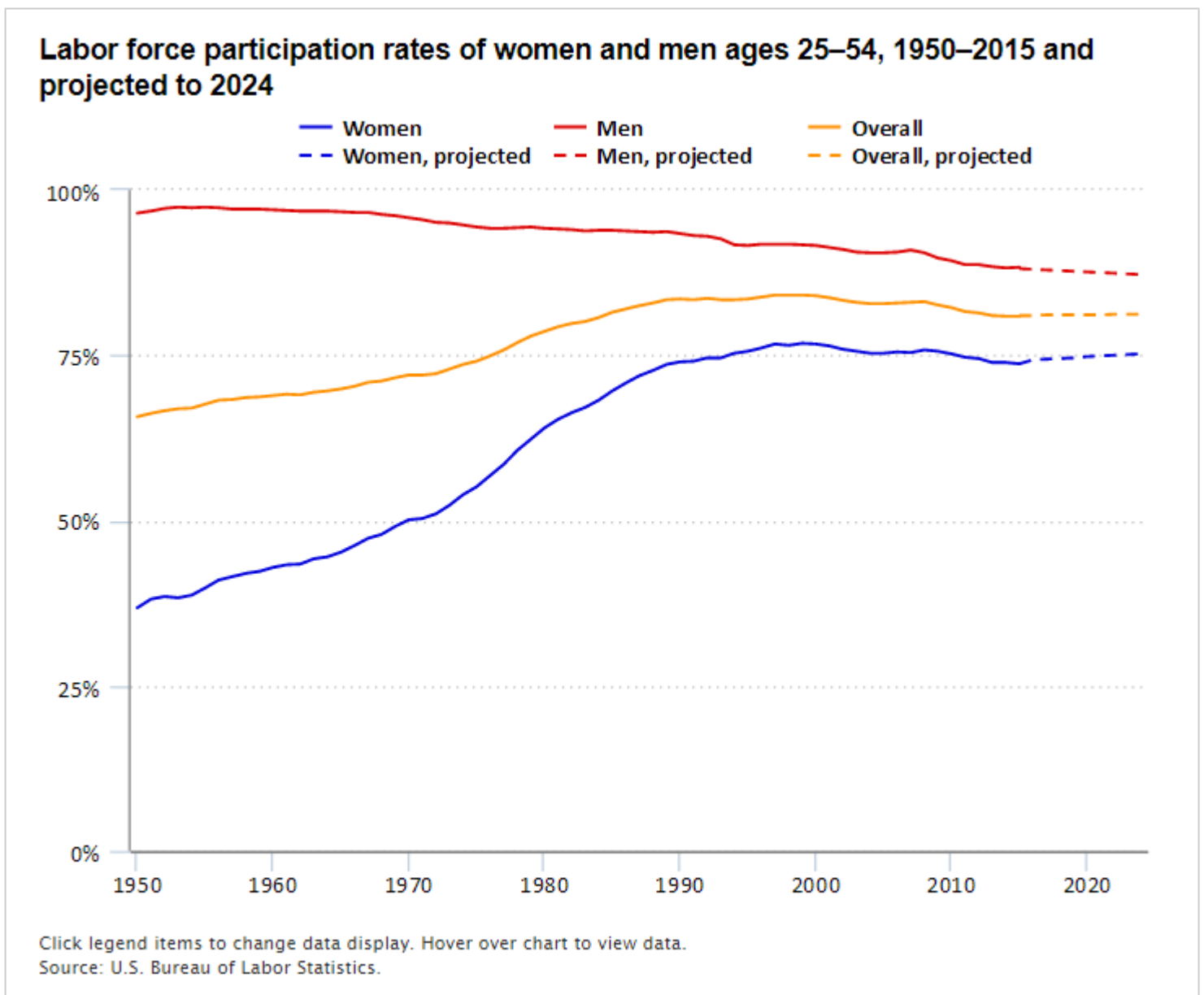
— 55-64 — 65+
- - 55-64, projected - - 65+, projected



Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

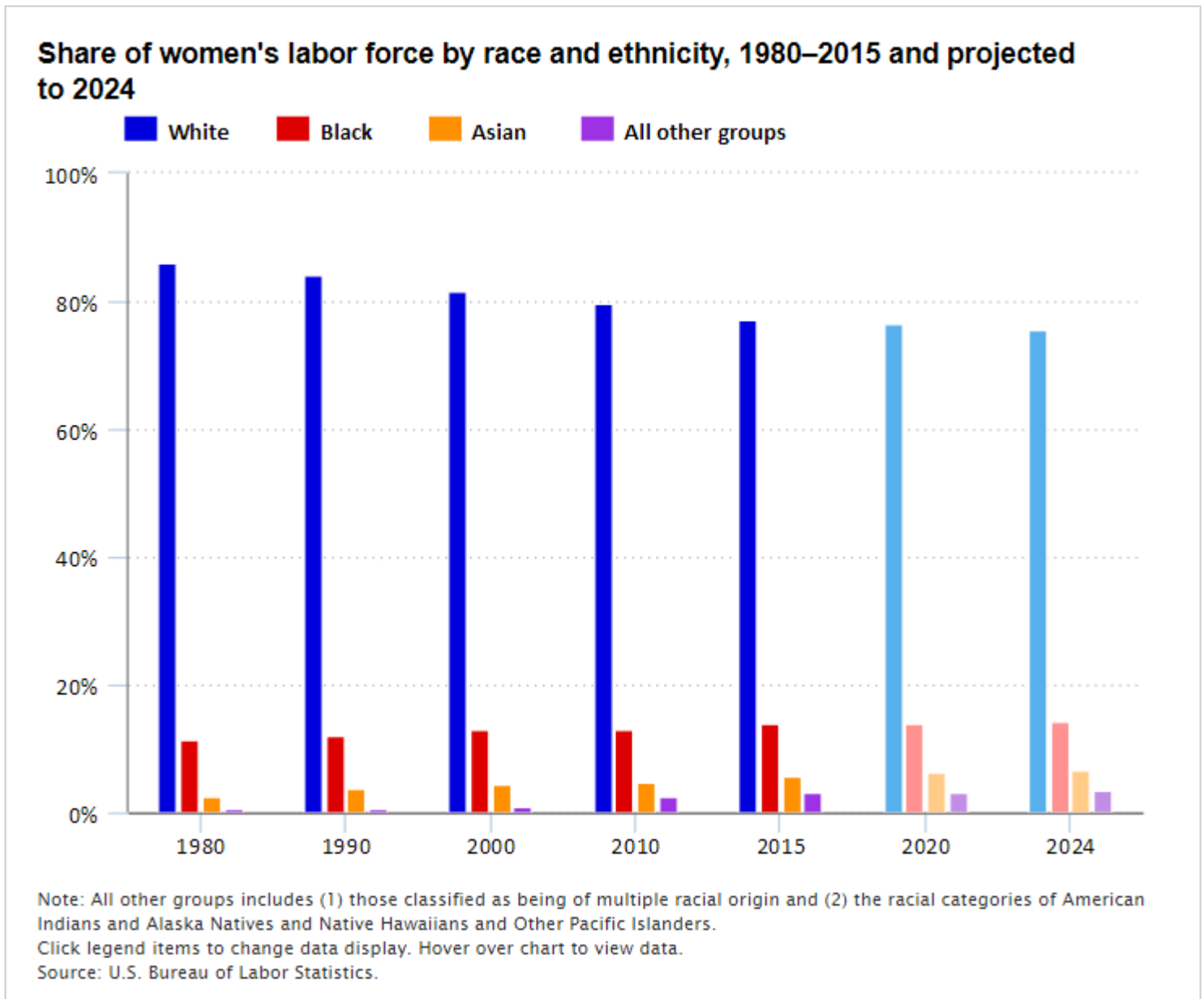
Labor force participation of women ages 25 to 54 projected to rise slightly

The overall participation rate of people ages 25 to 54 increased from 65.7 percent in 1950 to 84.1 percent in 1999 because of the increasing participation of women for this age group. The increasing participation of women not only caused the overall rate for the age group to increase but offset declines in the men's participation rate. Between 1950 and 1999, women ages 25 to 54 increased their rate of labor force participation from 36.8 percent to 76.8 percent. The participation rate of men in this age group declined from 96.5 percent to 91.7 percent over the same period. Since then, the rates for this age group have declined for women, men, and overall. BLS projects the labor force participation rate of women ages 25 to 54 will rise slightly to 75.2 percent in 2024, while the men's rate will continue its decline, to reach 87.2 percent in 2024. The overall participation rate of the 25–54 age group is projected to rise slightly, to 81.2 percent in 2024.



Labor force of women projected to become more diverse

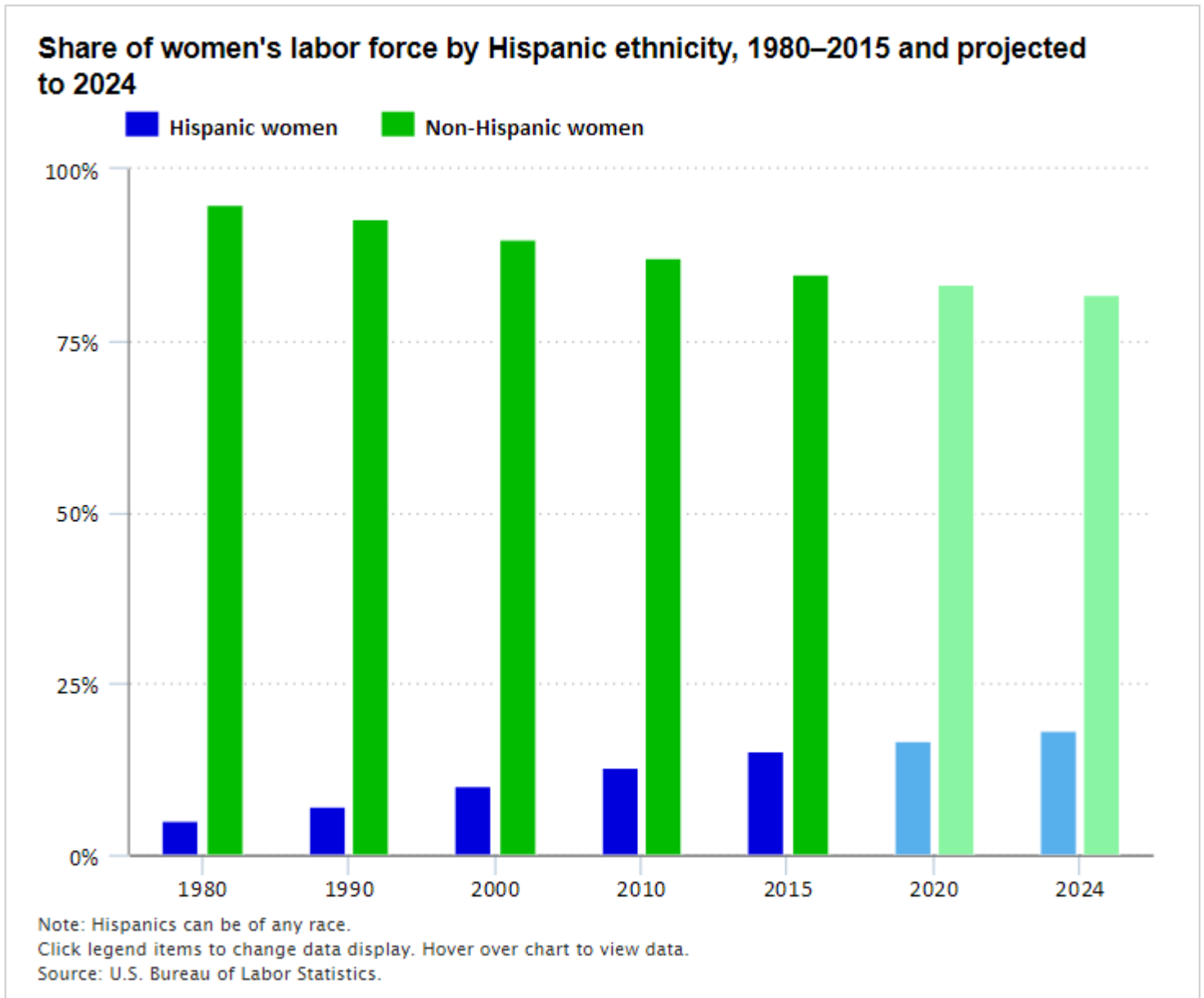
Reflecting the greater racial and ethnic diversity in the population, labor force diversity has also increased in the past several decades for both women and men. Over the next 10 years, the women's workforce will become even more racially and ethnically diverse. Immigration is the main engine of population and labor force growth. White women are projected to retain the largest share of the women's labor force in 2024, but their share is projected to decline to 75.5 percent. The shares of the women's labor force held by Asians, Blacks, and "all other groups" are projected to increase in the next decade.



Hispanics make up growing share of female labor force

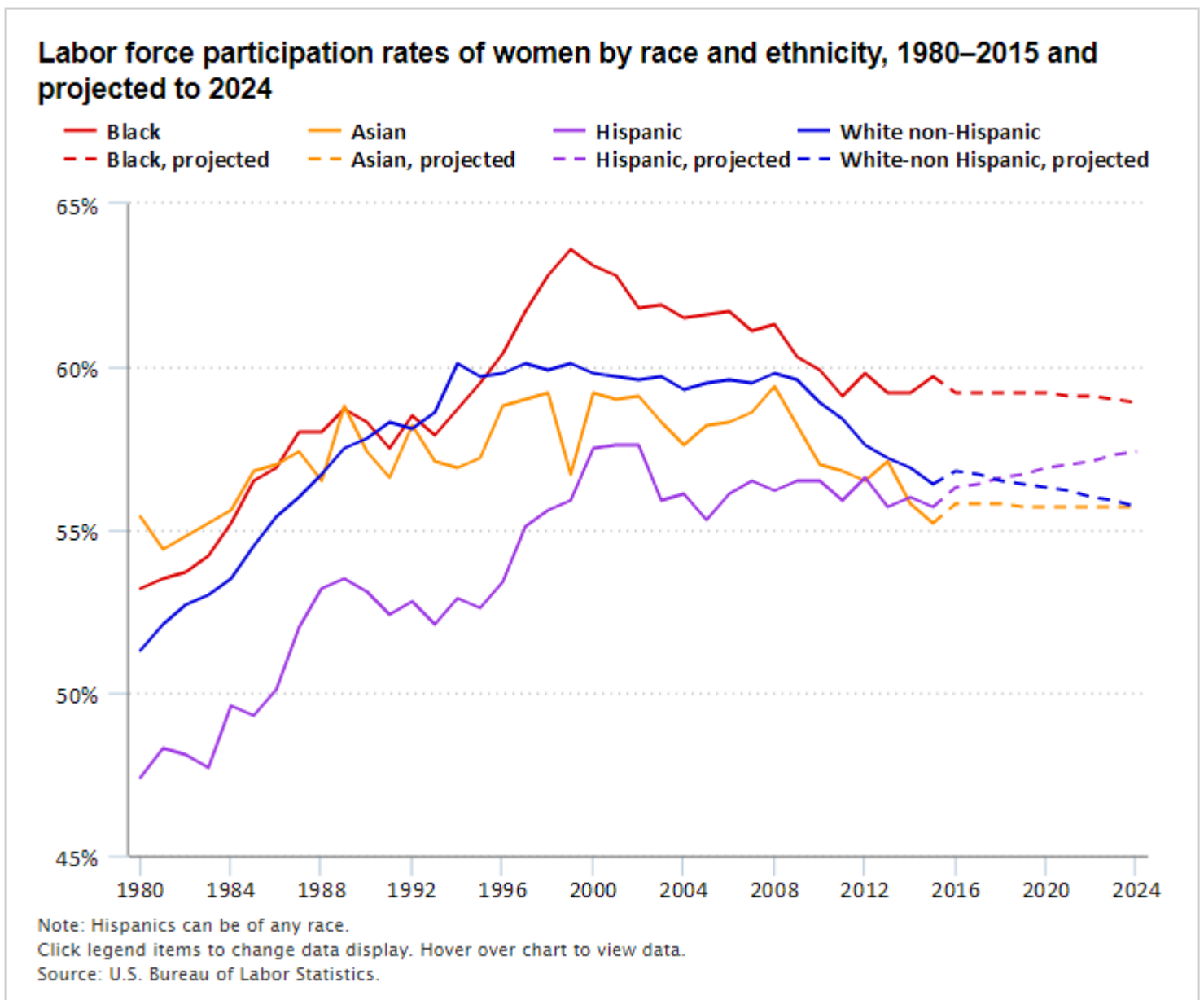
The women's labor force has become more diverse in recent decades, as the share held by Hispanics has grown. In 1980, Hispanic women comprised just 5.1 percent of the women's labor force. By 2024, they are projected to account for 18.1 percent of the women's labor force. Hispanics can be of any race.

At the same time, the share of the women's labor force held by non-Hispanics has been declining and is projected to fall further by 2024.



Labor force participation rate of Hispanic women projected to increase

The labor force of women has become more diverse in the past several decades, with increasing shares of Hispanic, Asian, and Black women. Black women have the highest labor force participation rate and Hispanic women the lowest. White non-Hispanic women have had the second highest labor force participation rate (after Black women). The labor force participation rates of women in each race and ethnic group increased from the 1960s to the 1990s. However, rates peaked at the end of the 1990s and started declining around 2000. BLS projects that the Asian women's labor force participation rate will trend up in the next 10 years and converge with the rate for White non-Hispanic women in 2024. The White non-Hispanic women's rate is projected to move down to 55.7 percent in 2024. The Black women's participation rate is projected to decline slightly to 58.9 percent. The labor force participation rate of Hispanic women is projected to increase to 57.4 percent in 2024.



More information

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The historical demographic data on labor force participation rates are from the Current Population Survey. The Current Population Survey, a monthly survey of about 60,000 households, is conducted by the U.S. Census Bureau for the Bureau of Labor Statistics. The survey provides statistics on the employment and labor force status of the civilian noninstitutional population 16 years and older. The 2014–24 BLS labor force projections are based on the U.S. Census Bureau's projections of the resident population in 2012.

The **labor force** consists of employed people and those people without a job who are actively searching for work and are available for work. The **labor force participation rate** is the percentage of the population who participates in the labor force. The BLS 2014–24 labor force projections are the basis for the charts in this article. Data for 2015 are actual data. Hispanics can be of any race.

The "all other groups" category includes 1) those classified as being of multiple racial origin and 2) the racial categories of American Indians and Alaska Natives and Native Hawaiians and other Pacific Islanders. Estimates for American Indians and Alaska Natives and Native Hawaiians and Other Pacific Islanders are not available separately prior to 2003.