



**Congressional
Research Service**

Informing the legislative debate since 1914

The COVID-19 Pandemic: Labor Market Implications for Women

December 8, 2020

Congressional Research Service

<https://crsreports.congress.gov>

R46632



The COVID-19 Pandemic: Labor Market Implications for Women

The Coronavirus Disease 2019 (COVID-19) pandemic dramatically disrupted the labor force in early 2020 as businesses closed or reduced operations and consumer demand shifted away from in-person commerce. The swift drop in economic activity translated into widespread and massive employment loss. This report considers the implications for women, who disproportionately lost employment during the early months of the pandemic; as 2020 comes to a close, labor market data suggest that to some degree these losses may be lasting.

Women's employment declined by 17.8% (13.3 million fewer women were employed) between January 2020 and April 2020. In contrast, men's employment declined by 14.3% between January and April. Employment loss (as a share of January employment) for Black women and Hispanic women has been considerable and exceeded that of other groups. Women's employment has recovered to some extent since April, with particularly large gains in October. In that month, women's employment was 6% below January values, and men's employment was lower by about 5%. However, with COVID-19 cases spiking and new business restrictions being reintroduced this fall, some of the recent employment gains could reverse in the near term. If so, women may again bear a disproportionate burden of employment losses.

Two forces placed significant downward pressure on women's employment in early 2020. First, women are more concentrated in the jobs most affected by business closures and restrictions. Second, women appear to have disproportionately reduced employment in response to caregiving needs, which increased as schools closed and family members became ill or needed assistance in quarantine.

In the near term, some women may disengage from the labor market or shift into work, to the extent that it is available, that allows them to minimize the likelihood of COVID-19 exposure or accommodate caregiving responsibilities. These changes can have lasting impacts on women's labor outcomes. Lower labor engagement can lead to fewer opportunities for advancement (e.g., promotion, training) and less work experience, slowing wage growth and affecting future employability. This can have lasting negative effects at the individual and macroeconomic levels, including increased inequality—both between sexes and among women—and lost productivity.

R46632

December 8, 2020

Sarah A. Donovan
Specialist in Labor Policy

Marc Labonte
Specialist in
Macroeconomic Policy

Contents

Introduction	1
Labor Market Outcomes in 2020	1
Women are Concentrated in the Most Affected Occupations and Industries.....	2
COVID-19 Pandemic Caregiving and Women’s Labor Supply	3
Women’s Employment Loss by Race and Hispanic Ethnicity	6
Longer-Term Implications for Women in the Labor Force.....	7
Effects on Current and Future Employment	7
Effects on Employment and Earnings Inequality.....	9
Inequality Among Women	9
Employment and Earnings Gaps Between Women and Men.....	11
Potential Macroeconomic Impacts	12
Interaction with Long-Term Trends in Women’s Employment.....	13

Figures

Figure 1. Employment Levels and Unemployment Rates, by Sex.....	1
Figure 2. Average Usual Hours Worked and Actual Hours Worked, by Sex	2
Figure 3. Percentage Change in Monthly Employment since January 2020, by Sex and the Presence of a Minor Child in the Worker’s Home.....	5
Figure 4. Percentage Change in Monthly Employment since January 2020 among Married and Unmarried Mothers.....	5
Figure 5. Percentage Change in Women’s Employment since January 2020, by Race and Hispanic Ethnicity.....	6
Figure 6. Women’s Unemployment Rate, by Race and Hispanic Ethnicity	7

Tables

Table 1. Women’s Median Weekly Earnings and Percentage Change in Women’s Employment, by Major Occupation Group.....	9
Table A-1. Change in Employment Between January and April 2020, by Industry	15
Table A-2. Change in Employment Between January and April 2020, by Occupation.....	16

Appendixes

Appendix. Change in Employment Between January and April 2020, by Industry and Occupation.....	15
---	----

Contacts

Author Information	16
--------------------------	----

Introduction

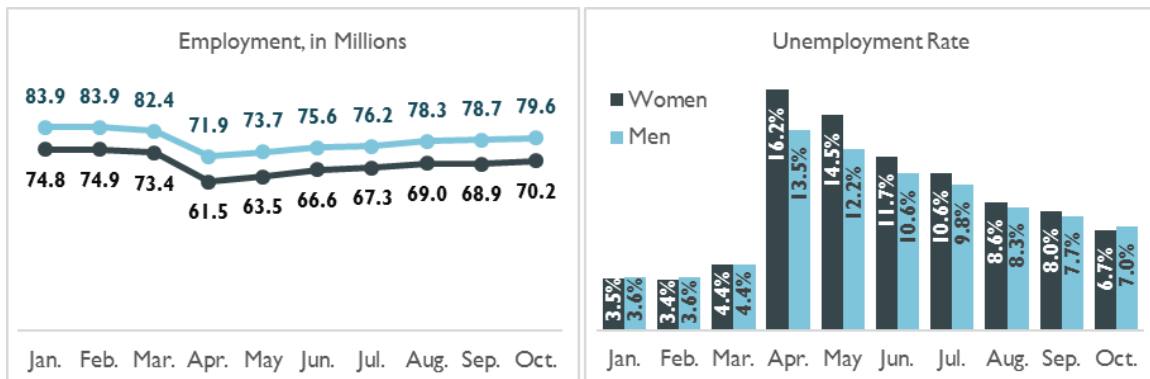
The Coronavirus Disease 2019 (COVID-19) pandemic dramatically disrupted the labor force in early 2020 as businesses closed or reduced operations and consumer demand shifted away from in-person commerce. The swift drop in economic activity translated into widespread and massive employment loss. This report considers the implications for women, who disproportionately lost employment during the early months of the pandemic; as 2020 comes to a close, labor market data suggest that to some degree these losses may be lasting.

Labor Market Outcomes in 2020

Women’s employment declined sharply in early 2020, in response to the COVID-19 pandemic. The number of employed women declined by 13.3 million, a 17.8% drop, between January and April (the month in which overall unemployment peaked), and women’s unemployment rate rose to 16.2% (a 12.7 percentage point increase) over that period (**Figure 1**). Men’s employment declined to a considerable but lesser extent than women’s. Between January and April, men’s employment levels fell by 12 million (a 14.3% decrease) and their unemployment rate rose to 13.5%.¹

Employment levels have increased steadily since April 2020, but as of October women’s and men’s employment were both more than 4 million workers below January levels (4.6 million for women and 4.3 million for men). Unemployment rates in October were more than three percentage points above their January values. While women continued to be more affected by the pandemic through October, the gender gap in (absolute) employment losses has closed partially since April. The upward trend in employment is welcome news, but the pandemic and its economic impacts do not appear to be ending. With COVID-19 cases spiking and new business restrictions being reintroduced in fall 2020, some of the recent employment gains could reverse in the near term. If so, women may again bear a disproportionate burden of employment losses.

Figure 1. Employment Levels and Unemployment Rates, by Sex
January to October 2020



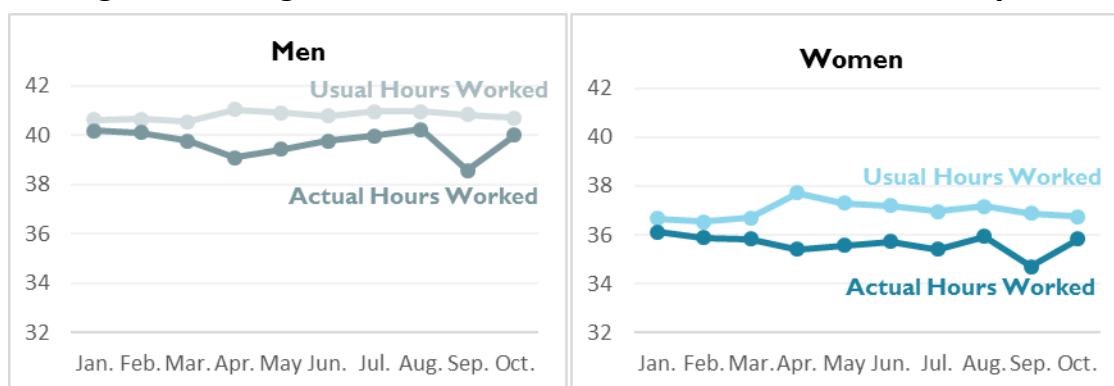
Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS).

Notes: Sample is non-institutionalized civilian population, ages 16 and older. Data are seasonally adjusted.

¹ Unemployment may have been underreported because of misclassification error, especially early in the pandemic. For more information, see CRS Insight IN11456, *COVID-19: Measuring Unemployment*, by Lida R. Weinstock.

Among employed workers—both men and women—actual hours worked started to diverge from usual hours worked starting in March 2020, with the largest gap in April.² Thereafter, actual hours worked started to rise, before dropping sharply in September for both sexes—possibly in response to the start of the school year.³ Actual hours worked rose for both women and men between September and October. In October, the gap between usual hours and actual hours worked narrowed, but a portion of this was due to a decline in usual hours worked.

Figure 2. Average Usual Hours Worked and Actual Hours Worked, by Sex



Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS).

Notes: Sample comprises the employed non-institutionalized civilian population, ages 16 and older. The rise in usual hours worked in April 2020 likely reflects larger job losses among part-time workers.

Women are Concentrated in the Most Affected Occupations and Industries

One reason that women's employment dropped drastically relative to men's at the onset of the pandemic is that industries and occupations most affected by the pandemic had high shares of women workers. Between January and April 2020, the total number of employed workers (male and female) declined by about 23.7 million, with three industries making up more than half of that loss (**Table A-1**). About 25% of lost employment was in leisure and hospitality, nearly 20% was in education and health services, and almost 15% was in wholesale and retail trade. Large losses in these sectors are not unexpected as they feature in-person services and commerce in group settings, both of which were discouraged by public health guidance or restricted by state laws. Women are disproportionately represented in two of these industries and comprise a large share of the third: in January, women made up 74.5% of education and health services employment, 51.8% of leisure and hospitality workers, and 44.5% of wholesale and retail trade employment.

In terms of occupation, service jobs made up nearly one-third (33.2%) of total employment lost between January and April 2020, and professional and related jobs made up another 14% (**Table A-2**).⁴ Both occupational groups were majority female in January (58.6% and 56.4%,

² The Bureau of Labor Statistics (BLS) collects information on *usual hours*—the number of hours the respondent typically works at their job per week; and *actual hours*—the number of hours they actually worked during the survey reference week.

³ See the “COVID-19 Pandemic Caregiving and Women’s Labor Supply” section for a discussion of how virtual learning may interact with labor supply.

⁴ Per CPS occupational classification, the major occupation category *service jobs* includes health care support

respectively). In addition, sales and related jobs declined by almost 14% between January and April, and women made up nearly half of these workers (49.2%).

Not only did women's employment fall, but it *fell disproportionately* over the January to April 2020 period, such that the female share *declined* in several industries (including leisure and hospitality, education and health services, and wholesale and retail trade) and in all occupation groups.⁵ For example, whereas men lost about 2.7 million jobs (about a 40% loss) in the leisure and hospitality sector between January and April, women lost approximately 3.1 million jobs (a nearly 43% loss) in that sector. As a result of women's disproportionate loss—a 43% decline in women's employment in leisure and hospitality businesses compared to the 40% decline for men—women's share of employment in this sector fell from 51.8% in January to 50.5% in April (women's share continued to fall in this sector, and in October it was 49.7%).

COVID-19 Pandemic Caregiving and Women's Labor Supply

Recent research suggests that women's increased caregiving responsibilities related to the pandemic depressed labor supply, putting additional downward pressure on women's employment. By April 2020, all U.S. public schools had closed their buildings and moved millions of children home for online learning, and many daycare facilities closed or reduced operations in response to states' stay-at-home orders.⁶ These closures placed considerable pressure on working parents who, in short order, had to find a new balance between work and childcare needs. Social distancing guidelines that discouraged caregiving by family members (such as grandparents) and neighbors compounded this challenge and left many families with few options for care outside the home. Care for relatives infected by COVID-19 or whose normal paid caregiving was interrupted by COVID-19 (e.g., spouses or elderly parents) may have also fallen disproportionately on women.

Research indicates that these additional caregiving responsibilities were largely, but not exclusively, taken up by women.⁷ One study, for example, found that over the same time period working mothers living in states that were the first to close schools were considerably more likely to be absent from work than those in late closure states, but no such effect was observed for working fathers or for women without school age children.⁸ Another study found that among

occupations, protective services occupations, food preparation and serving related occupations, building and grounds cleaning and maintenance occupations, and personal care and service occupations. The major occupation category *professional and related* includes computer, engineering, and science occupations; education, legal, community service, arts, and media occupations; and healthcare practitioners and technical occupations.

⁵ In terms of industry of employment, the female share of employment increased between January and April 2020 in the public administration sector (46.1% to 47.3%), information sector (40.7% to 41.9%), mining sector (11.9% to 14.3%), and construction (10.7% to 10.8%). It declined in all other industries.

⁶ By March 25, all public schools were closed, according to an EdWeek Timeline, at <https://www.edweek.org/ew/section/multimedia/the-coronavirus-spring-the-historic-closing-of.html>.

⁷ This is consistent with research findings that women's labor supply responds to the availability of childcare or early education. A review of this literature is in Daniel Aaronson et al., *The Effect of Fertility on Mothers' Labor Supply over the Last Two Centuries*, Federal Reserve of Chicago, Working Paper 2017-14, 2017, at <https://www.chicagofed.org/publications/working-papers/2017/wp2017-14>.

⁸ The study also found that mothers in early closure states who continued to work (i.e., did not report taking leave) increased their work hours, possibly to offset a spouse or partner's lost earnings. Misty Heggeness, *Why Is Mommy So Stressed? Estimating the Immediate Impact of the COVID-19 Shock on Parental Attachment to the Labor Market and the Double Bind of Mothers*, Federal Reserve Bank of Minneapolis, Institute Working Paper 33, October 2020, at <https://www.minneapolisfed.org/research/institute-working-papers/why-is-mommy-so-stressed-estimating-the-immediate-impact-of-the-covid-19-shock-on-parental-attachment-to-the-labor-market-and-the-double-bind-of-mothers>.

married employed parents with young children, mothers' work hours decreased between February and April 2020 to a much greater extent than fathers' work hours.⁹

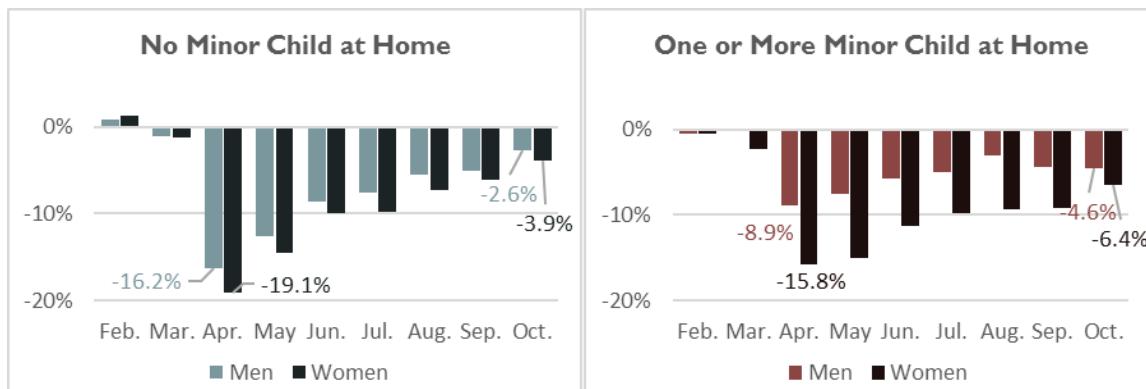
National employment data reveal a similar pattern. **Figure 3** shows the percentage change in monthly employment levels since January 2020 by sex and the presence of a worker's minor child in the home. By April, women's and men's monthly employment levels were considerably lower than they were in January, with the data showing women having greater losses than men and larger gender gaps among parents. Among workers with a minor child in the home, women's employment in April was 15.8% lower than in January; for men in this group, employment declined by 8.9% between January and April. Among those *without a minor child* in the home, women's employment in April was 19.1% below the January level, and men's was 16.2% lower.¹⁰ Although employment losses (in percentage terms) were initially greater for those without a minor child in the home, employment recovery has occurred at a faster pace and with more balance in gains for men and women workers in this group than it has for workers with a minor child in the home. By September, the percentage difference in monthly employment had largely converged for men and women without a minor child at home, but for those with at least one child in the house, a gender gap remained.¹¹ This gap narrowed in October as, among parents, women's employment levels increased relative to men's.

⁹ Caitlin Collins et al., "COVID-19 and the gender gap in work hours," *Gender, Work, and Organization*, 2020, pp. 1-12.

¹⁰ The groups presented in Figure 3 differ in other ways, beyond the presence of a child in the home, that may partly explain why workers without a minor child in the home had higher percentage losses in employment between January and April 2020 than those with a minor child. For example, among workers 16 to 55 years old (the sample for Figure 3), workers without a child are, on average, younger than those with a minor child, which may mean that they have less job experience or tenure with the current employer, making them more vulnerable to job loss. In addition, those without a minor child in this sample have less education, on average, than those with a minor child in the home.

¹¹ CRS explored the possibility that these patterns reflect typical labor force differences between parents and non-parents of minor children over the school year by comparing the percentage change in monthly employment between 2019 and 2020. Similar patterns were found. By April 2020, women's and men's monthly employment levels were considerably lower than they were in April 2019, with women showing greater over-year losses than men. Employment levels rose steadily since April 2020 for all groups, but whereas the over-year percentage difference in monthly employment converged for men and women without a minor child at home, for those with at least one child in the house, a gender gap persisted. The gender gap for non-parents was 0.6 percentage points in September 2020; among parents of a minor child, the gap was 4.8 percentage points.

Figure 3. Percentage Change in Monthly Employment since January 2020, by Sex and the Presence of a Minor Child in the Worker’s Home

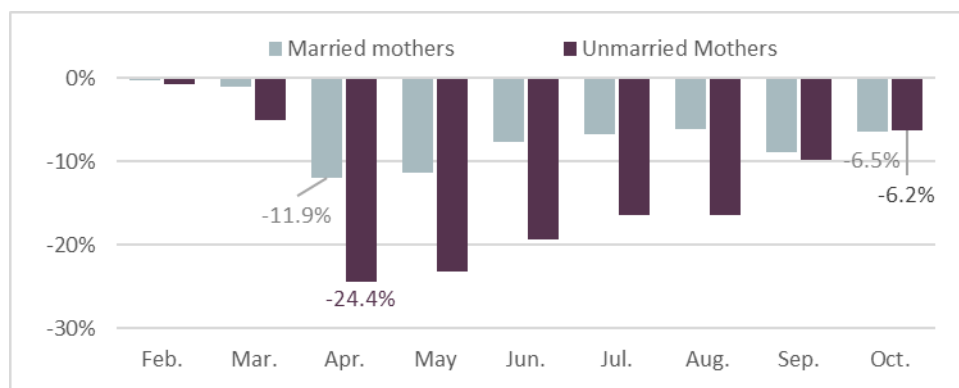


Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS) for January–October 2020.

Notes: Sample comprises men and women ages 16 to 55.

Among mothers with a minor child in the home, unmarried mothers experienced greater employment losses than married mothers (**Figure 4**). This may be due in part to their greater concentration (relative to married mothers) in service sector jobs.¹² Some single mothers may have had fewer childcare options outside the home as schools and childcare centers closed during the early months of the pandemic. However, the gap between married and unmarried mothers’ employment loss closed partially in September 2020—the month in which most elementary and secondary school years begin. Unmarried mothers’ gained some jobs between August and September, but to a large degree the gap narrowed due to reductions in employment among married mothers. By October, the gap in employment loss (in percentage terms) had largely closed as employment increased for both groups.

Figure 4. Percentage Change in Monthly Employment since January 2020 among Married and Unmarried Mothers



Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS) for January–October 2020.

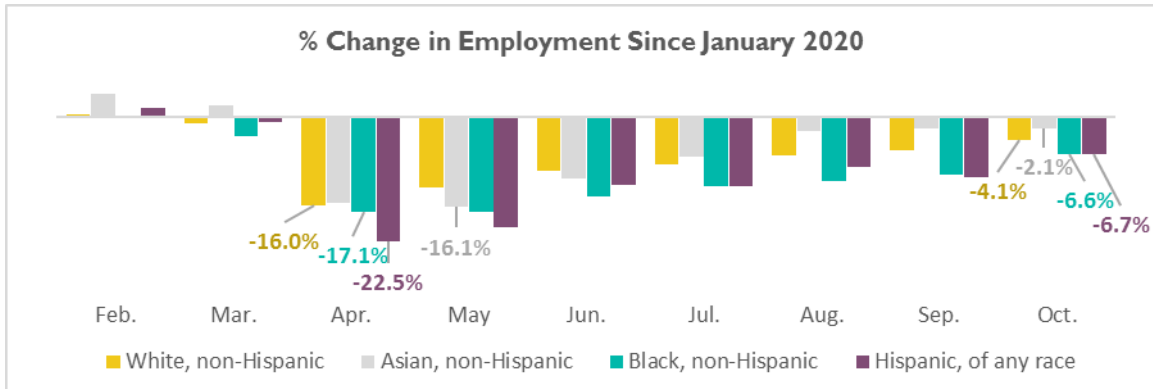
¹² In January 2020, about 30% of unmarried mothers’ employment was in service sector jobs (compared to about 16% of married mothers’ employment). Married mothers were more concentrated in professional and related jobs, about 37% of employment compared to about 20% of unmarried mothers’ employment.

Notes: Sample comprises women ages 16 to 55 who have at least one minor child who lives with them. Unmarried mothers are those who report that they were widowed, divorced, separated, or never married at the time of the survey interview. The sample does not exclude unmarried parents who cohabit with a partner.

Women’s Employment Loss by Race and Hispanic Ethnicity

Employment losses for Hispanic women and Black women since January 2020 have been considerable and have exceeded that of non-Hispanic women and non-Black women. Hispanic women’s employment declined by 22.5% between January and April (compared to a 16.2% decline experienced by non-Hispanic women) and their unemployment rate increased by more than 15 percentage points (compared to 11.5 percentage points for non-Hispanic women) over the same period. Black non-Hispanic women’s employment fell by 17.1% (compared to a 16.0% loss for White non-Hispanic women and a 16.1% loss for Asian non-Hispanic women). Black women’s unemployment rate reached 16.3% in April and continued to climb through May, when it reached 17.2%.

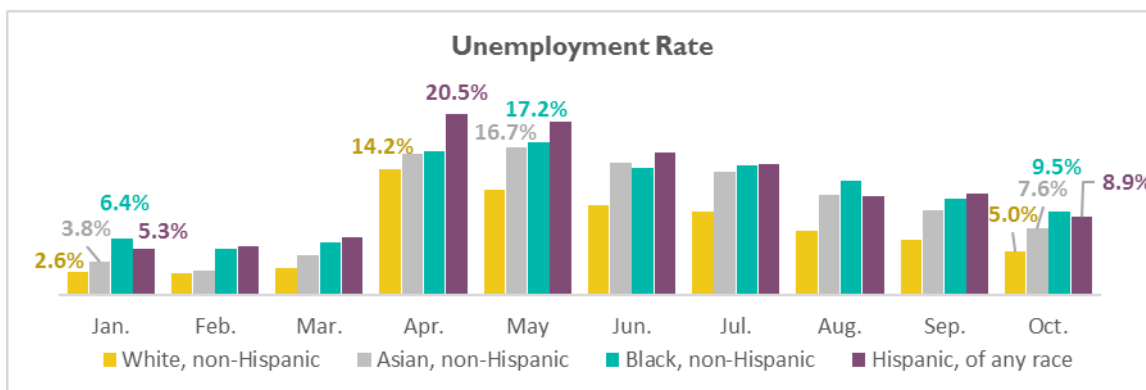
Figure 5. Percentage Change in Women’s Employment since January 2020, by Race and Hispanic Ethnicity



Source: CRS analysis of data from the Bureau of Labor Statistics (BLS).

Notes: Sample comprises women ages 16 and older. Data are not seasonally adjusted.

All groups of women experienced some degree of recovery in recent months. However, in October 2020 Black non-Hispanic women’s employment was still 6.6% lower than in January and Hispanic women’s employment was 6.7% lower. White non-Hispanic women’s employment in October was 4.1% below their January level and Asian non-Hispanic women’s employment was 2.1% lower.

Figure 6. Women’s Unemployment Rate, by Race and Hispanic Ethnicity

Source: CRS analysis of data from the Bureau of Labor Statistics (BLS).

Notes: Sample comprises women ages 16 and older. Data are not seasonally adjusted.

Disproportionate employment losses among Hispanic women and Black women are explained in part by the concentration of these workers in service jobs, which represented nearly a third of all employment lost between January and April 2020. About 30% of Hispanic women’s employment and 27% of Black non-Hispanic women’s employment in January were in service jobs.¹³ In contrast, White and Asian women were more concentrated in professional and related jobs, which represented a considerable but smaller share of employment loss.

Longer-Term Implications for Women in the Labor Force

Altogether, the current state of the labor market paired with increased caregiving responsibilities and COVID-19 exposure concerns has resulted in a marked loss in women’s employment, and recent labor market trends suggest that these losses may be lasting. The COVID-19 pandemic lowered women’s labor market standing in absolute and relative terms. The degree to which these effects persist over the longer-term depends on several factors, such as how long the recession lasts, the speed and robustness of the subsequent recovery, how current employment status affects future job opportunities, and whether changes in choices about caregiving are lasting.

Effects on Current and Future Employment

Absolute losses were large and readily apparent as millions of women lost jobs in the early months of the pandemic. Since April 2020, large shares of these women have returned to work, raising hopes that pandemic-related effects for many workers would be fleeting. Yet permanent layoffs (as opposed to temporary layoffs) continue to grow; by October, nearly 1.6 million women had permanently lost their jobs (up from about 600,000 in January).¹⁴

¹³ Within service occupations, large shares of Hispanic women worked in food preparation and service jobs and in building and grounds maintenance.

¹⁴ Men’s permanent job loss has also increased substantially since January 2020. In October, more than 2 million men had permanently lost their jobs; in January, this number was about 780,000.

Research demonstrates that job displacement (i.e., permanent loss of a job) can have long-lasting consequences, even for workers who are able to find a new job relatively quickly.¹⁵ This can happen if workers are reemployed in jobs with lower earnings or workplace benefits, have fewer opportunities for career growth, or are otherwise less desirable than the job previously held, among other reasons.¹⁶ Options for finding a new job are limited during recessions, and are likely more so in a recession characterized by massive job loss and increased workplace hazards. To the extent that workers displaced in the current recession can find work, it is reasonable to expect that many will have to accept some degree of loss in terms of earnings or job quality. However, in response to recent economic recessions, including the current recession, Congress has enacted temporary measures related to unemployment insurance programs and benefits, which may mitigate the effects of employment loss for some workers.¹⁷ Research on the relationship between unemployment insurance benefits in past recessions suggests that expanded unemployment insurance benefits (in terms of benefit amounts and duration) improved the quality of job matches for some workers by allowing them to search longer for a better job.¹⁸

In addition to a potential lack of desirable jobs, the greater caregiving responsibilities created by the pandemic may shift some women into a different and more limited set of jobs. Some may trade higher wages and stronger career paths for jobs that have a lower risk of COVID-19 exposure, offer scheduling flexibility, have shorter commutes, or otherwise facilitate an increasingly complicated work-family balance.¹⁹

Alternatively, recent labor force data and research indicate that some women may opt to disengage from the labor market completely. Prime-age women's labor force participation rates have declined since June 2020, and an increasing number of women are quitting jobs—a phenomenon not typical to recession. Specifically, 464,000 prime-age women (ages 25 to 54) left the labor force between June and October. In June, *job leavers* (those who quit their jobs) represented 2.8% of women's unemployment; in October, job leavers represented 7% of women's unemployment.

Workers may leave the labor force because they have become discouraged or because of changing circumstances that make work impractical or undesirable. The results of a recent large-scale survey of corporate employees indicate that 15% of such female employees had considered a leave of absence (compared to 9% of male corporate employees) and 7% had considered dropping out of the workforce (compared to 4% of male employees).²⁰ Shifting from market to non-market work (e.g., family caregiving) may be necessary for some workers, but it comes at a cost to both current and future earnings, and thus to retirement savings as well. Some of these

¹⁵ Brendan Moore and Judith Scott-Clayton, *The Firm's Role in Displaced Workers' Earnings Losses*, NBER Working Paper 26525, December 2019, at <https://www.nber.org/papers/w26525>.

¹⁶ See discussion in Marta Lachowska, Alexandre Max, and Stephen A. Woodbury, "Sources of Displaced Workers' Long-Term Earnings Losses," *American Economic Review*, vol. 110, no. 10 (2020), pp. 3231-3266.

¹⁷ See CRS Report R46472, *Comparing the Congressional Response to the Great Recession and the COVID-19-Related Recession: Unemployment Insurance (UI) Provisions*, by Katelin P. Isaacs and Julie M. Whittaker.

¹⁸ Ammar Farooq, Adriana D. Kugler, and Umberto Muratori, *Do Unemployment Insurance Benefits Improve Match Quality? Evidence From Recent U.S. Recessions*, NBER Working Paper 27574, July 2020, at <https://www.nber.org/papers/w27574>.

¹⁹ See discussion in Betsey Stevenson, *The Initial Impact of COVID-19 on Labor Market Outcomes Across Groups and the Potential for Permanent Scarring*, The Hamilton Project, Essay 2020-16, July 2020, at https://www.hamiltonproject.org/papers/the_initial_impact_of_covid_19_on_labor_market_outcomes_across_groups_and_the_potential_for_permanent_scarring.

²⁰ The share of workers who considered leaving the workforce excludes those who indicated they were considering retiring. Lean In and McKinsey and Company, *Women in the Workplace*, 2020, at <https://womenintheworkplace.com>.

workers may leave the labor force for extended periods or permanently, while others may plan for a temporary departure (e.g., until caregiving duties subside). In each case, but to varying degrees, workers who drop out of the workforce forgo work experience, training, and other opportunities to build skills and advance careers, and potentially fall out of networks that can play an important role in job searches and hiring. In addition, some employers may perceive workers who take a career interruption as being less committed, which can affect employers' willingness to hire or invest in those returning to work.

Effects on Employment and Earnings Inequality

The disproportionate effects of the COVID-19 pandemic on women's employment affect employment and earnings inequality in multiple ways. The next section discusses how the pandemic has affected inequality among women workers. The following section discusses how the pandemic has affected inequality between men and women. The long-term effects on inequality depend on several factors, including the degree to which the disproportionate effects of the pandemic on women's employment persist after it is over.

Inequality Among Women

Current labor force dynamics have the potential to increase inequality *among women* in terms of employment, job quality, and earnings. Women workers in lower-paying jobs were far more likely to lose a job in the early months of the pandemic than those in higher-paying ones. As shown in **Table 1**, women's employment in lower-paying jobs such as service occupations, sales, and transportation fell sharply in percentage terms over the January to April 2020 period, whereas women's employment declined to a considerable but lesser degree in higher-pay occupations like professional and managerial jobs.²¹ By October, relative losses between higher-earning and lower-earning women were smaller, yet remained.

Table 1. Women's Median Weekly Earnings and Percentage Change in Women's Employment, by Major Occupation Group

Major Occupation Group	Women's Median Weekly Earnings in 2019	% Change in Women's Employment	
		Jan.–Apr. 2020	Jan.–Oct. 2020
Management, business, and financial	\$1,154	-6.3%	-5.0%
Professional and related	\$980	-9.5%	-2.2%
Installation, maintenance, and repair	\$800	-49.4%	5.8%
Office and administrative support	\$654	-12.1%	-2.2%
Construction and extraction	\$650	-21.7%	3.3%
Production	\$570	-28.9%	-6.2%
Transportation and material moving	\$504	-28.2%	-6.6%

²¹ The large fluctuations in women's employment in farming, fishing, and forestry; construction and extraction; and installation, maintenance, and repair jobs in part reflect the relatively small number of women in those occupations in January 2020. Each occupation group made up less than 1% of women's employment in January 2020.

Major Occupation Group	Women's Median Weekly Earnings in 2019	% Change in Women's Employment	
		Jan.–Apr. 2020	Jan.–Oct. 2020
Sales and related	\$500	-22.6%	-7.3%
Farming, fishing, and forestry	\$480	-30.6%	1.7%
Service	\$425	-34.0%	-9.6%

Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS) for January 2019–October 2020.

Notes: Sample comprises women ages 16 and older. Data are not seasonally adjusted. Rows are ordered by median weekly usual earnings in 2019.

Workers in higher-paying professional and management jobs were also far more likely to report that they had teleworked recently due to the pandemic than those in lower-paying service occupations.²² The ability to work from home has clear benefits, particularly during the pandemic: telework helps workers to avoid a break in employment, while at the same time minimizing workplace exposure to COVID-19. One recent study found, for example, that between mid-March and late-July 2020, non-remote workers were more likely to lose jobs than those who could work from home, and they were also more likely to develop symptoms of respiratory illness.²³

Other employer responses to the pandemic can have distributional impacts among female workers as well. In addition to telework, some employers have offered greater scheduling flexibilities and other benefits, such as additional paid leave, subsidized childcare, and various school-related supports for employees' children.²⁴ These supports can be important for working parents, particularly mothers who have taken on a large share of additional caregiving responsibilities. However, these new benefits are not offered at all workplaces, and currently appear to be concentrated in large companies that employ highly educated and higher-earning workers. Women without these workplace supports and options may be more likely to leave the labor force, increasing female inequality.

To the extent that the pandemic changes commercial patterns and the organization of work, some of these patterns—such as disproportionate job loss among low-wage workers and increased workplace benefits for higher-wage workers—may have distributional impacts among female

²² BLS reports that in October 2020, managers and professionals made up about 42% of employment and nearly 76% of those who teleworked due to the pandemic; in contrast, service workers made up almost 16% of employment but only about 3% of those who teleworked for pandemic-related reasons. These estimates exclude those whose telework was unrelated to the pandemic (e.g., workers who teleworked exclusively prior to the pandemic). BLS, *Supplemental data measuring the effects of the coronavirus (COVID-19) pandemic on the labor market*; available at <https://www.bls.gov/cps/effects-of-the-coronavirus-covid-19-pandemic.htm#concepts>. These patterns are consistent with occupational access to telework before the pandemic. See <https://www.bls.gov/opub/mlr/2020/article/ability-to-work-from-home.htm>.

²³ Manuela Angelucci, Marco Angrisani, Daniel M. Bennett, Arie Kapteyn, and Simone G. Schaner, *Remote Work and the Heterogeneous Impact of COVID-19 on Employment and Health*, NBER Working Paper 27749, August 2020, at <https://www.nber.org/papers/w27749>. This finding aligns with BLS data on the effects of the COVID-19 pandemic, which show that while 6% of professional and managerial workers reported being unable to work at some point in the last four weeks because their employer closed or lost business, 12% of service workers reported such losses.

²⁴ Claire Cain Miller, “Private Tutors, Pop-Up Schools or Nothing at All: How Employers Are Helping Parents,” *New York Times*, September 17, 2020, at <https://www.nytimes.com/2020/09/17/upshot/pandemic-workers-benefits-disparity.html>

workers in the longer term. It is plausible, for example, that new consumer preferences may shift sales (and jobs) from brick-and-mortar retail businesses to online companies. Increased adoption of telework may further reduce demand for service and transportation jobs that support workers who commute to work; these include jobs in building maintenance and cleaning, security, lunchtime restaurants, and commuter bus and rail.²⁵ If job loss in these occupations is permanent, then affected workers may eventually find new jobs, but those jobs might be lower paying, especially if these workers lack skills to qualify for higher-paying opportunities.

Employment and Earnings Gaps Between Women and Men

The pandemic and accompanying recession have the potential to increase employment and earnings gaps between women and men, and growth in these differentials may be long lasting. Thus far in 2020, women have lost more jobs and have left the labor market at a greater rate than men.²⁶ The impact on the gender employment gap is clear: among prime-age workers, the gap between men and women's employment as a share of population has grown since the start of 2020 from 11.9 percentage points in January to 12.2 percentage points in October.

A portion of women's employment loss is due to their greater concentration in jobs vulnerable to pandemic-related closures and restrictions. As the economy recovers, many of these jobs are likely to come back, and some may be filled by female workers displaced by the pandemic. But this is not guaranteed. Prolonged periods of non-work create hurdles for workers seeking reemployment: as noted earlier, some workers may lose skills or require retraining to qualifying for job offers, others may lose job networks, and employers may be reluctant to hire workers whom they perceive to be less attached to the workforce.

There has also been some speculation that women's employment prospects can further deteriorate if workplaces reorganize or change production processes in response to the pandemic. One study, for example, finds that women are relatively vulnerable to such changes because they are more likely to be employed in occupations that are jointly at high risk for automation (based on job tasks) and for workplace transmission of an airborne virus (based on physical proximity to customers and co-workers and workplace exposure to disease or infections).²⁷

As noted earlier, job displacement and career interruptions can have negative and lasting impacts on wages and wage growth. These career breaks can lead to a considerable loss of job experience, which is critical to career advancement, or movement into lower paying or lower-quality jobs, at least temporarily. To the extent that women are displaced or leave the labor market more so than men, the gender earnings gap will increase, all else being equal.²⁸

In addition, some women—particularly mothers—who remain attached to the labor market may shift into careers that allow them greater scheduling flexibility or otherwise accommodate family needs. This may mean changing jobs or it may mean remaining with a current employer but not pursuing promotion or other opportunities for career growth. This is another channel through which

²⁵ This observation is made and explored in David Autor and Elisabeth B. Reynolds, *The nature of work after the COVID crisis: Too few low-wage jobs*, The Hamilton Project, Essay 2020-14, July 16, 2020, at <https://www.brookings.edu/research/the-nature-of-work-after-the-covid-crisis-too-few-low-wage-jobs/>.

²⁶ In October 2020, BLS data show that women made up nearly 60% of the 3.6 million individuals who were out of the labor market and did not search for work due to the COVID-19 pandemic.

²⁷ Alex W. Chernoff and Casey Warman, *Covid-19 and Implications for Automation*, NBER Working Paper 27249, 2020, at <http://www.nber.org/papers/w27249>.

²⁸ An overview of the gender earnings gaps can be found in CRS In Focus IF10414, *The Gender Earnings Gap*, by Sarah A. Donovan.

the pandemic and recession can lead to a larger gender earnings gaps in the near term, especially if those changes outlast the pandemic.

Potential Macroeconomic Impacts

The disproportionate decline in female employment during the pandemic has implications for the overall performance of the economy, particularly if female employment does not fully rebound in the next expansion. However, as discussed above, although women have been disproportionately affected by the pandemic so far, the gap between male and female employment loss has more recently been converging, suggesting it is too soon to say how long the disparate impact will persist.

During the pandemic, the downturn may be deeper than it would otherwise have been because some workers were forced to leave their jobs or cut their work hours because of childcare or other care responsibilities, which disproportionately affected female workers. As a result, those workers' income declined, which reduced overall demand in the economy.

The long-term economic effects of the decline in women's employment during the pandemic will depend on how much, if any, of this job loss is permanent. As the economy recovers once the health crisis ends, most unemployed workers will eventually return to work, either moving back to their old jobs or getting new jobs. If the economy can eventually fully recover from the pandemic (i.e., all disrupted economic activity resumes once the health crisis is over), the permanent effects on GDP and income could be relatively small. How large the permanent effects turn out to be will depend in part on the recovery in women's employment.

In the standard growth accounting framework, economic growth (increases in the output of goods and services or gross domestic product) derives from increases in labor supply, capital investment, and productivity. A decline in women's labor supply—whether in female employment or hours worked per worker—directly reduces economic output, and if women's labor supply does not return to its pre-pandemic trend, the size of the economy will not return to its pre-pandemic trend either, all else being equal. Because national income is equal to national output,²⁹ a smaller economy would also result in lower national income compared to the pre-pandemic trend.³⁰

A modest decrease in female employment in the long-term may seem insignificant in comparison to the magnitude of the current recession.³¹ But if the female labor force remains permanently smaller—even if the permanent job loss is modest relative to the loss at the pandemic peak—GDP and income would be permanently lower.

Some evidence from the Great Recession supports the idea that long-term job loss can have long-lasting negative effects on workers.³² There is some evidence that workers who leave the labor

²⁹ Technically, national income is equal to net national product (NNP) by accounting identity. The difference between NNP and GDP is depreciation, and the former measures the output of Americans while the latter measures the output in the United States.

³⁰ Note that the negative effect on growth and income will be the same whether female workers remain officially unemployed (i.e., not working but actively seeking work) or leave the labor force (e.g., because of childcare responsibilities).

³¹ See CRS Insight IN11388, *COVID-19: U.S. Economic Effects*, by Rena S. Miller and Marc Labonte.

³² Danny Yagan, "Employment Hysteresis from the Great Recession," *Journal of Political Economy*, 2019, vol. 127, no. 5, at <https://eml.berkeley.edu/~yagan/Hysteresis.pdf>; and Brad J. Hershbein and Bryan A. Stuart, "Recessions and Local Labor Market Hysteresis," Upjohn Institute Working Paper 20-325, Kalamazoo, MI: W.E. Upjohn Institute for

force following a deep recession are less likely to return than workers who become unemployed (i.e., continue an active job search).³³ This is of particular concern in the current context because, as discussed above, childcare and other care duties imposed by the pandemic have disproportionately affected women, contributing to a greater decline in their labor force participation rate.³⁴ As the pandemic persists, the share of long-term unemployed workers has been rising and is expected to continue to rise until economic normalcy resumes.

Long-term job separations can cause an erosion of skills and loss of opportunities that can lead to long-lasting negative effects on employment and earnings. The negative effects of long-term job loss on long-term growth are not limited to a smaller labor force, but also potentially include negative effects on productivity growth. Workers generally accumulate more skills and experience over their careers that boosts their productivity, increasing their contribution to GDP. Long-term job loss can interrupt that productivity growth, particularly if it occurs early- or mid-career when workers are typically advancing the most in their careers. Early- and mid-career workers may be the most likely to be faced with childcare disruptions caused by the pandemic.³⁵ Long-lasting departures from the labor force may also harm productivity by reducing entrepreneurship and innovation.

Interaction with Long-Term Trends in Women's Employment

If women's labor force participation does not fully rebound from the pandemic, it will compound longer-term labor force trends that have contributed to lower economic growth this century and will pose challenges for the economy moving forward. First, the aging of the population has reduced the potential long-run growth rate of the labor force and the economy. The 2020 Social Security trustees report, which does not incorporate the effects of the pandemic, projected that economic growth will average about 2% per year for the next 75 years under the intermediate scenario, compared to about 3% for the period from 1969 to 2007, and employment growth would average about 0.4% per year over the next 75 years, compared to 1.6% from 1969 to 2007.³⁶

Employment Research, 2020, at <https://doi.org/10.17848/wp20-325>.

³³ Romain Duval, Mehmet Eris and Davide Furceri, *The Effects Of Downturns On Labour Force Participation: Evidence And Causes*, OECD, working paper No. 875, June 21, 2011, at https://www.oecd-ilibrary.org/economics/the-effects-of-downturns-on-labour-force-participation_5kg9q0nmbws8-en.

³⁴ In contrast, men were disproportionately displaced from jobs during the Great Recession. This may have been attributable to the fact that predominantly male occupations such as manufacturing and construction were disproportionately affected in that recession. Predominantly female occupations have been disproportionately affected in this recession, as discussed previously. For more information, see CRS In Focus IF10984, *Long-Tenured Displaced Workers*, by Sarah A. Donovan and Marc Labonte.

³⁵ Although the pandemic phenomenon of large-scale involuntary job separation because childcare suddenly becomes unavailable may be unique, the potential effects on earnings and employment can be compared to the experience of women who temporarily leave the labor force to raise children. Research literature finds a wage penalty for mothers who interrupt their careers and later return to work. A review is in Francine D. Blau and Lawrence M. Kahn, "The Gender Wage Gap: Extent, Trends, and Explanations," *Journal of Economic Literature*, vol. 55, no. 3 (2017), pp. 789-865.

³⁶ The trustees present economic projections in three scenarios. In the trustees' more optimistic scenario, annual employment growth would be about 0.2 percentage points higher than in the intermediate scenario. In the pessimistic scenario, annual employment growth would be close to zero in later decades. Chapter V.B, at <https://www.ssa.gov/oact/tr/2020/tr2020.pdf>.

Second, after almost doubling from the end of World War II to 2000, the female labor force participation rate fell by about three percentage points between 2000 and 2019. The rapid rise in women's labor force participation was an important source of growth in the labor force that underpinned robust growth in the earlier period, and its decline contributed to the slowing of labor force growth since 2000.

Third, U.S. female employment rates are lower than in many other countries. At 57.4% in the second quarter of 2020, the U.S. female employment rate is below the Organization for Economic Co-operation and Development (OECD) average of 61.3% and far below several other OECD countries (e.g., the female employment rate in Japan, the UK, Germany, and several other smaller OECD countries is above 70%). This marks a reversal from before the pandemic. In 2019, the U.S. female employment rate was five percentage points above the OECD average, albeit still well below the 70% achieved by several OECD countries.³⁷

³⁷ Measured as a share of the working age female population. See <https://data.oecd.org/emp/employment-rate.htm>.

Appendix. Change in Employment Between January and April 2020, by Industry and Occupation

Table A-1. Change in Employment Between January and April 2020, by Industry

Industry Group	Change in Employment, Jan.-Apr. 2020 (in 100,000)	Industry Share of Total Employment Lost, Jan.-Apr. 2020	Women's Share of Industry Employment, Jan. 2020
Educational and health services	-46.3	19.6%	74.5%
Financial activities	-4.2	1.8%	53.7%
Other services	-21.1	8.9%	52.9%
Leisure and hospitality	-58.4	24.7%	51.8%
Public administration	-3	1.3%	46.1%
Wholesale and retail trade	-34.4	14.5%	44.5%
Professional and business services	-18	7.6%	41.9%
Information	-3.4	1.4%	40.7%
Manufacturing	-19.6	8.3%	29.4%
Agriculture, forestry, fishing, and hunting	0.1	-0.1%	26.9%
Transportation and utilities	-10	4.2%	24.2%
Mining	-1.4	0.6%	11.9%
Construction	-16.7	7.1%	10.7%

Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS) for January–April 2020.

Notes: Data are not seasonally adjusted. Rows are ordered by female share of industry group employment in January 2020. The “Industry Share of Total Employment Lost, Jan.–Apr. 2020” column reports the distribution of total employment loss between January and April 2020 across industries. It shows, for example, that 19.6% of the employment loss occurred in educational and health services businesses.

Table A-2. Change in Employment Between January and April 2020, by Occupation

Occupation Group	Change in Employment, Jan.-Apr. 2020 (in 100,000)	Occupation Share of Total Employment Lost, Jan.-Apr. 2020	Women's Share of Occupational Employment, Jan. 2020
Office and administrative support	-16.6	7.0%	73.9%
Service	-78.6	33.2%	58.5%
Professional and related	-33.2	14.0%	56.4%
Sales and related	-32.2	13.6%	49.2%
Management, business, and financial	-10.8	4.6%	45.7%
Production	-19.5	8.2%	28.5%
Farming, fishing, and forestry	-0.1	0.0%	26.5%
Transportation and material moving	-24.7	10.5%	21.0%
Installation, maintenance, and repair	-6.4	2.7%	4.3%
Construction and extraction	-14.6	6.1%	4.1%

Source: CRS analysis of data from the Bureau of Labor Statistics (BLS) Current Population Survey (CPS) for January–April 2020.

Notes: Data are not seasonally adjusted. Rows are ordered by female share of occupation group employment in January 2020. The “Occupation Share of Total Employment Lost, Jan.–Apr. 2020” column reports the distribution of total employment loss between January and April 2020 across occupation. It shows, for example, that 33.2% of the employment loss was in service jobs.

Author Information

Sarah A. Donovan
Specialist in Labor Policy

Marc Labonte
Specialist in Macroeconomic Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.