

Data for Decisions Research Brief
February 19, 2021

Women's Work, Wages, and Wellbeing in the Time of COVID-19

The Covid-19 pandemic that began in February of 2020 has impacted every aspect of the global economy, and the impact on U.S. labor markets has been particularly severe. Over 22 million people lost their jobs when many sectors of the U.S. economy were forced to contract in April, and more than 7 million fewer people are employed today than one year ago.¹ For those who kept their jobs, work looks and feels different than it did before the pandemic. Many workers had to adopt safety measures and assume the risks of working on-site, while others had to transition virtually overnight to working remotely. This report summarizes the latest economic research on - and Data for Decisions' own analysis of - the impact of the pandemic on women. The primary focus is on labor market outcomes, including employment rates and the wage gap, but we also discuss impacts on women's time use and wellbeing.

Historically, recessions have impacted women's labor market outcomes less than men's, but this recession has hit women harder than men, and it has highlighted women's vulnerability in the labor market. Compared with men, women have experienced larger relative declines in employment, wages, and working hours, and the mental health and wellbeing of women has suffered considerably during the pandemic. Women have been impacted more than men because they work disproportionately more in industries and occupations that have been more severely impacted and because women have taken on a greater share of childcare responsibilities within households in the wake of school and daycare closures.

Impact on the Employment and Wages of Women

In the early days of the pandemic, government stay-at-home orders and limitations on gatherings caused entire industries to contract. Sharp declines in consumer demand caused many employers to remain closed or to operate in a reduced capacity after orders were lifted. At the same time, school and daycare closures made it difficult for working parents to manage home and work commitments, and concerns about safety on public transportation and at work led many to take leaves or quit their jobs. The decline in employment that resulted from these factors was the largest since the Great Depression.

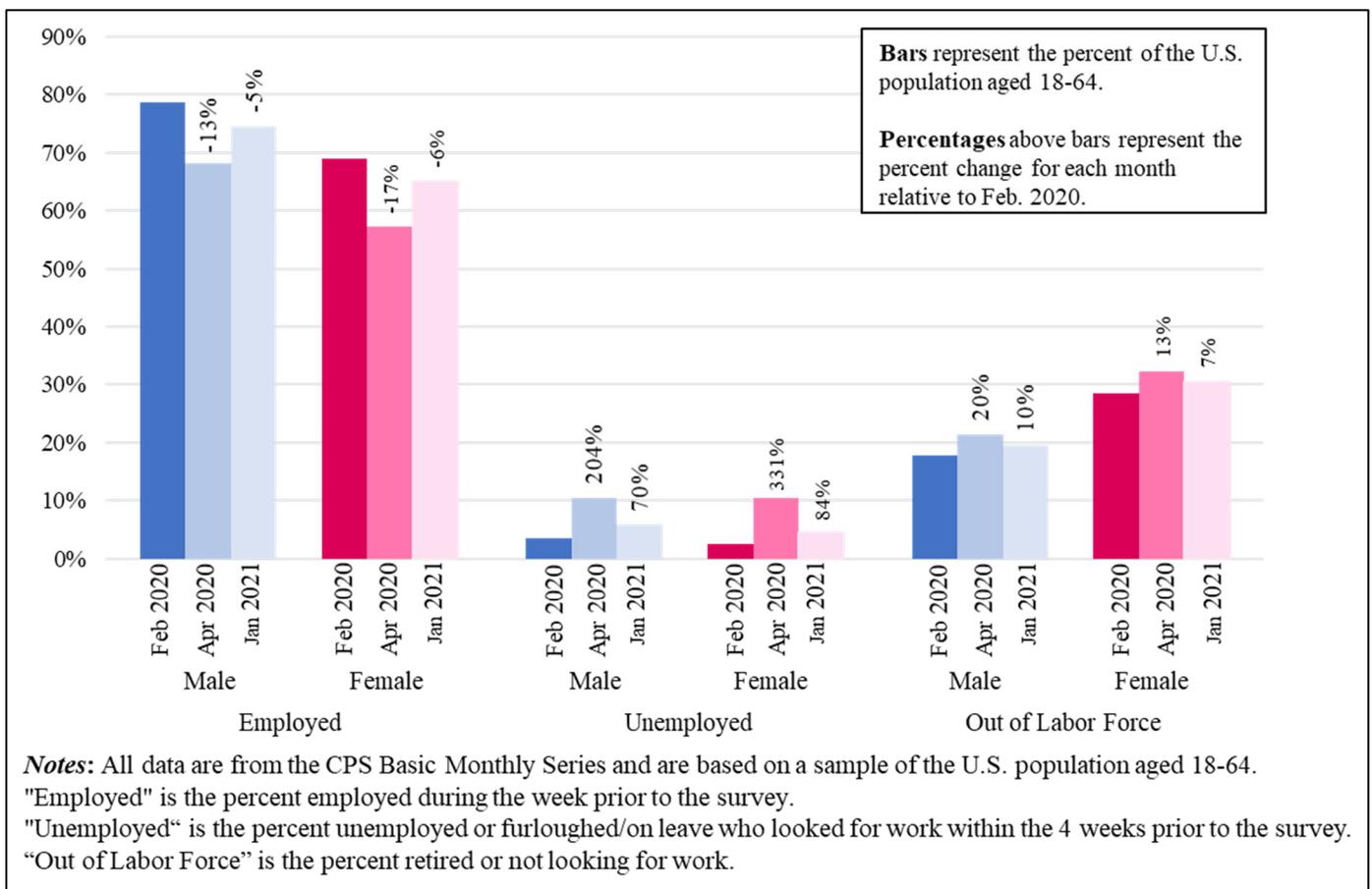
In contrast with other recent recessions, Figure 1 shows that the recent decline in employment was larger for women than men. ***From February to April, the fraction of adults employed declined by nearly 17% for women compared with 13% for men.*** This decrease in employment was due to increases in both the fraction unemployed, defined as those who were not working and actively searching for work, and the fraction out of the labor force, defined as those who were out of work and not actively searching for work. The fraction of women who were unemployed more than quadrupled, and the fraction out

¹ Estimates are from the U.S. Bureau of Labor Statistics' (BLS) figures for civilian unemployment and people not in the workforce.

of the labor force increased by 13%. Women of color,² women without college degrees,³ and women in the 18-29 age group⁴ faced the largest relative declines in employment.

While the labor market is far from fully recovered, the employment situation has greatly improved since April 2020. However, as of January 2021 *the fraction of women employed was still farther from its February level than men's, as was the fraction unemployed*. Also troubling are the most recent statistics from December and January, which suggest that the trend of improved employment may have stalled or even reversed. The December statistics were particularly troubling, with the Bureau of Labor Statistics reporting that women lost 156,000 jobs, while men gained 16,000 jobs (Ewing-Nelson 2020).

Figure 1: Employment Breakdown by Gender - Selected Months in 2020 and 2021



² The proportion of people employed and at work declined 22.1% for White women, 22.9% for Black women, 30.1% for Hispanic women, 24.4% for Native American women, and 23.5% for Asian women (CPS Basic Monthly Survey Data, February and April 2020).

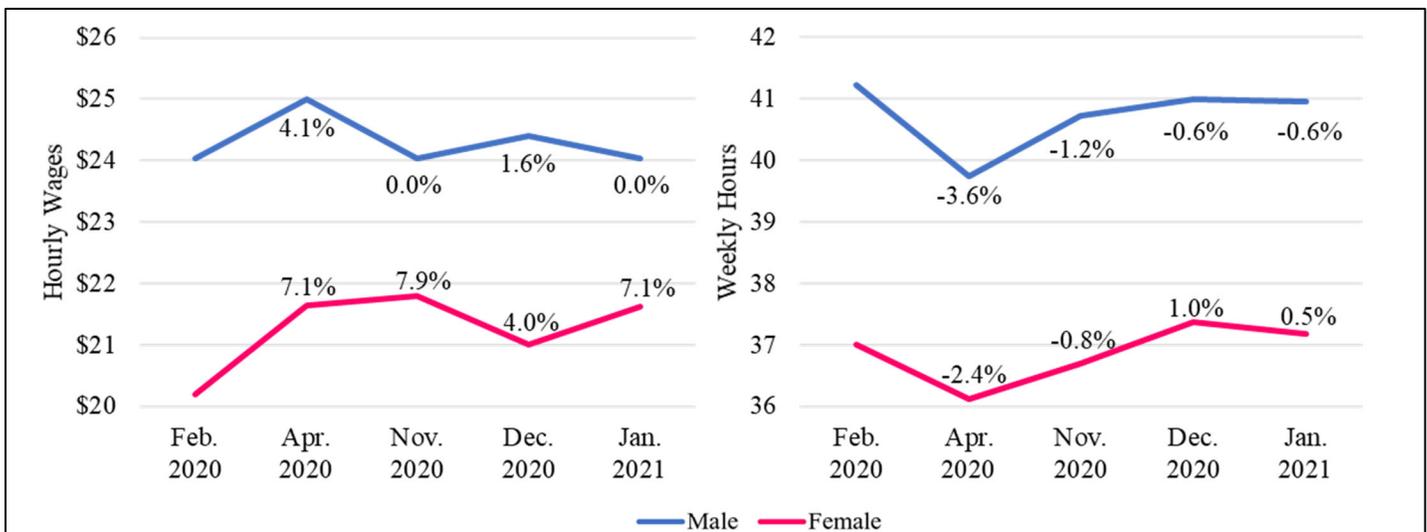
³ The proportion of people employed and at work declined 32.2% for women without at least an Associate's degree (CPS Basic Monthly Survey Data, February and April 2020).

⁴ Women in this age group saw a decline of 31.4% in their rate of being employed and at work (CPS Basic Monthly Survey Data, February and April 2020).

One reason women have seen larger declines in employment than men is that women are more likely to work in industries and occupations that have been more severely impacted by the pandemic. Women are more concentrated in high-contact service sectors, like hospitality and retail, which saw greater declines in employment. In addition, women are less likely than men to work in occupations that can easily shift to remote work (Alon et al. 2020a). However, **women are more likely to be unemployed even when compared to men working in the same industry, occupation, and location** (Adams-Prassl et al. 2020).

Surprisingly, **the pandemic has not significantly impacted the wage gap, at least so far.** Figure 2 shows that the average hourly wages of working women and men have been fairly stable. However, this is a case in which national averages are misleading. Individual workers have seen significant *declines* in wages, but these have been masked by changes in the composition of the working population. The departure of lower wage workers from the workforce has propped up average wages even while individual workers experienced declines. Surveys that have asked individuals about changes to their hourly wages bear this out. **Men and women report experiencing wage losses since February, and women report larger losses than men** (Zamarro 2020). Figure 2 also shows that the average hours of working women have not changed by much, but this too is due - at least in part - to changes in the composition of the working population. Time series data suggest that both men and women have seen reduced hours and that working women have seen larger reductions in relative terms (Collins et al. 2020).

Figure 2. Wages and Hours by Gender - Selected Months in 2020 and 2021



Notes: All data are from the CPS Basic Monthly Series and are based on a sample of the U.S. population aged 18-64 who were in the workforce.

"Hourly Wages" is the employment weighted average of the hourly wage for hourly workers and the weekly earnings divided by usual work hours for salaried workers.

"Weekly hours" are the average hours worked for pay in the week prior to the survey.

The percentage displayed above/below the lines is the percent change for that month relative to the level of February 2020.

Impact on the Time Use of Women

The pandemic has also had dramatic impacts on time use. Parents of school-aged children have been especially impacted, because they have had to manage increased childcare and household responsibilities in the wake of school closures. When schools closed in April 2020, 60% of working parents with children under age 18 reported being unable to make alternative childcare arrangements (Krentz et al. 2020). ***Mothers have historically tended to spend more time on childcare and household activities than fathers, but the “domestic labor” gap has increased during the pandemic.*** On average, working mothers spent 15 more hours per week than working fathers on domestic labor in April of 2020 (Krentz et al. 2020). This is a notable increase compared with the 7.7 hour gap before the pandemic.⁵ It is also notable that this gap exists even when parents work similar jobs. ***During April 2020, working mothers spent at least one hour more per day on childcare than working fathers who worked the same hours in the same industry and occupation*** (Adams-Prassl et al. 2020).

This extra domestic labor is partially responsible for women’s employment numbers, and it has impacted the careers of mothers who have continued to work. ***One in three mothers aged 25-44 who were not working in July of 2020 reported not working due to childcare demands*** (Heggeness & Fields 2020). For those who have continued to work, mothers are almost twice as likely as fathers to report considering reducing their work hours (17% vs 9%) or leaving the workforce altogether (7% vs 4%) due to the increased demands on their time (Cooper et al. 2020). Based on a survey of academics, women with children reported losing one hour more each day in research time than men without children (Deryugina et al. 2020). It is also striking that mothers were 69% more likely than fathers to take a leave of absence from work to care for kids when schools closed in the early days of the pandemic (Heggeness 2020).

Impact on the Safety and Wellbeing of Women

As of February 17, over 200,000 women had died of COVID-19 in the U.S. and many more have become ill. Compared with men, women are less likely to be hospitalized, to be admitted to the ICU, and to die from infection by the coronavirus, but they are more likely to be “long-haulers,” or those who experience lingering symptoms after infection with COVID-19 (Wolfe et al. 2021). In addition to the serious impacts on physical health, the pandemic has affected the mental health of women. ***Prior to the pandemic, women reported poorer mental health than men, and the mental health gap has widened during the pandemic.*** In surveys, women report feelings of anxiety at higher rates than men (Heggeness & Fields 2020). Women also sleep less and report more worry about their performance reviews at work, and mothers are more likely to be worried about their children’s education than fathers (Krentz et al. 2020). There is also

⁵ Figures are based on the American Time Use Survey’s estimates of the difference in married mothers’ and married fathers’ time use on an average day when both spouses work full time. It includes estimates for average time spent on household activities, caring for and helping household children, and travel related to caring for and helping household children.

evidence that clinically significant levels of mental distress have increased more for women than men (Pierce et al. 2020).

The pandemic has also impacted the safety of women. The virus has caused a sharp increase in the amount of time families spend together, and this has led to an increase in domestic violence. Bullinger et al. (2020) found that police calls related to domestic violence increased by 7.5% following the stay-at-home orders in Chicago. Leslie & Wilson (2020) and McCrary & Sanga (2020) find similar patterns in a number of cities.

The Future of Women in the Workforce:

The pandemic has had large impacts on women in the workforce, and it is likely that they will persist into the future. Women who lost or left their jobs have interrupted their careers. They will accumulate less work experience than men in similar jobs, and they may experience greater depreciation of their human capital. Disruptions to employment have long-run impacts on career progression and pay, leading economists to predict that ***the pandemic will lead to a widening of the wage gap by up to five percentage points in the next decade*** (Alon et al., 2020b). Women also anticipate leaving the workforce at higher rates in the future, suggesting the COVID employment gap may persist. Even women in the most senior roles in business are considering curbing their career trajectory or leaving the workforce due to the pandemic (Cooper et al. 2020). The resulting decrease in women's representation in leadership positions and as mentors will likely have adverse implications for younger cohorts of women.

This report has focused on the impact of the pandemic on women, but we should not overlook the fact that ***women have had a positive impact on society during the pandemic***. Women make up 77% of healthcare and long-term care workers – and it is these workers who have put their own health on the line to care for others during the pandemic. Women have also undoubtedly had a large impact through their efforts in communities and within households, caring for family members and homeschooling children. This time, while un-monetized and often undervalued, is an immensely important contribution to the current and future wellbeing of American society.

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