

Left Behind: Women in the Economic Recovery

The gender gap in employment remains a major characteristic of the U.S. labor market and continues to be key in the systemic differences in economic and social outcomes between women and men. These differences are seen economically in disparities in income, poverty rates, occupation, and career opportunities as well as in the social positioning of women as less than men. Over time the gender gap in employment has been narrowly closing, but new research is now drawing attention to how the recession and the subsequent slow recovery are widening the gap for women in a historically unprecedented way.

An Unprecedented Trend

A recent Pew Research Center report found that the sluggish recovery from the great recession has been better for men than for women ([Pew at 2](#)). Because most jobs lost during the Great Recession were held by men (hence a “mancession”), it is not surprising that men have been gaining more jobs as the economy recovers. What is surprising is that women have actually been *losing* jobs. Since the start of the recovery, women’s overall unemployment rate has increased by 0.3 percent, while men’s unemployment rate has decreased by 1 percent. The overall economy has added 639,000 jobs since June 2009, but women have lost [345,000](#) jobs.

Conversely, women had fared better than men in the first two years of all other economic recoveries since 1970. The Pew report explained that previously, although both men and women gained jobs, women did so at a faster rate immediately after the recessions in 1969–70, 1973–75, 1980–82, and 1990–91 ([Pew at 2](#)). But in the current recovery from June 2009 to present, male employment growth is superior to the past three recoveries, while [women’s employment gains](#) are far below the recoveries of the 1980s and 1990s. In July 2011 some 117,000 jobs were created, but women continued to lose ground with an additional [19,000](#) jobs lost. Women’s [net jobs remained unchanged](#) in August 2011 as the overall economy failed to add any new jobs. As the recovery enters its third year, attention must be paid to this developing trend and what it means for women.

Women in the Recovery

Contrasting gender employment trends have largely stemmed from how men and women are distributed across industries as a result of occupational segregation. According to the U.S. Department of Labor, in 2009 women accounted for more than half of all workers within several industry sectors: financial activities, education and health services, leisure and hospitality, and other services. However, women were substantially underrepresented in agriculture, mining, construction, manufacturing, transportation, and utilities (Bureau of Labor Statistics (BLS), Page 41, [Table 13](#)). The concentration of women in industries that were less affected by the recession shielded women from the initial job losses incurred in male-dominated industries. But explaining the emerging trend in the recovery is more complicated, as education and health services (two industries where women are concentrated) outperformed other sectors in adding jobs, even while women continued losing those jobs. In other sectors that continue to shed jobs, such as state and local governments, women

continue to lose a [disproportionate share](#) of those jobs. The public sector cut 595,000 jobs from June 2009 to August 2011, and 430,000 of those jobs were held by women. The [9,000 public-sector jobs lost by women](#) in August alone cancelled a gain of 9,000 private-sector jobs in the same month.

The White House National Economic Council reported that the recession caused single-women heads of households to have their highest rate of unemployment (13.6 percent) in over 25 years—an increase more than twice as high as for married women (National Economic Council [at 8-9](#)). During the recovery, over 2.5 million women, who constituted 40 percent of the overall long-term unemployed in 2010, were looking for work for 27 weeks or more (BLS, [Table 31](#)). As of August 2011, women’s national unemployment rate was [8 percent](#), up from 7.9 percent in July, and in Illinois [8.8 percent](#) of women were unemployed. Although white women showed a slight decrease in the unemployment rate, the rate continued to increase for Hispanic, black, and Asian women ([Pew at 20](#)).

Newly released Census data for 2010 show that the continued surge of job loss is worsening poverty during the recovery, especially for women. Poverty among women rose from 13.9 percent in 2009 to 14.5 percent in 2010—the highest rate in 17 years (National Women’s Law Center (NWLC), [at 1](#)). Extreme poverty among women also rose from 5.9 percent in 2009 to 6.3 percent in 2010—meaning that 7.5 million women lived on incomes less than half of the federal poverty level (NWLC [at 1](#)). Poverty rates for all groups of women in 2010 were higher than the rates of their male counterparts, with the highest rates among vulnerable populations, including female-headed families with children, women with disabilities, women 65 and older living alone, and racial minority women. In Illinois [15 percent](#) of women lived below the poverty line as compared with 12.6 percent of men.

The Changing Role of Women in the Economy

The factors that explain the lagging recovery for women are not entirely clear. However, since the 1970s, women’s role in the economy has seen a number of substantial changes that characterize their modern economic status and the challenges they continue to face. Women’s share of the labor force has been steadily increasing as many women have transitioned out of traditional roles as homemakers and into waged work. The labor force participation rate increased for women from 43.3 percent in 1970 to 59.9 percent in 2000 ([Pew at 2](#)). While the tide of women entering the workforce over the last decade has largely abated, this occurrence has helped create for women a fundamentally new economic landscape that positions them as driving forces in the modern economy.

As women have claimed a growing share of the workforce, their impact on the economy has also grown. Today women constitute 57 percent of undergraduate students, 60 percent of graduate school students, and 50.4 percent of Ph.D. students, allowing more women to obtain higher-skilled jobs in growing fields (National Economic Council, [at 6](#)). Increased educational attainment has also influenced a rise in entrepreneurship among women, who now own 30 percent of small businesses, and their direct contribution to the economy is reflected in job creation and economic growth (National Economic Council [at 5](#)). Women-owned, privately held firms added roughly 500,000 jobs between 1997 and 2007 and reported sales of over \$1.2 trillion in 2007 alone (National Economic Council [at 5](#)). Moreover, women’s economic contribution to households has become increasingly indispensable for families, especially for families headed by single mothers. More than [1.5 million](#) married couples with children relied exclusively on women’s earnings at some point in 2009, and 6.1 million single mothers were the sole breadwinners for their households in 2010 (National Economic Council [at 6](#)).

Despite Gains, Challenges to Equal Opportunity

In spite of these vast gains in the workplace, women still face many serious challenges and obstacles that have long-term consequences for their economic security and opportunity. The gender wage gap is one of the most notable effects of the employment gap. Women who work full-time, year-round are paid only 77 cents for every dollar paid to their male counterparts (NWLC [at 1](#)).

Occupational segregation is perpetuating the wage gap; research shows that female-dominated occupations pay less than male-dominated ones even at the same skill levels (Institute for Women's Policy Research (IWPR) [at 2](#)). For women of color, the wage gap is particularly marked. African American women on average earn only 69.6 cents for every dollar earned by white men, and Hispanic women only 54 cents (IWPR [at 3](#)). Over the course of a lifetime, this gap translates into lower overall earnings, lack of savings, and loss of retirement income for women and the families that depend on them.

Limited Public Assistance

Policies such as unemployment insurance (UI) and income assistance can remedy the far-reaching consequences of unemployment and discrimination for women's lives, but their impact is constrained by political and structural limitations. In recent austerity measures, many states have altered UI benefit formulas to tighten eligibility requirements and reduce average check amounts, making benefit claims more difficult and limiting the reach of benefits for families of unemployed workers (National Employment Law Project (NELP), [at 1](#)). In Illinois, House Bill 1030, now [Public Act 97-0001](#), reduced the maximum amount of weeks for which claimants may receive UI benefits in the initial period of unemployment to 25 weeks—a decrease from the decades-long accepted standard of 26 weeks for the first time in over 50 years (NELP [at 1](#)). Also, federal Extended Unemployment Compensation (EUC), which allows claimants to earn additional benefits up to 99 weeks after exhausting regular state benefits, is set to expire in January 2012. Women's economic gains from unemployment insurance are constrained by the gender wage gap. Because unemployment benefits are tied to past wages and women's wages lag behind men's, unemployed women receive less in unemployment benefits (NWLC [at 2](#)).

The Temporary Assistance for Needy Families (TANF) program has limited effect in decreasing poverty and deep poverty for low-income women with children. The 1996 welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act, replaced the Aid to Families with Dependent Children program with the TANF block grant, purportedly to give states more flexibility in how they spent the fixed block grant. The \$16.6 billion grant has never been adjusted for inflation, resulting in a [28 percent decline](#) in real value over time. TANF cash benefits remain extremely modest—below half the poverty line in all states. In Illinois a family of three receives a maximum benefit level of only \$432 a month, or 27 percent of the federal poverty level, to help meet basic needs (Urban Institute [at 88](#)). What is more, the block-grant structure prevents TANF from expanding in times of economic hardship and increased need. The recent recession has been particularly key in exposing the [weakness of the TANF program's block-grant structure](#) in allowing states to respond adequately—or at all—to alarming levels of unemployment and poverty. Moreover, Illinois completely eliminated its General Assistance (GA) program in July; GA provided unemployable individuals who did not qualify for other cash assistance programs with money and limited medical care. Women who are unemployed or who are unable to work are severely at risk of economic insecurity and poverty when government programs designed to assuage hard economic times for families are restricted.

Policy Solutions

Low-income women and families are particularly vulnerable in economic downturns, and during the recession they are being left behind. The implications of the recent employment and poverty trends for women in the economic recovery should be of concern to policymakers; a number of federal and state policy approaches are necessary to ensure that women can thrive.

President Obama's recently introduced [American Jobs Act](#) has a number of provisions relevant to women. The Act would provide aid to states to prevent layoffs of teachers, most of whom are women. Its continuance of the EUC program would prevent [2.6 million](#) women from losing unemployment assistance next year. The Act would fund infrastructure improvement, specifically for outreach and training to ensure that nontraditional job opportunities are available to women, communities of color, and low-income individuals. Women's entrance into nontraditional jobs, or jobs such as construction and transportation in which 25 percent or fewer of the workforce is female, not only ameliorates occupational segregation but also results in quality jobs that pay family-supporting wages. The development of subsidized job opportunities would enable low-income adult women to have jobs when unsubsidized employment is unavailable.

President Obama's plan would be a great step in the right direction should Congress choose to act, but women and children still face challenges and crises that must be solved in other ways. Enforcing equal pay is critical in bridging the gender wage gap and ensuring economic justice for women. The grim reality of unrelenting poverty and unemployment numbers point to the critical need for increased investment and improvement in public benefits and income supports for struggling families, especially since these programs face continued attacks.

Without these policy solutions, women are up against an uncertain future, and the number of very real challenges threatening to extend or exacerbate the anemic recovery for women will remain unchanged.

For more information contact Wendy Pollack, Director, Women's Law and Policy Project, Sargent Shriver National Center on Poverty Law, at wendypollack@povertylaw.org

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