



Labor Force Participation During the COVID-19 Pandemic

Compiled in October, 2022

The New York civilian labor force participation mirrors the national average of workers over the age of 16. Women and men, nationally, faced a similar decrease in labor force participation. *Of note: Overall and on average, with the exception of older women, the female labor force participation rate in the United States has not increased significantly in three decades. It decreased (the 1 percentage point listed in table 1) during the pandemic, but actually for women the decrease was less than that experienced by men (men's participation rate decreased by 1.4 percentage points from 2019-2021).*

TABLE 1: Women's labor force participation

	NY Women*	National Women**	National Men**
2019	55.0%	57.1%	69.0%
2020	54.3%	--	--
2021	54.0%	56.1%	67.6%

* From NYS Department of Labor

** National percentage is of people 16 and older. From Brookings Institution (2022).

The fact that women's labor force participation did not "plummet" is due to the following factors:

- The average percentage of women in the labor force does not adequately reflect the experiences of less educated women, women in certain industries, and women of color. Further, different age groups were impacted differently. Thus, looking at the overall percentage for women 16 and older (above in table 1) also does not adequately reflect the experiences of those in certain age brackets.
- The pandemic lasted through multiple years and seasons. The impact on labor force participation varied based on the "season" of the pandemic. For example, the winter months of the pandemic were distinctly different in comparison to the summer months. The percentages in table 1, therefore, represent the averages across the "seasons" for the years in question. The percentages were different during the height of the pandemic in April-May, 2020 (see below).
- News outlets and other organizations can certainly state the loss of "three decades" of progress for women – however, it needs to be considered relative to the fact that little had changed in the percentage during the previous decades – so a minor (1 percentage point) loss is, in fact, significant. *Of note: Female labor force participation rates soared from late fall 2019 to early winter 2020, when the economy had exceptionally low unemployment. Comparisons with January 2020 would give an overstatement of the hypothetical impact of the pandemic because it was a potential "blip" or anomaly in the data. We have no way to ascertain whether the increase (described in the next bullet) would have been sustained if the pandemic had not occurred.*
- The increase in labor force participation among all women 20 to 54 years old (group 1) from April 2019 to December 2019 was 1.86 percentage points, but, among those **20 to 29 years old (group 2) who were not college graduates and had a child 0 to 4 years old, it was 6.32**



percentage points. Therefore, the increase in labor force participation in the second half of 2019 was greatest among less educated, young women with young children. And this was the group most likely to leave the labor force when the pandemic hit because they were potentially less “attached” to their job when the pandemic hit. **Of real importance, 43% of group 2 left the labor force at least once after March 2020, whereas just 12% of group 1 did.**

AGE AND EDUCATION MATTER

- In absolute levels, the fraction “at work” declined significantly in spring 2020, during the height of the pandemic, for all groups, but considerably more for the less educated. The fraction at work decreased by more than 8 percentage points for both male and female college graduates but by about 17 percentage points for the non-college graduate group. But, as the pandemic continued and the labor force went through various COVID-19 “seasons,” these rates “recovered,” but **the less-educated group recovered somewhat less** (4 percentage point loss for non-college graduates as of fall 2021).
- For college graduates, labor force participation rates by spring 2021 were about the same as they were in 2018, and that is true for both men and women. For the non-college graduate group, decreases were considerably greater. **Non-college graduate women in 2021 were behind by 1.3 percentage points relative to 2018** and non-college graduate men were behind by 0.6 percentage points. Earlier in the pandemic and through spring 2021, the college graduate group was far more shielded than those without a college degree (see table 2).
- To fully understand labor force participation rates, it is also important to segment out participation rates based on specific age ranges (see table 2).

TABLE 2: Labor force participation for women aged 25 to 34

	Fall 2018	April-May 2020*	Fall 2021
College graduates	85.4%	82.7%	85.5%
Non-college graduates	70.8%	66.1%**	69.7%

*Hardest hit months of the pandemic.

**Equates to about 1 in 15 non-college graduate women aged 25 to 34 left the labor force during the start of the pandemic.

- **Among women 25 to 34 years old without a college degree, 6.9% were still unemployed in fall 2021.** Even though that is substantially lower than the 10.2% number they experienced in fall 2020, it is higher than 5.6% from fall 2018.

WORK FROM HOME WORKED FOR SOME WOMEN

- About 62% of employed college graduate women and college graduate men in May 2020 were working from home at least part of the time due to COVID-19. But, **among those without a college degree, just 25.3% of employed women were working from home in May 2020.**



- The ability of college-educated women to work from home allowed them to remain the labor force. In fact, **college graduate women with infants and toddlers had increased participation rates relative to 2018**, particularly after winter 2020. Non-college women with a youngest child less than five had decreased labor force participation rates in summer and fall 2021, while the college graduate group experienced the opposite.
- Women (whether working from home or not) did report decreasing the number of hours worked per week (most likely due to child care and household responsibilities). The impact of children at home is not as large as a factor to labor force participation rates for college graduates. The group of women without residential children (or with those older than 17 years) had largely returned to work by fall of 2021, whereas **non-college graduate women with younger children continued to lag**.

GENERAL OBSERVATIONS ON INTERSECTIONS OF INDUSTRY / RACE / CHILDCARE

- Prior to the pandemic, and relative to men, women (in particular, women of color) were disproportionately employed in establishments, such as restaurants, beauty salons, child daycare services, and home health care services, that were shuttered in many states at the start of the pandemic. Thus, the impact of the pandemic on women in service industries was significantly different from those in industries that more seamlessly facilitated remote work.
- Race and ethnicity mattered to women's employment and labor force status - independent of the age of their youngest child, occupation, and education. Women of color were more likely to leave the labor force in comparison to white women, overall.
- The pandemic certainly had a different effect on women with children, however, the most salient variable of interest is **education level of women** when attempting to explain labor force participation rates.

DATA SOURCE

Goldin, C. (2022). Understanding the Economic Impact of COVID-19 on Women. Brookings Papers on Economic Activity.