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Women's Return to the Workforce Piles Momentum on a Hot Economy

After pandemic disruptions, women are rejoining the labor force and filling jobs in the services industry

By *Sarah Chaney Cambon* [Follow](#) and *Lauren Weber* [Follow](#)

March 8, 2023 5:30 am ET

American women are staging a return to the workforce that is helping propel the economy in the face of high inflation and rising interest rates.

Women have gained more jobs than men for four straight months, including in January's hiring surge, pushing them to hold more than 49.8% of all nonfarm jobs. Female workers last edged higher than men on U.S. payrolls in late 2019, before the pandemic sent nearly 12 million women out of jobs, compared with 10 million men.

The onset of Covid-19 and social-distancing measures in early 2020 struck female-dominated jobs in services that require close personal contact, such as housekeepers, nurses and daycare instructors. Many mothers in white-collar jobs also left the workforce to care for their children after schools moved to remote instruction.

Share of women on nonfarm payrolls

52%

50

48

46

44

42

40

1980 '85 '90 '95 2000 '05 '10 '15 '20

Note: Seasonally adjusted

Source: Labor Department

Even as job opportunities grew a year later, nearly 1.5 million fewer mothers were actively in the labor force in March 2021 than in February 2020 amid child-care disruptions and health concerns. Some economists feared women would face challenges re-entering the longer they were out of work.

Those worries are abating. Women are rejoining the labor force and filling service-sector jobs, as they shake off the effects of pandemic disruptions and the sector goes on a hiring spree. Virtual schooling, daycare closures and fear of Covid-19 are subsiding. Other factors, such as the lure of higher pay, adoption of remote work and financial pressures, are spurring more women to seek jobs.

The return of women to the workforce is powering the economy's underlying source of strength, the services sector, as fast-rising interest rates and elevated inflation have triggered recession risks. Many women are reaping wage gains as employers compete for a limited pool of workers, which is helping support renewed growth in consumer spending.

More women in the labor market could help ease worker shortages. The unemployment rate in January touched a 53-year low of 3.4%. A greater supply of labor could work to

counter rising wages and align with the Federal Reserve's goal of cooling inflation.

Women are “a hugely important group for propelling that labor supply and helping perhaps take a little bit of the heat off of inflation,” said Sarah House, senior economist at Wells Fargo Bank.

The barriers haven't all come down. Child care remains out of reach for many families due to the high cost and a dearth of open spots in some places. In early February, nearly five million people weren't working because they were caring for children who weren't in daycare or school, according to the Census Bureau. And signs of a cooling labor market—including a decline in job postings—could foretell a drop in demand for workers.

For now, demand remains strong. Women hold 66% of all jobs in leisure and hospitality, private education, health, and other services—large sectors of the labor market that are staffing up. Women's employment in these sectors grew by 719,000 in the six months ending in January, accounting for 38% of all private-sector job gains during that period.

Men account for a dominant share of jobs in many smaller sectors such as transportation and warehousing, manufacturing and construction. Those sectors surged earlier in the pandemic, as Americans snapped up homes, undertook renovations and shopped for goods online, but have more recently slowed. The tech-heavy information sector, where men hold roughly 60% of positions, cut jobs for two straight months.

The threat to employment in some male-dominated industries is one reason some women might choose to stay in the labor force longer than they otherwise would, said Stefania Albanesi, an economist at the University of Pittsburgh. Such a dynamic occurred around many previous recessions.

“If you think there is going to be a recession and you realize your husband or partner is in a highly sensitive sector, you might decide, ‘Well, I better try to work more and not quit,’ ” she said.

Remote-work options, which are much more widespread than before the pandemic, are also supporting women's return to the labor force, Ms. Albanesi said. U.S. office occupancy is about 40% to 60% lower than before the pandemic, according

to property-services firm JLL, as more people work from home or in hybrid situations. American women express a stronger preference for working from home than men, according to survey findings in a research paper by Stanford University economist Nicholas Bloom and co-authors.

When registered nurse Kathleen Brown moved from North Carolina to Virginia Beach, Va., in mid-2020, she planned to get her two school-age children settled and then look for a job. That hiatus turned into nearly two years of home schooling and other disruptions. Her husband, a Navy surgeon, occasionally deploys to the Middle East, leaving Ms. Brown, 51 years old, with no backup care.





Kathleen Brown and her son Roguen, 13, at home. Ms. Brown recently transitioned to a remote job.

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When she started to look for work, she was offered a position at a nursing facility, but a manager warned her that most shifts would be 16 hours long. “I can’t pull off 16 hours of a babysitter,” Ms. Brown said. “That washes the pay out.”

Ms. Brown realized a remote job would best fit her circumstances, and completed several online courses on specialized remote skills offered by a nurse. Since September, Ms. Brown has been working from home for a benefits-management firm, reviewing insurance requests from cancer patients and their doctors.

“Nursing is kind of a burnout profession,” she said, but “you can reinvent yourself.”

Private-sector employers in hospitality, education and healthcare still have more than 4 million open jobs in total. Lightbridge Academy, which provides early-education and child-care services across a total of 68 locations, is seeking to fill positions, said Chief Executive Gigi Schweikert.

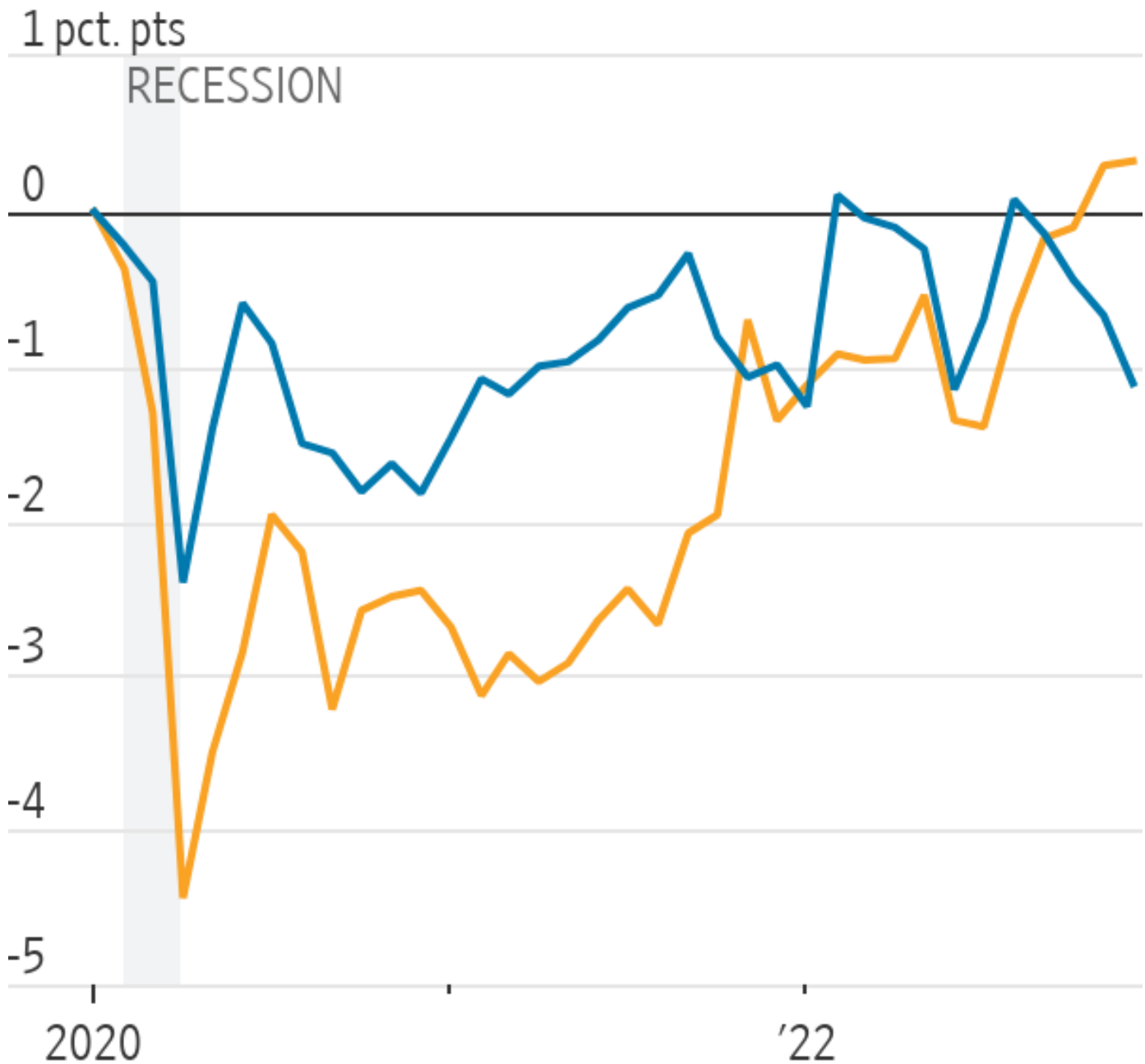
Demand for child care has helped boost enrollment in recent months, said Ms. Schweikert. One location in Brooklyn,

N.Y., which had available spots a year ago, now has a wait list for more than 40 infants.

Applications for teaching jobs are up about 50% from 2020 and the first few months of 2021, when labor shortages resulted in shortened hours, Ms. Schweikert said.

Labor-force participation rate among parents with school-age children, change since January 2020

■ Fathers ■ Mothers



Note: Includes children ages 5 through 17

Source: Labor Department via IDI/IMS/University of

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The recent labor-force recovery has been particularly pronounced among mothers. The share of mothers with school-age children employed or seeking work surpassed January 2020 levels in November. The participation rate among fathers of school-age children retreated at the end of last year and is down from January 2020. Participation among women who don't have children or who have children age 18 or above also remains depressed, in part reflecting early retirements during the pandemic.

In Las Vegas, Alma Lozoya, 34, is back at work after she was let go from her hostess and cashier job at a casino in early 2020 amid shutdowns. She lost her health insurance, a challenge given two of her three children have health issues.

"I couldn't afford living on my own," she said.

She and her children moved in with Ms. Lozoya's parents, who provided financial support and helped her two school-age children with virtual learning. Their return to in-person classrooms helped ease Ms. Lozoya's transition back to work as a casino porter in late 2021.



Alma Lozoya moved in with her parents after losing her job in pandemic shutdowns.

PHOTO: CULINARY UNION

Many of the service-providing jobs dominated by women pay less, on average, than male-dominated occupations. But pay for many of these lower-wage jobs has risen briskly over the past year as employers such as restaurants, bars and hotels have struggled to find enough workers following pandemic reopenings.

Wages for the lowest-earning tier of workers climbed 7.2% in January from a year earlier, averaged over 12 months. That was up from 4% annual growth in January 2021 and exceeded pay gains for the highest-earning workers, according to the Federal Reserve Bank of Atlanta.

A job paying \$10 an hour might not be attractive for women struggling with school schedules, said Claudia Olivetti, an economics professor at Dartmouth College. “But if that same job starts paying \$15, \$16 per hour or offers benefits, then I might take it,” she said.

Women's workforce recoveries have come across racial groups. Labor-force participation among white and Black women ages 25 to 54 was just shy of January 2020 levels at the start of this year. Participation among Hispanic women fell the most of those three groups at the onset of the pandemic, but surpassed January 2020 levels last summer.

Though women are making labor-market gains, men are still far more likely to be in the labor force. The participation rate for men ages 25 to 54 was a seasonally adjusted 88.5% in January, 11.6 percentage points higher than for women.

Men are also more likely to be self-employed. In the first half of last year, 8.2% of working women were self-employed, compared with 12.4% of men, according to an analysis by the Center for Economic and Policy Research. Women are gaining there, too: Their share was up .7 percentage point from prepandemic levels, compared with .3 percentage point for men.

Some women are returning to the labor force to take part-time jobs, which have grown as many workers seek more flexibility.

Jackie Sieve, age 36, had taken some time off from her finance career after her first child was born in 2018. At the onset of the pandemic, she lost her child care—and with the birth of her second child, Ms. Sieve put her plans to return to the workforce on hold.

Through a company called Reserve Squad, which helps women who take career breaks remain connected to the labor force, Ms. Sieve began doing some consulting work in late 2020. She soon found a role at a Cincinnati law firm, where she was promoted to chief operating officer in October.







Jackie Sieve at work and at home, with her children Sophia, 2, and Max, 5.

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Ms. Sieve works 24 to 30 hours a week and typically finishes at 3 p.m., when her children get out of daycare and preschool. If needed, she said, she works at night after they go to sleep. Her husband, a diagnostic radiologist, has also taken on more household responsibilities, she said.

“I’ve found I’m a much better person when I’m working,” she said. “It’s been a really nice adjustment to go in, add value, and also go home and meet the needs of my family.”

—Paul Overberg contributed to this article.

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