



## Long-term impact of the COVID-19 pandemic on women

Compiled in January, 2023

### Women and work during the pandemic

- In early 2020, the immediate impact of the pandemic on women and families was devastating on many fronts. The long-term impact, however, of the pandemic on women is not easily discernable when reviewing labor force participation rates, unemployment rates, and earnings.
- There are few long-term economic/financial measures that suggest women are “worse off” than they were prior to the pandemic. That does not mean, however, that there were not significant impacts. Rather, some impacts are simply more difficult to measure through national datasets – such as, the impact of increased household responsibilities on the physical and emotional health of women. Women often perform a “double shift” or second shift: a day shift in formal employment and a night or early morning shift in the home. Women, however, have always worked a “double shift,” and the pandemic only magnified the challenges faced by women, particularly single mothers.
- Data suggests that the pandemic did not significantly change women’s labor force participation. 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. Nationally, it decreased 1 percentage point during the pandemic, but actually for women, the decrease was less than the decrease experienced by men (men’s labor force participation rate decreased by 1.4 percentage points from 2019-2021) (Goldin, 2022).
- News outlets and other organizations can certainly state the loss of “three decades” of progress for women during the pandemic, however, it needs to be considered relative to the fact that little had changed in the percentage during the previous decades and that the pandemic went through many “seasons” with varied impacts on the labor force. Statistically, a minor (1 percentage point) during certain “seasons” of the pandemic is, in fact, significant.
- While the unemployment situation in 2020, was certainly dire, many indicators suggest that the United States economy had “re-bounded” by 2021, in particular for college-educated women. Nationally, for college graduates, labor force participation rates by spring of 2021 were about the same as they were in 2018.
- Prior to the pandemic, and relative to men, women (in particular, women of color) were disproportionately employed in “service” establishments, such as restaurants, beauty salons, child care, 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 employed in service industries was significantly different from those in industries that more seamlessly facilitated remote work.
- College-educated women, with and without children, were well positioned to work from home during the pandemic and thus, did not leave the labor force. In fact, college graduate women with infants and toddlers had increased participation rates relative to 2018, particularly after winter 2020 as businesses shifted to remote work options (Goldin, 2022).



## Direct-care employees and the pandemic

- Due to the nature of their work, many women-dominated fields, such as direct care and service work, had no opportunity to work remotely. Women, particularly women of color, are often employed in fields that in addition to providing no remote work options, also provide no economic mobility, such as direct care workers (nursing assistants, home health aides, and personal care aids).
- In NYS, women comprise 89% of all direct care workers (36% of all direct care workers in NYS are Black or African American and 26% are Hispanic or Latina) (PHI, 2022).
- The 2020 median salary for direct care workers in NYS was \$23,500. The direct care worker median hourly wage (adjusted for inflation) has barely increased in recent years. In 2011, the hourly rate for direct care workers was \$13.78 and in 2021, the hourly rate was \$15.14 (PHI, 2022).
- The percentage of direct care workers living in or near poverty increased from 39% in 2011 to 44% in 2019. Further, 50% of all direct care workers in NYS are accessing some form of public assistance (PHI, 2022). Women of color are more negatively impacted by the status of direct care workers, due to the history of direct care work and the inherent racist structures in society (Dill & Duffy, 2022).
- Across all service occupations, not just direct care workers, the median weekly earnings for women of each of the largest racial and ethnic groups in service occupations (Black and Latina women) would leave a family of an adult and two children near poverty (less than 125% of the poverty level, or \$660.56 per week for year-round workers) (Institute for Women's Policy Research, 2022).
- In simple terms, the pandemic did not change the status of women at work or their economic mobility, particularly for those employed in direct care or other low-paying service professions. At the start of the pandemic, a large percentage of women left and were laid off from low-paying jobs where there were no opportunities to earn a family-sustaining wage, and they returned to those same low-paying jobs as the country opened up again.

## Gender Pay Gap

*"The wage gap isn't real. Men... go for higher paying jobs, like doctors, engineers, and CEOs. Whereas women pick lower paying jobs like female doctor, female engineer, and female CEO."*

(Twitter post from @the\_female\_lead)

- The "return to work" phase of the pandemic meant a return to the same issues that plagued women prior to the pandemic: a lack of representation in senior positions, a lack of economic mobility, particularly for those lacking a college education and for women of color, as well as the gender pay gap for women across industries.



- Pay disparity, more widely known as the gender pay gap, exploits more than half the population and stunts economic growth. The gender pay gap exists in every industrialized country and across all industries/occupations. The gender pay gap has remained relatively unchanged over the past three decades. At its current rate of change, the gender pay gap would not close until 2059.
- While the gender pay gap has narrowed, albeit slowly over time, the racial pay gap has grown. Black and Latinx workers now earn less relative to white workers than they did in the late 1970s (Bornstein, 2022).
- Across all workers, white women earn \$0.82 cents for every dollar that a white man makes. Black women earn \$0.79 cents; Latina women earn \$0.78 cents; and American Indian and Native Alaskan women earn \$0.71 cents for every dollar that a white man makes (Payscale, 2022).
- When examining median weekly earnings, the Institute for Women's Policy Research (2022) report an even wider gender pay gap. Compared to the median weekly earnings of white men working full-time, Hispanic women's full-time earnings were just 58.4%, Black women's 63.1%, and white women's 79.6%.
- According to the Institute for Women's Policy Research (2022), the median weekly earnings for full-time work was \$912 for women and \$1,097 for men. The median weekly earnings for Black women were \$776 for full-time work. Hispanic women's median weekly earnings were the lowest, at \$718 for full-time work.
- Women's full-time earnings are less than men's in almost all of the top 20 most common occupations for women and all of the top 20 most common occupations for men (Institute for Women's Policy Research, 2022).
- According to the Bureau of Labor Statistics (BLS), the broad occupational category of "services," (salon employees, hotel employees, child care employees, etc...) has the lowest earnings of all occupational classifications, and the racial gap is magnified. Black women, for example, employed in service occupations make, on average, \$594 dollars a week, whereas white men in "service" occupations make \$822 dollars a week – over \$200 dollars more a week.
- The gender pay gap is widest in high-paying occupations. For example, the pay gap between women and men in the medical profession is 29%. Women with MBAs (degrees that can result in very high salaries in the financial services industry) have the largest uncontrolled pay gap of any educational background, earning \$0.74 cents for every \$1 men earn (Payscale, 2022).
- As an example, a woman engineer with the same experience and education as a male colleague earns an average of 4.9% less. On a dollar basis, that amounts to \$81,000 less over a 30-year career (about one year of lost salary for a typical professional) (Glassdoor, 2022).
- Further educational credentialing does not decrease the pay gap for women. Women with advanced degrees, beyond a bachelor's degree, are paid less, on average, than men with bachelor's degrees (Economic Policy Institute, 2022).



- Further, as women age, the gender pay gap increases substantially for women over the age of 45, meaning that regardless of experience or credentials, women, on average, have no change of “catching up” to men (Payscale, 2022).

## **Wealth gap**

- The gender pay gap accumulates over time creating a significant wealth gap between single women and single men, impacting their finances throughout their lifetime. This long-term impact is known as the wealth gap.
- One aspect of the wealth gap is related to interest rates. Women pay higher interest rates when they borrow money, in comparison to men, which adds up over a lifetime. For example, women have 0.04% higher mortgage rates than men on average and may pay up to \$5,100 more than men over a 30-year fixed interest loan period. Further, women pay up to \$7,800 more than men during the length of car ownership (Guess, 2022).
- Women are more likely to take career breaks, such as time off to care for family, which leads to less wealth. Data from the Survey of Consumer Finances (2019), reveals that white women have just \$0.32 cents for each dollar of wealth a white man has. Black and Latina women have just pennies on the dollar.
- Like the gender pay gap, the wealth gap is most severe for people of color. The average white family has a median net worth nearly ten times greater than the average Black family and nearly seven times greater than the average Latinx family (Solomon & Weller, 2018).
- By earning less throughout their lifetime, women and people of color contribute less to their retirement accounts and receive less in employer contributions to their retirement.

## **Other explanations for the pay and wealth gap**

- Some believe that the gender pay gap can be explained by the “confidence gap.” More men describe themselves as confident in negotiating a pay raise in comparison to women. Men are also more likely than women to report that they plan to ask for a pay raise in the next 12 months (Glassdoor, 2022).
- Unequal pay for the same job, may negatively impact self-esteem and can have an impact on one’s mental health. In fact, income is related to mental health. Financial strain is correlated with depression and lower self-esteem (Guan, et al., 2022).
- Others theorize that women make less money simply because they work fewer hours than men. Women may select occupations that allow for more flexibility to engage in family responsibilities and child care, and that those selections are often in lower-paying occupations.
- The consistent pay gap may also be easily explained by gender discrimination and bias. Some argue that there is simply no other explanation. Women, of all demographics, are not treated equally in the workplace and this is an artifact of structural racism and sexism in our society.



## Recommendations and implications

- Without purposeful action, advocacy, and systems change, closing the gender pay gap is likely to continue at its slow pace, regardless of whether another crisis, such as a pandemic, occurs again in our lifetime.
- In one survey, nearly 60% of respondents agreed that women make less than men for the same work and that the federal government is not doing enough to rectify the issue (Oprysko, 2019).
- Unions may help shrink the gender pay gap. Unionized women make on average 23% more than women without a union. They are also far more likely to have paid leave and stronger protections against discrimination and sexual harassment in the workplace (BLS, 2022).
- Organizations need to invest the time, energy, and resources to conduct a pay audit to examine salaries and job responsibilities while being completely transparent with internal and external audiences about salaries. Because employees often do not know the salaries of co-workers, without transparency, employees have no knowledge of the existing pay inequities and thus have no ability to take action to rectify the problem.
- As a result of New York State's pay equity legislation (passed in 2019), New York employers cannot ask job applicants to provide their wage or salary history as a condition of employment. This measure ensures that past salary history does not impact current salary.
- While states, such as New York, have passed legislation, the burden of proof of inequality in pay needs to shift from employee to employer. The country of Iceland is setting the example for other countries to follow. Iceland was the first country to require companies with more than 25 employees to prove equal pay for men and women by obtaining a government-issued certification (Wagner, 2021).
- Another important consideration in the gender pay gap is family leave policies. Although organizations have advanced family leave policies, many women are penalized for taking breaks, whether to care for a new baby or family members, and they often find upon their return, a lower paying job with fewer responsibilities.
- Regardless of legislation to mitigate the gender pay gap, many women cannot afford to work due to factors such as a lack of affordable childcare. New York is ranked as one of the least affordable states for center-based child care. In Erie County, the cost for center-based child care for one infant is more than \$15,000 annually. Access to quality, affordable childcare is at the core of women's labor force engagement, financial health, and economic growth (Alfaro, 2020).

## Concluding thought

- At its inception in 2020, the pandemic was a crisis resulting in a list of previously unimaginable negative consequences. Three years later and across many measures, though, women have seemingly "re-bounded" and returned to the same workplace scenarios faced pre-pandemic. The crisis today is no longer the pandemic, but rather it is the persistent gender pay gap, as well as the ingrained structures that perpetuate sexism and racism. The gender pay gap crisis has significant negative life-long effects on women's economic mobility.



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