Developments in women's labor force participation

During the early 1990's, there was no growth in women's labor force participation rates; since 1994 however, the rate has edged upward, with mothers accounting for most of the rise

Howard V. Hayghe

The increase in the proportion of women who are working or looking for work that began shortly after World War II has been one of the most significant social and economic trends in modern U.S. history. By the 1980's, there were signs that the rise was beginning to slow and, during the early 1990's, no increase in the proportion of women in the labor force (women's labor force participation rate) took place. Beginning in 1994, however, growth appears to have resumed.

A number of factors influenced the slowdown in women's labor force participation rate growth. These include a decline in participation among women under age 25, and a long-term slowdown in participation growth among women in the prime working-age group.[1] The rise in women's labor force participation rate came to a virtual halt as these factors combined with the 1990–91 recession, which had the greatest effect on women's employment of any recession over the last 30 years,[2] and an uncharacteristically slow employment recovery that continued through the early part of 1993 before gaining momentum.

This article traces the developments in women's labor force participation since 1975. The first section, a brief overview, is followed by a discussion of the trends for women with children, and then a discussion of the trends for women of different ages. The last section summarizes the findings.

The data presented in this article are based largely on information collected in March by the Current Population Survey (CPS),[3] supplemented by recently developed quarterly averages based on information collected monthly by the CPS.[4] It is important to note that recent changes to the survey have affected the historical continuity of these data. For about 25 years—until 1994—the basic questions in this survey relating to employment status had remained essentially the same.[5] As the result of a major, 8-year-long overhaul, a new survey questionnaire was developed and introduced in January 1994.[6] Among the changes were questions on employment that were designed to better capture part-time or irregular work, and unpaid work in a family-owned business or farm. Such activities may not have been fully measured, especially among women, by the previous questionnaire. While the revised questionnaire improved the accuracy of many labor force measures, comparability of data across time was interrupted, making analysis of changes in labor force participation between 1993 and 1994 problematic.[7]

Overview

From March 1975 to March 1996, the labor force participation rate of women rose from 46 percent to nearly 59 percent (table 1). Although it rose without interruption through 1990, the increase did not proceed at a steady pace; rather the rate of increase slowed gradually over time. Between 1975 and 1980, women's labor force participation rate increased an average of 1 percentage point per year; from 1980 to 1985, the average annual gain fell to 0.7 percentage point.

Howard V. Hayghe is an economist in the Office of Employment and Unemployment Statistics, Bureau of Labor Statistics.

Table 1. Population, labor force, and labor force participation rates of women aged 16 years and older by presence and age of own children, selected years, March 1975–96

[Numbers in thousands]

Presence and age of own children and labor force status	March of—									
	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996
Total women:										
Population	79,453	87,939	93,455	98,152	98,970	99,783	100,654	102,181	103,128	104,058
Labor force	36,496	44,934	50,891	56,138	56,373	57,244	57,558	59,646	60,538	61,229
Labor force participation rate	45.9	51.1	54.5	57.2	57.0	57.4	57.2	58.4	58.7	58.8
With no children under 18:										
Population	48,856	56,483	61,160	64,890	65,424	65,925	66,207	66,808	67,714	68,864
Labor force	22,028	27,144	30,850	33,942	34,047	34,487	34,495	35,455	35,843	36,509
Labor force participation rate	45.1	48.1	50.4	52.3	52.0	52.3	52.1	53.1	52.9	53.0
With children under 18:										
Population	30,597	31,456	32,295	33,262	33,546	33,859	34,448	35,373	35,413	35,194
Labor force	14,467	17,790	20,041	22,196	22,327	22,756	23,063	24,191	24,695	24,720
Labor force participation rate	47.3	56.6	62.1	66.7	66.6	67.2	67.0	68.4	69.7	70.2
With children 6 to 17, none younger:										
Population	16,182	17,489	16,929	17,123	17,058	17,368	17,827	18,248	18,721	18,679
Labor force	8,875	11,252	11,826	12,799	12,691	13,183	13,441	13,863	14,300	14,427
Labor force participation rate	54.8	64.3	69.9	74.7	74.4	75.9	75.4	76.0	76.4	77.2
With children under 6:										
Population	14,415	13,966	15,366	16,139	16,488	16,491	16,620	17,125	16,692	16,515
Labor force	5,592	6,538	8,215	9,397	9,636	9,573	9,621	10,328	10,395	10,293
Labor force participation rate	38.8	46.8	53.5	58.2	58.4	58.0	57.9	60.3	62.3	62.3

NOTE: Data beginning in 1994 are not strictly comparable with data for prior years because they incorporate the results of a major redesign of the Current Population Survey (CPS) and 1990 census-based population controls adjusted for the estimated undercount. See text footnote 3 for further information about the CPS.

Own children are defined as sons, daughters, adopted, or step-children. Excluded are grandchildren, nieces, nephews, other related children, and unrelated children.

During the next 5 years—1985 to 1990—the gain was slower still, averaging 0.5 percentage point per year.

Over the next 3 years (1990–93), however, the upward trend in women's overall labor force participation rate came to a virtual standstill. The rate fluctuated within a very narrow range, and was the same in March 1993 (57.2 percent) as it had been in March 1990.

Beginning in 1994, the upward trend in women's labor force participation rate appears to have resumed, as the rate edged up from 58.4 percent in March 1994 to 58.8 percent in March 1996. (As noted earlier, the introduction of major revisions into the CPS in 1994 precludes direct comparisons with data for 1993.) These gains appear to have continued into 1997 as well. The recently developed quarterly data series (which is quite close, though not strictly comparable, to the series based on March data) shows that the labor force participation rate of women reached 59.5 percent (not seasonally adjusted) in the first quarter of 1997 (table 2).

Presence and age of children

Mothers accounted for most of the rise in women's overall labor force rate. The participation rate for mothers whose youngest child was school age (6 to 17 years old) rose 22 percentage points to 77 percent in 1996, and the rate for mothers of preschoolers posted a 24-point gain (rising to 62 percent). By contrast, the participation rate for women with no children under age 18 rose by only about 8 percentage points to reach 53 percent in March 1996. Part of the reason that the rise for this group was relatively small is that the majority (three-fifths) of the women with no children are under age 25 or are 55 years and older—age groups with relatively low participation rates that have changed little in recent years.

For all three groups, most of the gains occurred in the late 1970s and early 1980s; between 1990 and 1993, growth had virtually stopped. While growth did not resume after 1994 for the women with no children, the rate for those with children rose. For the mothers of school-age children the participation rate went from 76 percent in March 1994 to a little more than 77 percent 2 years later, while the rate for those with preschoolers went from 60 percent to a little more than 62 percent. And, as table 2 shows, labor force rate gains appear to have continued into 1997.

As shown in the following tabulation, the labor force participation rate for the mothers of very young children—children under 1 year of age—has grown in recent

years. (The apparent 1995–96 drop is not statistically significant.)

March of—	*Participation rate*
1990	49.5
1991	51.9
1992	52.2
1993	52.6
1994	54.6
1995	56.9
1996	55.4

This trend is an especially strong reflection of today's societal norms. Working for pay or profit, or "market work," is now an integral part of many women's lives, much as full-time homemaking was for women in previous generations. Undoubtedly, most of today's mothers with infants were already well established in the market place before they had their newest child. Many are therefore able to retain their jobs by taking a brief period of maternity leave, or, if they had left their job, are aided in their job search by their previous labor market experience.

Table 2. Labor force status of women by presence and age of youngest child, first quarter averages, 1994–97, not seasonally adjusted

[Nunbers in thousands]

Presence and age of youngest child	Civilian non-institutional population	Civilian labor force	
		Total	As percent of population
Total women:			
1994	102,107	59,617	58.4
1995	103,067	60,380	58.6
1996	103,988	61,020	58.7
1997	105,072	62,547	59.5
With children under 18:			
1994	35,078	24,019	68.5
1995	35,333	24,512	69.4
1996	35,133	24,727	70.4
1997	35,368	25,345	71.7
With children 6 to 17, none younger:			
1994	18,180	13,810	76.0
1995	18,673	14,218	76.1
1996	18,527	14,329	77.3
1997	19,023	14,904	78.3
With children under 6: ...			
1994	16,898	10,209	60.4
1995	16,659	10,293	61.8
1996	16,606	10,398	62.6
1997	16,345	10,441	63.9
With no children under 18:			
1994	67,029	35,598	53.1
1995	67,734	35,869	53.0
1996	68,855	36,293	52.7
1997	69,704	37,202	53.4

Age of women workers

The percentage of women who participate in the labor force differs considerably by age. The following discussion focuses on three major groups: 16- to 24-year olds, 25- to 44-year olds, and 45- to 54-year olds. Older women are omitted from the discussion because there has been—and continues to be—relatively little change in labor market activity among those aged 55 and older. Chart 1 summarizes the labor force rate trends for the three groups.

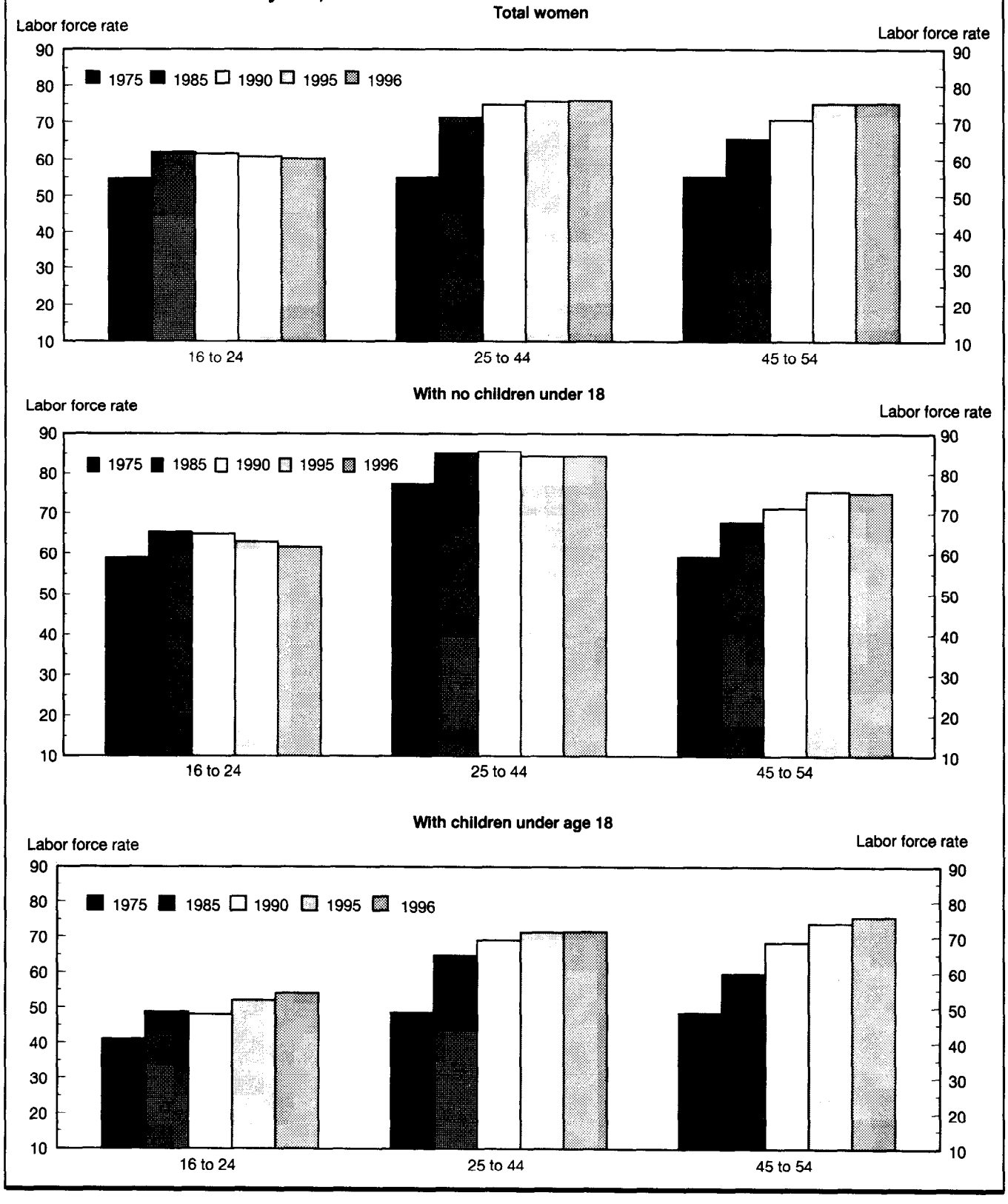
Women aged 16 to 24. The trend of labor force participation for young women is markedly different from that for women in the other two major age groups. On balance, the labor force participation rate of women 16 to 24 years old rose during 1975 to 1987, peaking at slightly more than 62 percent. Subsequently, it declined, falling to about 59 percent by 1993. The downward movement occurred mostly among those who had no children—the group that makes up the overwhelming majority of these young women. From 1994 through 1996, the participation rate of young women displayed no clear direction.

Two factors appear to have been largely responsible for the participation rate decline among the young women. One is the sensitivity of teen labor force participation to the business cycle. During periods of economic growth, the participation rate for teenagers rises; during economic contractions, it falls. Following the 1990–91 recession, the economy experienced a period of slow employment growth, which had a negative impact on teen participation rates.

The other factor was the growing tendency among all young women—teenagers as well as 20- to 24-year olds—to stay in school. The proportion of all female teenagers who were in school rose rapidly, from 61 percent in 1990 (annual average) to 67 percent in 1996. It had been 60 percent in 1986. Over the same period, the enrollment rate for women 20 to 24 years old rose from 23 percent to 29 percent; in 1986, 18 percent had been in school. An increase in students as a proportion of the whole group will have a dampening effect on the entire group's labor force participation rate (all other things being equal) because students typically are less likely to be labor force participants than young persons who are not in school. The following tabulation shows the 1996 average annual labor force participation rates for women aged 16 to 24 who were either enrolled or not enrolled in school:

	Labor force participation rates	
	Enrolled	*Not enrolled*
Women, 16 to 24 years old	50.2	72.5
16 to 19 years	44.6	64.9
20 to 24 years	61.0	75.5

Chart 1. Women's labor force participation rates by age and presence of own children under 18, March of selected years, 1975–96



Indeed, had the enrollment rates of young women been the same in 1996 as they were in 1986, then nearly 64 percent would have been in the labor force instead of the actual 62 percent (annual averages).

Women aged 25 to 44. The labor force participation rate for women in this age group trended generally upward. From 1975 to 1985, their rate grew rapidly, from about 55 percent to 71 percent. Growth slowed substantially thereafter as their participation rate moved up to 76 percent in 1996.

Mothers of children under age 18 led the increase. (Mothers aged 25 to 44 account for 4 out of 5 of all women with children under 18.) From 1975 through 1985, the participation rate for these mothers grew 16 percentage points (from a little less than 49 percent to slightly more than 65 percent). Thereafter, the increases slowed and they added only an additional 6 percentage points through 1996.

Although relatively more of the women in this age group who had no children under 18 were in the labor force than the mothers, their participation rate gains were smaller. From 1975 through 1985, the participation rate of those with no children rose a little less than 8 percentage points (from slightly more than 77 percent to 85 percent); it remained practically unchanged thereafter.

Because of the rapidity of the gains on the part of the mothers, the gap between their participation rate and the rate of those with no children under age 18 narrowed sharply. In 1975, the labor force participation rate of those who were mothers was about 29 percentage points below that of those who had no children under 18. By 1996, the difference had shrunk by more than half, to about 13 percentage points.

Women aged 45 to 54. The participation rate for these women also grew, but followed a somewhat different path. Between 1975 and 1985, their rate increased by about 11 percentage points, from 55 percent to 66 percent. Unlike the trend for 25- to 44-year-old women, however, labor force growth among these older women did not slow appreciably, and, by 1996, an additional 10 percentage points were added as their overall rate reached 75 percent.

Relatively few women in this age group were mothers (about 1 out of 4). Even so, the participation rate of those who were mothers advanced rapidly, rising by about 11 percentage points—from 49 percent to 60 percent—over the 1975–85 period. By 1996, it gained an additional 16 points to reach 76 percent.

Growth was slower among the 45- to 54-year olds with no children under age 18. Their participation rate grew by just 9 percentage points (from 59 percent to 68 percent) between 1975 and 1985, and by only another 7 percentage points to reach 75 percent in 1996.

Once again, these different rates of growth narrowed the labor force participation rate gap between the mothers and the women with no children. In 1975, the participation rate for those with no children was about 11 percentage points higher than that of the mothers; by 1996, it was just about the same.

Table 3. Changes in number of women in the labor force and labor force participation rates, March 1986–96

[Numbers in thousands]

Characteristic	Original	Labor force rate of 16–24 year olds held contant[1]	Difference
Civilian labor force			
1986	51,732	51,732	0
1996	61,229	61,525	296
Percent change 1986–96	18.4	18.9	.6
Participation rate			
1986	54.7	54.7	.0
1996	58.8	59.1	.3
Percent change 1986–96	7.5	8.0	.5

[1] Labor force participation rates of women 16 to 24 years old are held constant at their most recent high—50.4 percent for teenagers in 1990 and 71.7 percent for 20- to 24-year olds in 1987.

NOTE: Data beginning in 1994 are not strictly comparable with data for prior years because they incorporate the results of a major redesign of the Current Population Survey (CPS) and 1990 census-based population controls adjusted for the estimated undercount. See text footnote 3 for further information about the CPS.

Summary and conclusion

Overall, the labor force participation rate for women grew between 1975 and 1990, but at a gradually slowing pace. From 1990 to 1993, however, it changed little. Subsequently, the participation rate resumed its upward trend.

Mothers were primarily responsible for the gains in women's labor force participation rates both before 1990 and after 1993. Indeed, following the growth hiatus of the early 1990s, only the mothers' participation rate began to edge up, while that for women with no children remained unchanged.

A number of factors combined to define the trend. One was the decline in the participation rate for women 16 to 24 years old (who are generally neither married nor mothers) during the late 1980s and early 1990s. Had this decline not occurred, both the number of women in the labor force overall and their labor force participation rate would have been somewhat greater than they actually were. As shown in table 3, the number of women in the labor force would have grown by nearly 300,000 more, and their overall labor force participation rate would have increased by 0.3 percentage point

more, between March 1986 and March 1996 had the participation rates of 16- to 24-year-old women remained unchanged instead of declining.

Another factor was the slowing of the increase in participation among women 25 to 44 years old. Accompanying the slowdown among women in this age group was the rapid narrowing of the participation rate gap between those who were mothers and those who had no children under 18. Indeed, among the 45- to 54-year olds, the gap disappeared.

Thus, despite the temporary interruption of growth in the early 1990s, the overall scenario depicted by the data is one of continuing, long-term labor force participation rate gains for women, particularly those with children. The gains, however, are much slower and more sporadic than they were two decades ago. □

Footnotes

[1] See Howard N Fullerton, Jr., "The 2005 labor force: growing, but slowly," *Monthly Labor Review*, November 1995, p. 34.

[2] See William Goodman, Stephen Antczak, and Laura Freeman, "Women and jobs in recessions, 1969–92," *Monthly Labor Review*, July 1993, pp. 26–35.

[3] The Current Population Survey (CPS) is a nationwide household survey conducted each month for the Bureau of Labor Statistics by the Bureau of the Census. The sample currently includes about 50,000 households. The purpose of the survey is to collect information about the demographic characteristics and employment status of the civilian noninstitutional population 16 years old and over. The data collected in March of each year by the CPS undergo additional editing and processing to more clearly identify family and household relationships among individuals. For this reason, data from the March CPS have traditionally been used to track trends in labor force participation of mothers.

[4] See *Employment Characteristics of Families: 1996*, USDL 97-195 (Bureau of Labor Statistics, June 16, 1997).

[5] In 1967, substantial changes were made in the CPS questionnaire as a result of recommendations of the President's Committee to Appraise Employment and Unemployment Statistics (the Gordon Committee).

[6] See Sharon R. Cohany, Anne E. Polivka, and Jennifer M. Rothgeb, "Revisions in the Current Population Survey Effective January 1994," *Employment and Earnings*, February 1994, pp. 13–37.

[7] See Anne E. Polivka and Stephen M. Miller, "The CPS After the Redesign: Refocusing the Economic Lens," *BLS Working Paper* 269 (Bureau of Labor Statistics, March 1995), for estimates of the redesign effect on labor force participation rates.