

News Release

For more information:

Molly.Horak@tcb.org

Report: Mothers' Ability to Participate in the Labor Force is Highly Dependent on Access to Paid Child Care

New York, NY, April 27, 2022...As the US grapples with historic labor shortages, record-high quits rates, and millions of unfilled job openings, the ability for many working parents—especially mothers—to participate in the labor force is highly dependent on access to paid child care. A new report by the Committee for Economic Development, the public policy center of The Conference Board (CED), uses timely data to better understand labor force attachment for mothers with children over time, as well as trends across gender, race, marital status, and more.

Although the overall US labor force has steadily dropped since 2000, all groups of men by race and ethnicity have higher labor force participation than women. However, in 2020 the 11.5 percentage point gap between working men and women was the smallest gap in the post-war period. Traditionally, mothers provide most of the primary care duties for children; thus, the availability and access of paid child care is linked to the decision of mothers to enter or exit the labor force.

What's more, there is a large and persistent gap in the participation rate between fathers and mothers—beginning in the 1990s, this gap has hovered between 22 and 25 percent. The report goes on to note that mothers with older children (age 5-14) have a higher labor force participation rate than all women (mothers of children who are younger and women without children). Also, among mothers, married mothers have lower labor force participation than single mothers for both young and older children.

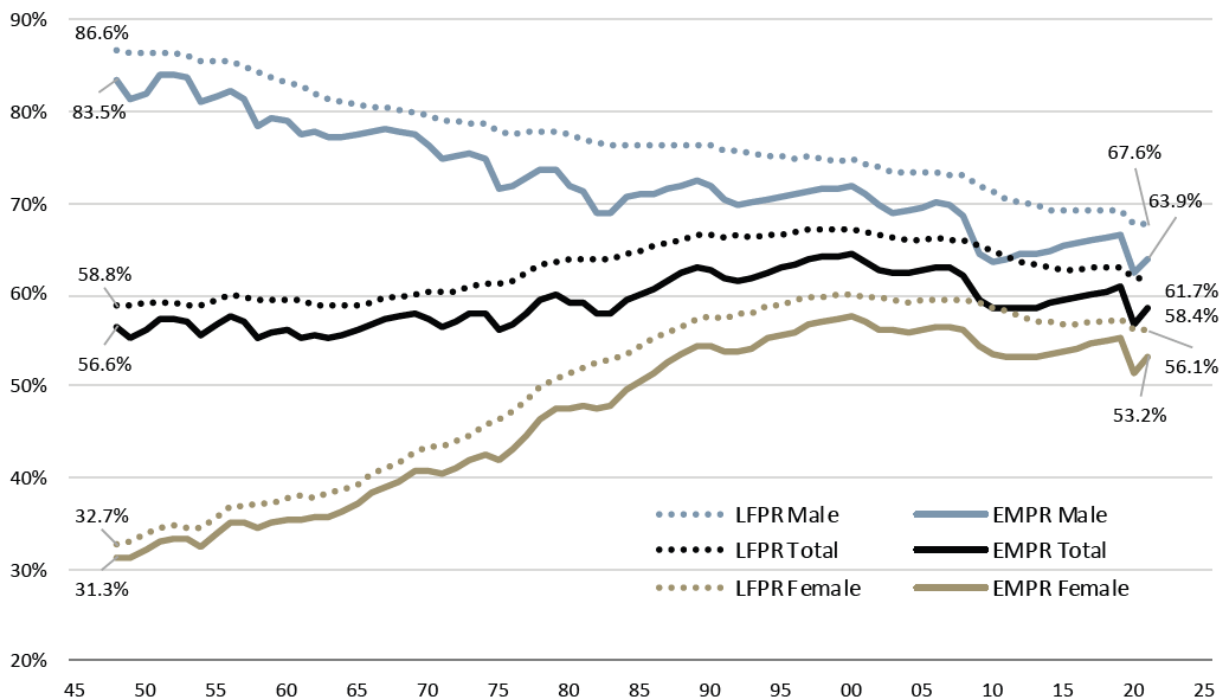
"The US economy desperately needs to grow its pool of qualified workers to fill critical staffing shortages across all industries," said Dr. Lori Esposito Murray, President of CED. "Working mothers could help provide a much-needed infusion into a struggling labor force, but this will require an immediate and sustained change in the way policymakers and business leaders view child care. With the large income gap between working families that use paid child care and those that do not, expanding access to more affordable child care would enable more mothers—particularly those in married households that comprise two-thirds of today's mothers—to enter or return to fulfilling careers."

Key insights from the report include:

Despite declining labor force attachment across all genders, gaps remain between men and women:

- Both male and female labor force participation rates are declining at approximately the same pace. This suggests that the same structural factors that have long weighed on male participation may now be driving a similar decline in female participation rates.
- In 2020, before the pandemic, the male participation rate was 67.7 percent, 11.5 percentage points above the 56.2 percent rate for females. Though substantial, this is the smallest gap between genders in the post-War period.
- A stall in progress in closing the gap between male and female participation during the past two decades suggests that the current 10 percentage point gap between the sexes may represent an effective floor.

Measures of U.S. Labor Force Attachment by Sex



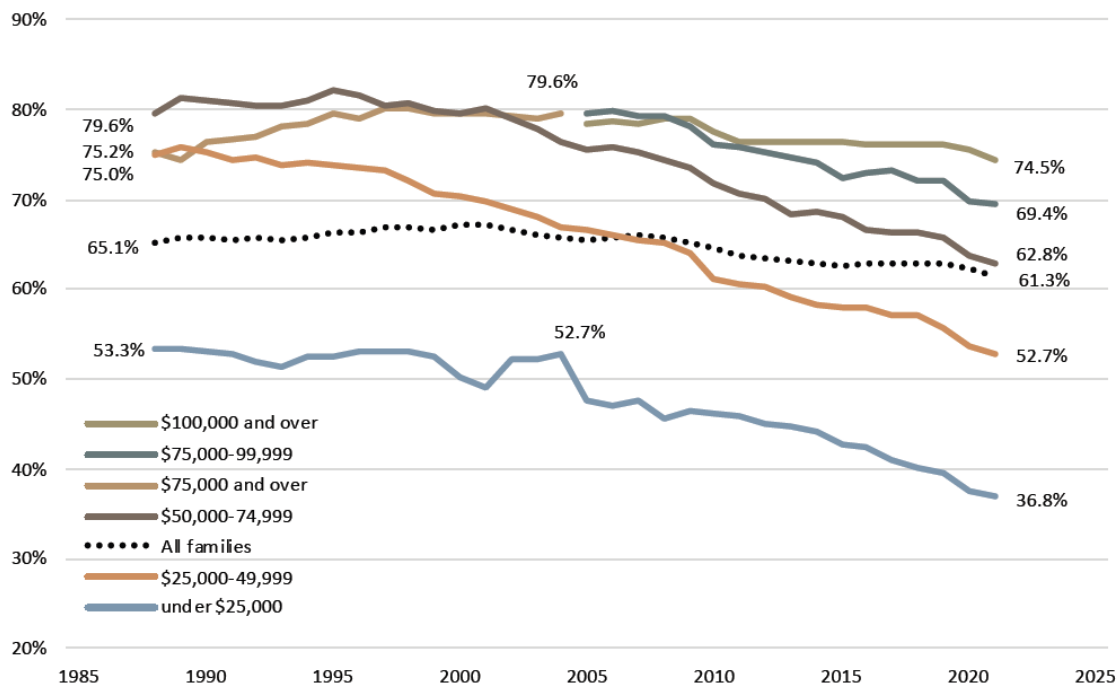
Note: All persons ages 16 and over. LFPR is labor force participation rate; EMPR is employment-population ratio. The estimates are annual averages of monthly values. The employment ratio better captures the magnitude of employment declines in major recessions such as the 1973-75, 1980-82, 2007-09, and 2020 time periods relative to the participation rate.

Source: Bureau of Labor Statistics – Current Population Survey.

Labor force participation trends can be further broken down by sex, race, and income:

- Labor force participation among all women of all races has mostly converged, with the exception of Black women, who exceed the average by 2.6 percentage points.
- Black females represent the only major female race group with rates above the overall average. The gap between Black and White females has averaged approximately 2.5 percentage points since 2000.
- All groups of men by race and ethnicity have higher labor force participation rates than women. The smallest male-female participation gap is for Black men, at 3.2 percentage points gap in 2021. The White gap was slightly larger at 5 percentage points in 2021. The largest male-female participation gap is for Hispanics of all races, clocking in at 18.5 percentage points in 2021.
- Labor force participation rates remain far higher for those in the highest income families. Based on the highest and lowest income brackets, the participation rate for persons in families with income of \$100,000 or more is more than double the rate for those in families with income under \$25,000, at 74.5 percent and 36.8 percent, respectively.

U.S. Labor Force Participation Rate by Family Income Bracket



Notes: Persons ages 16 and over. Data represent annual point-in-time estimates derived from the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC). Brackets are based on average family income. Data on the two highest income brackets are available beginning in 2005. The \$100,000 and over bracket is combined with the \$75,000-99,999 bracket in the CPS prior to 2005.

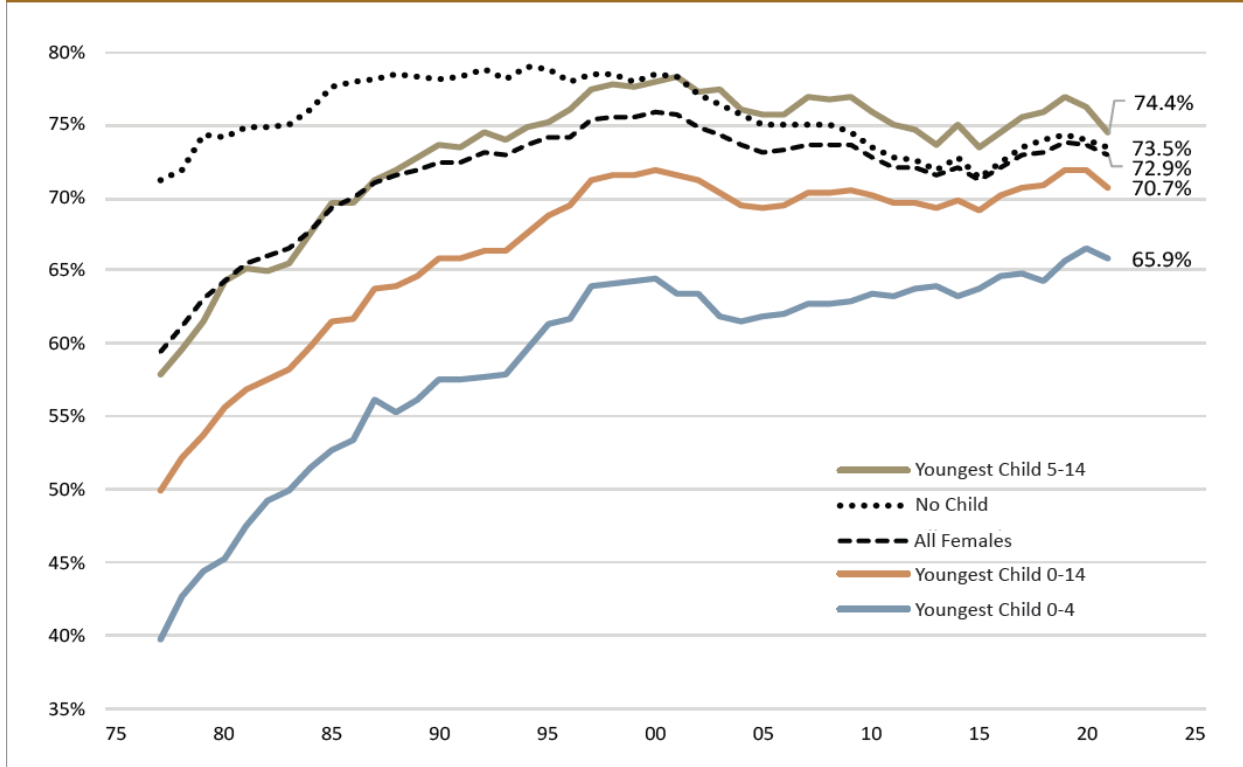
Source: IPUMS USA - University of Minnesota, U.S. Census Bureau, and RegionTrack calculations

Paid child care usage is directly impacted by maternal labor force participation trends:

- The number of mothers ages 18 to 54 with a child under the age of 15 stalled more than a decade ago and has declined by 2.2 million, or 9.3 percent, since 2007. The number of mothers with a child under the age of 5 declined by 1.1 million, or 11.3 percent, over the same period. This has reduced the demand for all forms of child care.
- The labor force participation rate for women ages 18 to 54 has fallen over the past two decades for all subgroups of women except mothers with young children under 5. Mothers with young children represent one of the strongest sources of new entrants to the labor force in recent years.
- Mothers with older children (ages 5-14) have higher labor force participation rates than women with no children and mothers with both older and younger children. Mothers with young children (ages 0-4) have only a 7.6 percent gap remaining in 2021, down from more than 30 percent in the late 1970s. Mothers with young children posted the strongest gains in labor force participation among all major groups of women the past two decades. A continuation of this trend suggests that demand for paid care will be relatively stronger for mothers with younger children versus those with older children.
- About two-thirds of all mothers ages 18-54 with a child under the age of 15 are married. Yet, the labor force participation rate of the far smaller group of unmarried mothers is significantly higher than the labor force participation rate of married mothers. For mothers with children

ages 14 and younger, the gap is 5.7 percentage points. Similarly, for mothers with children under age five, the gap is 3.3 percentage points.

Figure 8. Female and Maternal Labor Force Participation Rates



Note: All persons ages 18 – 54.

Source: IPUMS USA - University of Minnesota, U.S. Census Bureau, and RegionTrack calculations.

Labor force participation rates vary across states:

- South Dakota has the highest labor force participation rate for women, at 83.7 percent. West Virginia has the lowest female labor force participation rate, at 68 percent.
- Wisconsin has the highest labor force participation rate for working mothers with children under age five at 84.6 percent, while Alaska has the lowest, at 56 percent.
- South Dakota has the highest labor force participation rate for mothers with children ages 14 and younger, at 86.4 percent, while Alaska has the lowest, at 63.1 percent.

The new report, *The Economic Role of Paid Child Care in the US: Part 2—Labor Force Participation*, can be accessed [here](#). The report is part of a four-part series produced with the support of the W.K. Kellogg Foundation on the use of paid child care and labor force participation of mothers. The report—and additional information including interactive data sets, state fact sheets, and more—can be found [here](#).

Media Contact

Molly.Horak@tcb.org

**About CED**

The Committee for Economic Development (CED) is the public policy center of The Conference Board. The nonprofit, nonpartisan, business-led organization delivers well-researched analysis and reasoned solutions in the nation's interest. CED Trustees are chief executive officers and key executives of leading US companies who bring their unique experience to address today's pressing policy issues. Collectively they represent 30+ industries, over a trillion dollars in revenue, and over 4 million employees. www.ced.org

About The Conference Board

The Conference Board is the member-driven think tank that delivers trusted insights for what's ahead. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. www.conference-board.org