



Women, the Labor Force, and Economic Growth

The substantial rise in the number of women working in the paid workforce in the United States has been one of the major labor market trends of the last 50 years. In 1960, about 40 percent of women

worked full-time or part-time in paid jobs. Today, that number is about 60 percent.

Women have greatly increased their productivity in the workplace, mostly by becoming better educated and professionally trained. Rising productivity has increased women's wage rates. Those higher wages have raised the opportunity costs—the forgone wage earnings—of staying at home. Women have therefore substituted employment in the labor market for traditional home activities. This substitution has been particularly pronounced among married women. (Single women have always had high labor-force participation rates.)

Furthermore, changing lifestyles and the widespread availability of birth control have freed up time for greater labor-force participation by women. Women not only have fewer children, but those children are spaced closer together in age. Thus women who leave their jobs during their children's early years return to the labor force sooner.

Greater access to jobs by women also has raised the labor-force participation of women. Service industries—teaching, nursing, and office work, for instance—that traditionally have employed many women have expanded rapidly in the past several decades. Also, the population in general has shifted from farms and rural regions to urban areas, where jobs for women are more abundant and more geographically accessible. Additionally, occupational barriers to professions have greatly eroded, resulting in many more women becoming business managers, lawyers, professors, and physicians.

In summary, women in the United States are better educated, more productive, and more efficiently employed than ever before. Their greater presence in the labor force has contributed greatly to U.S. economic growth.