

Quick Figure #Q097

July 2021

## **EVEN AS PAYROLL JOBS RECOVER, YOUNG WORKERS FACE UNEMPLOYMENT AND A HOSTILE LABOR MARKET**

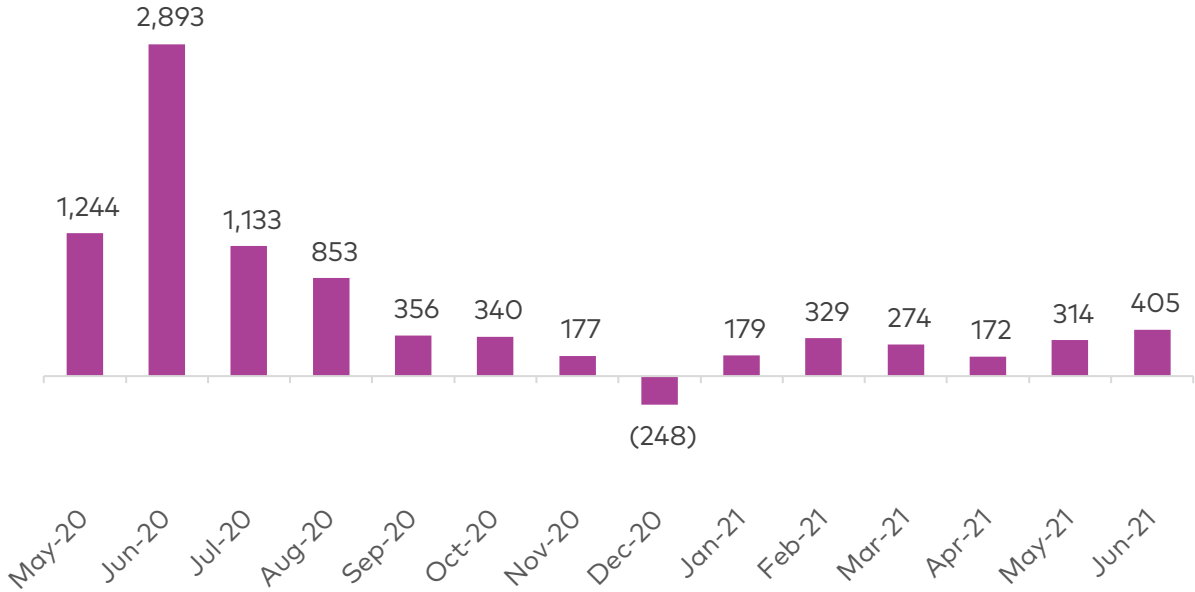
- Women gained 405,000 jobs on payroll in June 2021, the largest job growth since August 2020.
- Women's job recovery continues to lag behind men's. If the strong job growth continues, it will take women another 9.3 months, and men 6.7 months, to get back to pre-COVID-19 levels.
- The number of part-time workers grew in June, while full-time employment declined.
- Unemployment rates increased slightly for women across all the largest racial and ethnic groups—with Black women's rate of unemployment still 1.7 times higher, and Hispanic/Latina women's 1.6 times higher, than White women's.
- A growing number—1.8 million adult women—have been out of work for more than six months; added to these are 1.65 million women who left the labor force since the beginning of the pandemic.

Women's jobs on payroll increased by 405,000 in June, the strongest monthly job growth for women since August 2020 (Figure 1), and 47.6 percent of the total job growth for June (850,000). Women have now recovered 69.0 percent of the payroll jobs lost at the peak of the pandemic recession in April 2020. If job growth continues at this rate, it will take another 9.3 months for women's payroll jobs to reach the same levels as in February 2020.<sup>1</sup>

Women's job recovery continues to lag behind that of men. Women's jobs on payroll are still 3.8 million below pre-COVID levels, while men's are 3 million (Figure 2). Men have recovered 70.7 percent of job losses. If the rate of June job growth continued, it will take men 6.7 months to reach pre-COVID lockdown levels.

**Figure 1. Women's Jobs on Payroll Had Strongest Monthly Growth Since August 2020**

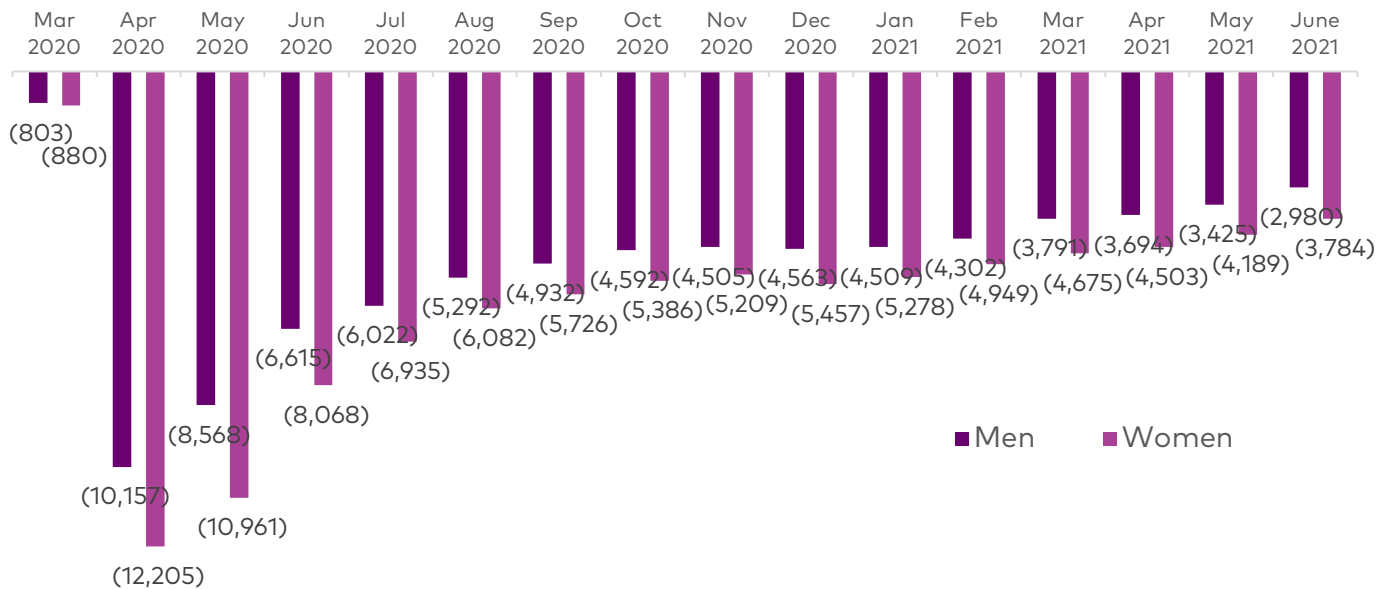
Month-on-Month Change in Women's Jobs on Non-Farm Payroll, May 2020–June 2021  
(Thousands, Seasonally Adjusted)



Source: IWPR analysis of U.S. Bureau of Labor Statistics, Current Employment Statistics (July 2, 2021).

**Figure 2. In June 2021, Women's Jobs on Payroll Were Still 3.8 Million Below Their Pre-Pandemic Level, Men's Were 3.0 Million Below**

Deficit in Non-Farm Jobs on Payroll Compared to February 2020, by Gender  
(Thousands)



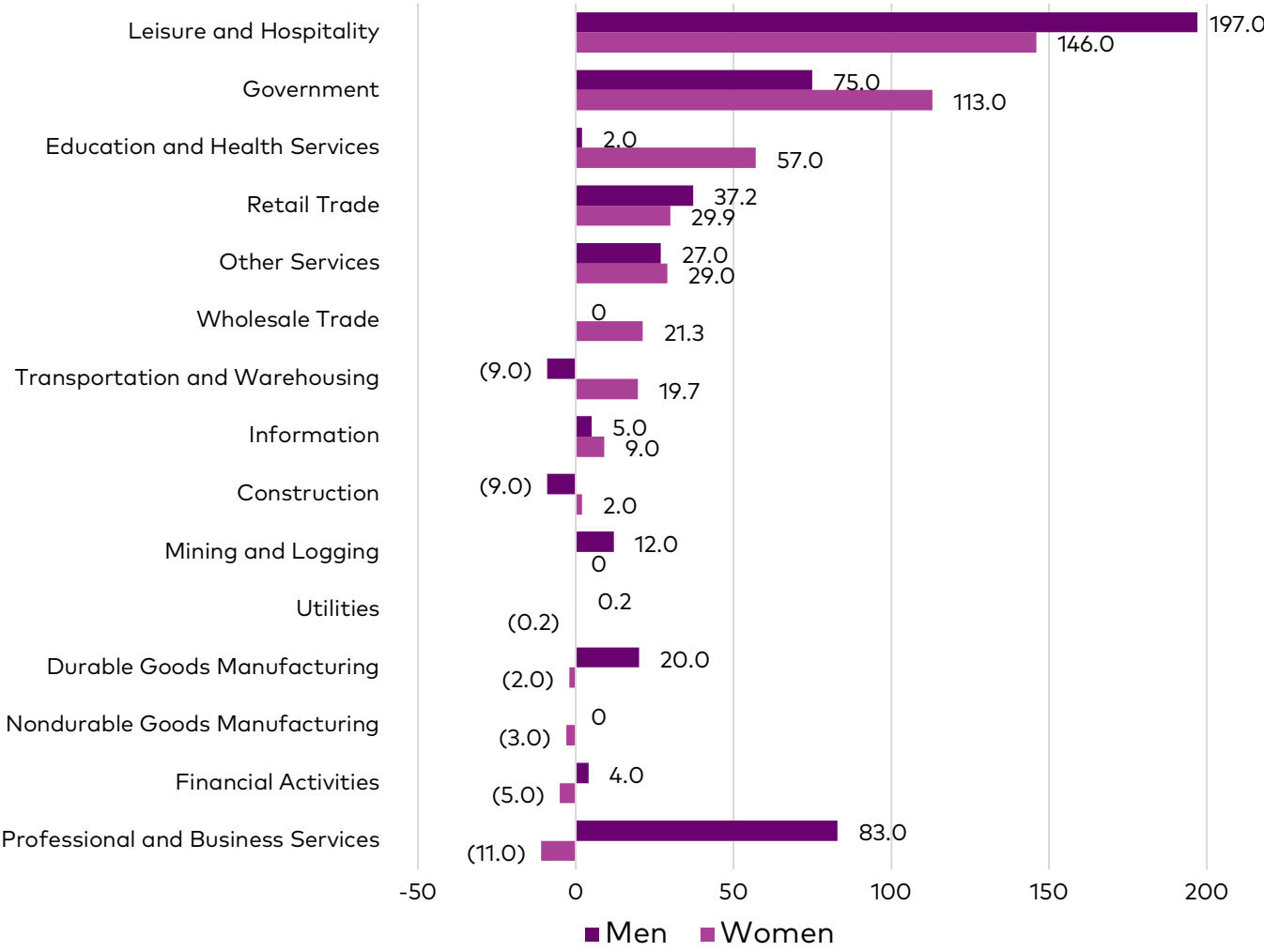
Source: IWPR analysis of U.S. Bureau of Labor Statistics, Current Employment Statistics (July 2, 2021).

Women gained jobs in most sectors, with the strongest growth for women in Leisure and Hospitality (146,000 new jobs). Men's job growth in this sector, however, was much higher (at 197,000). The gains in the Leisure and Hospitality industry are notable, especially after much public concern about a labor shortage.

Women also gained 113,000 jobs in Government (men gained 75,000) and Education and Health Services (57,000 jobs compared with just 2,000 for men). Job growth was also stronger for women than men in Wholesale Trade, Transportation and Warehousing, Information, Other Services, and Construction. Women lost 11,000 payroll jobs in Professional Services, while men gained 83,000, and also saw marginal job declines in Financial Activities, and Durable and Non-Durable Goods Manufacturing (Figure 3).

**Figure 3. Women See Job Growth in Leisure and Hospitality, Government, and Education and Health Services**

Change in Number of Jobs on Payrolls by Sector of Industry and Gender, May to June 2021 (Thousands)

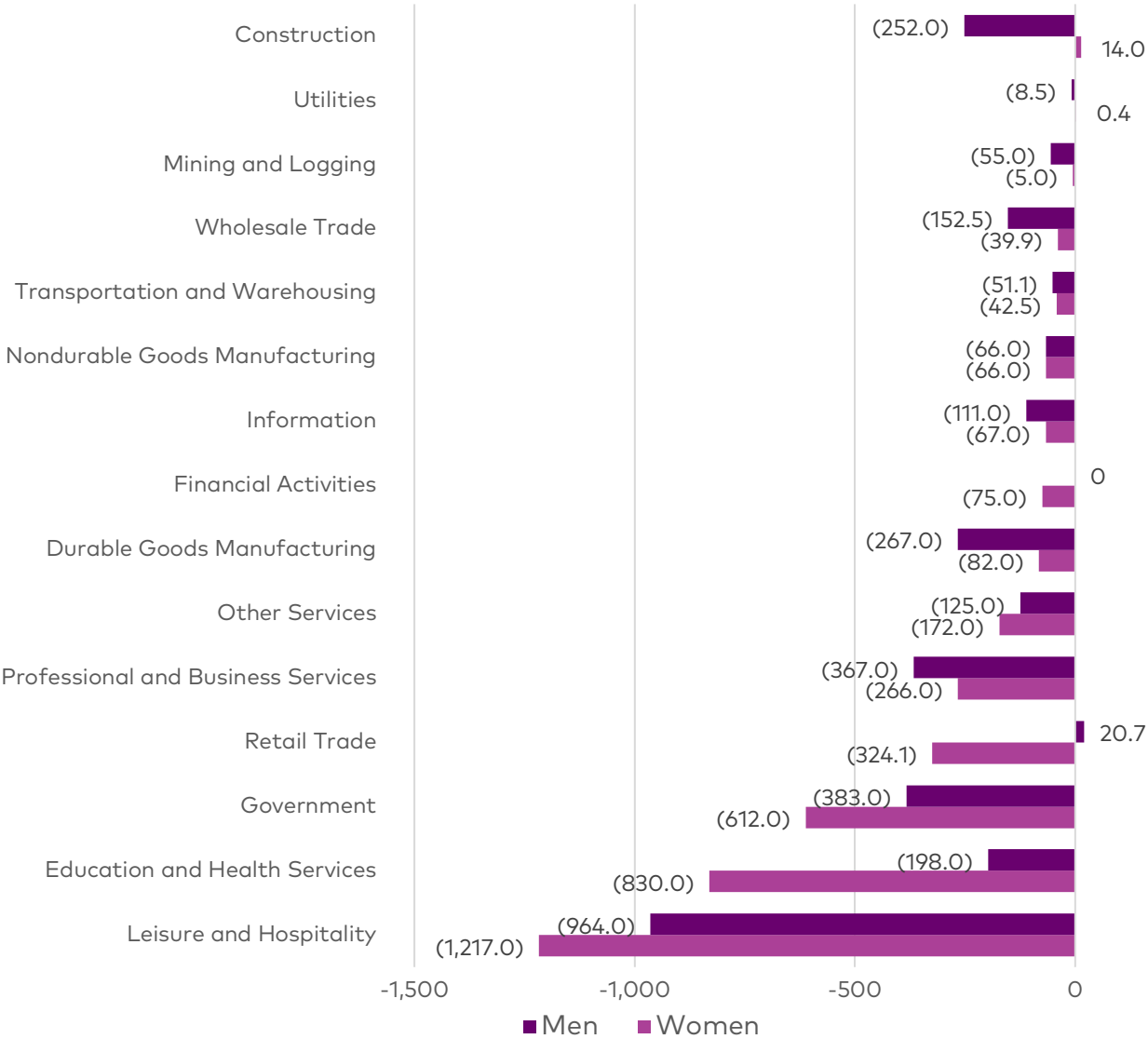


Source: IWPR analysis of U.S. Bureau of Labor Statistics, Current Employment Statistics (July 2, 2021).

To get back to pre-pandemic levels, women still need 1.2 million jobs in Leisure and Hospitality, 830,000 jobs in Education and Health Services, and 612,000 jobs in Government (Figure 4).

**Figure 4. Despite Growth, Payroll Jobs Lag Millions Behind Pre-COVID Levels, Especially in Sectors that Employ the Most Women**

Change in Number of Jobs on Payrolls for Women and Men, by Sector, February 2020–June 2021 (in Thousands)



Source: IWPR analysis of U.S. Bureau of Labor Statistics, Current Employment Statistics (July 2, 2021).

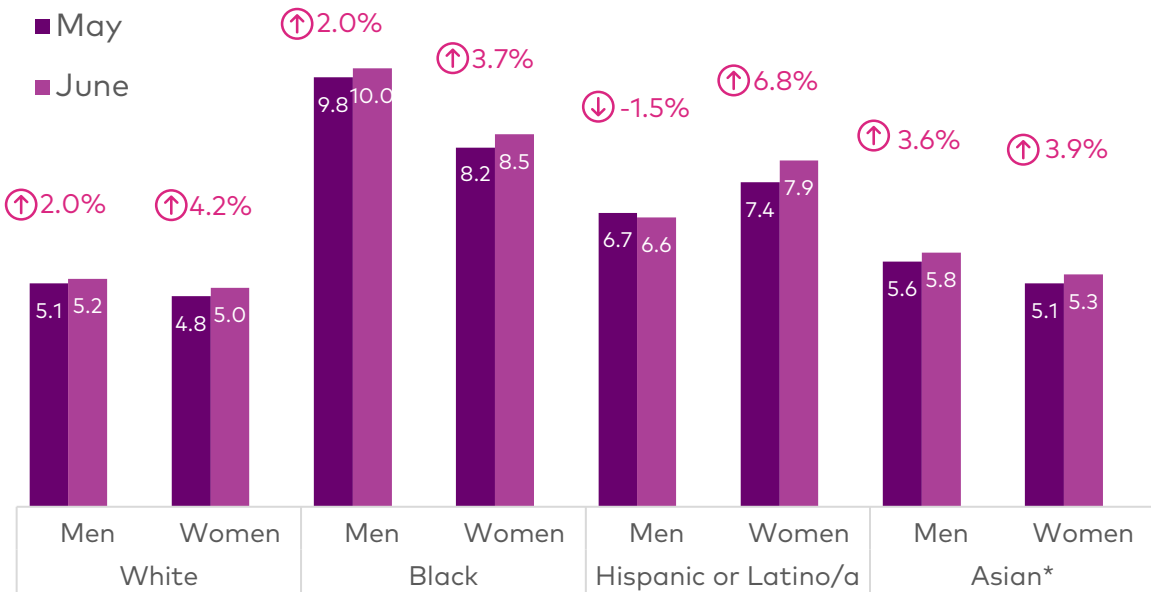
## UNEMPLOYMENT INCREASES IN SPITE OF STRONG JOB GROWTH

Despite strong job growth, the rate of unemployment increased slightly for adult women from 5.4 to 5.5 percent and stayed unchanged for adult men at 5.9 percent. The rate of unemployment only counts those who actively looked for work in the last 4 weeks.

Strong racial and ethnic differences among women on the path to recovery continue. Black adult women’s unemployment is 1.7 times higher than White women’s, and Latinas’ unemployment is 1.6 times higher. Black women’s unemployment rate increased from 8.2 to 8.5 percent, Latinas’ from 7.4 to 7.9 percent, Asian women’s (seasonally unadjusted) from 5.1 to 5.3 percent, and White women’s from 4.8 to 5.0 percent (Figure 5).

**Figure 5. Unemployment Rates Increase for Women of All Racial and Ethnic Groups and Remain High for Black and Hispanic/Latina Women, at 8.5 and 7.9 Percent Respectively**

Unemployment Rates for Women and Men Aged 20 Years and Older by Race and Ethnicity, May to June 2021 (Seasonally Adjusted\*), actual rates and percent change since previous month



Note: \*Seasonally adjusted unemployment data for Asians by gender are not published by the BLS.  
 Source: IWPR analysis of U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey (July 2, 2021).  
 Note: In June 2021, the rate of unemployment for all women workers was 5.5%, a 1.9% increase from May 2021. The rate of unemployment for all men workers was 5.9%, an increase of 0%.

The increase in unemployment, even as job growth surges, reflects the return to the workforce of workers who had stopped looking for work.<sup>2</sup> In June 2021, the labor force grew by 232,000 adult men and 148,000 adult women—with increases for women of all major racial and ethnic groups—while the numbers of White and Hispanic or Latino men in the labor force declined.<sup>3</sup>

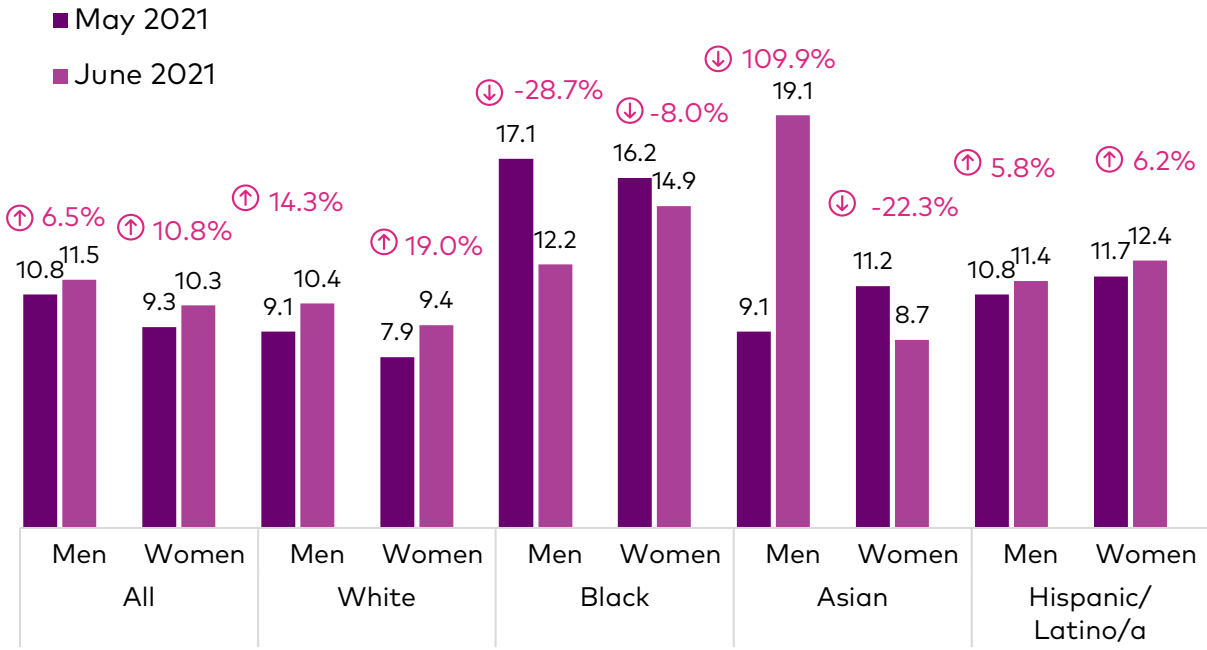
Job growth has been primarily in part-time positions, while full-time work declined, suggesting that much of the decline in unemployment and return to the workforce involved part-time work. The number of part-time workers increased by 408,000 between May and June 2021, while the number of full-time workers declined by 183,000.<sup>4</sup>

## YOUNG WORKERS FACE UNIQUE CHALLENGES

Employment growth for women was concentrated in the 20- to 24-year-old age group.<sup>5</sup> In spite of such strong growth, rates of unemployment are still twice as high for young women and men ages 16 to 24 than for adult workers ages 20 and older (Figures 5 and 6). During the pandemic, young women suffered the largest percentage decline in employment compared to young men and prime-age workers, mainly due to young women's concentration in service sectors hit hardest by the pandemic.<sup>6</sup> Average unemployment in this age group increased in June, but fell for young Black women and men as well as for young Asian men and women (Figure 6).

**Figure 6. Unemployment Rates for Young Adults are High—Particularly Among Young Black and Hispanic and Latino/a Men and Women and Young Asian Men**

Unemployment Rate for Young Adults Ages 16 to 24 and Percent Change, May to June 2021 (Seasonally Unadjusted)



Source: IWPR analysis of U.S. Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey (June 4, 2021).

Young workers are already more vulnerable to adverse labor market conditions due to their relative lack of work experience and resources, and young people of color are often in particularly precarious situations due to systemic racial and economic inequality. Research suggests that these young people will continue to bear the effects of pandemic-related "scarring"<sup>7</sup>—marked by losses in lifetime employment and earnings prospects as a result of the recession, which are never fully recouped.<sup>8</sup> Youth, like the class of 2021 who graduated this past spring, are facing a hostile job market with unemployment rates still far above their 2019 levels.

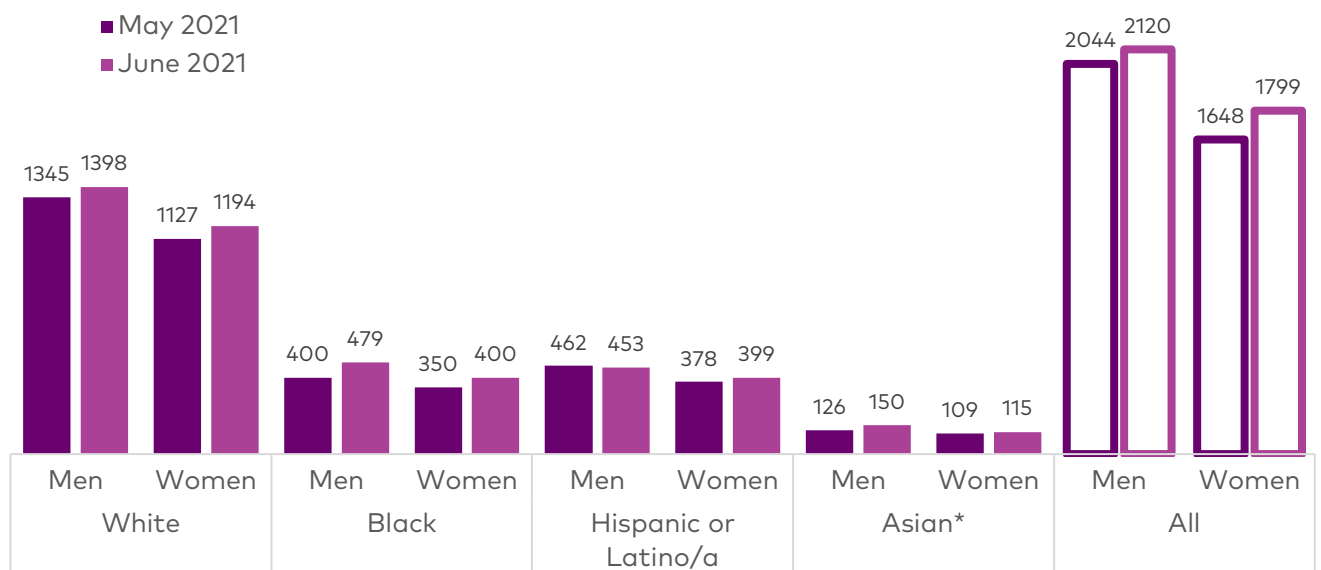


## MANY WOMEN HAVE BEEN OUT OF WORK FOR A LONG TIME

Long-term unemployment grew almost across the board. 1.8 million women have been out of work for at least 27 weeks; women and men of all major racial and ethnic groups saw an increase in long-term unemployment since May (Figure 7).

### Figure 7. Long-Term Unemployment Rises for Women and Men of All Racial and Ethnicity Groups

Long-Term Unemployment May to June 2021 by Race and Ethnicity (Seasonally Unadjusted, Ages 16 and Older)

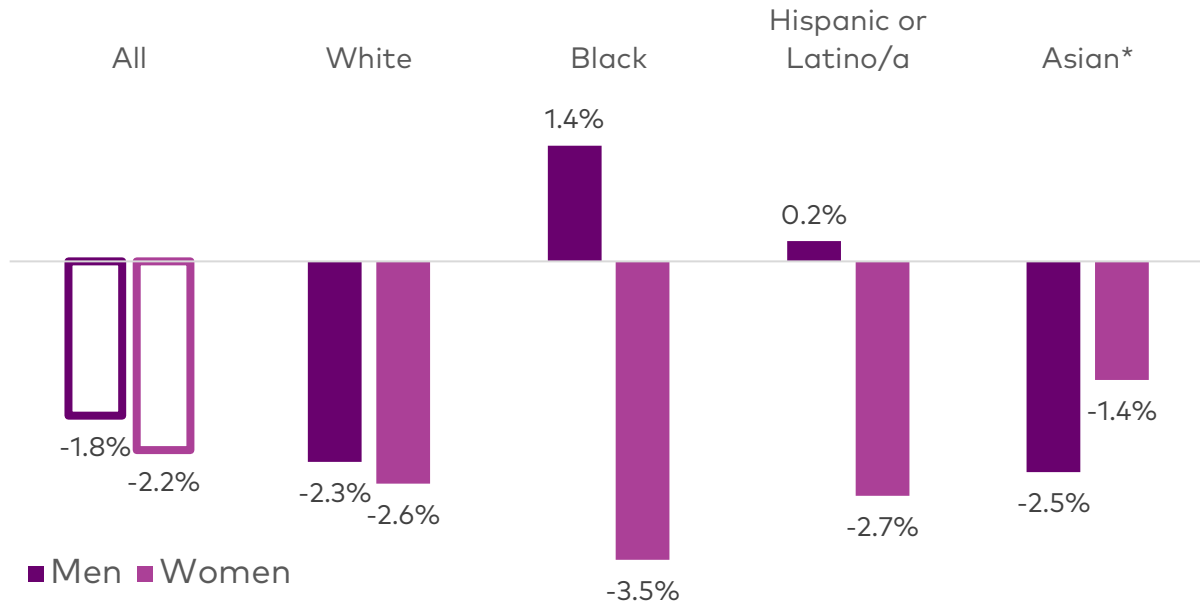


Note: Long-term unemployment is defined as 27 weeks or more.

Source: IWPR Analysis of U.S. Bureau of Labor Statistics, Current Population Survey data (accessed July 2, 2021).

Added to those who are formally counted as unemployed are women who left the labor force. Compared to February 2020, 1.65 million fewer women are in the labor force. Labor market exits are proportionately largest for adult Black women whose numbers in the civilian labor force are still 3.5 percent (375,000) below pre-pandemic levels. Numbers of women in the labor force are also lower than they were pre-pandemic for Hispanic/Latina women, White women, and Asian women (Figure 8).

**Figure 8: Women's Labor Force Numbers, Particularly for Black and Hispanic/Latina Women, are still Substantially Lower than Pre-Pandemic**  
 Percent Change in Number in Civilian Labor Force, Ages 20 and Older, February 2020–June 2021, by Gender (Seasonally Adjusted\*, Thousands)



Notes: \*Data for Asians is not seasonally adjusted because seasonally adjusted data for Asian workers is not published by gender.  
 Source: IWPR analysis of US Bureau of Labor Statistics, Current Population Survey data (accessed July 2, 2021).

## LOOKING AHEAD

High job growth in June provides grounds for optimism that higher vaccination rates are slowly translating into economic recovery. Yet, growing unemployment—particularly long-term unemployment—and the fact that most employment growth was for part-time workers suggests a note of caution. Many Americans stand to lose all or part of their unemployment assistance in the coming months. Twenty-two states have already or will shortly end their participation in federal unemployment programs, and three more have announced plans to cut aid in July—affecting an estimated 3.9 million individuals.<sup>9</sup>

Depriving people of vital economic supports when the economy clearly is not yet recovered is certain to increase economic insecurity and poverty for many women and their families, particularly in Black and Hispanic or Latino/a communities. Instead, women—particularly those who have been out of work for extended periods of time—need access to training, advice, and workforce development that will allow them to return to good jobs. Women also need

investment in the care infrastructure so that the lack of availability of quality, affordable child and elder care no longer prevents women from fully participating in training, education, and employment. Finally, job quality—pay, benefits, and control over work schedules—needs to improve to make sure that all jobs in the reopening economy are worth returning to.

## ENDNOTES

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<sup>1</sup> IWPR analysis based on U.S. Bureau of Labor Statistics, Current Employment Statistics data (accessed July 2, 2021).

<sup>2</sup> Labor force data, including unemployment, are based on the Current Population Survey (CPS), a household-based survey that counts every person only once and includes self-employed and contract workers; the data for jobs on payroll is based on the Current Employment Statistics Survey (CES), an employer-based survey that counts all directly employed workers. Because a person with two jobs will be included in the count by both of their employers, the CES leads to a higher employment count than the CPS. Both CPS and CES are collected by the Bureau of Labor Statistics.

<sup>3</sup> U.S. Bureau of Labor Statistics, Current Employment Statistics; see U.S. Bureau of Labor Statistics, *Economic News Release: Employment Situation*, (Washington, DC: U.S. Department of Labor, 2021) <<https://www.bls.gov/news.release/empstat.toc.htm>> (accessed July 2, 2021).

<sup>4</sup> Data not published by gender or race/ethnicity; U.S. Bureau of Labor Statistics, Current Population Survey, "Table A-9. Selected Employment Indicators," *Economic News Release: Employment Situation*, (Washington, DC: U.S. Department of Labor, 2021) <<https://www.bls.gov/news.release/empstat.toc.htm>> (accessed July 2, 2021).

<sup>5</sup> U.S. Bureau of Labor Statistics, Current Population Survey, "Table A-9. Selected Employment Indicators," as above.

<sup>6</sup> William Rodgers and Richard Freeman, *The COVID-19 Recession Is Hitting Young Workers—Especially Young Workers of Color—the Hardest*, (New York: The Century Foundation) <<https://tcf.org/content/report/the-covid-19-recession-is-hitting-young-workers-especially-young-workers-of-color-the-hardest/>> (accessed July 2, 2021).

<sup>7</sup> Eve Mefferd, "COVID-19-Related Long-Term Unemployment Could Lead to Long-Term Scarring, Especially for Women of Color," Blog, IWPR, (Washington, DC: Institute for Women's Policy Research, 2021) <<https://iwpr.org/media/in-the-lead/covid-19-related-long-term-unemployment-could-lead-to-long-term-scarring-especially-for-women-of-color/>> (accessed July 2, 2021)

<sup>8</sup> Ibid.

<sup>9</sup> Greg Iacurci, "States Will Start Cutting Off Federal Unemployment Benefits This Week," *CNBC*, June 7, 2021, <<https://www.cnbc.com/2021/06/07/states-will-be-ending-federal-unemployment-benefits-this-week.html>> (accessed July 2, 2021). See also Sarah Damaske, "The U.S. Spends Less Than Nearly Every Country on Unemployment, That's Why People Can't Get Jobs," *Time*, July 7, 2021, <<https://time.com/6078388/myth-generous-unemployment-benefits/>> (accessed July 12, 2021).

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