

UNEQUAL PRESENT, UNFAIR FUTURE

Young Black, Latina, and LGBTQ Women Face Greater Economic Challenges during the Pandemic

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New IWPR survey data show young women's experience of economic hardship during the COVID-19 crisis varied across racial/ethnic groups and gender and sexual identities—with some struggling more than others. To achieve an equitable recovery, policies should level the playing field by supporting young women who have been hit hardest.

RESEARCH HIGHLIGHTS

- **During the pandemic, young women of color and LGBTQ women faced significant career setbacks.** Higher percentages of young Black women (29.3 percent), Latina women (27.1 percent), and women identifying as LGBTQ or gender nonconforming (35.7 percent) have experienced career setbacks than their counterparts (24.3 percent for all young women).
- **Young Black and LGBTQ women are more worried about their finances compared to other groups of women.** Higher percentages of young Black women (70.5 percent) and women identifying as LGBTQ or gender nonconforming (62.9 percent) worry about paying their bills sometimes or almost daily than average (55.3 percent for all young women).
- **A larger share of young Black, Latina, and LGBTQ women received financial assistance from other people in the past year compared with their more advantaged peers.** Among those who did, young Black women have less access to financial assistance from their parents (34.6 percent, compared with 70.7 percent young White women), reflecting long-standing, generational disparities in wealth accumulation.
- **Young women overwhelmingly are in favor of structural policy changes that would benefit them.** Nearly 80 percent of young women—across racial/ethnic groups and gender and sexual identities—either somewhat or strongly support forgiving all student loan debt, raising the federal minimum wage, and guaranteeing child care assistance.



INTRODUCTION

The pandemic exacerbated challenges for young women as they sought to launch their careers, start families, and achieve their dreams. During the pandemic, young people suffered high unemployment, disruptions in their education, financial insecurity, housing instability, and increased isolation and mental distress (Gould and Kassa 2020; Jackson et al. 2021). In the early months of the pandemic, concentration in service-oriented industries meant that a higher percentage of young women lost their jobs than young men and workers of other age groups (Sun 2021a). Many young women, especially those with children, left the labor force due to increased care responsibilities (Sun 2021b).

Economic inequality had been on the rise long before the onset of COVID-19 (see Gould 2019); the pandemic only heightened pre-existing inequalities (Saraiva 2020). Due to deep-rooted barriers in access to wealth, quality jobs, and health care, young women of color and women identifying as LGBTQ or gender nonconforming have faced extremely turbulent economic conditions during the “she-cession.” They also have fewer resources to draw on when navigating these challenges. To ensure an equitable recovery, it is important to understand how young women from across different racial/ethnic groups and gender and sexual identities are faring.

In June 2021, IWPR surveyed 1,421 women aged 18 to 34 to capture their experiences of the COVID-19 pandemic and early recovery period.¹ The samples were weighted to produce estimates representing the population of young women (aged 18 to 34) in the U.S.

Drawing on data from this survey, this brief examines young women’s perspectives on their economic conditions during the pandemic, including their employment status and financial security, with a focus on how their experiences differ by race/ethnicity and gender and sexual identity. The brief concludes with young women’s perspectives on policy proposals that would ease their financial burdens, allow them to save for the future, and grow their economic power.

The survey results highlight the unequal experiences among different groups of young women as they navigate the pandemic recovery. These diverging economic realities across diverse groups of young women underscore the need to focus on those who are being left further behind. Recovery policies and programs should provide systemic support to young women who have been hit hardest by the recession. This will ensure a strong foundation to build an inclusive and equitable economy that works for all.

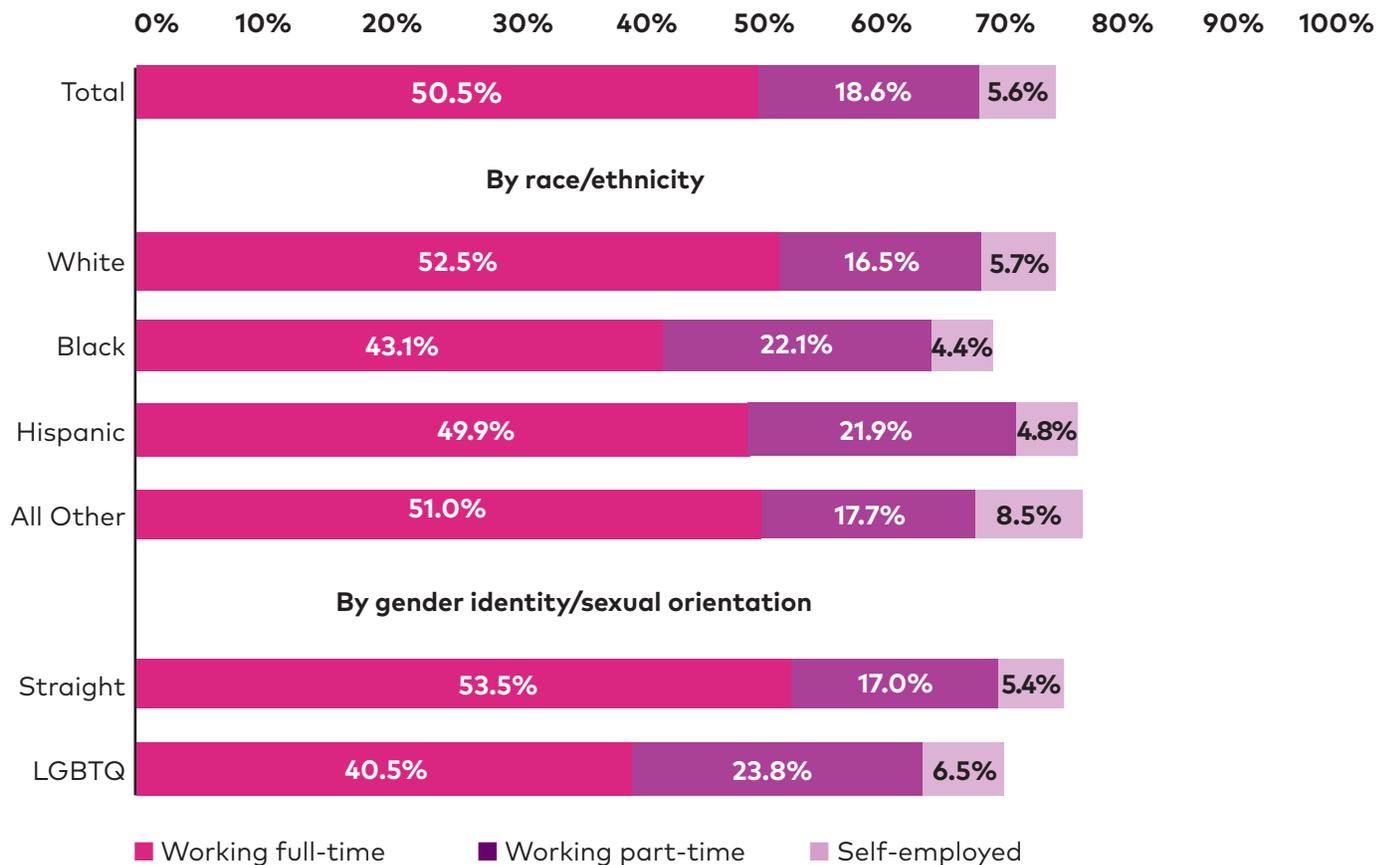
¹ To gain deeper insights into the LGBTQ community, similar to recent surveys from the [National Academies of Sciences, Engineering, and Medicine](#) and [Census Bureau](#), IWPR asked about gender identity and sexual orientation in multiple questions. Due to the sample size issues, responses were combined into two groups that we have labeled “LGBTQ or gender nonconforming” and “straight, cisgender women.” The National Academy report refers to the universe of LGBTQ and nonbinary individuals as “sexual and gender diverse” while the Census Bureau uses “LGBT” and “non-LGBT.” The target population of IWPR’s survey was young women aged 18 to 34; those identifying as transgender and gender nonconforming were intentionally included in the survey sample. In the survey sample, a higher share of younger women (aged 18 to 24) than older women (aged 25 to 34) identify as LGBTQ or gender nonconforming. We ran our analyses of the disparities by gender identity and sexual orientation separately for the 18 to 24 and 25 to 34 age groups and the results are consistent. In this brief, we use “gender and sexual identity” interchangeably with “gender identity and sexual orientation.”

YOUNG BLACK AND LATINA WOMEN EXPERIENCED MORE CAREER AND JOB SETBACKS

Young women—especially young Black and Latina women—are overrepresented in low-wage service-sector jobs that were hit the hardest by the pandemic recession. Between February and April 2020, young women lost 35.2 percent of the jobs they held in February—representing more than 3.3 million jobs (Sun 2021a). Among young women who remain employed, many are classified as “essential workers” who face elevated health risks while lacking access to job benefits and protections, such as paid sick leave.

In June 2021, the vast majority (74.7 percent) of young women surveyed were working for pay, with about half (50.5 percent) working full-time (Figure 1). A higher-than-average share of young Black and Latina women (22.1 and 21.9 percent, respectively) were working part-time, and the share of young Black women working full-time was 7.4 percentage points below average. A lower share of young women who identify as LGBTQ or gender nonconforming (40.5 percent) than those identifying as straight, cisgender (53.5 percent) were working full-time.²

FIGURE 1. Current Employment Status of Young Women, June 2021



Notes: Results are weighted. Full-time workers are defined as paid employees working 35 or more hours per week, while part-time workers are paid employees working fewer than 35 hours per week. Women of “all other” racial/ethnic groups are those who self-identified their race as American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or Other. This category also includes women who selected two or more races.

Source: IWPR Survey on the Status of Younger Women collected June 25 to 30, 2021. 1,427 respondents aged 18 to 34. Washington, DC: Institute for Women’s Policy Research.

² Analysis of current employment status excluding those currently enrolled in school yields similar patterns (results not shown).

While part-time employment may provide more flexibility for those who want it, many people work part-time involuntarily: that is, they would prefer to work full-time but cannot (Golden and Kim 2020). Part-time workers earn much less than full-time workers with similar demographic and educational backgrounds. They also tend to lack access to key benefits, have unpredictable work schedules, and lack advancement opportunities (Golden 2020; Kalleberg 2011). Even before the pandemic, young Black workers without a college degree were especially likely to be employed part-time involuntarily, reflecting their marginalized position in the labor market (Sun 2021c). Involuntary part-time employment will prolong economic insecurity for disadvantaged groups of young women during the pandemic and beyond.

Not only were young Black and Latina women less likely to access full-time jobs during the pandemic, they also experienced more career and job setbacks. One quarter (24.3 percent) of young women overall reported experiencing at least one career setback over the past year (Figure 2a). Among young women who were employed, one-third (34.9 percent) were currently looking for a new job (Figure 2b).

A higher share of young women of color and those identifying as LGBTQ or gender nonconforming experienced career setbacks and were looking for a different job, compared to their counterparts. For example, 35.7 percent of young LGBTQ or gender nonconforming women experienced at least one career setback in the past year, compared to 20.8 percent of their straight, cisgender peers. Over one in four young Black (29.3 percent), Latina (27.1 percent), and young women of "all other" racial/ethnic groups (31.1 percent) experienced career setbacks, compared to one in five White women (20.5 percent; Figure 2a).

Meanwhile, young women of color were much more likely to be looking for a different job: 42.2 percent Black women, 48.7 Latina women, and 38.0 percent women of "all other" racial/ethnic groups, compared to 26.7 percent White women (Figure 2b).

FIGURE 2a. Young Women Who Experienced Career Setbacks in the Past Year

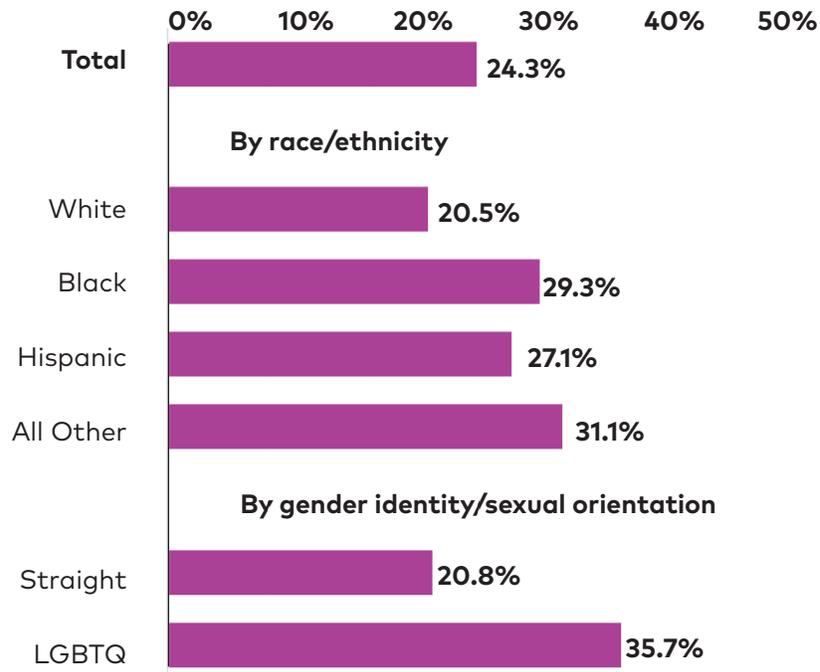
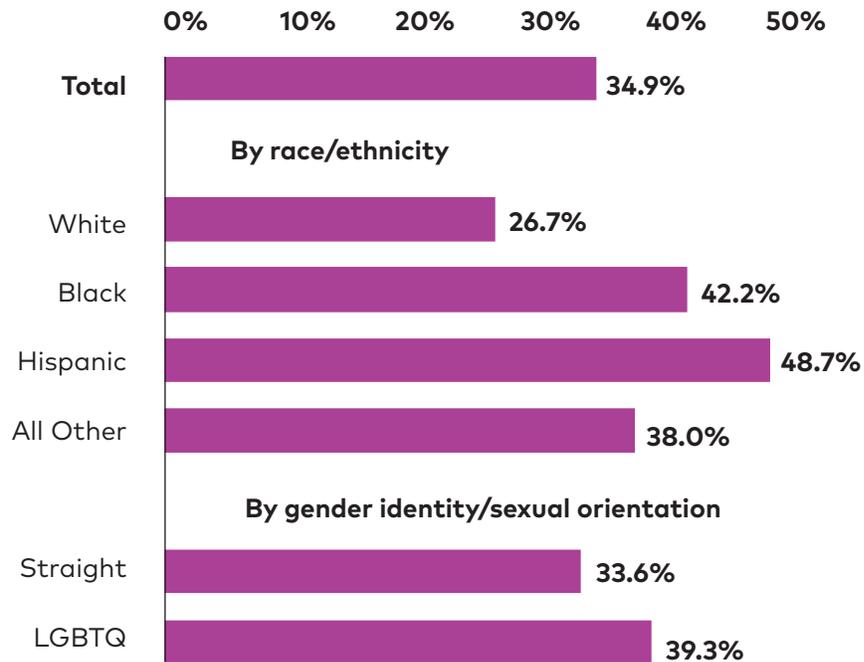


FIGURE 2b. Employed Young Women Who Are Currently Looking for a Different Job



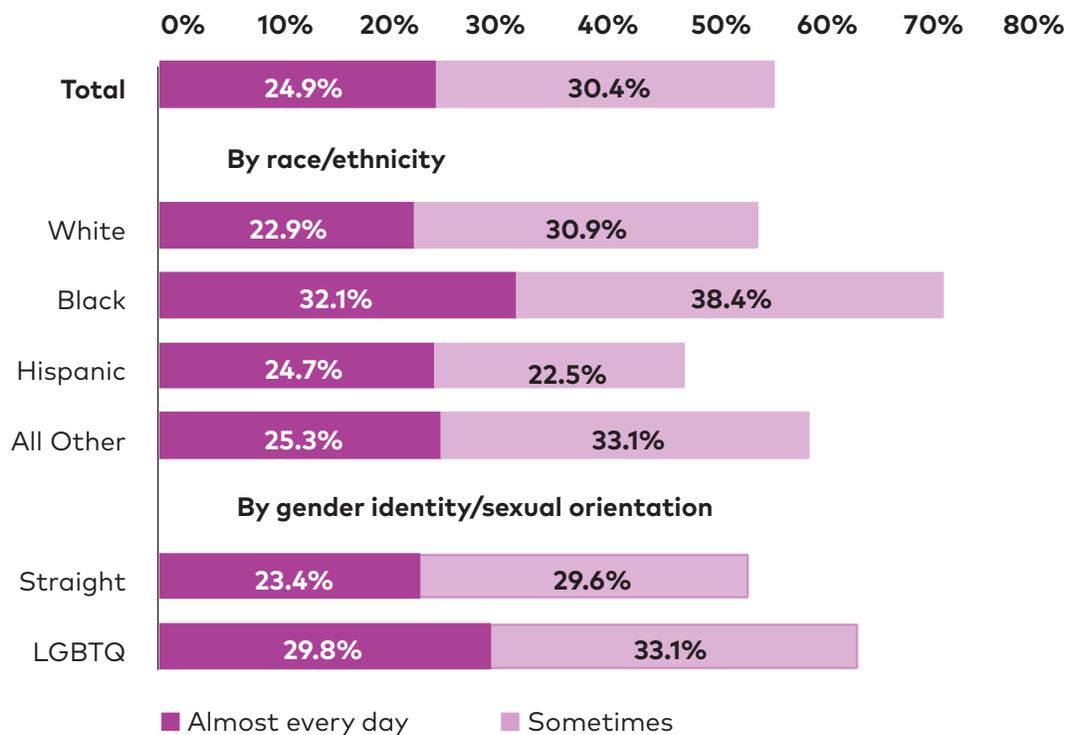
Notes: Results are weighted. Women of "all other" racial/ethnic groups include women who self-identified their race as American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or Other. This category also includes women who selected two or more races. In Figure 2a, "career setbacks" include: taking a job one did not want just to pay the bills, taking an unpaid job or a job one did not want just to gain work experience, postponing or giving up looking for a new job, and quitting one's job due to an unsafe work environment. In Figure 2b, percentages are calculated among young women who were employed in June 2021.

Source: IWPR Survey on the Status of Younger Women collected June 25-30, 2021. 1,427 respondents aged 18 to 34. Washington, DC: Institute for Women's Policy Research.

YOUNG BLACK AND LGBTQ WOMEN FACE ACUTE ECONOMIC INSECURITY BUT LACK ACCESS TO FINANCIAL HELP FROM THEIR PARENTS

Severe job losses and high unemployment rates, coupled with a lack of social safety nets, left many young women with little financial recourse during the pandemic. Food insecurity surged, especially in Black, Latina/o, and other multiracial households (Hayes et al. 2020). Over half (55.3 percent) of all young women worry about paying their bills sometimes or almost daily (Figure 3). The share of young women worrying about their bills is especially high among Black women (70.5 percent). A higher percentage of LGBTQ or gender nonconforming women (62.9 percent) than straight, cisgender women (53.0 percent) reported worry about paying their bills sometimes or almost daily. In results not shown, the same groups of young women who are disadvantaged are also more likely to worry about the amount of debt they owe, losing their job, and taking a pay cut.

FIGURE 3. Young Women Who Reported Worrying About Paying Their Bills Sometimes or Almost Daily

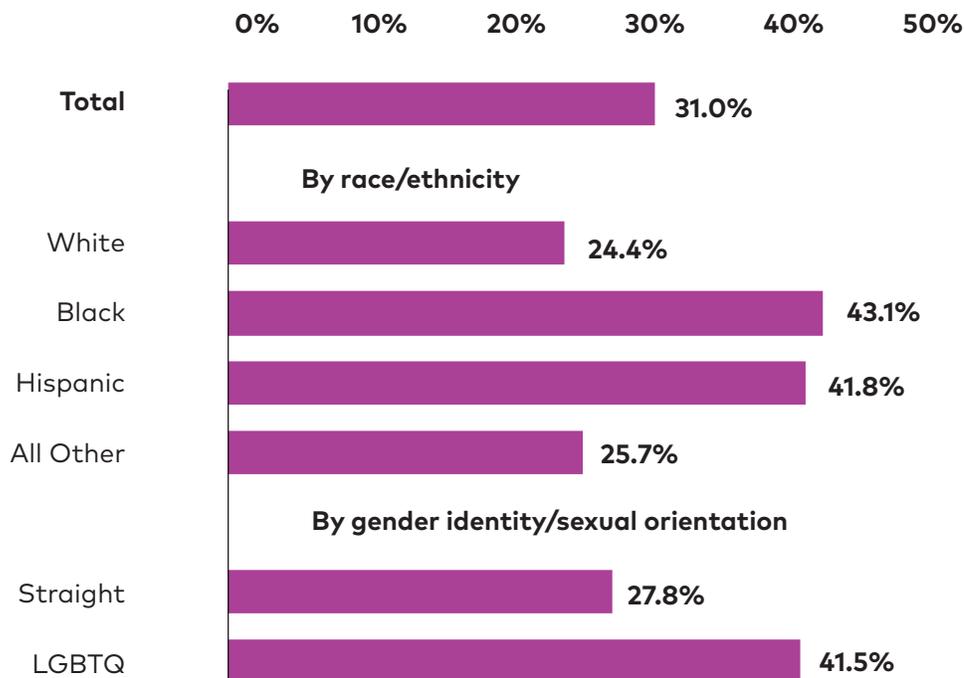


Notes: Results are weighted. Women of "all other" racial/ethnic groups are those who self-identified their race as American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or Other. This category also includes women who selected two or more races.

Source: IWPR Survey on the Status of Younger Women collected June 25-30, 2021. 1,427 respondents aged 18 to 34. Washington, DC: Institute for Women's Policy Research.

Young women's economic insecurity is also reflected in the fact that many have sought financial assistance from their parents, partners, relatives, and others. Nearly a third (31.0 percent) of young women reported receiving help paying their bills in the past year (Figure 4). Receiving financial assistance was most common among young Black and Latina women (43.1 and 41.8 percent, respectively), compared with 24.4 percent of young White women and 25.7 percent of women from "all other" racial/ethnic groups. Larger shares of young women who identify as LGBTQ or gender nonconforming than straight, cisgender women reported receiving financial help from other people.

FIGURE 4. Young Women Who Reported Receiving Financial Assistance from Others to Pay Their Bills in the Past Year



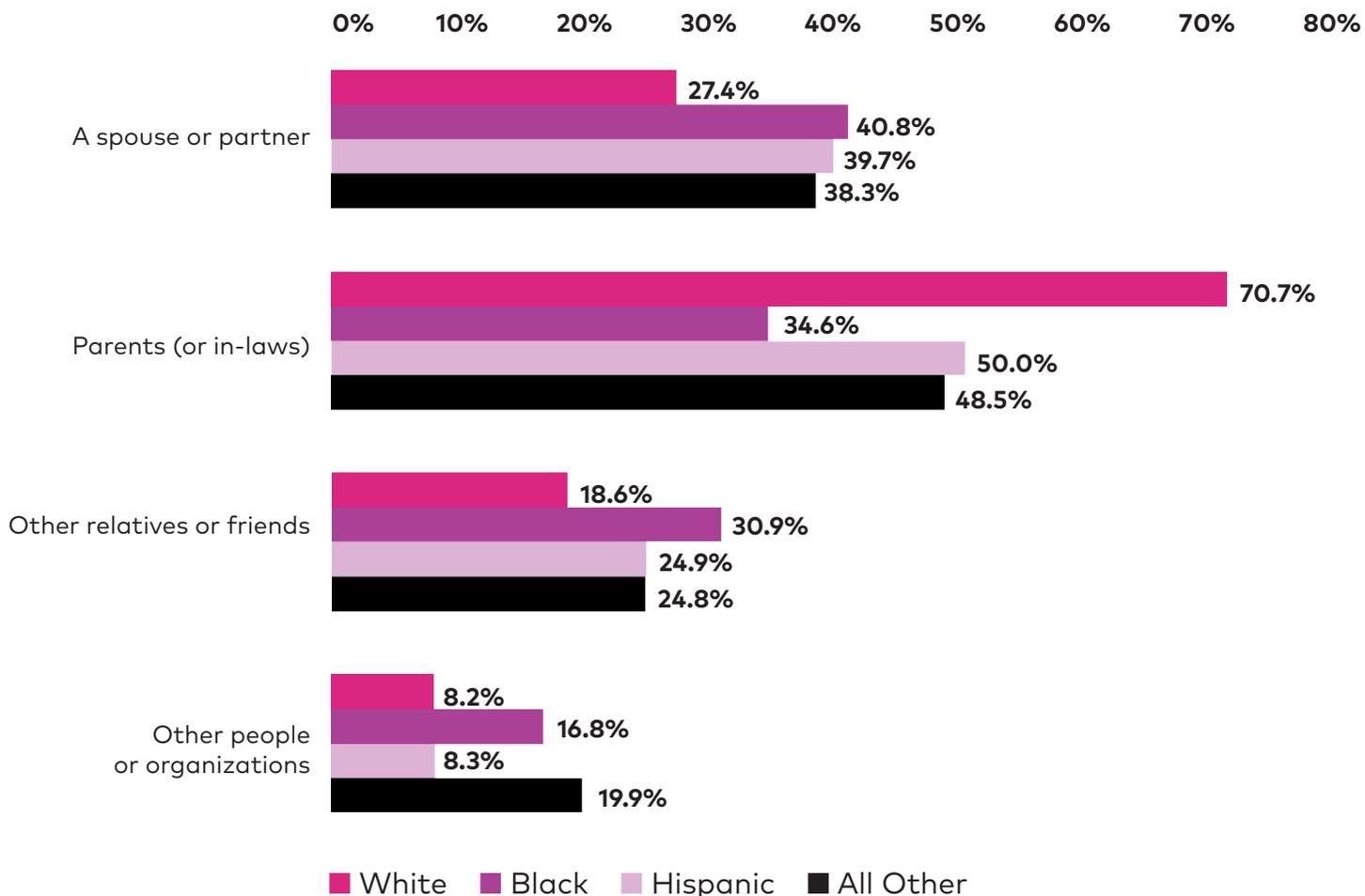
Notes: Results are weighted. Women of “all other” racial/ethnic groups are those who self-identified their race as American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or Other. This category also includes women who selected two or more races.

Source: IWPR Survey on the Status of Younger Women collected June 25-30, 2021. 1,427 respondents aged 18 to 34. Washington, DC: Institute for Women's Policy Research.

The source of financial assistance young women received varies across groups and reflects racial/ethnic disparities in parental wealth. For example, Black and Latina/o families have considerably less wealth than White families (Bhutta et al. 2020). Intergenerational transfer of wealth is a key mechanism of wealth generation and accounts for more of the racial wealth gap than any other demographic or socioeconomic indicator (Hamilton and Darity 2010). An overwhelming majority of young White women (70.7 percent) who needed assistance turned to their parents or in-laws, twice the share of young Black women (34.6 percent; Figure 5). In other words, the vast majority of young White women were able to rely on their parents in times of economic difficulties, but this kind of parental assistance is much less available to women of color.

In results not shown, larger shares of straight, cisgender women (58.5 percent) reported receiving financial support from their parents or in-laws than women identifying as LGBTQ or gender nonconforming (49.0 percent).

FIGURE 5. Young Women Who Reported Receiving Financial Help from Others in the Past Year by Provider of Assistance and across Racial/Ethnic Groups



Notes: Results are weighted. Women of “all other” racial/ethnic groups are those who self-identified their race as American Indian or Alaskan Native, Asian, Native Hawaiian or Pacific Islander, or Other. This category also includes women who selected two or more races.

Source: IWPR Survey on the Status of Younger Women collected June 25-30, 2021. 1,427 respondents aged 18 to 34. Washington, DC: Institute for Women’s Policy Research.

YOUNG WOMEN STRONGLY SUPPORT STUDENT DEBT FORGIVENESS, INCREASED WAGES, AND UNIVERSAL CHILD CARE

Findings from IWPR’s survey show that, during the pandemic, young Black women and young women identifying as LGBTQ or gender nonconforming have faced more job and career setbacks, are concerned about their economic security, and have less access to financial assistance from their parents than their more privileged peers. Diverging economic realities among young women from different backgrounds underscore the need to focus on those young women who are being left further behind in the slow and unequal recovery. Policymakers and advocates can help address the inequities that harm the most vulnerable workers—by strengthening policies that lower the barriers for all women to achieve their full economic potential. These policies, which the women surveyed support, include:

- **Forgive student loan debt:** For several years now, more women than men have been pursuing postsecondary education. However, educational costs have been rising rapidly, which means

young people are saddled with substantial debt as they launch careers, start families, and build wealth as a safety net. Upon completion of a bachelor's degree, Black women have more student debt on average than do members of any other group and are also more likely to experience difficulties in repaying student loans (American Association of University Professors 2017). Forgiving student loan debt is supported by three out of four (74.5 percent) young women surveyed (Figure 6). In results not shown, a higher share of young women of color and LGBTQ or gender nonconforming women than their counterparts support this policy. Moving forward, new public investments in postsecondary education—both college and career training—would reduce the share of costs borne by individuals and improve access to opportunity. Such investments could include higher state funding for universities or increased federal funding to double and modernize Pell grants (Nietzel 2021). Research has shown that financial assistance to disadvantaged groups for education provides significant returns to individuals, their communities, and society (Gault, Milli, and Reichlin-Cruse 2018).

- **Raise the federal minimum wage:** Young women, especially young Black and Latina women, are overrepresented in the low-wage workforce (Ross and Bateman 2019). Younger women entering the workforce or in the early-career stage are especially likely to benefit from policies that raise the minimum wage and improve working conditions. IWPR's survey found broad support (77.6 percent) among young women for raising the federal minimum wage, which is currently \$7.25 and last increased more than 12 years ago (Figure 6). Again, in results not shown, a higher share of young Black, Latina, and LGBTQ women than their counterparts support this policy. Raising the federal minimum wage will help lift many young women out of poverty and narrow the gender wage gap.
- **Guarantee child care assistance:** With an unfair burden placed on women to shoulder care responsibilities, many young women are left struggling to balance their work and home life. For those holding low-wage jobs, difficulty in finding high-quality, affordable care for their children can push them out of the labor force. Providing care assistance for young parents so that low- or middle-income families do not pay more than 7 percent of their income for child care will make child-rearing more affordable. IWPR's survey finds more than four out of five (82.5 percent) young women support such a policy (Figure 6). Still, more child care infrastructure is needed, including universal pre-K, availability for quality care outside of a 9-to-5 workday, and options for before- and after-school care for school-age children.

FIGURE 6. Young Women Support Policies that Would Help Them Achieve Their Goals

Do you support forgiveness of all student loan debt?



Do you support raising the federal minimum wage (currently at \$7.25/hour) to \$15 by 2025?



Do you support guaranteeing child care assistance so no low-income or middle-class family pays more than 7 percent of their income for child care?



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

■ Strongly support ■ Somewhat support

Notes: Results are weighted. **Source:** IWPR Survey on the Status of Younger Women collected June 25-30, 2021. 1,427 respondents aged 18 to 34. Washington, DC: Institute for Women’s Policy Research.

CONCLUSION

Young women today face interlocking obstacles to achieving full economic security, building wealth, and investing in their future. Due to historically discriminatory policies and practices, young women of color and women identifying as LGBTQ or gender nonconforming disproportionately carry the weight of student loans, low-paid work, and unpaid caregiving. Robust investments in policies that alleviate student loan debt, guarantee living wages, and provide child care assistance will support young women to weather the current downturn and save for the future. This will contribute to an equitable economy that works for all women, their families, and their communities.

This brief was authored by Shengwei Sun, with editorial assistance from Kennedy Andara. The author would like to thank Adrienne Smith and Jeff Hayes for advice and suggestions. The author also appreciates the assistance of IWPR staff who helped prepare and disseminate this publication, including Jodi Narde, William Lutz, and Carolina Espinoza. Financial support was provided by the Annie E. Casey Foundation and Pivotal Ventures, an investment and incubation company created by Melinda French Gates.

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