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Creating Jobs for Women: U.S. Experience

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Creating Jobs for Women: U.S. Experience

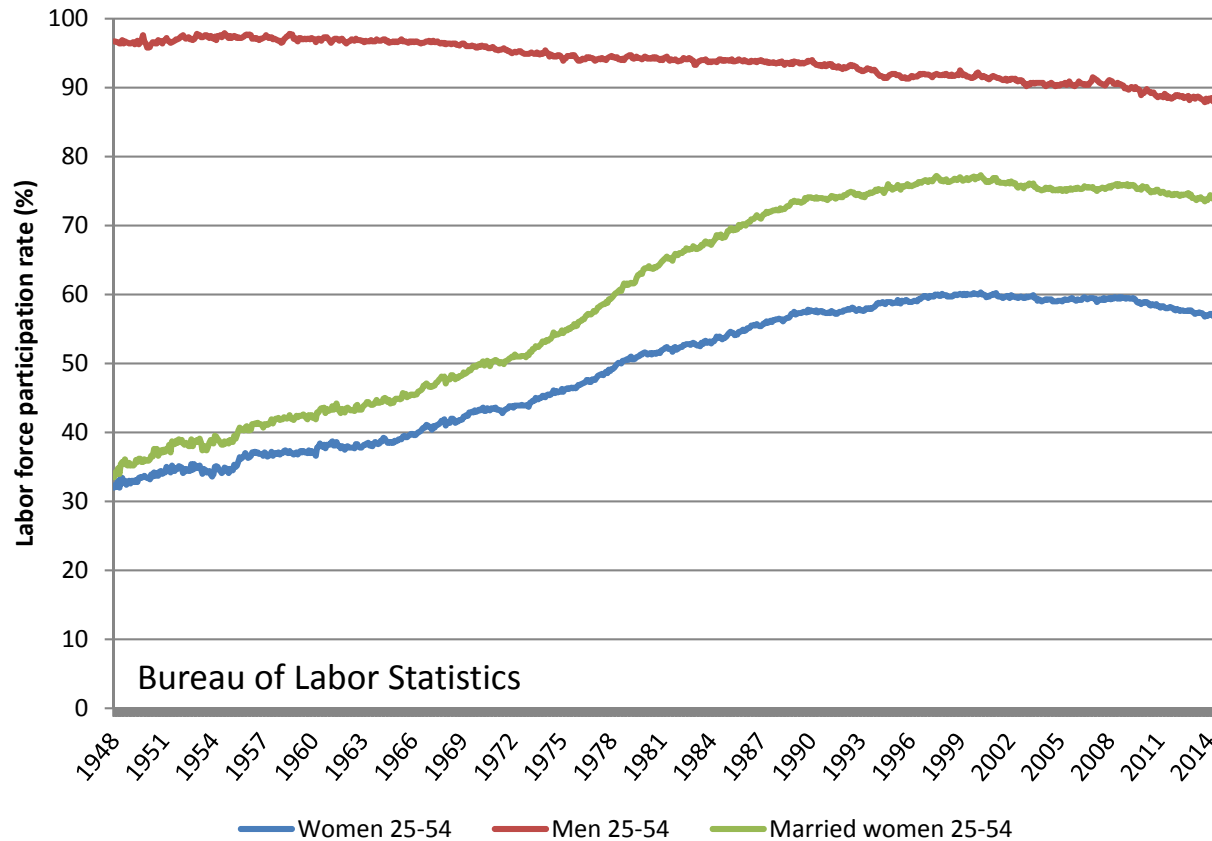
Global Human Resources Forum 2014
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Session TC-1 Creating Jobs for Women

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Women's Participation in the Labor Force

- Women's participation in the labor force has grown considerably during the past century
- Women's LF participation has made a substantial contribution to a country's economic growth and productivity
 - Comparative advantage from better matching of skills with jobs leads to productivity gains
 - Opening the doors to education and training allows economy to use its human capital most effectively
- While differences in LF participation between men and women has converged in recent decades, the gap still persists and it varies across industrialized countries

Women Labor Force Participation Rate



Women LF participation rates have gradually increased since WWII and even before. For married women, the rates accelerated in the 1970s and have leveled off and even declined after 2000.

Gap between Men and Women Labor Force Participation Rates

	1990			2012			Change 1990 to 2012		
	Men	Women	Gap	Men	Women	Gap	Men	Women	Gap
Australia	76	52	24	72	59	13	-4	7	-11
Austria	70	43	27	68	55	13	-2	12	-14
Brazil	85	45	40	81	60	21	-4	15	-19
Canada	76	58	18	71	62	9	-5	4	-9
China	85	73	12	78	64	14	-7	-9	2
Denmark	75	62	13	68	59	9	-7	-3	-4
France	65	46	19	62	51	11	-3	5	-8
Germany	70	43	27	66	54	12	-4	11	-15
Japan	77	50	27	70	48	22	-7	-2	-5
Korea	73	47	26	72	50	22	-1	3	-4
Sweden	71	62	9	68	60	8	-3	-2	-1
UK	75	53	22	69	56	13	-6	3	-9
US	75	56	19	69	57	12	-6	1	-7

World Bank Statistics Note: Labor force participants rates are percentages and gap and change are percentage points.

The gap has been shrinking in the countries shown, except for China. In all cases, the decline in the labor force participation rate of men has contributed to the decline.

Work-Family Balance

- One of the major factors deterring women from fully participating in the labor force is the need to balance work and family responsibilities
- Child rearing
- Care of elderly parents
- Care of sick family members and relatives
- General household management



Work Family Balance in the 1950s



Father works outside home
Mother stays home to take care of home and family



Work Family Balance Today

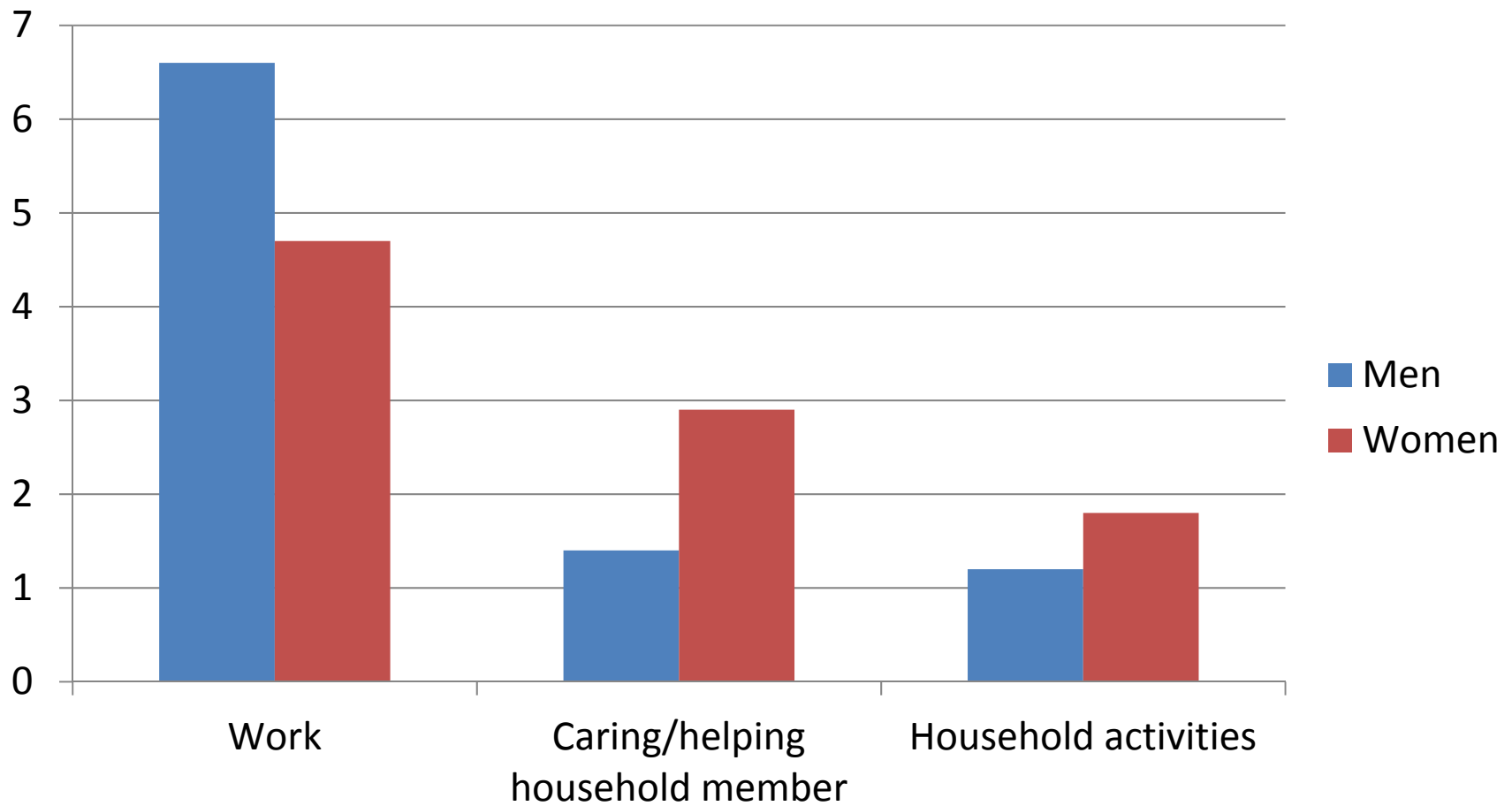


Mother works outside home and takes care of family



Father works outside home and takes care of family

Hours per day for households with a child under age 6

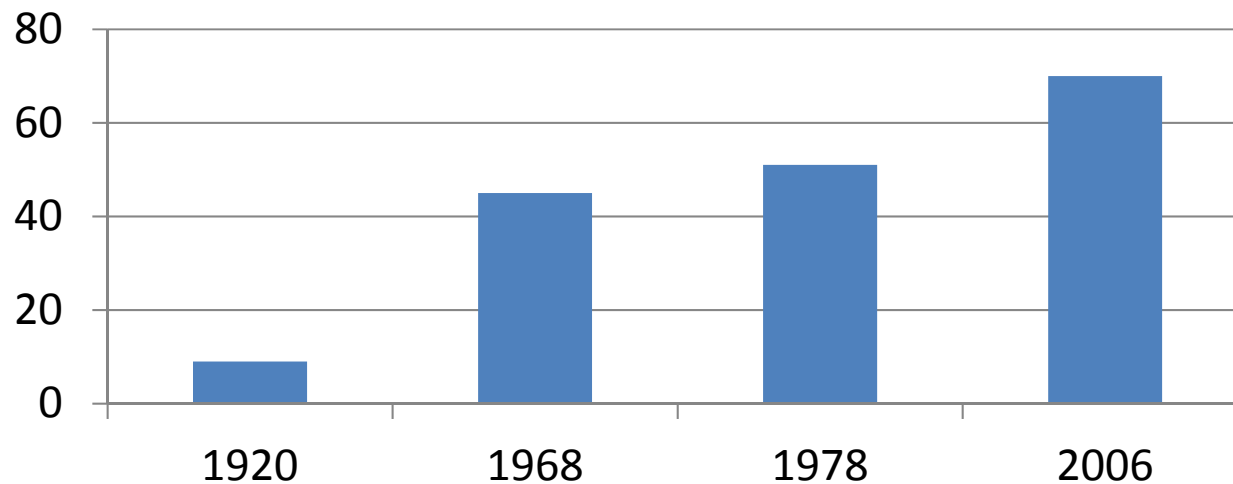


Bureau of Labor Statistics

Two-earner Households

For a variety of reasons, including slow wage growth, majority of families today depend upon two earners to support the family financially.

**Percentage of two-earner households
with wife employed**



Bureau of Labor Statistics

Workplace Flexibility

- To attract and accommodate women in the workplace, need to rethink the way the workplace is organized and expectations of management
- The norm is a rigid 40-hour workweek
- Employee expected to arrive and leave at fixed times
- Management's expectation is more time on job means greater commitment to the job and greater likelihood of being promoted
- Accountability is through direct supervision

Friendly Persuasion

- Employers, more than government, assume most of the responsibility for helping their employees and employees' families manage work and family life
- U.S. has no explicit national family policy, except for the Family and Medical Leave Act of 1993 and workplace discrimination laws
- White House summit on family friendly policies to bring awareness to businesses of the costs and benefits of family friendly policies
- Business and employee associations



Employer-provided Workplace Flexibility

Flextime and Flex-place

- Periodic and daily flextime 33/13%
- Compressed workweeks 10%
- Regular or occasional flex-place 3%
- Gradual return after childbirth or adoption 67%
- Phased retirement 28%

Time off and leaves

- Time off for family or personal reasons w/o loss of pay 60%
- Time off for education and training 55%
- Time off for volunteering 61%
- Paid vacation days 94%
- Family and medical leave w/o pay (federal law)

Reduced time

- Part time 21%
- Job sharing 13%
- Part-year 16%

National Study of Employers, 2005

Note: Percentage of employers granting flexible practices

Flexibility as Comparative Advantage

- Employers offering eight or more work-life initiatives said they did so for “business” reasons
 - Recruiting 47%
 - Enhancing productivity and job commitment 25%
 - Reducing absenteeism and lowering costs 6%
- According to Manpower Skill Gap survey, those businesses having difficulty filling jobs are pursuing following practices
 - Redesigning current work arrangements 6%
 - Offering more flexible work arrangements 3%
 - Providing virtual work options 3%

National Study of Employers, 2005 and Manpower 2014 Talent Shortage White Paper

Flexibility and Human Capital Decisions

- Accommodation in workplace can affect other human capital decisions
 - Reducing barriers to career advancement can lead women to invest more heavily in higher-valued education and training, such as STEM-related majors
 - Recognizing they can pursue career and a family prompts women to take on more leadership roles in their businesses, leading to career advancement and greater lifetime earnings
- Providing quality child care can bring women back into the labor force more quickly after child birth

Single Mothers and Low-income Wage Earners

- Need to make work pay
- Investments in training and education need to be rewarded with compensation great enough for a single mother to support her family
 - Establishing a minimum wage at a level that raises a family out of poverty is essential
 - Earned Income Tax Credit (EITC) supplements wages of working poor
 - Subsidized training and job search assistance
 - Tax credits to higher women (particularly low-wage)
- Ombudsman in workplace to help women and other workers cope with conflicts and stress related to work-family balance

Assistance for Women-owned Businesses

Government support for women-owned businesses

- **SBA's Office of Women's Business Ownership**
 - The Office of Women's Business Ownership is here to answer your questions on the Women's Business Center program or other services for women
- **Small Business Administration Loans**
 - SBA offers a variety of loan programs for specific purposes
- **SBA's Women's Business Centers**
 - SBA's national network of over 100 educational centers assist women in starting and growing small businesses
- **SBA's Women-Owned Federal Contracting Program**
 - The WOSB Federal Contract Program levels the playing field for women competing for federal contracting opportunities
- **Economically disadvantaged women-owned small businesses**

Summary

- Women participation depends to a large extent on ability to balance work-family responsibilities
- Flexibility in the workplace helps balance work-family responsibilities
- U.S. has no federal policy, except for Family Medical Leave Act, that requires businesses to accommodate family responsibilities
 - Relies heavily on voluntary efforts by employers to provide flexibility
 - While pace may be slower without government policy, accommodation of family life more be imbedded more deeply in business culture, leading to more permanent implementation of flexibility
- Businesses find flexibility reduces personnel costs and increases productivity
- Employees find it reduces stress and increases their efforts and career aspirations
- Offers greater opportunity for women in the labor force and thus “creates” jobs for women
- Government offers resources to encourage women-owned businesses