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**The Bell Policy Center**

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# **The Future of Work: Disruptions & Solutions for Colorado Women**

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## Acknowledgments

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## Key Highlights

- 1 Occupational segregation drives women's workforce outcomes. Women's overrepresentation in low-wage industries like retail and food service resulted in lower wages and reduced labor force participation during the pandemic.
- 2 The care economy is broken. Child care and unpaid caregiving remains a barrier to women's workforce participation, there is an insufficient supply of caregivers due to below-living wages and care, when available, is cost prohibitive to most Colorado families.
- 3 Black women saw the largest persistent declines in labor force participation since the pandemic. It is critical for policy changes to focus on this group of women to ensure equity in the workforce moving forward.

## Introduction

Women's labor force participation is essential, not only for gender equity, but because it is a key driver of [economic growth](#) and [higher wages for all workers](#). While women's participation in the workforce grew through the 20th century, it began to decline in the 21st century. This [declining participation](#) sets the United States apart from other countries like the U.K., E.U. member countries, and Canada, which have seen continued growth in women's labor force participation. Amidst this context of declining labor force participation for women and new needs for the future of work, the Bell Policy Center, in partnership with the Women's Foundation of Colorado, has been exploring the unique factors that impact women and work. Earlier briefs by the Bell Policy Center

have examined a series of factors driving the future of women and work given the importance of women's workforce participation for economic mobility. These briefs ranged from studying the effects of automation and alternative work arrangements to educational and pay gaps on women's outcomes. [Our 2020 brief details](#) the effects of occupational segmentation on women's workforce outcomes, particularly within essential industries. This final brief takes the COVID-19 disruption as a jumping off point to analyze the unique barriers that limit women's workforce participation and provides a set of policy recommendations so Colorado can become the best place for women to work in the nation.



# Women's Labor Force Participation During COVID-19

During the bulk of 2020 and through early 2021, when there were still a wide array of local and state measures that limited people's ability to go to businesses due to the uncontrolled spread of COVID-19, [women's labor force participation dramatically dropped](#). This was chiefly due to occupational segregation, a phenomenon wherein women are overrepresented in certain industries. Women – and women of color in particular – happen to be most likely to work in what were deemed essential industries: jobs

in food service, leisure and hospitality, and health care. Many of these jobs disappeared due to stay-at-home orders. If women continued to work, it was often at low-wage, risky, essential jobs such as grocery store employees or as nurses. Over time, women exited the workforce in droves, dubbed by many as the “she-cession.” Even as occupationally driven unemployment became less of a factor, women still faced a unique set of challenges that often made working untenable.

## Drivers of Women's Workforce Outcomes

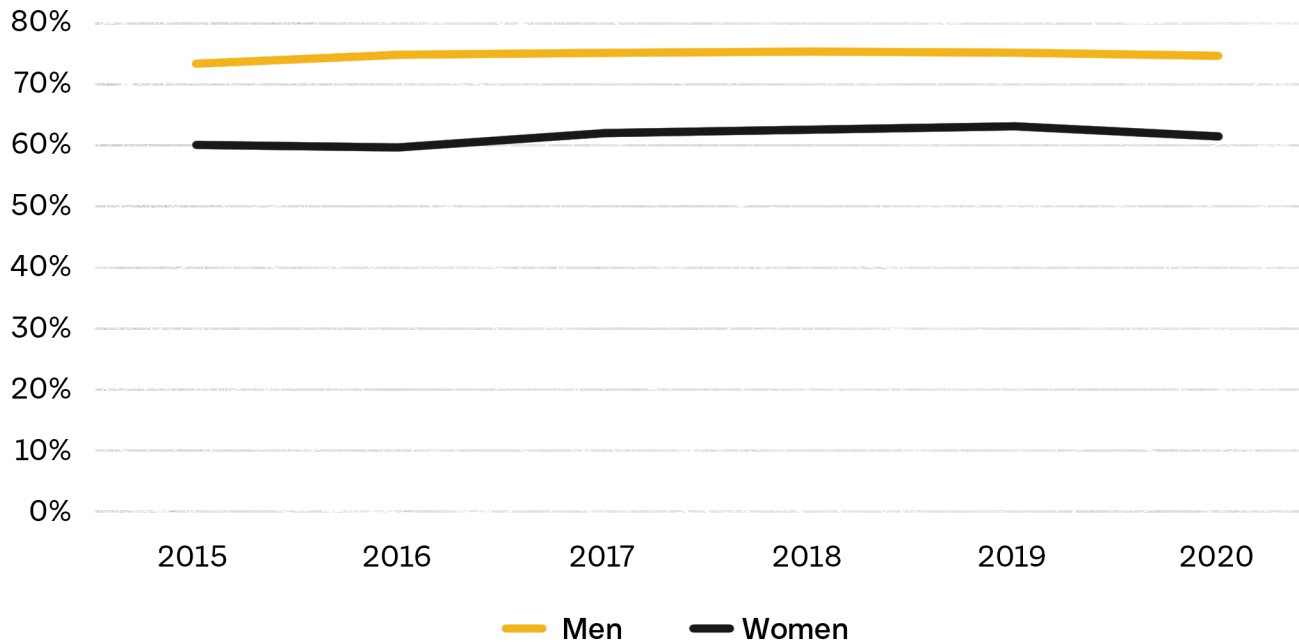
Labor force participation rates, limited to civilians, are a common way to look at involvement in the workforce. This rate reflects both those who are employed or seeking employment but not employed. There are many ways to look at this rate, from prime working ages (25-65) to all those over a certain age. We use both Census survey data and Bureau of Labor Statistics data to explore women's labor force participation rates.

As COVID-19 vaccines became widely available, women's labor force participation began to rebound. However, the “she-cession,” which resulted in net job losses for women month over month, continued into late 2021. The pandemic catalyzed a unique set of factors that led women to leave the workforce. The continued failure to resolve and address many of these factors, such as women's care responsibilities and occupational segregation, has led to a persistent gap in women's labor force participation and worse outcomes for women who remain in the workforce.

A few striking trends are worth noting.

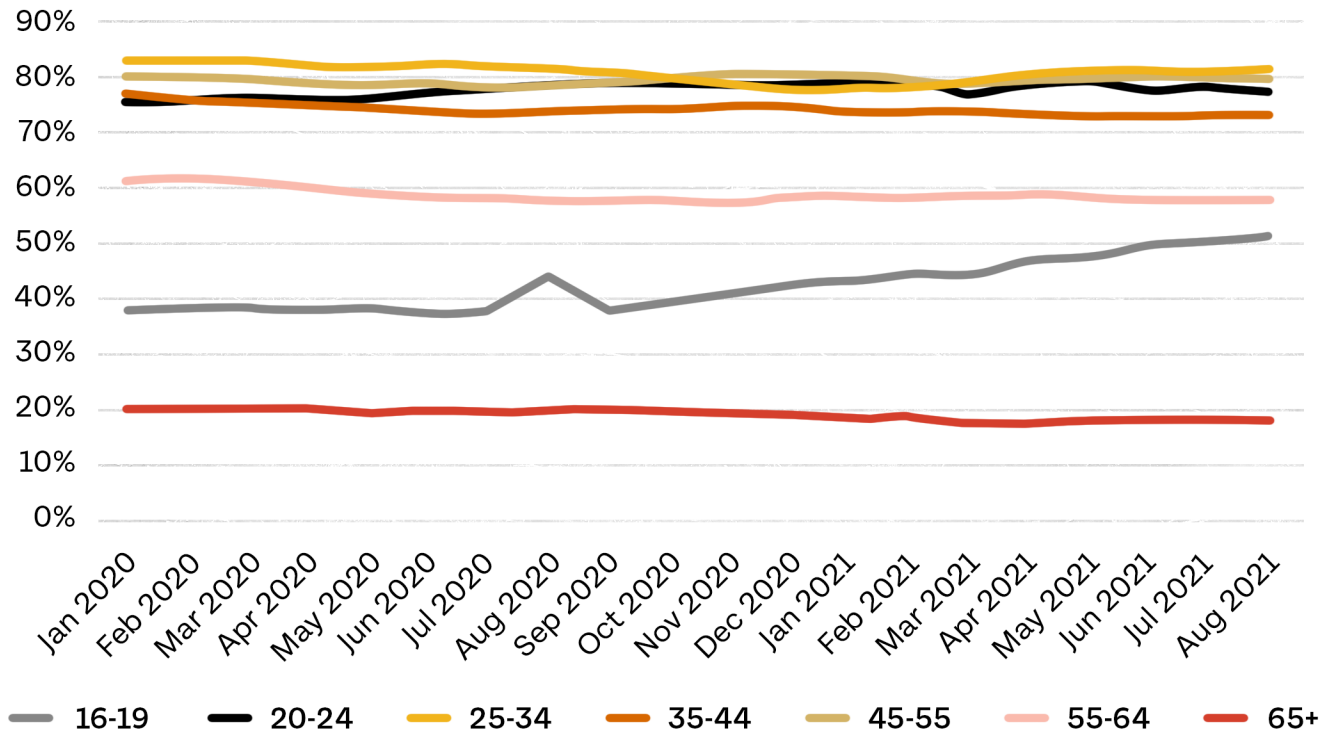
- 1** Women's labor force participation was slowly increasing for several years preceding the onset of COVID-19, as is seen in the first figure, below.
- 2** In Colorado, older women are leaving the workforce, while younger women's labor force participation rates are growing.
- 3** Black women saw the steepest decline in labor force participation rates, with a low of 47 percent in December of 2020.
- 4** While Latinx women had slightly higher labor force participation rates pre-pandemic, this declined, and have stayed persistently lower than that of white women.

## Colorado Labor Force Participation (16+) by Gender



Source: Bell Policy Center analysis of U.S. Census Data retrieved from Economic Policy Institute

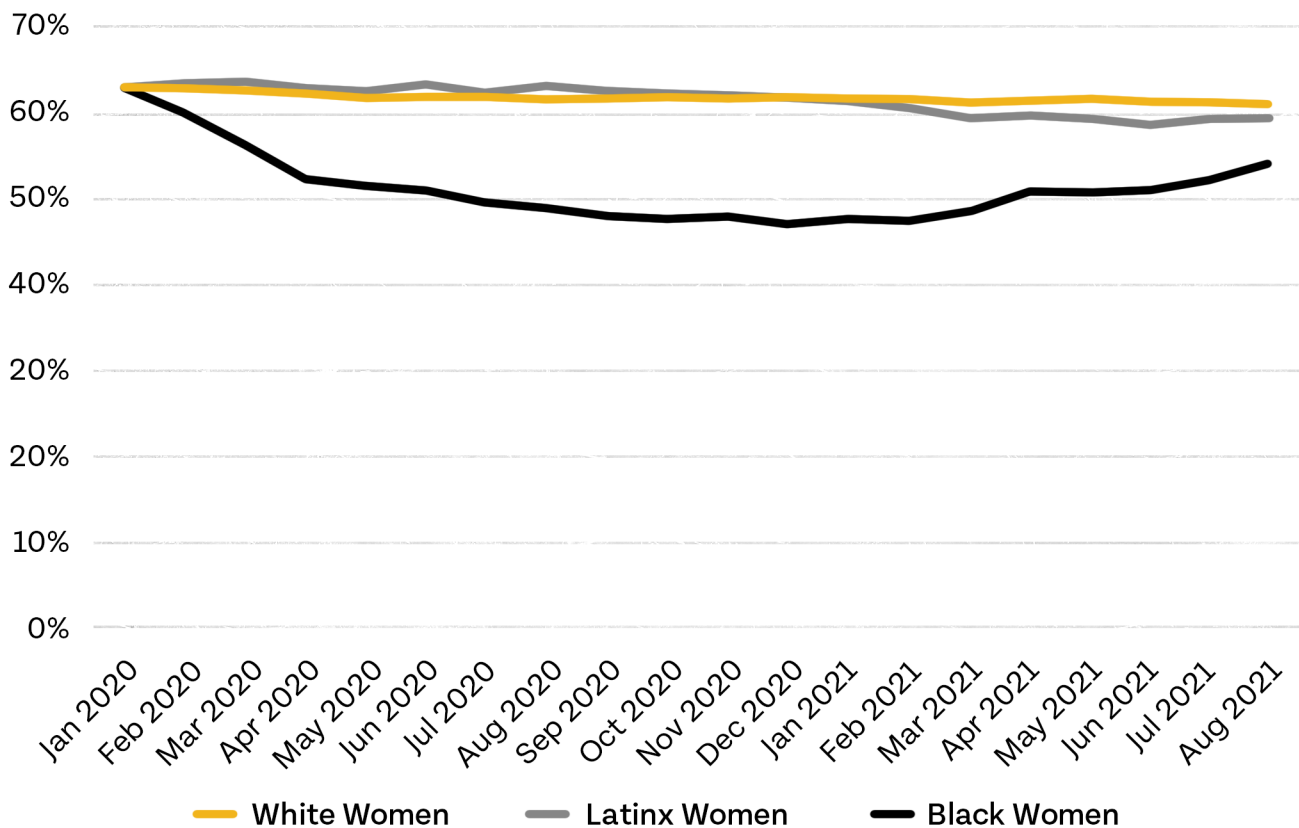
## Women's Labor Force Participation Rates by Age



Source: Bell Policy Center analysis of U.S. Census Data retrieved from Economic Policy Institute



## Labor Force Participation Rates (Women 16+) by Race/Ethnicity



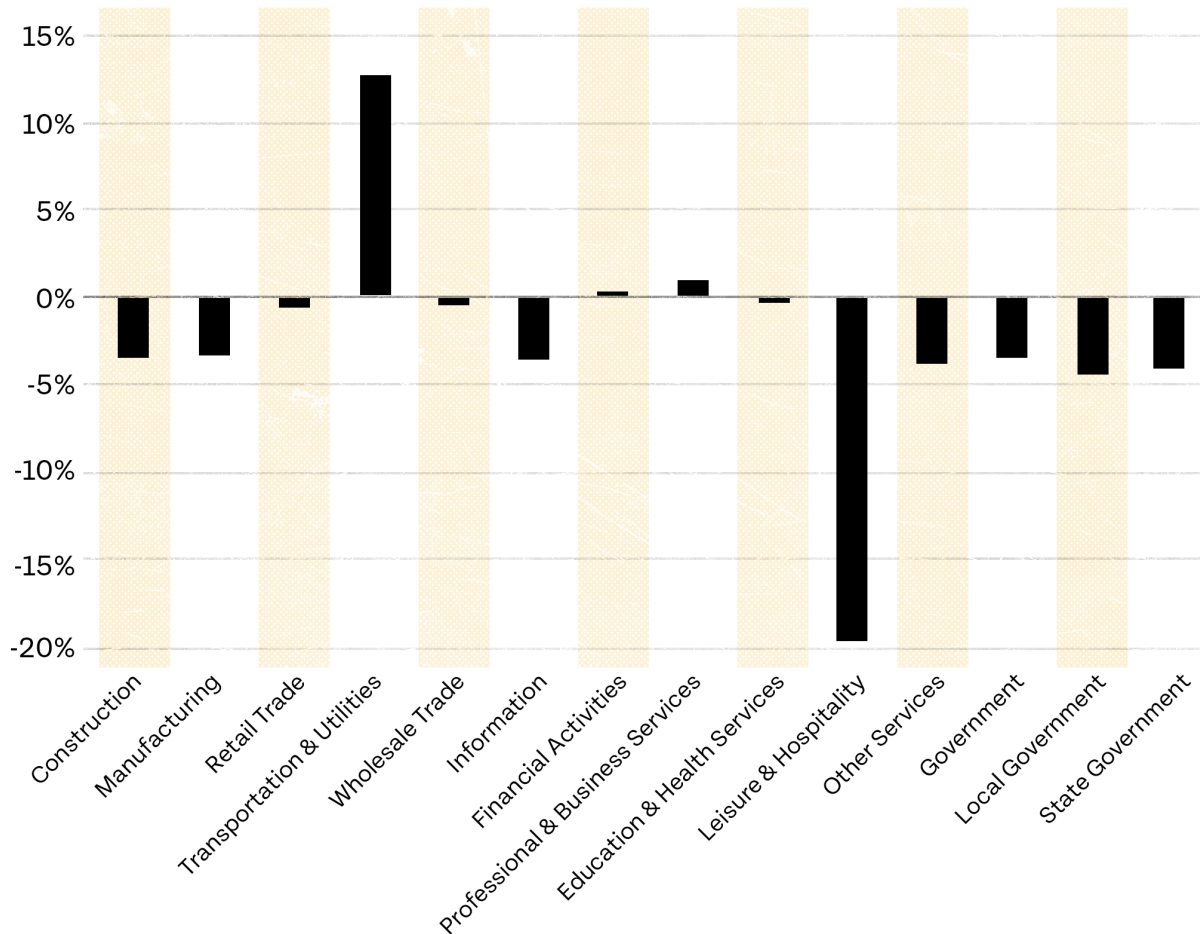
Source: Bell Policy Center Analysis of U.S. Census Data retrieved from Economic Policy Institute

## Industry Trends Affecting Women's Workforce Participation

Women's engagement in the workforce has roughly rebounded. That said, it is also clear gaps persist in many industries and, subsequently, across racial lines. Because different regions in Colorado vary significantly in their populations and industries, labor effects vary across regions as well. However, one pervasive trend is that some job losses engendered by the pandemic seem to be permanent. In particular, low-wage work continues to see net job losses. A recent [report released by the Colorado Center for Law and Policy](#) projects continued job losses in retail and food service sectors. These have [historically been jobs that were predominantly held by women](#).

This trend is further confirmed by the phenomenon where [people are quitting low-wage jobs](#) in particular, the very [jobs that were growing most quickly prior to the pandemic](#). What has been dubbed "[the great resignation](#)" is a confluence of shifts in labor demands and what workers are willing to risk for low wages. Jobs in leisure and retail (primarily in person roles) are often deemed not worth the risk, especially given the low wages associated with this work.

## Change in Employment by Industry, 2019-2021



Source: Bell Policy Center analysis of Bureau of Labor Statistics data retrieved from Economic Policy Institute

## Reskilling & Upskilling

Another challenge is, given occupational segregation, women are more likely to work in jobs without distinct career pathways or opportunities for advancement. This is especially true of women working in food service or retail, which are associated with [high rates of turnover and short career ladders](#). Throughout the course of the pandemic, educated workers and high-wage workers have fared well. Beyond wage benefits, these [workers were more likely to be able to telework](#), have flexible scheduling, and other benefits that made it easier to remain in the workforce.

Workplaces are one of the key ways workers gain skills that allow them to advance up a career path that leads to higher wages. Thus, reskilling and upskilling are essential so women can both earn higher wages and progress to jobs in industries with greater opportunities for advancement. Ensuring women can upskill will be critical for reducing occupational segregation and improving career pathway opportunities for women.

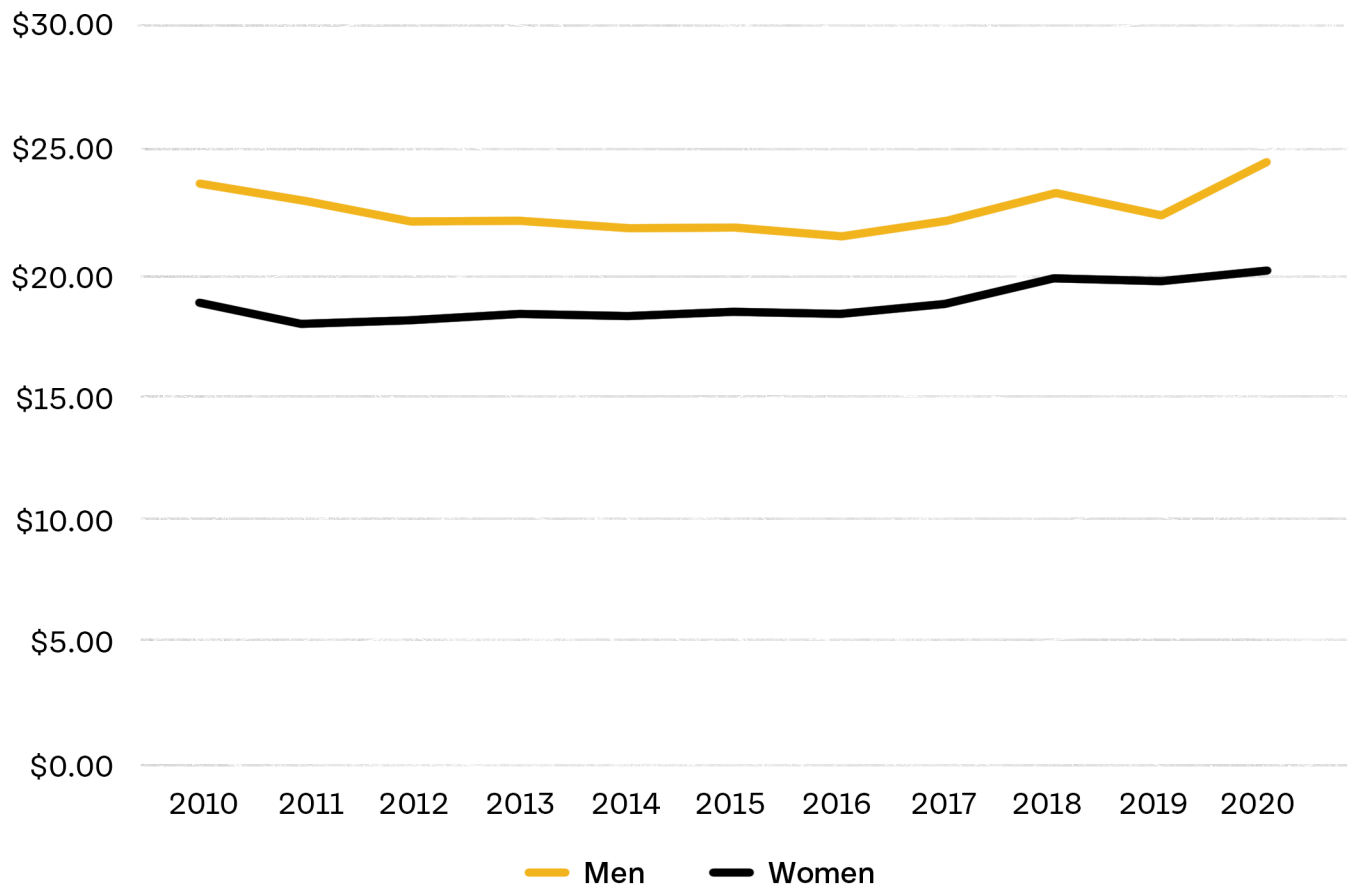
## Wage Gaps

A consequence of limited career pathways and occupational segregation is wage gaps. The gender wage gap grew during the pandemic. This is due to falling median wages for women, rather than growing wages for men, according to [research from the Institute for Women's Policy and Research](#). It finds “the gender wage gap for all women and men workers with earnings widened from 26.5 percent to 27.4 percent (earnings ratio of 72.6 percent).” This is exacerbated by the huge (unmet) demand

for low-wage work. Additionally, the pandemic doubled the share of women in Colorado working part time involuntarily.

The wage gap is an issue for more than gender equity concerns. As discussed earlier, wage disparities are costly to society in terms of lost GDP, and they hurt women's lifetime earnings. Additionally, women's lower wages mean they are more likely to take on child care [responsibilities](#).

**Median Hourly Wage for Colorado Men & Women Over Time**



Source: Bell Policy Center Analysis of U.S. Census Data retrieved from Economic Policy Institute

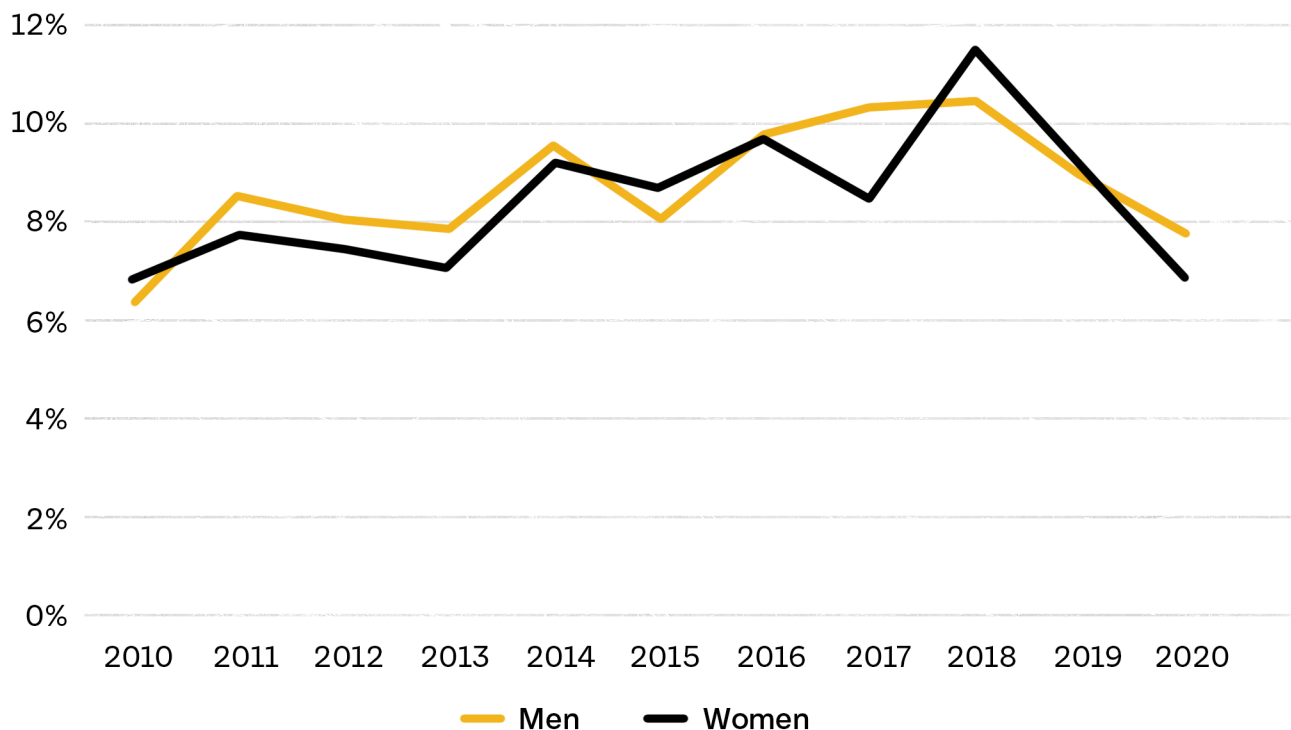


## Unions

Concerningly, women’s participation in unions – a key mechanism toward improving workforce outcomes – has been declining in recent years. Women who are in unions tend to earn [22.6 percent more](#) than those who are not in a union. Research has shown higher wages for women in unions, a trend seen across occupations. Union membership also [reduces racial wealth gaps](#). In addition to benefitting wages, workplaces provide other benefits that are critical to lifelong economic mobility. One prime example is retirement benefits or pension plans. Here again, union membership positively impacts uptake of both benefits. [Per the Institute for Women’s](#)

[Policy and Research](#): “The percentage of women covered by a union who participate in a pension plan is almost twice as large as women who are not unionized.” Additionally, there is a roughly 10 percentage point difference in health care coverage by union membership. Union membership is therefore a key strategy to ensure women have better and more equitable workplace outcomes.

**Union Membership Rates in Colorado Over Time**



Source: Bell Policy Center analysis of Bureau of Labor Statistics data retrieved from Economic Policy Institute

## Child Care

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Caregiving responsibilities are the most striking barrier to women's workforce participation. [Colorado child care costs](#) rank eighth highest in the nation, with an average cost of over \$15,000 per infant and over \$12,000 for 4-year-old children. This means women, who are often responsible for child care, need to factor in the cost of care versus wages gained from going back to work. These costs grow if they have more children who require child care, a cost that is unaffordable for workers in low-wage occupations.

Additionally, there continues to be an insufficient supply of affordable child care providers, with [early research showing 10 percent of child care providers in Colorado closed](#) due to COVID-19. However, while the short-term costs of leaving the workforce to take care of child care responsibilities may make sense, the long-run costs far outweigh the short-term benefits. Research by the Center for American Progress shows a woman leaving the workforce for five years for child care could experience a [19 percent loss in lifetime earnings](#). Even a single year out of the workforce for a low-wage worker could result in a 4 percent loss in lifetime earnings. Thus, even short-term labor disruptions add up to lifelong earning losses that women may not be factoring in their personal cost-benefit calculations.

Beyond the high costs of child care, our child care system is inadequate to meet the demand for care in part because it [fails to provide living wages](#). This is an area where policy interventions are essential for the sake of child care providers (who are mostly women) and families statewide who struggle to find or pay for care. By inadequately funding our care systems, we continue to rely on women's unpaid or underpaid labor, which is estimated to amount to [\\$7 trillion annually](#) for the nation, to keep the economy going. In the case of child care, this is easily seen through the reliance on [family, friends, and neighbor \(FFN\) care](#). These networks of unlicensed providers support low-wage workers, often by providing care outside of traditional work hours.



## How Can We Make Sure Colorado Is the Best Place for Women to Work?

It is worth noting in the past several years Colorado has taken critical steps toward helping support women's workforce involvement. Two landmark actions – passing the [Equal Pay for Equal Work Act](#) and enacting [Paid Family and Medical Leave](#) through ballot measure – create a strong environment for gender equity in the workforce. Moving forward, these advances lay the groundwork for more equitable workplaces and greater pay equity. As a state, Colorado can continue making investments that will benefit women, all workers, and the economy writ large. However, the following recommendations are especially important to ensure racial and gender gaps continue to close, given women of color have faced persistent barriers and challenges to equal outcomes in the workforce.

### 1. Support women entering careers with opportunities for advancement

- **Fund state community colleges and minority-serving institutions.** [Women](#) make up a majority of students at community colleges. Ensuring these institutions can support women to succeed, especially by having the resources to support women of color, is essential. Beyond supporting women with financial aid, ensuring campuses have the resources for counselors, navigators, and wraparound services like child care on campus is key for women's success.
- **Expand stackable credential pathways.** [These pathway programs](#) allow individuals to gain needed credentials while working, making stackable credential pathways a useful strategy to help women and women of color upskill. Further, by providing significant flexibility, these programs support nontraditional students, recognizing they may not be able to study full time to gain needed workforce skills.
- **Connect women to existing public subsidies** such as SNAP, TANF, and Medicaid. Many [individuals may not know they are eligible for these subsidies](#), or may see applying as too big of a barrier. Ensuring colleges, workforce centers, and other community organizations are connecting women to these resources is essential to reducing barriers for women pursuing opportunities for advancement.

### 2. Support workplace policies that help women remain in work

- **Develop career pathways**, intentionally bringing in women and women of color, to reduce occupational segregation. Historically, women and women of color haven't been as likely to pursue technical credentials or careers. Yet, these careers have higher wages and more opportunities for advancement. Ensuring workplaces have defined career pathways is essential to encouraging career advancement and retention. Businesses and educational institutions must partner in developing career pathways and attracting women of all ages to help address occupational segregation.
- **Support unions** to help improve wages and worker conditions. This can be accomplished by passing policies that help protect and entitle collective bargaining.
- **Invest in training and education** for in-demand skills and industries including quality non-degree credentials. This helps [improve worker retention](#) and provides a positive



return for employers as well. Workplaces can provide training that leads to opportunities for advancement and skill acquisition. However, this learning is only valuable if it's recognized by other employers and institutions of higher education. Alternatively, employers can invest in formal education and training through tuition reimbursements.

### 3. Support care work

- **Provide student loan forgiveness for child care educators.** Earlier research by the Bell shows women are significantly more likely than men to hold student debt, and [Black women have higher amounts of average student loan debt](#). Given many care workers have postsecondary credentials, debt forgiveness will help reduce wealth gaps and may help encourage more people pursue careers in the care economy.
- **Expand funding for the Colorado Child Care Assistance Program (CCCAP) and the state Child Tax Credit (CTC.)** The bulk of the funding for both these programs comes from the federal government. However, these two programs are also the foundation [for helping low-income families afford child care](#). Expanding state funding for these programs, by identifying new sustainable funding streams, is essential for the state to close the gap between what federal funding affords and the true demand for care.
- **Raise the minimum wage.** [National research shows](#) raising the federal minimum wage would benefit 2 million direct care workers, raising the wages of Black women and Latinx women the most. Colorado should raise its minimum wage to ensure that all care workers can earn a living wage and to close racial and gender wage gaps.