“Macro stability isn’t everything, but without it, you have nothing.”
Women Closing the Participation Gap Since WWII

Taking a longer historical view, the gap in labor force participation rates for men and women has been slowly narrowing since WWII.

Labor force participation rate

Source: (1-2) Bloomberg. Data as of December 15, 2022. SA.
The female labor force participation rate peaked in November 1999 at 60.2% and remained roughly steady until 2009. In the post-GFC period, between 2009 and 2015, the participation rate declined at a steady pace, reaching a low of 56.4%. During the pandemic, the participation rate plummeted from 57.9% to below 55%.

### Female Labor Force Participation Rate

- **1999 peak:** 60.2%
- **1999 – 2009 avg:** 59.5%
- **2009:** 59.5%
- **2010 – 2019 avg:** 57.4%
- **2015:** 56.4%
- **Feb 2020:** 57.9%
- **Apr 2020:** 54.6%
- **2019:** 56.5%
- **2022:** 56.5%

*Source: (1) Bloomberg. Data as of December 15, 2022. SA.*
Sharper Drop for Women During the Pandemic

While participation rates for both men and women declined during the pandemic, the fall was more severe for women and the recovery has been slower. This contrasts with historical recessions where the employment-to-population ratio decline was more pronounced for men than women. An estimated 2 million women are still “missing” from the workforce today as a result of lower participation rates.

<table>
<thead>
<tr>
<th>Participation rates</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 2020</td>
<td>69.3%</td>
<td>57.9%</td>
</tr>
<tr>
<td>Apr 2020</td>
<td>66.1%</td>
<td>54.6%</td>
</tr>
<tr>
<td></td>
<td>(-3.2 points)</td>
<td>(-3.3 points)</td>
</tr>
<tr>
<td>Nov 2022</td>
<td>68.0%</td>
<td>56.5%</td>
</tr>
<tr>
<td></td>
<td>(-1.3 points)</td>
<td>(-1.4 points)</td>
</tr>
<tr>
<td>Missing workers*</td>
<td>1.7 million</td>
<td>1.9 million</td>
</tr>
</tbody>
</table>

*Missing workers is the number of people not in the workforce today who would be employed if the participation rate was at Feb 2020 levels

Drivers of Declining Female Participation Post COVID

US female workforce participation declined sharply following both the GFC in 2009 and the COVID crisis in 2020. There appear to be numerous contributing factors to the sharp decline and slow recovery after the COVID period.

1. Women are “overrepresented” in services based and high-contact occupations where businesses were harder hit by the economic situation and workers had greater COVID related risks.

2. During the pandemic, women took on additional unpaid hours of child and elderly care.

3. Job openings in child and elderly care facilities remain elevated while wage inflation has been particularly high in these professions. Care options have therefore been harder to find and more expensive than pre-pandemic.

4. Those who leave the workforce for an extended period of time often find it harder to return for both “supply” and “demand” reasons:
   - **“Supply”:** Those who leave the workforce often make other time commitments (i.e., returning to school or unpaid charitable work) which prevent them from returning to the workforce
   - **“Demand”:** Statistically, employers are less likely to hire candidates with large gaps in their resumes making it more difficult to return to work
Job Openings Elevated in Female Dominated Professions

Professions traditionally more reliant on female workers, often in-person, services oriented professions, continue to experience large gaps in employment.

**Job openings in health care, social assistance, thousands**

**Job openings in leisure & hospitality, thousands**

**Job openings in educational services, thousands**

Source: (1-3) Bloomberg. Data as of December 15, 2022. FRED. BLS.
Nursing Home and Child Care Employment Below Pandemic Levels

Nursing home and child care facility employment remain well below pre-COVID levels while wage inflation in those sectors remains elevated. Child and elderly care options have therefore become more scarce and expensive.

Employment at nursing homes, thousands

Employment at child care facilities, thousands

Source: (1-2) Bloomberg. Data as of December 15, 2022. NFP SA.
Role

Tom Joyce is a Managing Director and Capital Markets Strategist within MUFG’s global capital markets and investment banking business. Based in New York, Tom heads a team that creates customized analytical content for multi-national S&P 500 companies. His team provides in depth analysis on the impact of economic, political, public policy and regulatory dynamics on the US credit, foreign exchange, rates and commodities markets.

Experience

Tom has over 25 years of Investment Banking experience in New York, London, Hong Kong, and San Francisco. Over the last 15 years, Tom created and built the Capital Markets Strategy role, advising corporate C-Suite executives (Boards, CEOs, CFOs, and Treasurers) on the pervasive macro forces driving markets. Tom also presents at dozens of corporate events each year including Board meetings, CEO ExCo sessions, CFO and Treasury off-sites, corporate leadership events and conferences.

Education

Tom’s educational background includes a year of study at Oxford University from 1991 - 1992, a Bachelor of Arts in Political Science from Holy Cross College in 1993, and a MBA from Kellogg Business School, Northwestern University in 2000.

Personal

Tom resides in New Canaan, CT with his wife and four sons, where he serves on the Board of Trustees of the New Canaan Library as well as the Holy Cross College President’s Council.
About the Authors

Hailey Orr
Director
Capital Markets Strategist
New York, NY
Hailey.Orr@mufgsecurities.com
(212) 405-7429

Role
Hailey Orr is a Director in MUFG’s Capital Markets Strategy group within the global capital markets and investment banking business. The team provides market based content for corporate clients to assist in strategic decision making. Focus areas include the impact of economic, political, public policy and regulatory dynamics on the US credit, foreign exchange, rates and commodities markets.

Experience
Hailey has a decade of Wall Street experience, including three years as a Consumer Sector Specialist in Equity Sales and seven years as a Capital Markets Strategist. Hailey is also a member of MUFG’s Inclusion & Diversity Council and has devoted years to participating in and developing Wall Street recruiting programs.

Education
Hailey graduated with honors from the University of Michigan’s Ross School of Business with a BBA and a minor in International Studies.

Personal
In March 2020, Crain’s New York Business Magazine named Hailey one of the “Rising Stars in Banking and Finance”.

Stephanie Kendal
Associate
Capital Markets Strategist
New York, NY
Stephanie.Kendal@mufgsecurities.com
(212) 405-7443

Role
Stephanie Kendal is an associate in MUFG’s Capital Markets Strategy group within the global capital markets and investment banking business. The team provides market based content for corporate clients to assist in strategic decision making. Focus areas include the impact of economic, political, public policy and regulatory dynamics on the US credit, foreign exchange, rates and commodities markets.

Experience
Stephanie has spent over five years as a Capital Markets Strategist. She is an active member of the University of Michigan recruiting team and is also focused on the diversity recruiting effort at MUFG. At her prior firm, Stephanie was a part of the Americas Women’s Network Junior Council.

Education
Stephanie graduated with honors from the University of Michigan’s Ross School of Business with a BBA.

Personal
Stephanie is actively involved in NYC’s iMentor program, mentoring high school students with their journey to college graduation.
MUFG’s Capital Markets Strategy Team

The MUFG Capital Markets Strategy team provides monthly publications and weekly policy notes, presenting to Boards and C-Suite executives, on a broad range of transformative themes driving the FX, rates and credit markets including: the COVID-19 recovery, ESG’s acceleration, tax code policy changes, US-China decoupling, corporate strategy, geopolitical risk and central bank monetary policy.