



Pandemic Pay Gap: Flexibility is the Key to Narrowing the Gap and Returning Women to the Workforce

Insights

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It's not news to anyone that women took on the brunt of responsibilities during the pandemic and, as a result, many left the workforce to focus on being primary caretakers. Though the economy is bouncing back from the pandemic and there is a surplus of job openings, women are still lagging behind men in the return to work.

A Look at the Data

Men have now recouped all their job losses since the beginning of the pandemic. However, there are now 1.1 million fewer women in the workplace compared to February 2020. Despite the strong job growth, 48,000 women left the labor force last month, according to the National Women's Law Center report; for every woman aged 20 and over who left last month, nearly 10 men entered the labor force. Black women led the exit, increasing their unemployment rate to 6.1% in February, compared to 5.8% in January.

This persistent disparity likely exists because women, specifically women of color, are overrepresented in low-wage, high-stress industries such as healthcare, hospitality and education – industries hit harshly during the pandemic. The economic impact of inflation has resulted in many women being unable to find or pay for costly childcare, and likely continues to keep them out of the workforce. If women remain out of the workforce, the economy will never fully recover and the pay gap will continue to widen. The pandemic's impact on women will endure well beyond the pandemic with underrepresentation in leadership and executive roles and lack of career advancing opportunities.

In fact, according to a late 2021 Metlife survey, 48% of women reported the pandemic negatively impacted their careers. Pre-pandemic, the average U.S. female earned only 81 cents for every dollar the average male made, with the wage gap even greater for women of color. According to the National Women's Law Center, when comparing all the women and men who worked in 2020, regardless of hours worked, the average woman earned 73 cents for every dollar a white, non-Hispanic man earned. Research by Payscale shows that, when comparing wage data between March 2021 and March 2022, it appears that the wage gap has narrowed, with women earning 82 cents for every dollar a man earned in 2022, compared to 79 cents in 2019. However, this does not actually mean the wage gap narrowed by 3 cents. Rather, it means women who left the workforce

had lower paying jobs. The pandemic's disproportionate economic toll on women is estimated to create an even larger gender wage gap during and following the economic downturn because women who have a gap in their resume earn as little as 70 cents to the dollar compared to their male counterparts. This is a setback for pay equity efforts, as it will take even longer than before the pandemic to close the wage gap.

What Can Employers Do?

The slow return of women to the workforce undermines employers' efforts to achieve equal pay and equality in the workplace. The return of women to the workforce is such a big piece of the economic recovery puzzle that if employers do not take immediate and meaningful action to incentivize women to return to the workforce, economic recovery will be significantly hampered.

How can employers incentivize and support the return of women to the workplace?

- **Pay Equity** – Employers that prioritize pay equity by conducting pay audits, place a high value on transparency, and share with their workforce steps taken to improve equity in the workplace are more likely to attract women.
- **Flexibility** – The most common form of flexibility is remote work. In a [2021 FlexJobs survey](#), 60 percent of women polled said that they would look for another job if they were not allowed to continue remote work. The same [survey](#) found that nearly seven of 10 workers believed that more remote work policies will benefit gender equality in the workplace. Not only should employers offer remote work, but they should take steps to normalize it. Employers should ensure that promotions and other career advancing opportunities are available to all employees, regardless of their physical location in the “workplace.” That means tracking who is getting advancement opportunities is critical to countering any bias towards those with more “face time.”
- **Diversity, Equity, and Inclusion** – Employers that embrace racial and gender diversity on their executive teams and publicly and explicitly commit to supporting and advancing women in the workplace are more likely to attract women. That is because prospective women employees view those employers as a place where they will be valued and empowered.

Conclusion

If you are reevaluating your approach to managing your workforce and are focused on recruiting a more diverse candidate pool, contact your Fisher Phillips attorney or the authors of this Insight to brainstorm and carry out effective ways to do so.

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