CREATING A MORE EQUITABLE RECOVERY
Addressing the Economic Barriers COVID-19 Exacerbated for Women in Chicago

June 2022

A project led by the Mayor’s Women’s Advisory Council
World Business Chicago, Women Employed, Civic Consulting Alliance
# Creating a More Equitable Recovery

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Acknowledgments and Contributors

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Executive Summary

“Although the multiple crises of this past year have been unprecedented, the underlying inequities they lay bare and amplify are not. Rather they are rooted in generations of systemic and structural racism.” - Advancing Workforce Equity in Chicago: A Blueprint for Action, Policy Link

The Mayor’s Women’s Advisory Council set out to better understand the impacts of COVID-19 on working women in Chicago, knowing that the national trends were stark. Findings locally and nationally, as outlined in this report, confirmed what many of us may have suspected: women, particularly women of color, experienced disproportionate negative impacts over the course of the pandemic. However, those impacts were not caused by the pandemic. Instead, the COVID-19 pandemic revealed pain points in our economy and safety net systems (or lack thereof). We can no longer ignore, avoid nuanced discussions, or fail to acknowledge the deeply rooted racial and gender disparities that exist in the labor market.

This report confirms that women were more economically vulnerable prior to March 2020 and the impacts of the COVID-19 pandemic, such as stay-at home orders, industry shutdowns, and a crumbling of the childcare infrastructure, pushed women namely women of color into further economic insecurity. Despite being more likely to have families to support and generally having higher expenses, women were less likely to be participating in the labor force before 2020. Furthermore, those who were in the labor force were earning less than their male counterparts and were overrepresented in low-quality, low-wage jobs. In fact, most of the jobs that employ many women do not pay enough for women to afford to live and support their families in Chicago. Earnings disparities cause additional gaps in wealth for women particularly women of color, which impacts their ability to weather emergencies or save for the future.

Unsurprisingly, the pandemic only made things worse. Structural deficiencies in our society, including a lack of care infrastructure and persistent occupational segregation, caused women to bear the brunt of the challenges that the pandemic presented for individuals and families. Many industries that were negatively impacted by the pandemic—healthcare, food service, and hospitality, and educational services, for example—were jobs predominantly held by women. Of the 22 million jobs lost nationally between February 2020 and April 2020, roughly 54% were jobs held by women. In Chicago, 10,957 fewer men were in the labor force compared to 36,092 fewer women in 2020 compared to 2019.

Importantly, not all women were similarly affected. For example, Black women saw much larger increases in unemployment than White women, and we found that race and gender combined drove instability in occupations more than gender alone. Of course, mothers were particularly affected, with Black mothers and mothers with a high school diploma experiencing significantly greater negative impacts.

At the time of this report, the country and the world have effectively re-opened. Though masks have come off, vaccinations are available, and industries such as the leisure and hospitality industry are bouncing back, the deeply ingrained inequities in our economy remain. We cannot accept the improving labor force participation numbers or the positive job growth reports as indicators of absolute success.

Chicago—and the country—will neither fully recover nor thrive without addressing the underlying inequities outlined herein. We must raise the floor to ensure women, especially women of color, have access to quality jobs that support them and that allow them to support their families. No single lever is going to solve all the complex issues outlined in this report, and an individual entity will never single handedly right size the economy. Interventions and policy changes that dismantle historical and systemic racism, sexism, and ableism requires everybody to act—employers and policymakers alike.
Accordingly, we engaged numerous stakeholders—from workforce development and philanthropic organizations to policymakers and advocates, to labor economists, business leaders, and unions—on in-depth data presentations. We received recommendations on critical next steps in addressing the egregious disparities in the labor market articulated by the data. Our conversations identified four broad imperatives:

1. Employers and policymakers must address the care giving responsibilities of families that fall disproportionately on women
2. Employers and policymakers can reduce gender and racial wage gaps by ensuring pay transparency, exploring wage floors, and addressing the disparities in tipped versus non-tipped work
3. Employers and policymakers must ensure that workplaces—regardless of what the job is or who the workers are—are safe, free from discrimination and harassment, and trauma-informed
4. The workforce development ecosystem must apply a gender lens when designing programs and mapping pathways, ensuring that practitioners are not complicit in perpetuating low-quality jobs, and are offering services that meet the unique needs of working women (e.g., childcare resources)

Data Limitations & Caveats

Before looking at our empirical findings—which draw on datasets that span pre-pandemic to present day—it is important to acknowledge several limitations of the data used:

1. This report is neither meant to be a robust research project nor an academically driven report. Instead, it is a scan of local data to represent selected economic impacts of COVID-19 on working women in Chicago.
2. We acknowledge there is far more data that should be explored (which is outlined at the end of this report); however, we balanced the scope of this project with the urgency facing our communities and imminent decisions related to workforce development strategies, challenges facing employers to hire talent, and the ongoing recovery of Chicago. As such, we consider this report to be a jumping off point.
3. The American Community Survey (ACS) is a primary source used throughout this report. The ACS creates period estimates, meaning they represent the characteristics of the population and housing over a specific data collection period. In July 2020, the Census Bureau announced they would release experimental estimates for a limited set of tables and geographic areas for the 1-year ACS. A smaller sample size means larger standards of error and less reliable results—especially for small geographic areas or small population sizes, like Native American, multi-racial, and other race populations not identified. We utilized this data source as it breaks down data to the local geographic level, which was necessary for the scope of this report.
4. Occupation level data including earnings, separations, hires, and number of jobs utilized data from Emsi Burning Glass.
5. Some of the data is pulled from the Chicago Metropolitan Statistical Area (MSA) (defined as Chicago-Naperville-Elgin, IL-IN-WI) or Cook County level data. This geography is important to note, particularly when looking at earnings, given that Chicago has a higher minimum wage than surrounding areas.
6. Separation, hiring, and unemployment insurance data cannot be disaggregated by race and gender simultaneously. We can determine the number of women in an occupation, for example, and the number of non-White workers, but the data does not tell us how many non-White women workers are in a specific occupation.
7. The data available only allowed us the ability to disaggregate economic impacts by binary sex categories—male and female—and thus this report does not provide specific analysis regarding impacts to trans, non-binary, or gender queer individuals in Chicago. Despite this data gap, we know from national Human Rights Campaign data that the disparities described in this report similarly affect the LGBTQ+ community and in particular are more severe for trans and non-binary people of color.
Women have long been more economically vulnerable than men, even before the pandemic began

Women were less engaged in the labor force

In 2019, 57% of all women across the United States participated in the labor force, a number that has been declining slightly since a peak of 60% in 1999. In Chicago, 65% of women participated in the labor force, outpacing the national trend though lagging behind their male counterparts at 71%. That difference of 6 percentage points reflected nearly 100,000 fewer women than men in the Chicago labor force (91,881) and an under-representation of women compared to the gender split in the broader civilian population (52% female, 48% male).

The disproportionate trend by gender was compounded within the labor force population. With more women than men in the civilian population, but fewer in the labor force, unemployment rates were comparable by gender (4.0% male vs. 4.3% female) but employment rates were not: 59% of the female labor force was employed vs. 65% of men; a further negative 6-point difference for women. Additionally, despite representing a smaller portion of the labor force, more women than men had a job but were not working (the ‘had job, not working’ category can include for example: temporary absence due to sickness, accident, or voluntary layoff, or workers experiencing a shortage of hours or shortage of regularly home-based gainful employment).

The unemployment rate among women, though comparable to men overall, varied according to race:

- 5% Black women
- 3% White women
- 1% Native American women
- 1% Asian women
- 3% women of other races
- 1% women of two or more races
- 3% Hispanic women

However, unemployment numbers do not provide a holistic picture or account. More women were not in the formal labor force (35%) compared to men (29%) in 2019 in Chicago.
For women with a reported disability in Chicago, engagement in the labor force was very low in 2019. Women with a reported cognitive disability experienced the highest rate of unemployment. And those who identified as having a self-care disability—defined as a person with a physical, mental, or emotional condition lasting six months or more, who has difficulty in doing any of the activities such as dressing, bathing, or getting around inside the home—had the lowest rates of labor force participation.
Historically, people with disabilities have experienced persistently lower employment rates and earned lower wages compared to their peers that do not have a reported disability. The Fair Labor Standards Act (FLSA) has perpetuated economic inequity for people with disabilities for decades. Section 14(c) of the FLSA permits employers who are certified by the U.S. Department of Labor to pay their employees who have a disability at rates below the minimum wage set by Congress. Additionally, nearly 95% of employees being paid this subminimum wage across the country are being employed in segregated workplaces designed solely to employ workers with disabilities. In Chicago, however, as of 2024, businesses will no longer be able to utilize their 14(c) certifications.

Working women still earn less than men

Wage gaps

There has long been a gender wage gap in the United States. In 2019, full-time working women earned, on average, 82 cents to the dollar of what a full-time working man made. But there is also a racial wage gap. Black workers, on average, make 85 cents for every dollar a White worker makes. When compounded with the gender gap, this discrepancy creates a situation in which Black women are making only 63 cents for every dollar that a White man makes, and Hispanic or Latinx women make just 55 cents to what a White man makes, demonstrating that race and ethnicity are compounding factors driving wage gaps. This issue is particularly problematic in Chicago given that nearly half of the workforce in the Chicago region consisted of people of color in 2018.

The data below breaks down earnings (and other key employment traits) by occupation, using the Standard Occupational Classification (SOC) System, a federal statistical standard used to classify workers into occupational categories. It includes 755 occupations, which cluster into 23 major groups. In Chicago for 2020, 4.76M workers across all occupations had median annual earnings of $59,493. However, for jobs that employed predominantly women (greater than or equal to 50%), the median annual earnings was only $51,848—13% lower than the overall median annual earnings. Comparatively, jobs that employed predominantly men had median annual earnings of $64,259—8% higher than the overall median annual earnings.

<table>
<thead>
<tr>
<th>Occupation Cluster</th>
<th>Majority Female (≥50%)</th>
<th>Minority Female (&lt;50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Pract &amp; Tech</td>
<td>$71,750</td>
<td>$62,250</td>
</tr>
<tr>
<td>Legal</td>
<td>$55,000</td>
<td>$45,000</td>
</tr>
<tr>
<td>Art &amp; Design</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Office &amp; Admin Supp</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Production</td>
<td>$50,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Food Prep &amp; Serving</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

The only jobs that earn enough to live for 1 adult, 1 child ($65,269)
Moreover, 28% of majority-female jobs earned less than half of the overall average (or worse), compared to just 2% of minority-female jobs. Indeed, just by looking across the full scope of occupations, it is clear that there is significant gender segregation occurring.

Given these earnings, women are not paid enough to afford to live in Chicago. In order to gauge cost of living, we used the Economic Policy Institute’s (EPI) Family Budget Calculator (referred to as the EPI Benchmark throughout this report). According to this metric, one adult with no children in Chicago needs to make $41,159 in order to attain a modest, yet adequate, standard of living in Chicago in 2022. However, because most working women in Chicago have children, we also looked at the living wage for one adult with one child, which is $65,269. When looking at the top 25 jobs that employ women in Chicago, the large majority are making far below the living wage. These jobs account for a little over a third of all jobs in the Chicago region and 65% of the jobs belong to female workers.
This inequitable variation in wages means less income to support families. Consequently, the wage gap makes it more difficult to support families, which contributes to more women than men living in poverty. In 2019, the poverty rate in Chicago was 18.4%, with 8.4% living in extreme poverty and 26.8% of children experiencing poverty.\textsuperscript{19} Closing the wage gap would significantly reduce the number of working women and children living in poverty. In Illinois, for example, it is estimated that closing the wage gap would decrease women living in poverty by 40%. Further, if the racial disparities in wages in the Chicago region were eliminated, the GDP would be $136 billion greater.\textsuperscript{20}

The region's GDP could be more than $136 billion larger if racial gaps in income were eliminated.

<table>
<thead>
<tr>
<th>Actual GDP and Estimated GDP with Racial Equity in the Workforce (billions), Chicagoland Region, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP in 2018</strong></td>
</tr>
<tr>
<td><strong>GDP if racial gaps in income were eliminated</strong></td>
</tr>
<tr>
<td>$641.7</td>
</tr>
<tr>
<td>$778.1</td>
</tr>
<tr>
<td><strong>Equity dividend:</strong></td>
</tr>
<tr>
<td><strong>$136.4 billion</strong></td>
</tr>
</tbody>
</table>

Source: Authors' analysis of the 2018 5-year American Community Survey microdata from IPUMS USA. Note: Universe includes the population ages 25-64. Data reflect a 2014-2018 average. Values are in 2018 dollars. See the methodology for details on the analysis.

Adapted from Advancing Workforce Equity in Chicago: A Blueprint for Action

Figure 8

<table>
<thead>
<tr>
<th>EARNINGS COMPARISON TO EPI BENCHMARKS ACROSS OCCUPATION CLUSTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Operations Managers</td>
</tr>
<tr>
<td>Project Management Specialists and Business Operations Specialists, All Other</td>
</tr>
<tr>
<td>Registered Nurses</td>
</tr>
<tr>
<td>Accountants and Auditors</td>
</tr>
<tr>
<td>Postsecondary Teachers</td>
</tr>
<tr>
<td>Elementary School Teachers, Except Special Education</td>
</tr>
<tr>
<td>First-Line Supervisors of Office and Administrative Support Workers</td>
</tr>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
</tr>
<tr>
<td>Secretaries and Administrative Assistants, Except Legal, Medical, and Executive</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
</tr>
<tr>
<td>Office Clerks, General</td>
</tr>
<tr>
<td>Laborers and Freight, Stock, and Material Movers, Hand</td>
</tr>
<tr>
<td>Nursing Assistants</td>
</tr>
<tr>
<td>Receptionists and Information Clerks</td>
</tr>
<tr>
<td>Janitors and Cleaners, Except Maids and Housekeeping Cleaners</td>
</tr>
<tr>
<td>Packers and Packagers, Hand</td>
</tr>
<tr>
<td>Stockers and Order Fillers</td>
</tr>
<tr>
<td>Teaching Assistants, Except Postsecondary</td>
</tr>
<tr>
<td>Home Health and Personal Care Aides</td>
</tr>
<tr>
<td>Retail Salespersons</td>
</tr>
<tr>
<td>Molds and Housekeeping Cleaners</td>
</tr>
<tr>
<td>Cashiers</td>
</tr>
<tr>
<td>Childcare Workers</td>
</tr>
<tr>
<td>Fast Food and Counter Workers</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
</tr>
</tbody>
</table>

Figure 9:
In addition, women earn less than men at all education and income levels. The earning inequities by gender and race and ethnicity impact not just the current generation of workers, but also their children and subsequent generations.

**Wealth Gap**

It is important to distinguish between income (wages) and wealth (assets) and to draw a connection between the two. As a result of all of the factors outlined above, the gender and racial wealth gap persists. The effects of the wage gap compound over time, and—coupled with more expenses—means it is more difficult for women to buy a home, invest in higher education, or save for retirement, thereby creating a wealth gap as well. In addition, people of color have long faced challenges and severe housing cost burdens rooted in a history of structural racism and discriminatory lending practices.

Women have saved only 70% of what men have saved for retirement, often because they have taken time out of the workforce for caregiving. Yet at the same time, women live longer than men and thus need more economic resources. Still, women earn 78% of what men do from Social Security. This difference is the result of disparity in earnings, given that Social Security is based on a person’s 35 highest-earning years—if women earned as much as men, they would have higher benefits later in life.

Lower earnings are particularly problematic because of other challenges women face.

**Higher costs and targets for predatory practices**

In addition to disparate earnings and work opportunities, women also often pay more for products and services than men do—both for essential and nonessential items. In particular, women’s health care costs are more than men’s due to reproductive and contraceptive costs. In 2019, annual average health spending for women between the ages of 19 and 34 years old was $4,709—more than double that of men’s spending at $2,261. Maternity care is especially expensive with uneven coverage by insurance providers and plans.
Additionally, women are often targeted by predatory lenders and face higher interest rates for mortgages and car loans. Payday loans, which include extremely high interest rates, are often utilized to meet budget shortfalls for millions of families across the United States. Roughly 52% of all payday loan borrowers in the U.S. are women, and African Americans are more than twice as likely to take out a loan compared to any other group. In Illinois, Governor J.B. Pritzker signed the Predatory Loan Prevention Act, which caps the interest on payday loans to a 36% annual percentage rate (APR). Prior to this law, APRs could reach triple digits. This law is progress, as the predatory interest rates are a thing of the past in Illinois. However, the high interest rate will continue to disproportionately impact women who often use these sorts of loans as a means to meeting basic needs.

Further, women also hold two-thirds of all student debt in the United States, and Black women hold more debt than any other racial/gender group. Overall, on average women take about two years more than men to repay student loans. The wage gap (compounded for women of color) makes it more difficult to pay back this debt.

**Getting stuck in low-quality jobs**

Job quality in the U.S. is on a 40-year decline and has been worse for younger workers, those without a college degree, and Black and Latinx workers. Characteristics of a good job include:

- Living wage compensation (inflation-adjusted)
- Stable or growing base of employment meaning that a sector will experience growth or at minimum a stable rate
- Being automation-resilient
- Benefits such as health insurance, retirement savings, and/or paid time off

Comparatively, low-quality jobs often do not have predictable work schedules to allow for planning ahead and managing other life tasks or childcare. Low-quality jobs may not have a safe working environment, causing workers to risk their physical or mental health to earn an income. Low-quality jobs also rarely provide health insurance, paid sick days, or paid family and medical leave.

Although women make up just under half of the workforce in the United States, they represent nearly two-thirds of the workforce in low-paying, low-quality jobs; Latinx women, Native American women, and Black women are particularly overrepresented. In 2018, nearly half of the workforce and 60% of the emerging workforce in Chicago were workers of color. Prior to the pandemic, only two in five jobs were considered to be “good” jobs in Chicago, and workers with higher levels of educational attainment were significantly more likely to hold those jobs. Moreover, from 1990–2018, Chicago saw the largest growth in low-wage jobs (37%) but the highest growth in earnings among high-wage jobs.
Additionally, over half of part-time workers are women and thus are not typically entitled to the benefits and job protections that full-time workers regularly receive. Due to unpaid care giving responsibilities, many women find themselves in part-time work. Part-time workers are about three times more likely than full-time workers to hold low-paying jobs, and more than two in three part-time workers in low-paying jobs (67.7%) are women. Among women working part time, 26.8% have household incomes below 200% of the poverty line (or just $46,060 in total household income for a family of 3), including 10.3% who live in poverty. Black women and Latinx women working in part-time jobs are especially likely to live in poverty.

Experiences of gender-based violence on and off the job

Nationally, nearly half of all working women have experienced sexual harassment, though this number is likely an underestimate, as two-thirds of all employees experience or witness sexual harassment in their workplace. Sexual harassment is particularly rampant among women who work for tips, as well as undocumented women. Black women report experiencing sexual harassment at work at three times the rate of White women, and 80% of women who have been harassed leave their job within two years.

While often overlooked, many workers have also experienced domestic violence, either past or present, which has a tremendous impact on their personal and professional lives. This violence may be physical or psychological, including direct interference at the workplace (e.g., harassment right before a woman goes to work, pressure to quit work), and can result in a significant amount of stress, insecurity, and trauma on the job.

More so, domestic violence often takes the form of economic exploitation or economic abuse, leaving women with limited to no financial resources, particularly after leaving the person who caused them harm. A recent study of domestic violence survivors in the Chicago area found a variety of challenges related to the workplace, including a great need for flexible schedules, mental health support, and trauma-informed workplaces. Many workplace policies had inflexible rules that did not fit the unpredictable nature of survivors’ experiences and thus could not meet their needs.

Lack of care infrastructure

Women also experience significant economic insecurity due to care giving responsibilities, both for their own children and for parents or extended family. Care giving demands increase inequality for women in the workforce as they become parents, both in terms of employment and pay disparities.

Childcare is a huge expense for many families, sometimes exceeding the cost of college tuition. One study found that childcare expenses can be as much as 35% of low-income families’ earnings. Care giving responsibilities can be unpredictable as well and may lead to reduced hours or breaks from education or work, resulting in lower earnings. Nearly 1 in 5 Americans are providing unpaid care for parents or extended family with special needs, and 61% of these caregivers are also working. It is estimated that women in America cumulatively lose over $7 billion each year because of unpaid or partially paid parental leave and over $2 billion because of unpaid or partially paid care giving leave for a loved one. In Illinois, working mothers experience an additional 6% pay gap relative to working fathers.

Research has linked access to affordable childcare with higher workforce participation rates and wages for women; however, only about 11% of employees report having childcare assistance through their employer.
Across the country, COVID-19 disproportionately impacted women—especially women of color

More women left the labor force during the pandemic

In March 2020, the world changed drastically as cities and towns across the globe issued stay-at-home orders to stop the spread of COVID-19. The rate of illness and death was disproportionately higher for Black, Latinx, and Native American individuals. Months of lockdown began to deteriorate local economies, causing massive job loss and plunging households into workplaces and childcare centers overnight. Not surprisingly, women bore the brunt of this new world.

The pandemic-induced recession is the first to cost women more jobs than men. Between February and April of 2020, the U.S. economy lost nearly 22 million jobs, 54% of which were held by women. This decline included over 11 million in April alone, which means that one month of the pandemic’s losses decimated nearly an entire decade of women’s job gains since the Great Recession. This significant decline has been driven by the negative impacts on the leisure and hospitality industry, which was decimated during the stay-at-home orders nationally. This industry is predominately made up of women, particularly women of color.

Indeed, race and ethnicity played a critical role in economic disparities. Throughout the pandemic and its consequent economic crisis, Black and Hispanic women experienced significantly higher unemployment rates than White women, as well as a slower recovery. From April through September of 2020, Black and Hispanic women experienced unemployment rates peaking at 20.1% for Hispanic women in April 2020 and 16.6% for Black women in May 2020. These discrepancies were primarily driven by increased vulnerability to job losses, decreased likeliness of accessibility to remote work and workplace benefits, childcare responsibilities, and discrimination impacting employment and wages.

Another industry that experienced severe negative impacts as a result of the stay-at-home orders is the childcare industry. Thus, we would be remiss if we did not explicitly look at mothers and their participation in the workforce. Nationally, mothers with children under 13 years old saw a negative 2% change in employment in February 2022 compared to February 2020, but not all mothers were comparably affected. Black mothers experienced a negative 5.7% change, and mothers with just a high school diploma saw a negative 6.2% change. This underscores that gender alone was not the driving factor of disproportionate impact.

Percent Change in Employment Rates by Selected Characteristics: February 2022 relative to February 2020

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Employment Rate Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mothers</td>
<td>-2.0</td>
</tr>
<tr>
<td>Fathers</td>
<td>0.9</td>
</tr>
<tr>
<td>Asian mothers</td>
<td>-5.7</td>
</tr>
<tr>
<td>Black mothers</td>
<td>-1.7</td>
</tr>
<tr>
<td>Hispanic mothers</td>
<td>-1.7</td>
</tr>
<tr>
<td>White mothers</td>
<td>-1.7</td>
</tr>
<tr>
<td>Mothers, high school</td>
<td>-6.2</td>
</tr>
<tr>
<td>Mothers, some college</td>
<td>-3.2</td>
</tr>
<tr>
<td>Mothers, bachelors+</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Note: Respondents ages 25 to 54. Parents with children under age 13 living in the household.
Graphic: Women’s Bureau, U.S. Department of Labor

Figure 12
The lack of care infrastructure impacted women’s ability to work

The lack of care infrastructure in the United States—childcare, paid sick days, and paid family and medical leave—made it especially difficult for women to care for their children during school and daycare closures. This challenge was particularly true for front line workers who could not work from home. Prior to the pandemic, access to affordable and quality childcare was already a key challenge for working women, as outlined below. However, the closing of schools and childcare centers during the pandemic brought to the forefront how important childcare is to our economy given the disruptions it caused to working parents’ lives both in and out of the workplace.

Due to inadequate childcare during the pandemic, approximately 5% of families experienced job loss. However, another 20% experienced a variety of economic losses because of reduced hours or time off to meet childcare needs, and that may have impacted future earnings, promotions, benefits, and career growth. Collectively, over 50% of families across the United States with young children experienced some decline in household income when childcare was unavailable. The Century Foundation estimates that for each year of the pandemic, the total financial loss to families resulting from unavailable childcare is $13 billion. Historically, childcare responsibilities have disproportionately fallen onto women. The COVID-19 pandemic has only exacerbated this problem, with 800,000 women leaving the workforce because of childcare responsibilities. The pandemic has increased childcare responsibilities, causing almost 2 million women to consider leaving the workforce. Women take on about 2.5 times as much unpaid domestic work as compared to men. Even before the pandemic, the lack of affordable and adequate childcare was preventing women from joining the workforce. In a report published by the Center for American Progress (CAP), CAP found that around 50% of American households were unable to find childcare. The lack of childcare hinders parents’ ability to be employed, especially for mothers. Mothers who found childcare were more likely to be employed, as compared with mothers who had difficulty finding childcare. When interviewed by CAP, mothers reported that childcare had a significant impact on their employment prospects. Essentially women reported that the disproportionate responsibility of childcare and lack of affordable and adequate childcare resulted in women being less likely to increase earnings, seek promotions, and all-around advance their careers. If women had better access to affordable and reliable childcare they would be able to give greater attention to their careers and increase their productivity.

Due in large part to a broken care economy, many unemployed women have been out of work for a significant amount of time. In April 2022, among unemployed women ages 16 and over, 22.3% had been out of work for six months or longer, including 32.8% of unemployed Asian women, 29.3% of unemployed Black women, and 22.1% of unemployed Hispanic women. Additionally, in April 2022, nearly 1 in 6 unemployed women ages 16 and over (16.2%) had been out of work for a year or longer.

It is clear that disruptions in employment status have undoubtedly negatively impacted both the national wealth and retirement gap. For those with stable employment that could easily transition to remote work, consumer spending decreased and savings increased. Workers in low-wage jobs and with minimal savings to begin with experienced significant and devastating economic loss, including setbacks in wealth-building. Data shows that Black and Latinx women have not had the resources available to participate in the job market recovery since the beginning of the pandemic.

Additionally, the gender gap in retirement savings has been exacerbated by the pandemic. Given that Social Security is based on an individual’s 35 highest-earning years, job loss and earnings loss throughout the pandemic for women, particularly women of color, will undoubtedly set them back and further behind their male counterparts in terms of savings later in life.
When looking at the gender and racial wage gap, some literature inaccurately cited an increase in wages across the board without qualifying the data with the fact that so many low-wage workers left the workforce in 2020. The reality is from 2019 to 2021, the wage gap improved for Asian women compared to White women; however, the gap widened from 2020 to 2021, decreasing progress made. Black women and Latinx women, similarly, have slipped back from the progress they had made from 2019 to 2020. And yet, the gap remains, driving inequity in our labor market.

Long-standing occupational segregation throughout the United States put women more at risk during the pandemic

Occupational segregation is the term used to describe the over or under-representation of one demographic group in a certain job category. Women’s over-representation in low-quality jobs is indicative of occupational segregation, which has been a driving force of inequities within the labor market during and beyond the pandemic. For example, Black and Hispanic women experienced disproportionate job loss in the U.S. in the education and health services industry; in 2019, they each represented 10-12% of workers across these sectors, but in 2020, they each represented 14-15% of the job losses.
Approximately half of the gender wage gap since the early 1980’s can be attributed to women working in different occupations than men, and discrimination accounts for another 38%. American Indian, Alaska Native, and subgroups of Asian American, Native Hawaiian and Pacific Islander women also typically tended to be more disproportionately impacted by the economic crisis than White women. Low-wage jobs have been undoubtedly hard hit by the COVID-19 pandemic. Pre-pandemic, low-wage workers comprised 43% of the workforce and yet a year into the pandemic, they accounted for roughly 53% of displaced workers.

In a recent report, *Bearing the Cost*, the U.S. Department of Labor, Women’s Bureau outlined contributing factors to occupational segregation from both the supply side and the demand side.

The supply-side factors that contribute to occupational segregation include:

- Social norms that push workers into jobs stereotypical for their gender, race, or ethnicity;
- Gaps in educational attainment and training that place women on different career paths;
- Unequal family care-giving responsibilities;
- Fewer network connections and mentors for women, especially in male-dominated jobs; and
- Lack of wealth and access to capital that impede women entrepreneurs.

The demand-side factors that contribute to occupational segregation include:

- Workplace discrimination against women or people of color in recruitment, selection, hiring, evaluation, assignments, and promotion;
- Hostile workplace cultures and harassment.

These national trends and driving forces are largely mirrored when taking a closer look at the Chicago labor market.

**Working women in Chicago saw similar negative outcomes compared to women across the country**

**Key Takeaways:**

- Labor force participation among women declined at higher rates than men
- Women experienced worse employment outcomes because they were uniquely vulnerable prior to the pandemic and occupied lower quality, low wage jobs
- Occupational segregation led to exacerbated instability and lack of job security for women of color
- The care economy sectors—childcare workers and direct care workers—were negatively impacted, consequently causing negative ripple effects across the economy for which women carried the burden
- Negative employment outcomes compounded by an inequitable labor market continue to drive racial and gender wage and wealth gaps

**Labor force participation among women declined at higher rates than men**

From 2019 to 2020, the number of people in the labor force declined across the board. Although both men and women lost labor force participants, the impact on women was more significant as a portion of the overall female population. The number of men who were not in the labor force grew by nearly 11K but registered no change in the rate of non-participation, which stayed constant at 29%. By comparison, the number of women out of the labor force grew by 36,092, a 9 percent year-over-year increase (vs. 4% for men), shifting the non-participation rate from 35% to 37%. Further, unemployment insurance data for Cook County demonstrates that women saw a significantly higher rate of unemployment at the peak of the pandemic, and that trend continued, though the gap between men and women has decreased, through the fall of 2021.
Figure 15

Figure 16
Unemployment insurance data for Cook County demonstrates that more White women received the benefit than Black women. This difference may be explained, at least in part, by the higher rates of Black women leaving the labor force altogether, disqualifying them for unemployment insurance benefits, (increased by 15% from 2019 to 2020) compared to a decrease in White women leaving the labor force by 28%. Additionally, many Black women were working in tipped jobs, earning a subminimum wage. As a result, many were unable to access unemployment insurance due to not earning enough, another harmful by-product of occupational segregation and inequity in wages.
As demonstrated pre-pandemic, the number of people with disabilities participating in the formal labor force has remained consistently low. From 2019 to 2020, those in need of supportive care (“self care”) reported a decline in labor force participation. Across the board, the rate of those with a reported disability not in the labor force remained high into the pandemic.

Beyond employment status, the COVID-19 pandemic disproportionately impacted people with disabilities, compounding the significant impacts on employment. Individuals with a reported intellectual or developmental disability, as well as those who depend upon technology for survival, faced a high risk of being triaged out of COVID-19 treatment during times in which hospital beds, supplies and personnel were scarce. Further, as a result of the growing shortage of direct care workers that began prior to 2020 and was exacerbated by the pandemic, people with disabilities were left without aid and support. For some, that meant losing their independence or being institutionalized, often impacting their ability to engage in the workforce.

Further, as recently as April 2022, employment rates for low-wage workers (earning less than $29,000) in the Chicago metro area fell by 50.4% compared to January 2020 and have remained on a steady decline. However, workers in high-paying jobs (earning more than $73,000) have experienced an ebb and flow in employment rates and are on an incline as of April 2022.
Similar to what we are seeing nationally, Chicago has started to experience job gains in some areas. According to payroll data (not seasonally adjusted) for the Chicago metropolitan area, there has been a 5.4% increase in people on payroll from February 2021 to February 2022 (compared to a 4.9% increase nationally). The leisure and hospitality sector has experienced the most gains in Chicago with a 28.9% increase from February 2021 to February 2022. As of June 2022, the leisure and hospitality industry saw a 49.9% increase in job postings compared to January 2020. Additionally, the education and health services industry, which employs predominantly women, has also begun to experience significant growth. However, the unemployment rates within these industries still remains reportedly high compared to the overall unemployment rate in Chicago.
Women were overrepresented in highly volatile, but essential jobs

Labor force participation data is just one important, but limited, representation of the full impact on employment of the COVID-19 pandemic on women. A widely used metric in the labor market looks at separations versus jobs. When looking at the jobs that employ the most women in Chicago, we found a high level of turnover (i.e., high percentage of separations compared to jobs) in most of the jobs, with fast food workers and cashiers experiencing the highest separation ratio.81

Employment rates and separation rates are helpful metrics, but they do not necessarily capture volatility—a measure of stability or churn in an given occupation. The separation rate may point to volatility in a longitudinal study comparing year-over-year data (for example, if the rate of separations shifted in one year compared to the multi-year average). In this report, and without conducting a multi-year analysis, we employed an alternate metric to understand volatility within and across occupations by assessing the number of separations against three related data points: number of jobs, number of hires, and number of average annual openings. We refer to this metric as the Volatility Index (VI).82

This custom metric is useful in two ways: (1) it contextualizes job loss in any given occupation relative to the size of the workforce, the usual amount of hiring activity, the degree to which job loss may be offset by hiring, ultimately pointing to the overall degree of churn; and (2) it provides a uniform measurement across 755 heterogeneous occupations (e.g. the size of the workforce in any given occupation could be 100 or 100,000 and some amount of job loss will inevitably be anchored to that footprint), helping to spot trends across the field.

We applied the VI across all 755 occupations and found that half of the occupations with the highest volatility were predominantly female. These occupations include bartenders (57% female), fast food and counter workers (63%), human resource specialists (72%), packers and packagers (63%) and wait staff (70%).83 Not surprisingly, many of these jobs were deeply impacted due to stay-at-home orders, businesses shutting down, and shifts in the supply chain.

When looking at the top 15 jobs with the greatest number of women in the Chicago MSA, the median VI is 8.02 and separation ratio of 85%, indicating higher volatility than most occupations. Across these 15 jobs, the workforce is 77% female and 44% non-White.84 The median annual earnings are $37,000, which is $28,000 below the living wage in Chicago for one adult with one child. Many of these jobs were considered “essential” during the stay-home orders at the beginning of the pandemic. Overall, however, we found that gender, alone, was not a driver of high volatility but that race played a critical role.
When looking at race, the top 15 jobs with the highest number of non-White workers (both male and female) resulted in a median VI of 8.53, higher than the top jobs based on gender ratios and an average separations ratio of 97%. These jobs included a 74% female workforce and 48% non-White workers overall. The median annual earnings was only $35,000.
Creating a More Equitable Recovery

Deep dive: Direct care workers and childcare

The VI metric certainly helps to understand drivers of impact and quickly demonstrated that gender, alone, was not the factor leading to drastic shifts in employment during the pandemic. The analysis also amplified the need to dive deeper into certain occupations that were deemed essential throughout the pandemic and were negatively impacted.

Given the impacts that the pandemic had on care giving responsibilities, the childcare sector and direct care workers require a closer look. The related high volatility and the fragility of these occupations hinders others who need to rely on childcare or direct care work options in order to sustain employment. Undoubtedly, stabilizing childcare occupations has a multiplier effect on the workforce.

Direct care workers

Nationally, the direct care workforce is the largest and is projected to add 1.3 million new jobs from 2019 to 2029, making it the largest-growing single occupation.\(^8\) In the Chicago MSA, home health and personal care aides—direct care workers—rank number nine for number of jobs and are the top job when looking at highest percent African American workers (both male and female). A large majority of people of color in the direct care workforce are also immigrants.\(^8\) The direct care workforce in Chicago is 86% female and earns just $28,000 annually. Nationally, we know that 20-30% of direct care workers have children.\(^8\) Therefore, the extremely low wages make it impossible for a direct care worker to afford to live in Chicago based on the living wage of $65,629 for one adult and one child.

Overall, direct care workers in Chicago had a VI of 6.86, just above the median volatility. Also, separations accounted for 79% of jobs in 2020 and in 2021, demonstrating extremely high turnover.\(^9\) As a majority-female workforce, employing predominantly women of color, the poor job quality of this sector underscores the systemic racism and sexism ingrained in our economy, particularly our care economy.\(^9\)

Childcare

Much like everything else we have learned from this pandemic, COVID-19 did not create many of the childcare challenges outlined here (aside from the fact that households became childcare centers and workplaces overnight). Instead, the pandemic spotlighted and further eroded an already broken system. Childcare jobs remain low-quality, low paying jobs, albeit essential for our economy to thrive. As an occupation, childcare in Chicago ranks in the top 5% for number of workers (rank of 31 out of 755 occupations for count of jobs), consists of 94% female workers, and has a VI of 6.4, which is around the median of all occupations. When looking at separations compared to the number of jobs, separations accounted for 65% of jobs in 2020 and 2021. Childcare workers earn just $24,000 annually, ranking in the bottom 3% for median annual earnings (rank of 730 out of 755 occupations for earnings).\(^9\)
During the COVID-19 pandemic and continuing through the present day, Chicagoans experienced a childcare crisis for parents and workers in this industry alike. Due to lack of childcare, parents—mostly women—had to leave their job or reduce hours. In Illinois specifically, during the COVID-19 pandemic, 13% of working parents had to resign or reduce work hours due to lack of childcare, and working mothers have been more likely to leave their jobs than working fathers. According to the 2021 Healthy Chicago Survey, among those in Chicago who had reduced employment due to COVID-19, approximately 34.9% of people experienced reduced employment due to childcare responsibilities. Of those with childcare responsibilities causing employment disruption, 62% were female. In addition, 20.4% experienced employment disruption due to care giving responsibilities for someone with a disability (53% of whom were female), and 23% due to care giving responsibilities for an elderly loved one (52% of whom were female).

Moreover, the capacity of the childcare ecosystem has not fully returned, and the workforce is not yet back to where it was. Nationally, the childcare sector is still missing nearly 1 in 9 jobs lost since the start of the pandemic. Pre-pandemic, there were 110,728 jobs across 1,395 licensed childcare centers in Cook County. Under the stay-at-home order issued by Governor Pritzker, all childcare centers were required to close unless they applied for and were approved to operate under an emergency childcare license. In Cook County, 239 programs applied for the emergency license, leading to 10,360 slots. Among these programs, 44% were licensed to care for school-aged children, supporting families as schools also shifted to remote learning.

Not surprisingly, this disruption in the childcare ecosystem led to drastic shifts in jobs and employment status among childcare workers. In Illinois, Chapin Hall found that among two cohorts, pre-pandemic and pandemic (with roughly 30,000 childcare workers in each), about 4,000 fewer workers in both cohorts were continuously employed in 2020 compared to 2019. Approximately 42% of workers in the pandemic cohort received unemployment insurance in 2020, compared to less than 3% of the pre-pandemic cohort.

According to Illinois Action for Children 2021 data, there are 722 full-time licensed centers serving children under the age of 5 years old, accounting for 54,242 slots, including 4,739 before and after school slots for school-aged children. There are 1,745 licensed family childcare homes accounting for 14,018 daytime slots and 3,156 additional extended care slots for school aged children. For younger children (0-5), that leaves 63,521 slots for 200,956 children in Chicago, further exacerbating the childcare crisis that has disproportionately impacted women in the workforce.
Women were not represented in higher-paying jobs

There are 288 majority-female occupations in the Chicago MSA and in most occupation clusters, women earned anywhere from 7% to 70% less than their counterparts in minority-female occupations. The most egregious of these disparities is for health practitioners and technicians. This job cluster in Chicago MSA includes 56 occupations, and the overall workforce is made up of 77% women. Roughly 68% of the 56 occupations have predominantly female workforces and experienced growth in 2021.102

And yet, the jobs where women comprise less than half the workforce (i.e., male-majority) boast average annual earnings of $199K, whereas the majority female jobs average just $64K—a 68% negative differential for women. Furthermore, the highest-paying jobs were almost exclusively jobs in which women were in the minority. Among those jobs, women only made up 30% of the workforce.103

**Figure 27**

**Earnings Difference (Δ) from the Majority-Male Average Wage, Per Cluster**

Variance in earnings for each majority-female job from the majority-male wage average in the same job group.
MEDIAN ANNUAL EARNINGS PER OCCUPATION

Cluster: Healthcare Practitioners & Technicians

<table>
<thead>
<tr>
<th>Minority Female (&lt;50%)</th>
<th>Majority Female (≥50%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychiatrists</td>
<td>$230K</td>
</tr>
<tr>
<td>Surgeons, Except Ophth.</td>
<td>$227K</td>
</tr>
<tr>
<td>Obstetricians &amp; Gynec.</td>
<td>$227K</td>
</tr>
<tr>
<td>Pediatricians, General</td>
<td>$217K</td>
</tr>
<tr>
<td>Oral &amp; Maxillofacial</td>
<td>$217K</td>
</tr>
<tr>
<td>Physicians, All Other</td>
<td>$215K</td>
</tr>
<tr>
<td>Anesthesiologists</td>
<td>$209K</td>
</tr>
<tr>
<td>General Internal Med.</td>
<td>$202K</td>
</tr>
<tr>
<td>Family Medicine Physicians</td>
<td>$199K</td>
</tr>
<tr>
<td>Prosthodontists</td>
<td>$199K</td>
</tr>
<tr>
<td>Orthodontists</td>
<td>$196K</td>
</tr>
<tr>
<td>Dentists, All Other</td>
<td>$189K</td>
</tr>
<tr>
<td>Specialists</td>
<td>$176K</td>
</tr>
<tr>
<td>Nurse Anesthetists</td>
<td>$129K</td>
</tr>
<tr>
<td>Dentists, General</td>
<td>$129K</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>$113K</td>
</tr>
<tr>
<td>Optometrists</td>
<td>$111K</td>
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<tr>
<td>Podiatrists</td>
<td>$108K</td>
</tr>
<tr>
<td>Nurse Practitioners</td>
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<tr>
<td>Physician Assistants</td>
<td>$98K</td>
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<tr>
<td>Nurse Midwives</td>
<td>$98K</td>
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<tr>
<td>Physical Therapists</td>
<td>$98K</td>
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<tr>
<td>Veterinarians</td>
<td>$98K</td>
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<tr>
<td>Occupational Therapists</td>
<td>$85K</td>
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<tr>
<td>Nuclear Medicine Technologists</td>
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<tr>
<td>Radiation Therapists</td>
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<tr>
<td>Audiologists</td>
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<tr>
<td>Genetic Counselors</td>
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<td>Speech-Language Pathologists</td>
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<td>Diagnostic Medical Sonographers</td>
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<tr>
<td>Dental Hygienists</td>
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<tr>
<td>Registered Nurses</td>
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<tr>
<td>Magnetic Resonance Imaging Technologists</td>
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<tr>
<td>Chiropractors</td>
<td>$69K</td>
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<tr>
<td>Orthotists and Prosthetists</td>
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<td>Dietitians and Nutritionists</td>
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<tr>
<td>Radiologic Technologists and Technicians</td>
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<tr>
<td>Respiratory Therapists</td>
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<tr>
<td>Licensed Practical and Licensed Vocational ...</td>
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</tr>
<tr>
<td>Hearing Aid Specialists</td>
<td>$56K</td>
</tr>
<tr>
<td>Acupuncturists and Healthcare Diagnosing ...</td>
<td>$55K</td>
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<tr>
<td>Clinical Laboratory Technologists and Technicians</td>
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<tr>
<td>Exercise Physiologists</td>
<td>$53K</td>
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<tr>
<td>Surgical Technologists</td>
<td>$52K</td>
</tr>
<tr>
<td>Cardiovascular Technologists and Technicians</td>
<td>$51K</td>
</tr>
<tr>
<td>Therapists, All Other</td>
<td>$50K</td>
</tr>
<tr>
<td>Medical Dosimetrists, Medical Records Spec...</td>
<td>$50K</td>
</tr>
<tr>
<td>Health Information Technologists, Medical ...</td>
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<tr>
<td>Recreational Therapists</td>
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<tr>
<td>Athletic Trainers</td>
<td>$43K</td>
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<td>Emergency Medical Technicians and Param...</td>
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</tr>
<tr>
<td>Psychiatric Technicians</td>
<td>$39K</td>
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<tr>
<td>Ophthalmic Medical Technicians</td>
<td>$39K</td>
</tr>
<tr>
<td>Veterinary Technologists and Technicians</td>
<td>$38K</td>
</tr>
<tr>
<td>Opticians, Dispensing</td>
<td>$36K</td>
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<tr>
<td>Pharmacy Technicians</td>
<td>$33K</td>
</tr>
<tr>
<td>Dietetic Technicians</td>
<td>$27K</td>
</tr>
</tbody>
</table>

Figure 28
Occupational segregation compounds the racial wealth gap

This type of occupational segregation has perpetuated the gender and racial wage gap across the country. Certainly, COVID-19 did not cause the racial and gender wage gap, as outlined in the pre-pandemic section of this report. Therefore, the disparities in wealth and other forms of economic security we are experiencing today are not as a result of the pandemic, but they are exacerbated by it.

Prior to COVID-19, there were significant racial and economic disparities in accessing safe and affordable housing, for example. During the Great Recession, Black and Latinx households, many of which were in communities decimated by foreclosures and steep housing price declines, experienced detrimental losses in wealth and in many ways had not caught up when COVID-19 began. These same households, as we have seen throughout this report, have been negatively impacted by the pandemic—due in large part to occupational segregation and over representation in low-wage, low-quality jobs that lack flexibility, benefits, and paid leave.

In Chicago, pre-pandemic data showed that submarkets including Bronzeville/Hyde Park, Humboldt Park/Garfield Park, and Uptown/Rogers Park had the greatest number of renter households that were experiencing cost-burdens at the start of the pandemic. These same households also had at least one member working in an occupation susceptible to mass layoffs or separations due to the stay-at-home orders early on. Occupation data indicates that women, particularly women of color, are over-represented in these jobs. Therefore, it is not surprising that the same people earning less and working in lower quality jobs are also struggling to afford rent.

Domestic violence became the shadow pandemic

Data nationally and globally has begun to indicate that all forms of violence against women, particularly domestic violence, has increased throughout the pandemic. Much like all of the disparities in our economy, COVID-19 did not create domestic violence. Instead, it gave people who cause harm more tools to execute control over their victim and subsequently left victims even more isolated with lack of resources and opportunities for support. Much like the racial inequities underscored by the pandemic, women of color experience higher rates of domestic violence and also, as demonstrated throughout this report, lack the resources necessary to seek safety.

Calls to the IL domestic violence (DV) hot line increased by 16% from 2019 to 2020. In Chicago, fatal shootings related to DV increased by 125% from 2019 to 2020, and non-fatal shootings increased by 24%. Though 2021 saw the same number of DV fatal shootings, there was an 80% increase in non-fatal shootings. The lethality of the COVID-19 pandemic goes beyond the tragedy of lives lost to the virus. Addressing gender-based violence requires creating a more equitable economy. As long as women remain devalued in the labor market, the power and control over them in interpersonal relationships will persist.
Conclusion: Where do we go from here?  
We need to further explore the data

This project was not a robust academic research report, and there is certainly a need to further explore data and better understand the impacts as we move through 2022 and into 2023. This additional exploration should include:

- Understanding the COVID-19 impacts on the informal gig economy
- Exploring data related to entrepreneurship utilizing a race/ethnicity and gender lens
- Looking at local historical trends to better understand the separations data and further articulate stability and job security, or lack thereof, at the occupation-level in Chicago
- Folding in part-time versus full-time work into the analyses to better identify disparities and pain points in the labor market
- Understanding the allocation of workforce development resources—how the deployment of those resources is aligned with the needs of those most severely impacted and how those resources impact recovery
- Developing more robust data sets to understand the economic barriers faced by trans, nonbinary, and gender queer individuals in Chicago

We must better support women in the workforce

Evidence has demonstrated that having more women in the workforce is good for the economy. For example, between 1970 and 2013, women's increased participation in the formal labor force, paired with their increased earnings, grew the economy in the United States by 13.5%, equating to roughly $2 trillion in economic activity. Moody's found that if women participated in the workforce at similar rates as other developed nations (that do have better support for working women), the U.S. GDP would increase by $1 trillion—4 percent above its baseline forecast in the next decade. Even closing the gender workforce gap by half would raise the U.S. GDP by 2%. Though the economy is seemingly stabilizing and we are seeing women return to work, the conditions under which they are working have not changed. The combination of the lack of care infrastructure, job quality, and occupational segregation is widely cited as the reason so many women left the U.S. workforce and continue to struggle economically today. Indeed, public and private sector action to create a more inclusive economy and a stronger safety net is needed to better support women in the workforce. We cannot return to the status quo. The data outlined within this report is stark and can be overwhelming. The historic gap in labor force participation between men and women must be explored. There are a variety of levers to address employment, wage, and job quality issues for women that undoubtedly can close these historic and persistent gaps.

We must take action with the knowledge we have

A key component of this project involved engaging stakeholders in a summative data presentation, sharing a snapshot of what is outlined in this report, and receiving their feedback and recommendations for solutions and strategies to center women and solve for the inequities so clearly ingrained in our economic systems. These stakeholder groups broadly included workforce development partners, philanthropy, local policy makers, labor economists, employers, and Unions.

Indeed, there is much to be done to address the inherent racial and gender disparities across occupations and sectors in Chicago and nationally. No single lever is going to solve all of the complex issues outlined in this report, and no single entity is going to move the needle. Systemic change that dismantles historic and systemic racism and sexism within our economy is possible, but it is going to take everybody stepping up to acknowledge the need for change and to subsequently act. As such, the remainder of this report outlines some strategies, solutions and levers available to achieve change. These strategies center around the activities of three types of entities:

1. Workforce development organizations
2. Employers
3. Policymakers
Workforce Development

Organizations that make up the workforce development ecosystem, such as organizations that offer vocational training and/or connect job seekers to employment, can play a role in recovery beyond providing skill development, given the need for better quality jobs and workforce equity for both women and people of color.\footnote{113} This support is particularly necessary since displaced Black job seekers commonly turn to the public workforce system for assistance in recovery after major economic downturns.\footnote{114}

A few strategies include:

1. **Disaggregating data by gender, race, disability, and national origin** as a key first step to fully understand the equity issues within workforce development programs and begin to address occupational segregation.

2. **Tailoring training programs to meet the unique needs of women**, including providing childcare support and flexible schedules for participants.

3. **Allowing access for undocumented workers**, including promoting language access and tailored workers’ rights resources.

4. **Removing barriers** to higher-wage jobs in growing industries by offering education, certification, and apprenticeship programs. Importantly, this strategy cannot simply increase educational attainment, as that will not be enough to address the racial and gender gap given that inequities remain even at higher education levels.\footnote{115}

Employer practices and workplace cultures

Employers do not have to wait for the local, state, or federal government to act. In determining where to begin, employers should value the input of workers in decisions around working conditions and practices and ensure job protection and strong anti-retaliation protection for workers who speak up for better working conditions. This involvement is particularly important as union jobs and membership has declined, often leaving (especially low-paid) workers with no outlet to express their concerns and influence improvements to job quality. It is crucial to **center worker voices** in any recovery.

One way to engage workers is through **worker boards or councils**, which have been established in several states in a recent movement toward valuing workers’ input.\footnote{116} These formalized groups bring employers, workers, and other stakeholders together to develop industry standards related to working conditions, wages, benefits, and job protections, as well as to provide a forum for employers to hear from front line employees on the issues that matter to them. Successes of these worker boards include legislation such as fair scheduling laws (two cities), forced arbitration bans (six states), just-cause termination laws (two cities), and paid family leave policies (four states).\footnote{117}

Additionally, employers can take several steps to **directly address the gender and racial wage gap**, including:

1. **Conducting a pay equity audit** to assess what is really happening with employee compensation across gender and racial groups.

   Another way to address the wage gap is a ban on asking for salary history in job applications and to not use that information to set salaries.\footnote{118} Illinois already passed a No Salary History law that went into effect in September 2019 (HB834), but many employers and prospective employees do not know about it. It is important to make sure Human Resources and other relevant parties are informed in order to comply with the law. See Appendix A for a toolkit from Women Employed that is available to employers.

2. **Engaging in pay transparency** by being open about salary ranges for positions so that candidates and employees have a clear understanding of what the compensation is for any given position and employers can identify where equity gaps exist.\footnote{119}

3. **Exploring wage floors**, particularly for essential, front line jobs that are dominated by women, such as childcare.
Employers can also support workers as a whole person by accommodating care giving responsibilities and mitigating unpaid care work that disproportionately falls on women. Supportive policies could include:

1. **Offering family-friendly benefits** such as health insurance, paid sick days, and paid family and medical leave to all employees.
2. **Ensuring workers are classified correctly** to accurately reflect their conditions as employees, as opposed to relying on temporary and/or gig worker status, which prevents them from getting benefits they deserve.
3. **Supporting employees’ childcare** needs, including by utilizing benefits like the federally available employer-provided childcare credit\(^{120}\), which provides up to $150,000 a year in tax credits to offset the costs for businesses offering on-site childcare, as well as for offering childcare through off-site providers or supplying access to referral services.
4. **Allowing flexible work**, depending on occupational requirements, to enable workers to work whenever (e.g., early morning, late evening, four 10-hour days per week) and wherever (e.g., fully remote, in an office, or a hybrid model) is convenient for them.

Lastly, employers can also provide broad support to women through:

1. **Ensuring that workplaces are free of harassment and discrimination**, given that a recent Harris Poll found that Americans of color struggle to feel safe, valued, and supported in the workplace, particularly women of color.\(^{121}\)

The City of Chicago recently **enhanced sexual harassment laws**, requiring that all employers provide:

- One hour of prevention training on sexual harassment
- One hour of bystander intervention training
- One hour of additional training for supervisors/managers
  - The new laws also require a written policy on sexual harassment and a public notice displayed where employees can see it

2. **Utilizing fair and predictable scheduling** to allow workers to plan their everyday lives for better economic stability, including being able to schedule childcare, work hours (particularly if balancing more than one job), and other life tasks.

Chicago passed a Fair Workweek ordinance in 2020 to bring fair scheduling practices to workers in certain industries.\(^{122}\) The Fair Workweek Ordinance requires certain employers to provide workers with predictable work schedules and compensation for changes. Employees are covered by the ordinance if they work in one of seven “covered” industries (Building Services, Healthcare, Hotels, Manufacturing, Restaurants, Retail, and Warehouse Services), earn less than or equal to $29.35/hour or earn less than or equal to $56,381.85/year, and the employer has at least 100 employees globally (250 employees and 30 locations for a restaurant).

**Covered employees are given:**

1. Advance notice of work schedule (14 days beginning July 1, 2022)
2. Right to decline previously unscheduled hours
3. 1 hour of Predictability Pay for any shift change within 10 days
4. Right to rest by declining work hours less than 10 hours after the end of previous day's shift

3. **Providing professional development opportunities**, including targeted mentoring programs, to ensure women have equal opportunity for advancement.

4. **Creating workplace affinity groups** based on marginalized social identities and empowering the groups with resources to ensure effectiveness.
5. **Building trauma-informed workplaces** in which:
   a. Managers and human resources are aware of existing policies and resources and support available to their workforce,
   b. Mental health counseling is covered through health insurance policies; and
   c. Employee Assistance Programs are available to help employees deal with trauma and manage the impact of harassment and/or abuse on their work and family lives.

**Policymakers**

While employers have a lot of power to act on their own, policymakers can also play a critical role to better support women in the workforce.

First, there are several **investments** that would be particularly meaningful:

1. **Childcare**, at both the federal and state level—Illinois ranks 28th among states in childcare cost, quality, and availability—
   - a. direct investments in childcare facilities
   - b. extension of the child tax credit
   - c. increased childcare subsidies
   - d. raising the cap on dependent care allowances
   - e. technical assistance to employers who want to create on site childcares
   - f. training and support for childcare providers

2. **Paid family and medical leave**, which can increase the probability that a working mother remains employed

   *California’s paid leave program, the oldest in the country, has supported 2.7 million leave claims. An analysis of California’s paid leave program discovered that paid leave reduced labor costs, particularly for small businesses. Additionally, the policy has increased mothers’ probability of being employed nine to twelve months after childbirth, particularly for those aged 30-34, among whom employment has increased by 8.5 percent. In addition, paid family leave has led to an increased probability that workers in low-skilled jobs return to their pre-claim employers. Employment also increased for people 45-64 years old with a disabled spouse. There is also some evidence that paid leave was particularly important for domestic violence survivors. Small firms experience a decrease in per worker wage costs when workers use paid family leave. California's Paid Family Leave Program has reduced labor costs for small businesses by an average 14 percent decrease in per worker labor costs.*
3. **Increased access to comprehensive reproductive healthcare**, protecting a worker’s ability to fully participate in the workplace on their terms and mitigating the risk of dropping out of the workforce due to an unplanned pregnancy, which has consequences for them and their family, as well as the economy.

In May, 2022, Mayor Lightfoot responded with action to the leaked draft opinion by the majority of the Supreme Court of the United States, which signaled the end of Roe v Wade. She issued a Justice for All Pledge, doubling down on her commitments to ensure that the rights of all people are protected in Chicago and that Chicago remains a safe haven for those seeking any and all reproductive healthcare. The City backed this pledge with an initial $500,000 investment through the Chicago Department of Public Health (CDPH) to support organizations that are assisting patients in accessing care. Specifically, these investments will help to pay for transportation, lodging, support pre-and-post care, medical services as needed, and case management services.

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**THE JUSTICE FOR ALL PLEDGE**

Justice and freedom are core tenets of our American democracy, and as public and private institutions we have a responsibility to protect and advance justice and freedom in partnership with the communities we serve. We pledge to protect and create fair access to opportunity and resources that enhance and facilitate everyone’s ability to thrive. This means we must create and maintain in Chicago a safe haven for all who are unjustly denied the rights, privileges, immunities, resources, and opportunities they deserve as human beings and residents of our city and country.

1. **Fight for the rights of all people regardless of race, color, sex, gender identity, age, religion, disability, national origin, ancestry, or sexual orientation.** We will fight to ensure that no person will be attacked, assaulted, bullied, or discriminated against because of who they are, the choices they make regarding their bodily autonomy, or who they love;

2. **Protect and increase access for all safe reproductive, obstetric, and gynecological healthcare regardless of the patient’s age, sex, gender identity, race, disability, or sexual orientation, socioeconomic status, place of residence, or immigration status in order to support the choices of all people to have or not bear children on their terms;**

3. **Build capacity for anti-racist leadership, reckon with the impacts of racism and protect and advance justice in partnership with the communities that we serve;**

4. **Create safe environments to support and directly address the racial and health disparities experienced by people of color, specifically the rates of maternal and infant mortality experienced by Black women in Chicago; and**

5. **Support and affirm a search for the truth and free expression that does not propagate hate or erase anyone from our history and our present day fight for justice.**
4. Postsecondary education and training, which should be the pathway to better jobs and greater economic security for women, is instead saddling women with student debt because of high costs, minimally available financial aid, and lack of supports. The recent increase in the State's Monetary Award Program should be made permanent, and childcare subsidies for student-parents seeking education and training should be expanded. Additionally, women with a high school diploma faced a significant burden during the pandemic, with about 25% of jobs for those with a high school degree completely disappearing. Therefore, increasing access to additional training and education for women will undoubtedly support their ability to engage in the labor force.

There are also several ways in which policymakers can support pay equity, including:

1. Eliminating the subminimum wage for tipped workers, which disproportionately impacts women (who make up two-thirds of the tipped workforce) and people of color (who make up nearly half of the tipped workforce). States that have eliminated the tipped subminimum wage have found lower poverty rates and a closing of gender and racial pay gaps in key tipped industries. Eliminating the tipped subminimum wage has not hurt employment in tipped industries, and in fact has resulted in greater growth in small businesses.

2. Ensuring pay transparency laws are strong and enforced, holding employers accountable for inequities in their payroll.

Starting in 2022, businesses in Illinois with 100 or more employees will be required to file documents with the State Department of Labor showing they are complying with the state's Equal Pay Act, which requires paying their employees equal wages across race and gender. If the business provides a statement and data showing they comply with the Equal Pay Act, they will get a certificate. If not, the business could be fined or investigated. This new law also allows the public to see whether or not a company has received or been denied their Equal Pay Registration Certificate; the race, gender, and ethnicity of the workforce; and employees can see if they are getting paid similarly to co-workers doing comparable work.

3. Supporting collective bargaining, given that unions have been proven to provide women, particularly those who are low-income workers, with higher wages and better benefits. Unionized workers are also more likely to have access to benefits that enable them to balance work and family, such as paid sick days, vacations, holidays, and paid family and medical leave.

In sum, COVID-19 undoubtedly exposed and deepened the cracks in our economic systems, turning the spotlight on harmful disparities rooted in racism, sexism, xenophobia, and ableism. Decades of underinvestment in the social safety net, such as childcare and paid leave, plus declining unionization rates, have left women with very little support to manage both work and unpaid family care giving responsibilities. We knew women were more economically vulnerable than men prior to 2020, but the grave reality facing women once cities like Chicago shut down was catastrophic to households, communities, and economies everywhere. Supporting women at work is good for the economy, for communities, and for the well-being of society.

The success of Chicago's recovery depends on how we support and center women in this moment. We cannot accept the status quo. We cannot be satisfied with an uptick in overall jobs and labor force participation numbers stabilizing, but not an increase in job quality, wages or wealth. That is the status quo that has plagued us with racial and ethnic disparities, barriers, and harm. To center women means to actively ensure that they have access to the jobs and benefits that are proven to ensure economic security and empowerment, the ability to have agency and self-sufficiency for themselves and their families, and opportunities that secure their futures and build wealth. This is the recipe for an equitable recovery. This is the recipe that will move Chicago toward being a top tier city for women to live and thrive.
APPENDIX A: Resources for Employers

It is evident that there is so much more that employers and workplaces can do to support working women so that they can both care for their families and more fully participate in the workforce. Supporting women at work is better for business. The following resources are compiled to assist employers with building equitable, supportive workplaces.

- The Marshall Plan for Moms suggests a four-step approach for businesses to provide childcare support, which can increase company loyalty and boost workplace morale. Expanded childcare benefits can help companies attract, retain, and advance women. 69% of women job-seekers with young children said that childcare benefits would make them more likely to choose an employer, and over 80% of men and women with young children said that childcare benefits would be an important factor in deciding whether to stay at their current employer or switch to another.

- Ascend at the Aspen Institute reminds us that family-friendly policies for workers do not just benefit workers, but they benefit businesses and communities as well. They have laid out the Four Employer Principles for Family Prosperity to provide a road map for employers to design family-supportive policies and programs for their employees as we strive for greater economic, gender, and racial equity.

- Women Employed has a No Salary History and Pay Equity Toolkit to help both job seekers and employers understand the new Illinois law and best practices for addressing pay equity.

- The Illinois Department of Human Services has a toolkit available regarding childcare options for employers, including incentives and benefits of providing childcare assistance, a detailed overview of options for employees with children, and advice for employers on how to deliver these options to their employees.

- The Ideal Worker To Ideal Workplace: Using Behavioral Design to Create More Equitable Companies from TIME’S UP Foundation and nonprofit behavioral design firm ideas42, which highlights and addresses the human factor by introducing a new way of thinking about how to change behaviors—through behavioral design.


- Harvard Business Review’s The Great Resignation Doesn’t Have to Threaten Your DE&I Efforts presents six strategies for talent leaders to address the Great Resignation in light of Diversity, Equity, and Inclusion goals to make progress by breaking traditional conventions and fundamentally shift their approaches to diversity hiring.

- VantageCircle outlines 7 Effective Ways to Promote Workplace Equity Alongside Diversity and Inclusion for employers to create a more socially equitable and responsible workplace for their employees. This article includes definitions of key terms for consistency as well as detailed summaries on how to conduct action plans to strive towards a more inclusive workplace.

- Envoy emphasizes the importance of workplace flexibility, scheduling, and design with inclusion in mind with their article 4 Practices for Building a More Equitable Workplace. Suggestions range from immediate action items to more long-term solutions, and are feasible for employers to create inclusive and diverse spaces for their employees for years to come.

- Advancing Workforce Equity in Chicago: A Blueprint for Action by the National Fund for Workforce Solutions and the Chicagoland Workforce Funder Alliance in conjunction with National Equity Atlas, a partnership between PolicyLink and the USC Equity Research Institute. The goal of this report is to inform a tailored, ground-level blueprint for advancing workforce equity in light of the public health and economic crises of the coronavirus pandemic and a broad-based racial justice movement to achieve racial economic inclusion in Chicagoland.
The “unemployment rate,” calculates the number of unemployed persons divided by the number in the labor force.


https://blog.dol.gov/2022/05/06/mothers-employment-two-years-later


52 https://blog.dol.gov/2022/05/06/mothers-employment-two-years-later

53 https://tcf.org/content/commentary/families-with-young-children-are-losing-13-billion-a-year-while-child-care-sector-struggles-during-the-pandemic/?session=1


55 https://hbr.org/2021/05/to-retain-women-u-s-companies-need-better-childcare-policies

56 https://hbr.org/2021/05/to-retain-women-u-s-companies-need-better-childcare-policies

57 https://hbr.org/2021/05/to-retain-women-u-s-companies-need-better-childcare-policies


60 https://womenemployed.org/resources/intersecting-barriers/

61 https://womenemployed.org/resources/intersecting-barriers/


63 https://www.cnbc.com/2021/03/05/black-and-Latinx-women-arent-sharing-in-the-job-market-recovery.html


69 The term “displaced” refers to people who have lost their jobs during the pandemic, and whose jobs have not yet recovered. We use “displaced” instead of the more familiar term “unemployed” because the official definition of unemployment means that someone is actively looking for work. While that is the case for some, displaced individuals may also have left the labor force entirely or found a new job.

70 https://www.brookings.edu/research/the-pandemic-hurt-low-wage-workers-the-most-and-so-far-the-recovery-has-helped-them-the-least/

71 https://www.dol.gov/agencies/wb/impact

72 https://ides.illinois.gov/resources/labor-market-information/characteristics-of-employed-unemployed.html


74 https://ncd.gov/progressreport/2021/2021-progress-report/#~text=KEY%20FINDINGS%3A%20NCD%20found%20that%20report’s%20seven%20areas%20of%20focus.

75 https://ncd.gov/progressreport/2021/2021-progress-report/#~text=KEY%20FINDINGS%3A%20NCD%20found%20that%20report’s%20seven%20areas%20of%20focus.


77 https://ncd.gov/progressreport/2021/2021-progress-report/#~text=KEY%20FINDINGS%3A%20NCD%20found%20that%20report’s%20seven%20areas%20of%20focus.

78 https://tracktherecovery.org/


80 https://tracktherecovery.org/

81 Emsi Burning Glass, 2022

82 The Volatility Index (VI) is not grounded in evidenced-based research, but for the sake of this report, it painted a more accurate picture than simply looking at employment status data or exclusively separations data.

83 Emsi Burning Glass, 2022

84 Emsi Burning Glass, 2022

85 Based on EPI Family Budget Calculator

86 Emsi Burning Glass, 2022


90 Emsi Burning Glass, 2022