

## Women's labor force participation

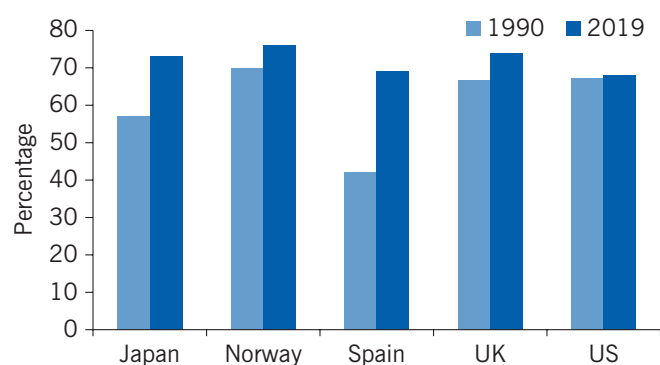
### Family-friendly policies increase women's labor force participation, benefiting them, their families, and society at large

Keywords: gender, women, labor force participation, family policies

#### ELEVATOR PITCH

Female labor force participation is mainly driven by the value of their market wages versus the value of their non-market time. Labor force participation varies considerably across countries. To understand this international variation, it is important to further consider differences across countries in institutions, non-economic factors such as cultural norms, and public policies. Such differences provide important insights into what actions countries might take to further increase women's participation in the labor market.

Variation in women's labor force participation rates (ages 15–64)



Source: Based on Figure 2.

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World of Labor

#### KEY FINDINGS

##### Pros

- ⊕ Women's economic activity outside the home translates into improved outcomes for girls and women (improved health, reduced domestic violence for women), and society as a whole (greater economic growth).
- ⊕ Women's labor market activity—not just entry, but also long-term attachment—provides the path for women to participate in the top echelons of academia, industry, government, and the non-profit sector.
- ⊕ Family-friendly policies (e.g. family leave and childcare subsidies) encourage women's labor force participation.

##### Cons

- ⊖ Rising educational attainment by women does not always translate into increased labor force participation rates.
- ⊖ While family-friendly policies may encourage women's labor force participation, they may also create unintended “glass ceilings”, in other words, they may inhibit women's advancement to the top levels of their professions.
- ⊖ It is difficult to discern if rising educational attainment causes increased labor force participation, or if women's rising labor force participation rates spur them to undertake additional educational investments.

#### AUTHOR'S MAIN MESSAGE

Women's labor market activity makes women and girls more economically valuable to their families and to society. While women's labor force participation rates have risen in many countries, rates remain quite low in some countries and regions. For the US, the rate has plateaued since the 1990s and it has declined relative to peer countries. Given societal benefits such as greater economic growth, governments have a compelling interest to undertake policies to encourage women's labor force participation. Parental leave and childcare subsidies are two such examples.