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HISTORIC RISE OF COLLEGE-EDUCATED WOMEN IN LABOR FORCE CHANGES WORKPLACE

Companies are restructuring their compensation and benefits packages to attract these qualified women

By Likhitha Butchireddygari
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This year is shaping up to be the first year that women make up the majority of the college-educated labor force, a milestone that is already altering benefits packages offered by companies and one that could influence family sizes in the future.

Women make up only 46.6 percent of the overall labor force, but they first reached 45 percent of the college-educated labor force at the turn of the century. Since 2013, the female share of college-educated workers has been around the 49 percent mark, with 2019 being the year that women cross into a very slight majority. Nicole Smith, chief economist at Georgetown University Center on Education and the Workforce, said this development overall is a positive one.

"It is the culmination of a trend that started maybe over 40 years ago," Ms. Smith said. "It's going to give women a lot more earning potential. It's going to give them more control over their finances, their own destiny."

According to the Census Bureau, women-led households made up a little more than 26 percent of all households in 1980. By 2018, that number grew to 30.5 percent, although broader social changes contribute to this trend as well.

Elise Gould, senior economist at the Economic Policy Institute, said that women also look to further their education just to get the same returns as men who achieve lower levels of education. In other words, the wage gap at different education levels might be pushing the female desire to earn advanced degrees.

The trend is likely to continue to rise. Since the 1980s, women have made up the majority of those seeking bachelor's degrees. By 1999, women received 57 percent of bachelor's degrees, and it has been that way more or less for almost two decades.

While 57 percent might appear to be a magic number for women with college degrees, it's unclear whether the college-educated female workers will ever get to that point and how long it will take for it to do so. Ariane Hegewisch, program director of employment and earnings at the Institute for Women's Policy Research, said several factors – including future demand for female-dominated professions, impact of automation on female-dominated professions and the child and elder care policy landscape – will shape the female share of the college-educated labor force.

The rise of these female workers is changing the way companies structure compensation and benefits packages to attract qualified women. According to human resources consulting firm Mercer's 2015 National Survey of Employer-Sponsored Health Plans, 6 percent of employers with 20,000 or more employees covered egg freezing. In 2018, that number

nearly tripled to 17 percent. Smaller companies have seen smaller but steady growth in coverage of fertility services in recent years.

“With greater numbers, HR departments are going to have to pay more attention to their female-educated workers,” said Richard Fry, senior researcher at the Pew Research Center. “For example, there’s evidence that female workers maybe more value flexible-work arrangements. They may value more highly generous parental-leave policies.”

Paid parental leave has also seen a growth. The percent of companies offering coverage increased from 24 percent to 40 percent between 2015 and 2018, according to Mercer’s Survey on Absence and Disability Management.

Mr. Fry also noted that since a college degree is required for promotions in many professions, this milestone signals an improving ability for women to move up the corporate ladder. McKinsey’s annual Women in the Workplace Survey shows gains – albeit small – in the share of women at almost all levels in recent years.

Still, the majors women choose in college, and their subsequent occupations, remain heavily skewed, acting as a significant caveat for women’s earning potential, Ms. Smith said. She noted that a disproportionate number of women still pursue professions like teaching or nursing. While those professions will continue to be in demand in the future, their salaries aren’t as high as some male-dominated professions.

That “puts women at a significant disadvantage not only in their first job, but the cumulative impact over a lifetime can be millions of dollars for a young woman,” she said.

Ms. Smith also pointed to a potential ramification on the fertility rate, which is the number of children a woman would have over her lifetime. Around the world, as female college-attainment rises, typically the fertility rate goes down as educated women delay starting families.

In the U.S., the total fertility rate has been below the replacement level of 2.1 since 1971 and hit a record-low of 1.7 last year. Low fertility levels in advanced nations can lower overall labor force growth and increase spending due to the cost of taking care of an aging population.

– Paul Overberg contributed to this article.