

Good News/Bad News: The Recovery Paradox

Women and Families Need More Support to Sustain and Improve Economic Gains

The **good news** is that women have made strong economic gains since 2020, largely due to temporary pandemic relief programs, which spurred job growth, cut poverty rates, and provided essential support to families. The **bad news** is that as pandemic relief expires, women are finding it harder to make ends meet and support their families.

THE GOOD NEWS: Pandemic relief quickly curbed unemployment and sparked record wage growth, empowering women in lower-paying jobs.

Robust pandemic relief measures spurred a swift jobs recovery; the overall unemployment rate fell below 4% in February 2022 and has remained low. The strong recovery, in turn, helped drive up wages, particularly in lower-paying-jobs, which saw the strongest wage growth in 40 years. This particularly benefits women, who make up 64% of workers in the lowest-paying jobs, despite being less than half the overall workforce.

THE BAD NEWS: Despite higher wages, many women still can't afford the basics—leading to historic increases in poverty rates that have hurt women-led households the most.

Economic roadblocks women are facing:

Food Insecurity

More than one-third of female-headed families (34.7%) reported being food insecure in 2023, compared to 24.3% in 2021.

Child Care Crisis

The average family spends 24% of their household income on child care. A recent NWLC analysis found one-third of families experienced an increase in child care costs between September 2023 and September 2024.

Unaffordable Housing

A full-time worker needs to make at least \$32.11 per hour to be able to afford a modest two-bedroom rental home (or \$26.74 for a one-bedroom). Women of color are also far more likely than white, non-Hispanic men to be severely cost-burdened, meaning they spend the majority of their income on housing.

Pandemic relief programs provided crucial financial support to women, leading to record low poverty rates in 2021. However, as these programs expired, many women's incomes could not keep pace with the rising costs—sparked by global supply chain snarls and corporate price gouging. As a result, the poverty rate for female-headed households with children more than doubled between 2021 and 2022, and further increased in 2023. A recent poll found that 41% of women frequently worry their family income won't cover essential expenses, which is especially true for items like child care and housing, for which prices have surged faster than inflation.

THE BAD NEWS: Our caregiving infrastructure has weakened since the expiration of pandemic-era programs.

Caregiving duties, both paid and unpaid, largely fall on women. With the end of pandemic-era funding, the supports that helped women reenter the workforce are fading. Over the past year, child care costs rose for a third of parents, while

child care workers continue to make poverty-level wages. As our caregiving infrastructure weakens, women—especially women of color—will suffer the most, leading to more economic insecurity.

THE LESSON: Women and families are struggling, but government support can go long way toward empowering women financially and growing our economy.

Lawmakers must build on the federal investments made during the pandemic, such as a fully refundable child tax credit, robust housing supports, child care funding, and expanded nutrition assistance programs, which can easily be funded by ensuring that the wealthiest finally pay their fair share in taxes. Lawmakers must also set higher standards for employers to ensure that every job includes fair wages and benefits.

Doing so will allow us to build an economy that works for all of us—women and families included.

