Labor Force Participation and the Pandemic: Making Sense of the Changes

By Craig Copeland, Ph.D., Employee Benefit Research Institute

AT A GLANCE

This Issue Brief examines the U.S. civilian labor force through December 2020, using data from the U.S. Census Bureau’s Current Population Survey, available through the Bureau of Labor Statistics. First, it investigates the trends in labor force participation rates of those ages 55 or older by age and gender. It also explores labor force trends for those ages 16 or older. Along with the labor force participation rates, the age and gender composition of the labor force and the adult population are investigated, allowing for the identification of key labor force and population trends. Finally, there is an analysis of how the labor force and employment changed in 2020 — during the pandemic — for individuals of various ages, genders, and races and ethnicities. Key findings include:

Changes in older workers in the labor force:

- The labor force participation (LFP) rate of U.S. civilians ages 55 or older increased sharply from 1991 to 2012 before falling and then rising again through 2019. For those ages 25–54, LFP rates have been steady to slightly declining since 1991. For those ages 24 or younger, LFP rates declined from 1990 to 2010, then leveled off thereafter.
- The portion of the total labor force ages 55 or older has continued to increase post-2007; however, the uptick has been primarily attributable to the continued aging of the Baby Boom generation and not to an increasing percentage of older workers remaining in the labor force.
- From the employer perspective, the increase in the share of individuals ages 55 or older in the labor force means that employers have been, and will continue to be, challenged to provide benefits that meet the needs of older workers while still meeting the needs of the growing share of younger workers.

Gender differences have narrowed but generally remain:

- The percentage of the population represented by women decreased by about 1 percentage point between 1975 and 2020. Conversely, the share of those in the population who were male increased by about 1 percentage point over that same time period.
- From 1975–1999, the female share of the labor force increased by 6.1 percentage points. However, from 2000–2020, the female share of the labor force held relatively steady, reaching 47.2 percent in 2020. There was a corresponding decrease in the percentage of those in the labor force who were male.
- Females’ increased share in the labor force occurred across all ages, but it was still lower than the male share. Labor force participation of the youngest workers (ages 16–24) did reach near equilibrium between the genders.

After some improvements, certain cohorts’ labor force participation rates decreased during the pandemic:
• Starting from 2000, the labor force participation rates of those 16 or older were generally declining for each race/ethnicity cohort examined before they increased between 2013 or 2014 and 2019. However, during the pandemic in 2020, each significantly dropped.
• The labor force participation rate of Hispanic Americans was the highest in each year, while the Black Americans’ rate was the lowest. However, the gap in LFP rates between Black and White Americans had nearly closed by 2019 before widening again in 2020. Black Americans experienced the largest decline in their LFP rate in 2020.
• Males of each race/ethnicity had higher labor force participation rates than females. However, male LFP rates trended downward from 2000–2019, before the big drop in 2020.
• The LFP rate trends for females were much flatter than for males, and LFP even increased for Hispanic American females through 2019. Further, until 2018, the order of the labor force participation rates for females was the reverse of the order for males, as Black American females had the highest rate among females in each year, then White American females, and then Hispanic American females. In 2018, the Hispanic American female rate moved above that of the White American female rate.

Certain groups were hit harder than others:
• The labor force participation rates and the percentage of employed U.S. civilians decreased in 2020 across all genders, ages, and races/ethnicities.
• Still, Black Americans stood out as being particularly hard hit during 2020: Black American males and females had the largest percentage decline in the number employed from 2019 to 2020.
• Female Hispanic Americans had a similarly large percentage decline in their LFP rate compared with that of female Black Americans.
• While the decline in the number of employed males was slightly larger than that of females, the percentage reduction in the number employed was larger for females.
• Overall, the age/gender distribution of the labor force was nearly identical between 2019 and 2020. There were only two changes of more 0.1 percentage points in this distribution: for females ages 25–34 and males ages 35–44.
• The age/gender distribution of those employed showed more changes than the labor force, but the changes were still modest: Those ages 55 or older and females were most negatively impacted.

Implications for the future:
• The share of the labor force that is ages 55 or older will continue to grow in the short term because of the size of the Baby Boom generation, but it will begin to shrink as the next generation of workers continues to move into this age group.
• The share of the labor force represented by workers ages 35–44, which began increasing after 2017, will continue to increase — likely more quickly — as the Baby Boom generation workers leave the labor force and more Millennials become these ages.
• Many employers are likely to be faced with a bimodal labor force distribution across ages — larger numbers of both older and younger workers with fewer numbers of workers at ages in between. This presents different (and possibly incompatible) compensation and benefit challenges.
• The pandemic did not alter the overall relative trends between the gender and age of American workers through the end of 2020. However, the pandemic could cause disruptions in these trends as workers decide how and if they wish to return to the office.
Craig Copeland is a Senior Research Associate at the Employee Benefit Research Institute (EBRI). This Issue Brief was written with assistance from the Institute’s research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute—Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.


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Introduction

As the Baby Boom generation\(^1\) has aged, the American labor force as a whole has also grown older. In an attempt to examine the extent of the aging of the labor force, this Issue Brief considers several labor force questions relating to the civilian noninstitutionalized American population, including (i) the labor force participation (LFP) rates by age and gender and (ii) the shares of the U.S. population and the U.S. civilian labor force by age and gender.\(^2\) This study focuses on both the period prior to the economic recession in the late 2000s and the period after the recession, with a particular focus on 2020 as the pandemic greatly reduced the labor force in the United States.\(^3\) It begins by examining the older population, ages 55 or older, and then expands to the full population, ages 16 or older. Finally, a thorough examination of the labor force in 2020 by age, gender, and race/ethnicity is presented.

An important metric in this study is the labor force participation rate, which measures the percentage of individuals within a specific population group (e.g., those ages 55 or older) who are working or actively seeking work.\(^4\)

The data on the labor force and the noninstitutionalized population as a whole are for December of each year and are from the U.S. Census Bureau's Current Population Survey (CPS), available from the Bureau of Labor Statistics.

Labor Force Participation Rates Among the Population Ages 55 or Older

Starting with a longer-term view of labor force participation, the percentage of civilian noninstitutionalized Americans ages 55 or older in the labor force declined from 34.2 percent in December 1975 to 29.3 percent in December 1992 (Figure 1). Subsequently, the labor force participation (LFP) rate of this group increased through December 2008, reaching 40.0 percent. After 2008, the LFP rate has hovered around 40.0 percent with a high of 40.6 percent in December 2012 to a low of 39.6 percent in December 2016 before peaking again at 40.2 percent in 2019. In December 2020, the rate fell to 38.5 percent — its lowest level since 2005 (37.7 percent).\(^5\)

![Figure 1](http://www.bls.gov/data/)

Figure 1
Civilian U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Gender, 1975–2020
(Unadjusted December of Each Year)

The LFP rate for men ages 55 or older followed the same pattern as the overall population, falling from 48.1 percent in 1975 to 37.3 percent in 1993 before increasing to 46.5 percent in 2008. After 2008, the men’s LFP rate flattened out, staying just around 46.0 percent through 2019, ranging from 46.9 percent in 2012 to 45.5 percent in 2016. In 2020, the LFP rate again fell dramatically to 44.3 percent. This essentially matched the lowest level since 2005 at 44.4 percent, which was still significantly above the low points of 1990s but an erosion of all the gains since 2005.

The LFP rate of women these ages followed a different trend prior to 1993: It remained essentially flat from 1975 to 1993 (23.2 percent to 23.3 percent). However, after 1993, the LFP rate of women followed a similar pattern to that of men, increasing to 34.6 percent in 2008, and then from 2009–2016 it leveled off around 35.0 percent, settling at 35.1 percent in 2019. In 2020, the rate dropped by an amount similar to that of men, reaching 33.5 percent. This was the lowest level for women since 2006 (33.1 percent), but it was again much higher than the lows of the rates from the 1990s and before.

Among those ages 55 or older, LFP rates increased for all ages from 1987 to 2019 (Figure 2). For age cohorts of 65 or older, the peak rates were reached in 2019. For those ages 65–69, 34.8 percent were in the labor force in 2019 compared with 19.9 percent in 1987. A similar increase resulted for those ages 70–74: 10.6 percent in 1987 to 20.4 percent in 2019. The LFP rate in 2019 for those ages 60–64 was essentially equal to its 2018 value (57.3 percent vs. 57.2 percent). However, the one age group that had higher LFP in the 2000s than in 2019 were those ages 55–59, for whom the LFP rate peaked in 2008 at 73.6 percent compared with 72.8 percent in 2019.

Figure 2
Civilian U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987–2020
(Unadjusted December of Each Year)

In 2020, the LFP rates fell across each age group. The largest declines were for those ages 65–69 and 70–74 — a 2.0 percentage point decline and a 2.4 percentage point decline, respectively. The LFP rates of those ages 60–64 and 75 or older had the smallest declines of about 0.5 percentage points each. However, the LFP rates in 2020 were at or above their levels in 2015.

The LFP trends for the same ages, when segmented by gender, differed from each other through about 2012. For males ages 55–59, the labor force participation rate held steady through 2012 after falling from 1990–1993 (Figure 3). In contrast, the LFP rate for females ages 55–59 trended upward from 1987–2008, after which it declined from 69.0 percent in 2008 to 67.5 percent in 2012 (Figure 4). In 2013, the participation rates for both males and females declined before trending upward through 2018. After this increase, the participation rates had small declines in 2019 (before the pandemic) and much larger drops in 2020 during the pandemic, reaching the lowest levels since 2016 for males and 2013 for females. Furthermore, before leveling off beginning in 2008, the LFP rates for females ages 60 or older had much steeper increases than the LFP rates for males ages 60 or older. For example, the female LFP rate for those ages 60–64 increased from 34.1 percent in 1987 to 49.6 percent in 2008, while the male labor force participation rate increased from 55.8 percent to 61.2 percent. Lastly, the LFP rates increased in the 2010s for both genders, peaking in 2018 or 2019, before declining across all ages/genders in 2020.

Figure 3

Civilian Male U.S. Labor Force Participation Rates for Those Ages 55 or Older, by Age, 1987–2020
(Unadjusted December of Each Year)

Age and Gender Composition of the Population and Labor Force Ages 55 or Older

The changes in the LFP rates of males and females altered the distribution of the males’ and females’ shares in the labor force. As Figure 5 shows, while the percentage of the female population ages 55 or older decreased from 56.2 percent in 1975 to 53.6 percent in 2020, the percentage of the female labor force ages 55 or older increased from 38.2 percent in 1975 to 46.6 percent in 2020, although the share of this labor force represented by females peaked at 47.4 percent in 2010. Thus, females ages 55 or older have not only become more likely to participate in the labor force (see the prior section) but they have also become a larger share of the labor force, despite the falling share since 2010.
Labor Force Participation Rates Among the Population Ages 16 or Older

The LFP rate for the population ages 16 or older increased from 1975 to 1989 before flattening out until 2008 and then declining through 2015, where it was steady to increasing until 2019 (Figure 6). Specifically, the rate went from 60.8 percent in 1975 to 66.3 percent in 1989, and it remained around 66 percent through 2008 (65.7 percent in 2008). It subsequently trended downward to 62.4 percent by 2015, where it stayed through 2017, before reaching 63.0 percent in 2019. However, in 2020, the rate plummeted to 61.3 percent, the lowest level since 1975.

The LFP patterns for males and females of the population ages 16 and older have been different from each other. The LFP rate for males ages 16 or older trended downward throughout the 1975–2019 period, going from 76.5 percent to 68.7 percent. In contrast, the labor force participation rate for females ages 16 or older increased from 46.8 percent in 1975 to 60.2 percent in 1999 before heading downward to 56.4 percent in 2014 and upward to 57.7 percent in 2019. The rates for both genders fell significantly in 2020. For males, it fell to 67.0 percent, by far its lowest rate over the 1975–2020 period, while the female rate dropped to 55.9 percent, the lowest rate since 1986.

LFP rate trends have also differed by age among the population ages 16 or older. Specifically, the LFP rates among those ages 25–54 increased from the 72–75 percent range in 1975 to the 81–85 percent range in 1989 (Figure 7). The rates remained at these levels until 2007, when they began trending downward into the 79–82 percent range until 2015 before trending upward in 2016–2019. In each of these age groups, the participation rates fell by 1.1 to 2.5 percentage points in 2020.

By contrast, the labor force participation rate trends for the oldest and youngest ages (ages 16–24 and ages 55 or older) were different not only from the trend for those ages 25–54 but also from each other. Indeed, the trends for the oldest and youngest groups moved in different directions. For those ages 55 or older, LFP rates declined throughout the 1980s and then increased until 2008, when the rate for those ages 55–64 leveled off through 2019 and the rate for those ages 65 or older still increased but at a much slower pace. But for those ages 16–24, the LFP rates were mostly flat until around 2000, when they started declining. The LFP rate for those ages 20–24 fell from 77.2 percent in 2000 to 70.0 percent in 2009 and remained right near that level through 2019. For those ages 16–19, the rate dropped sharply from 50.1 percent in 2001 to 31.5 percent in 2013 and then rebounded to 33.9 percent by 2019. The 2020 declines were much smaller for these oldest and youngest individuals, with the largest decrease being 1.5 percentage points (65 or older) and only 0.1 percentage point for those ages 16–19.

Males and females have very dissimilar LFP rate trends. The LFP rates for each male age group trended downward overall from 1975–2019, except for those ages 65 or older (Figure 8). The steepest decline was in the rate for males ages 16–19 (53.8 percent in 1975 to 34.0 percent in 2019). The LFP rate for males ages 20–24 also had a sizable but smaller drop than the youngest ages, while males of the other ages below age 65 had gradual overall declines. For example, the labor force participation rate for males ages 45–54 decreased from 91.9 percent in 1975 to 87.5 percent in 2019. For males ages 65 or older, after declining throughout the 1980s, the LFP rate began an upward trend in the early 1990s and reached 24.9 percent in 2019 compared with 20.2 percent in 1975. In each age, participation decreased, with the largest decline being 2.3 percentage points for those ages 25–34.

The LFP rates for females ages 25–54 rose from 1975 through about 1988, when the rates plateaued (Figure 9). In contrast, the LFP rates for females ages 55–64 continued upward until they flattened out after 2008. For the oldest females (those ages 65 or older), the rate was basically flat until the mid-1990s, when it gradually moved upward through 2019 (going from less than 10 percent to 17.1 percent). The LFP rates for females ages 16–19 had a similar steep decline to that of the rates for males these ages, while the rate for females ages 20–24 initially increased through the late 1990s before declining through 2019 but not by as much as for the males ages 20–24.
Figure 8
Civilian Male U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975–2020
(Unadjusted December of Each Year)

Figure 9
Civilian Female U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Age, 1975–2020
(Unadjusted December of Each Year)
However, many of the female age groups saw increases in their LFP rates in 2018 and 2019 before sharp declines in 2020. In particular, the rates increased for those ages 25–54 in 2018 and 2019, and they increased in 2018 for those ages 16–19 and 55–64. Again, the 25–34 age group had the largest decline in 2020 at 2.8 percentage points, above that of males of that age, and the decrease of 2.4 percentage points for those ages 35–44 was also larger than the decrease for the males of these ages. The declines for those ages 45–54 was similar across genders. The rate for females ages 16–19 actually increased in 2020, compared with only the 0.1 percentage point decline for males.

Despite the downward trends in the LFP rates for males younger than age 65 and the overall increases in LFP rates for most female age groups, the rates for males ages 20 or older remained above the rates for the comparably aged females. For example, the LFP rate for females ages 55–64 increased from 41.3 percent in 1975 to 58.6 percent in 2020, while the rate for males ages 55–64 was 69.9 percent in 2020, which was down from 74.7 percent in 1975.

**Age and Gender Composition of the Population Ages 16 or Older**

The Baby Boom generation wave — created as the generation has moved into and out of the various ages — can easily be seen by looking at the distribution of the American population by age over the 1975–2020 period. In 1975, the largest share of the population ages 16 or older was those ages 16–24, at 22.9 percent (Figure 10). By 1986, those ages 25–34 had the largest share of the population, at 23.1 percent. The continued movement of the Baby Boom generation into the next ages can be seen in 1997, when those ages 35–44 had the largest share of the population at 21.6 percent, and again in 2008, when those ages 45–54 had the largest share at 18.8 percent. Similarly, by 2020, those ages 55-64 was the second largest share of American population *under age 65* after being the smallest share of population from 1985–2012.

**Figure 10**

Distribution of the Civilian Noninstitutionalized U.S. Population for Those Ages 16 or Older, by Age, 1975–2020
(Unadjusted December of Each Year)

The shaded areas are the peak years for Baby Boomers in each age group.

The share of the total population represented by those ages 65 or older has already overtaken all other ages due to the increases in longevity of the prior cohorts. Now, with the continued movement of the Baby Boom generation to ages 65 or older, the population of the oldest adults will only increase more.

Examining by age and gender within the population ages 16 or older reveals a slower growth in the percentage of older adults for males than for females (Figures 11 and 12). Both the male and female populations showed peaks consistent with the overall movement of the Baby Boom generation as it has moved through various ages. However, in 2017 continuing through 2020, the share of the male population ages 16 or older who were ages 65 or older made up the largest share of the male population for the first time, whereas females ages 65 or older have made up the largest share of the female population since 2011 and there were significantly more women of these ages than of any other ages. Furthermore, those ages 55–64 had the fourth-largest share of the male population in 2020 but the third-largest share of the female population. The two smallest shares of both the male and female populations were those ages 16–24 and ages 45–54.

**Figure 11**

*Distribution of the Noninstitutionalized Male U.S. Population for Those Ages 16 or Older, by Age, 1975–2020 (Unadjusted December of Each Year)*

Age and Gender Composition of the Labor Force Ages 16 or Older

When examining the composition of the labor force by age, the portion of those in the labor force ages 16 or older who are ages 55 or older was at the highest point in 2020 during the 1975–2020 period (Figure 13). Specifically, in 1975, the percentage of those in the labor force who were ages 55 or older was 15.1 percent (summing those ages 55–64 with those ages 65 or older), compared with 23.5 percent in 2020. However, this percentage fell from 1975 until 1993, reaching a low of 11.7 percent, before increasing to double its lowest point in 2020.

At the same time, as late as 1981, over 50 percent of the labor force was under age 35. Yet, due to the dramatic decline in the share of the labor force ages 16 or older represented by workers ages 16–24 (23.9 percent in 1978 to 13.1 percent in 2010, before reaching 12.6 percent in 2020), the percentage of the labor force ages 16–24 and ages 25–34 (combined) had fallen to between 35.0 and 36.0 percent in 2012–2020.

Consistent with the total population observations, one can also see the Baby Boom generation moving through the various ages of the labor force over the 1975–2020 period as each successive age bracket reaches a peak then falls, with the oldest ages (ages 55–64 and ages 65 or older) still increasing in 2018 before tapering off in 2019 and 2020. However, the shares of the total labor force represented by the youngest ages are beginning to stabilize or increase, so as the Baby Boom generation continues to age and move out of the labor force, the share of the total labor force represented by younger workers is expected to grow.

The trends for the males and females across various ages are very similar to the overall trends, except that the largest share of the female labor force in the late 1970s was those ages 16–24 (Figures 14 and 15). However, by 2020, the age distributions of the male and female labor forces were very close. For example, the share of males in the labor force ages 55 or older in 2020 was 23.7 percent, while the share of females was 23.3 percent. Furthermore, 35.0 percent of the male labor force was under age 35 in 2020, compared with 35.6 percent for females.
Figure 13
Distribution of the U.S. Civilian Labor Force for Those Ages 16 or Older, by Age, 1975–2020
(Unadjusted December of Each Year)


Figure 14
Distribution of the U.S. Civilian Male Labor Force for Those Ages 16 or Older, by Age, 1975–2020
(Unadjusted December of Each Year)

Age and Gender Composition of the Population and Labor Force Ages 16 or Older

The same general trends across the population and labor force ages 16 or older can be seen when examined by age and gender. As Figure 16 shows, the American population has moved closer to a 50-50 split between the genders (males 47.2 percent vs. females 52.8 percent in 1975, to males 48.4 percent vs. females 51.6 percent in 2020). Likewise, the share of the labor force that is male vs. the share that is female have also nearly converged over this same period (Figure 16). The male share of the labor force ages 16 or older was 59.4 percent in 1975, and the female share was 40.6 percent in 1975. In 2020, males made up 52.9 percent of the labor force while females made up 47.2 percent.

The percentage of those in the population who were female at each age was larger than the comparable percentages for males, except for those ages 16–24 starting after 1994, when the female percentage dropped below the male percentage and remained just below the male percentage for these ages through 2020 (Figure 17). Notably, the overall population of males ages 65 or older was significantly smaller than the comparable female population.

The Baby Boom generation wave across the population ages groups was also reflected across ages and genders. The share of the total male and female population represented by those ages 65 or older sharply increased after 2005, where it will continue to increase due to the remainder of the Baby Boom generation moving into these ages and the increased longevity of Americans already these ages.

In contrast to the overall population, the share of the labor force represented by the male age groups was larger than the share represented by the female age groups across all of the age groups (Figure 18). The difference between the male and female age groups narrowed during the 1975–2020 period, but the higher male shares persisted.

From 1975–1993, males ages 25–34 made up the highest share of the labor force, before giving way to the males ages 35–44. In 2013, males ages 25–34 regained their position as the largest share of the labor force, where they have stayed through 2020. Yet, the share of the labor force represented by males ages 25–34 was much lower than before 1994 due to the much higher share represented by females ages 45–64.
Figure 16
Distribution of the Civilian U.S. Noninstitutionalized Population and Labor Force for Those Ages 16 or Older, by Gender, 1975–2020
(Unadjusted December of Each Year)


Figure 17
Distribution of the Noninstitutionalized U.S. Population for Those Ages 16 or Older, by Age and Gender, 1975–2020
(Unadjusted December of Each Year)

Labor Force Participation of Those Ages 16 or Older, by Race/Ethnicity

A demographic characteristic that has seen much more focus lately is race/ethnicity. Starting at 2000, the LFP rates of those 16 or older were generally declining until 2013 or 2014 for each race/ethnicity examined before they started to increase through 2019 and then experienced a significant drop in 2020 (Figure 19). The LFP rate of Hispanic Americans ages 16 or older was the highest in each year, and the Black American rate was the lowest but had almost closed the gap with White Americans in 2019. However, the LFP rate of Black Americans had the largest decline in 2020, reestablishing it as the clear lowest. Specifically, in 2020, the Hispanic American rate was 65.3 percent, compared with 61.4 percent for White Americans and 59.4 percent for Black Americans. These were down significantly from the 2019 rates of 67.1 percent, 63.0 percent, and 62.8 percent, respectively.

Breaking the LFP rates out by gender shows that the rates of males of each race/ethnicity are higher than those of females and follow the same order of highest to lowest by race/ethnicity as that of the overall order (Figure 20). The males trended downward from 2000–2019 before the big drop in 2020. For example, the Hispanic American male rate was 81.3 percent in 2000, and by 2019, it was 75.8 percent, before falling to 74.6 percent in 2020. The Black American male rate fell the most in 2020 at 2.9 percentage points.

The female trends were much flatter and even increased for Hispanic American females through 2019. Until 2018, the order of the LFP rates was the reverse for females to that of males, as Black American females had the highest rate for the females in each year, then White females and then Hispanic females. In 2018, the Hispanic American female rate moved above that of the White American female rate. After the significant drop in 2020 — which was largest for Black American females — the participation rates stood at 57.3 percent for Black American females, 56.0 percent for Hispanic American females, and 55.5 percent for White American females, compared with 63.0 percent, 58.1 percent, and 59.7 percent, respectively, in 2000.
Figure 19
Civilian U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Race/Ethnicity, 2000–2020
(Unadjusted December of Each Year)


Figure 20
Civilian U.S. Labor Force Participation Rates for Those Ages 16 or Older, by Gender and Race/Ethnicity, 2000–2020
(Unadjusted December of Each Year)

Impact of the Pandemic

With the substantial impact of the COVID-19 pandemic on employment, what happened to the labor force during 2020 relative to just before the pandemic in 2019 provides important insights into who was most affected. In addition to the LFP rate, this section examines the employment population ratio — the percentage of those in the specified population who are actually employed. This relates to the labor force participation rate by controlling for the unemployed, as the labor force includes anyone working or seeking employment, whereas the employment population ratio only looks at the percentage employed. Thus, the labor force could stay the same, while the employment population could go up and down depending on those in the labor force who are actually employed vs. those seeking employment.

In 2020, the LFP rate of the civilian United States noninstitutionalized population ages 16 or older was 61.3 percent, compared with 63.0 percent in 2019 (Figure 21). The employment population ratio was lower at 57.3 percent in 2020 and 60.9 percent in 2019. The difference between the LFP rate and the employment population ratio increased from 2.1 percentage points in 2019 to 4.0 percentage points in 2020.

The male LFP rate and employment rate were higher in each year than the female rates, as has been the trend shown previously. The male employment rate dropped from 66.3 percent in 2019 to 62.5 percent in 2020, a 3.8 percentage point decline. This compares with the 3.5 percentage point decline for females in 2020 (55.9 percent to 52.4 percent). However, looking at them in terms of percentage reduction, the female decrease was larger at 6.3 percent compared with 5.7 percent for males (calculated from Figure 21).

Figure 21
(Unadjusted December of Each Year)

Turning to race/ethnicity and LFP, in each year, the LFP rates of Hispanic Americans were the highest, with White Americans having the next highest rates and Black Americans having the lowest rates of these three groups (Figure 22). In addition to having the lowest LFP rate, Black Americans had the largest decrease in their LFP rate from 2019 to 2020 at 3.4 percentage points, compared with 1.8 percentage points for Hispanic Americans and 1.6 percentage points for White Americans.

By gender, the male participation rates were higher than the female rates across each race/ethnicity. However, while the male rates followed the same order by race/ethnicity as the overall order, the Black female rate was the highest, and the White female rate was the lowest. Both female Black and female Hispanic Americans had larger percentage point declines in their LFP rates from 2019 to 2020 than did their male counterparts: 3.8 percentage points vs. 2.9 percentage points for Black Americans and 2.4 percentage points vs. 1.2 percentage points for Hispanic Americans. In contrast, the White male LFP rate declined more than the female rate — 1.7 percentage points vs. 1.5 percentage points.

The employment population ratio decreased even more than the labor force participation rate across each race/ethnicity, as the change in employment rate was affected by both the decline in labor force participation and the increase in unemployment. Black Americans had the lowest employment population ratio in 2019 and 2020 and had the largest decrease in the rate from 2019 to 2020, at 5.4 percentage points (Figure 23). The Hispanic American employment population ratio declined just less than that of Black Americans, at 5.1 percentage points. However, Hispanic Americans still retained the highest employment population ratio in 2020, despite White Americans having the lowest employment rate decrease, at 3.4 percentage points.
Males had higher employment population ratios than females across each race/ethnicity and the larger declines in these ratios in 2020. For example, White males’ employment population ratio declined 3.4 percentage points in 2020, while the White female ratio declined 3.0 percentage points. Black Americans had the largest decreases in their employment ratios — 5.5 percentage points for males and 5.3 percentage points for females. Hispanic Americans had the next highest declines, at 5.3 percentage points and 4.8 percentage points, respectively. Male Black Americans had the lowest employment population ratio among males, while female Hispanic Americans had the lowest among females.

In terms of numbers, 8.9 million fewer Americans were employed in December 2020 compared with December 2019 — 158.5 million vs. 149.6 million (Figure 24). If the employment population ratio from 2019 had been maintained in 2020, 159.1 million Americans would have been employed, translating into 9.5 million fewer working Americans. This reduction in the number of those with jobs was almost evenly split between males and females — 4.8 million fewer male workers and 4.6 million fewer female workers.

There was a decrease in the number of employed Americans for each race/ethnicity. White Americans had the largest decrease in the number employed from 2019 to 2020, at 6.3 million (Figure 25). This compares with 1.9 million Hispanic Americans and 1.6 million Black Americans. However, the largest percentage decline in the number employed was among Black Americans at 8.1 percent, whereas Hispanic Americans’ percentage decline was 6.7 percent and White Americans’ decline was 5.1 percent (calculated from Figure 25).

The decrease in the number of employed males was as large or larger than the decrease in employed females across each race/ethnicity (Figure 26). There were 3.2 million fewer male White Americans employed in 2020 compared with 2019, while 3.0 million fewer White female Americans were employed. Black males and females both had 0.8 million fewer employed, and 1.0 million fewer male Hispanic Americans were employed vs. 0.9 million female Hispanic Americans. Black male Americans had the largest percentage decline in those employed at 8.6 percent, and Black female Americans had the second largest decline at 7.7 percent. Hispanic Americans had the next highest percentage...
declines, with female Hispanic Americans having a 7.3 percentage decline and male Hispanic Americans having a 6.3 percentage decline. Male White Americans had the smallest percentage decline in the number employed at 4.9 percent, while employed female White Americans decreased 5.3 percent.

Figure 24
Number of Employed U.S. Civilian Workers, by Gender, 2019–2020
(Unadjusted December of Each Year in Millions)


Figure 25
Number of Employed U.S. Civilian Workers, by Race/Ethnicity, 2019–2020
(Unadjusted December of Each Year in Millions)

Instead of losing a job, workers could have had their hours cut, moving from full time to part time. However, the percentage of those employed working part time slightly decreased from 17.3 percent in 2019 to 16.8 percent in 2020 (Figure 27). This decline occurred among White and Black workers, but a slight increase resulted for Hispanic workers. Yet, none of these changes were a major change in the share of part-time workers.

Overall, the percentage of male and females working part time decreased from 2019 to 2020 (Figure 28). However, this was not consistently the case across all races/ethnicities. Black female workers and both male and female Hispanic workers were very slightly more likely to be working part time in 2020. None of these changes were larger than 0.3 percentage points.

Given all the changes in 2020, the male/female distribution of the labor force did not change in any dramatic manner from 2019, with the share of females staying virtually the same at 47.2 percent in 2020 vs. 47.3 percent in 2019 (Figure 29).

There was also almost no change in the distribution of workers by age from 2019 to 2020 (Figure 30). The changes that did result were a slight increase in the share of workers ages 35–44 and a slight decrease in the share of workers ages 25–34 and 45–54. Focusing on older workers, the share of workers ages 55 or older did not change from 2019 to 2020. Further, the only changes of more than 0.1 percentage points in the male/female age distribution of the labor force occurred for females ages 25–34, with their share decreasing from 10.7 percent in 2019 to 10.5 percent and the share of males ages 35–44 increasing from 11.2 percent to 11.4 percent (Figure 31). Consequently, the age/gender distribution of the labor force looked virtually identical before the start of the pandemic and during it.
Figure 27
Employed Full-Time Worker Share vs. Part-Time Worker Share, by Race/Ethnicity, 2019–2020
(Unadjusted December of Each Year)


Figure 28
Employed Full-Time Worker Share vs. Part-Time Worker Share, by Race/Ethnicity and Gender, 2019–2020
(Unadjusted December of Each Year)

Figure 29
Distribution of the Civilian U.S. Labor Force for Those Ages 16 or Older, by Gender, 2019–2020
(Unadjusted December of Each Year)


Figure 30
Distribution of the Civilian U.S. Labor Force for Those Ages 16 or Older, by Age, 2019–2020
(Unadjusted December of Each Year)

While the differences in the labor force by age and gender between 2019 and 2020 were virtually nonexistent, the differences among those employed were more noticeable but still small. The share of females employed decreased slightly to 47.1 percent in 2020 from 47.3 percent in 2019 (Figure 32). As for age, the oldest workers (ages 55 or older) had a decline in their share of the employed — 23.8 percent in 2019 vs. 23.5 percent in 2020 (Figure 33). In addition, the shares of those ages 16–24 and 35–44 increased in 2020, whereas the proportion of those ages 25–34 declined.

Looking at the age/gender distribution shows that only one female age group had an increased share of those employed in 2020 — those ages 55–64 (Figure 34). All of the other female age group shares declined or held steady, but no group decreased by more than 0.2 percentage points. Males had two age groups with higher proportions of those employed in 2020 — those ages 16–24 and 35–44. Males ages 16–24 had the largest change in the share of the employed at 0.3 percentage points, and the share of males ages 35–44 increased 0.2 percentage points. No other changes were larger than 0.2 percentage points.
Figure 32
Distribution of Civilian Employees Ages 16 or Older, by Gender, 2019–2020
(Unadjusted December of Each Year)


Figure 33
Distribution of Civilian Employees Ages 16 or Older, by Age, 2019–2020
(Unadjusted December of Each Year)

Conclusion

The labor force participation rates for those ages 55 or older rose throughout the 1990s and into the 2000s, when these rates leveled off following the 2007–2008 economic downturn through 2019. However, the percentage of those in the U.S. noninstitutionalized civilian labor force who are ages 55 or older has continued to grow even with the leveling off of the labor force participation rate. Consequently, the increased share of those ages 55 or older in the labor force post-2008 is due to the increased share in the overall population of those ages 55 or older as opposed to a higher percentage of workers these ages choosing to work.

This fact has some important future implications. First, the proportion of those in the labor force who are ages 55 or older is going to continue to increase in the short term even if the percentage who stay in the labor force remains the same because of the sheer size of the Baby Boom generation. However, the younger working cohort’s share will begin to increase as the Baby Boom generation workers leave the labor force. Furthermore, this younger workers’ share will increase faster if the labor force participation rate of individuals in the Baby Boom generation does not begin to increase again.

Second, the concept that individuals will stay in the labor force at higher and higher rates into older age in order to have more assets and/or higher Social Security benefits does not seem to be materializing for the oldest Baby Boomers, according to the data. Consequently, this throws into question the viability of working into older age as a possible retirement income adequacy solution, especially with the growth among the younger cohorts of Americans.

The pandemic changed everything in the labor market but also changed very little in relative terms. More Americans dropped out of the labor force, and more who were still in it were not employed. Despite the shares of females and those ages 55 or older who were employed declining, the overall age/gender distribution of the labor force and of those employed barely changed from 2019 to 2020. Questions still remain as to how older workers will react to coming back
to offices post-pandemic and whether they will remain or come back into the labor force. If a larger share of older workers retires, more focus could be placed on those reaching mid-career. However, if older workers continue to work, the issues with a large worker cohort near retirement will remain.

The pandemic did not have equal impacts on workers of different races/ethnicities. Both male and female Black Americans were more likely to not be employed in 2020, along with female Hispanic Americans. This result goes with the already existing issues of non-White Americans having less access to employment. Yet, these groups make up more of the younger generations and, as a result, more of the labor force going forward. Consequently, addressing labor force issues around race/ethnicity is going to be important to the future of companies that rely on a strong labor force.

**Endnotes**

1 The Baby Boom generation is defined by the cohort of individuals born from 1946–1964. In 2021, the youngest of them will turn 57 and the oldest 75.

2 The civilian noninstitutionalized population excludes those Americans in the military or institutions such as prisons or for health care needs like nursing homes, mental institutions, etc.

3 This study updates and adds to prior Employee Benefit Research Institute studies on U.S. labor force participation. See Copeland, Craig, “Labor Force Participation Rates by Age and Gender and the Age and Gender Composition of the U.S. Civilian Labor Force and Adult Population,” *EBRI Issue Brief*, no. 449 (Employee Benefit Research Institute, May 8, 2018) for the most recent prior study.

4 The labor force participation rate is a measure of those in a particular group working or *actively pursuing* work, not the share of those actually working who fall into a specific category.

5 All of the numbers for this study are for December of the respective year. For the remainder of the article, only the year will be used, but it should be understood that it means December of that year. Furthermore, they are the unadjusted numbers for each year — *not* seasonally adjusted.

6 The CPS only has male and female categories for gender.

7 These are *not* mutually exclusive groups, as the Bureau of Labor Statistics does not provide an exclusive Hispanic American group, so White and Black Americans include both non-Hispanic and Hispanic Americans.