

U.S. DEPARTMENT OF THE TREASURY

Remarks by Secretary of the Treasury Janet L. Yellen at the Vermont Women's Economic Opportunity Conference

October 1, 2022

As prepared for delivery

Hello, everyone. It's great to be at Vermont Technical College. Institutions like these are the backbone of our communities.

Senator Leahy, I'm grateful for your kind words. And I'm even more grateful for your leadership over your eight terms in the Senate. For decades, you have been a giant in the fight for a fair economy that works for everyone. Your work on the Lilly Ledbetter Act. Your push for equal pay for the women's national soccer team. And your support for the reauthorization of the Violence Against Women Act. These are just a few examples of how you've fought for gender equality.

And it's not just here in America. You've worked on some of the most consequential international and humanitarian issues of the last half century. Through your leadership on the Appropriations Committee, you've provided aid to victims of human trafficking and those suffering the most.¹

Everyone here in Vermont and Washington also knows that this career in public service would not have been possible without Senator Leahy's partnership with Marcelle. Marcelle and Patrick Leahy are partners in the truest sense of the word. Marcelle's passion to help families is perhaps seen most aptly in her commitment to the families of those serving in the National Guard. She's been instrumental in helping families maintain stability and continuity before, during,

and following deployment. And Marcelle's support for cancer research and public health funding has benefitted countless women across the country.²

More than anywhere else, the Leahys have ensured that women's economic opportunity has been at the forefront of the agenda in Vermont. There is no better testament to this belief than the very conference we are at today.

As you know, this is the 25th Vermont Women's Economic Opportunity Conference. Since 1996, hundreds of Vermont women have come together to discuss issues of economic empowerment. Trailblazers like Lilly Ledbetter, Sonia Sotomayor, Loretta Lynch – and of course, Marcelle Leahy – have delivered keynote addresses. What I find even more inspiring than the keynotes are the breakout sessions I've learned about that come after. Through practical conversations about issues of everyday importance, Vermont women talk about the various barriers and challenges they face, especially in their careers. And they support and lift each other up.

These issues are of special focus to me because I've lived a few of them. It was almost exactly forty-one years ago that I was getting ready to re-enter the workforce after the birth of Robby, my son. I was immensely fortunate to have a spouse, also an economist, who like Marcelle, was a true partner, and in every sense of that word. We coauthored economic research papers; and he fully shared in childcare responsibilities, often doing more than his share. On top of that, both of us had flexible academic jobs that made it easier to balance work and family. That's something that most women lack. But we still found balancing two careers with parenting challenging. And we needed some childcare. I remember calling the classified section of The Daily Californian and purchasing a "help wanted" advertisement for a babysitter. We indicated in the ad that we would offer "good pay."³

My husband and I were fortunate: We could pay for good childcare. And we paid even more than the market rate to make sure that we could get the right person for the important job. But, as all of us know, that's a luxury that most people across this country do not have. And it's part of a broader childcare system that does not work for anyone – for the kids, for the families, or for the caregivers themselves. That became clear to me and my husband. And it is clear for so many parents and families.

So let me turn to the issues facing women in the workforce from the perspective of both a working mother and an economist. My case to you today is that expanding opportunity to women isn't just the right thing to do. It's also good economics. And we have much more work to do.

Let me focus on three inequities that have been top of mind for me lately: women's participation in our workforce, pay equity, and women's health. I'll then talk about what our Administration has done to expand women's economic opportunity.

First, women's participation in our workforce. From 1950 to the end of the 20th century, the female labor force participation rate almost doubled. This was one of the major drivers of economic growth during that period.⁴ Yet, since 2000, the participation rate has stagnated in the U.S. – even as it has continued to rise in other advanced economies.

In other words, within a generation, we've lost one of our major drivers of creating inclusive economic growth. And this comes as the pandemic placed added strains on certain groups of women. Economic data shows that the labor force participation rate has returned to pre-pandemic levels for prime age women – which is a huge achievement.⁵ But the rate for non-college-educated women has remained below what it was before the pandemic.⁶

There are still too many barriers for women entering the workforce. Childcare continues to be a big challenge. Today, the average family with at least one child under age 5 needs to devote about 13 percent of family income to pay for childcare. This is a price far out of reach for too many Americans. And, further, the cost dissuades new mothers from entering the workforce in the first place.

We need programs that will actively support and facilitate women entering the labor market. A wide body of research has shown that high-quality, affordable childcare and free preschool increase the likelihood that parents, particularly mothers, will participate in the workforce. These programs also provide lasting benefits on the outcomes of their children. And they help the entire economy.

By one estimate, increasing the female labor participation rate to the male rate would raise GDP by 5 percent.⁷

Second, let me now focus on pay equity. As you know, women in America who work year-round in full-time jobs earn a median of around 83 cents to every dollar earned by men.⁸ Even when we compare the gender gap across workers in similar occupations with comparable qualifications, research suggests there's typically still a gap of about 10 percent.⁹ Disparities in pay widen for women of color.

One of the main reasons for the pay gap is an issue that you will discuss in the breakout sessions: the day-to-day challenges that face women across this country. As people progress in their careers, jobs can require longer hours. This has a disproportionate effect on women, who often bear a larger share of the childcare burden. These factors are relevant across the wage spectrum, including among the highest-paid jobs. We need to be thinking about ways that government interventions like subsidized childcare can be effective in reducing the pressures on women.

In all, ensuring equal pay for equal work would result in increased pay for women, boost our economy, and reduce poverty for single-parent families.¹⁰ It's not just the right thing to do. It's the economically beneficial thing to do.

Third, let me discuss women's health. Health outcomes are tied to economic progress.¹¹ For instance, research shows that those likely affected by Medicaid expansion had a reduction in collections and debt owed for both health and non-health-related expenses.¹²

There is good news: globally, maternal mortality has fallen by over a third since 2000. The bad news: it has increased in America in recent years.¹³ Access to care in this country has remained stubbornly tied to class, resulting in low-income and working mothers with worse treatment and poorer health outcomes than they should have.

And the recent ruling by the Supreme Court only serves to exacerbate disparities in access to care. The Court's recent decision overturning *Roe v. Wade* is a deeply consequential step backwards. I believe that denying women the ability to make decisions about when and whether to have children limits their ability to control their economic future and to make decisions that are best for them and their families. Access to reproductive health care has helped women join the workforce, enabled many women to finish school, and allowed women to plan and balance their families and their careers.

Not all of these issues are new. Disparities in labor force participation, pay, and health have existed for decades. But it is time we fix them. And with Senator Leahy's support, that is what the President and I have been focused on doing.

The American Rescue Plan, signed into law by the President in 2021, drove a historically fast and inclusive recovery. It also provided a major investment into women's economic opportunity. In one of our signature programs – the State and Local Fiscal Recovery Funds – we've seen states and local governments

spend billions on workforce development and childcare programs. Other programs, like the State Small Business Credit Initiative and the Child Care Stabilization Grant program, have supported women-owned businesses and hard-hit childcare providers. In fact, one of the very first loans in the SSBCI program was to increase the capacity of a daycare facility just 38 miles from here.

The ARP also supported families more broadly. The expanded Child Tax Credit gave families up to \$3,000 per child six and older – and even more for children under six. This put money directly into the pockets of working-class and low-income moms and dads. And the Emergency Rental Assistance program provided billions in assistance to help low-income families keep up on their rent. Two-thirds of the households that received this assistance were female-headed households.

Beyond direct economic support, the Biden Administration has provided support to prevent and respond to gender-based violence, including domestic violence and sexual assault services. It's announced the development of the first-ever government-wide National Action Plan to End Gender-Based Violence. And it has pursued additional initiatives to provide women with access to quality and affordable health care coverage.

There is much more work to do. I believe we must expand access to childcare, increase access to healthcare, support women's reproductive rights, and offer additional support for women in the workforce. It's more than just an issue of fairness. It offers economic benefits for the entire country. We will continue to advocate for these policies.

This conference – and the women gathered here today – give me hope that we will be able to make progress. When I placed that ad in the classified section of

The Daily Californian in 1971, a conference like this would have been unimaginable. Now, in its twenty-fifth year, the conference has become a staple. Senator Leahy and Marcelle: thank you for championing women's economic empowerment in Vermont and across the globe. And to everyone gathered here: I look forward to our collective work to continue pushing forward and create an economy that works for everyone – particularly women in America. Thank you.

1 <https://www.leahy.senate.gov/issues/foreign-assistance>

2 <https://www.uvm.edu/commencement/honorary-degree-recipient-marcelle-leahy>

3 <https://home.treasury.gov/news/press-releases/jy0355>

4 <https://fred.stlouisfed.org/series/LNS11300002>

5 <https://www.axios.com/2022/09/02/women-workers-hit-post-covid-jobs-milestone>

6

<https://www.kansascityfed.org/Economic%20Review/documents/8243/EconomicReviewV106N3Tuzemen.pdf>

7 <https://www.federalreserve.gov/newsevents/speech/yellen20170505a.htm>

8 <https://iwpr.org/iwpr-publications/fact-sheet/gender-wage-gaps-remain-wide-in-year-two-of-the-pandemic/>

9 <https://www.federalreserve.gov/newsevents/speech/yellen20170505a.htm>

10 <https://statusofwomendata.org/featured/the-economic-impact-of-equal-pay-by-state/>

11 <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/how-prioritizing-health-could-help-rebuild-economies>

12 <https://www.sciencedirect.com/science/article/abs/pii/S0047272718300707>

13 <https://www.cdc.gov/nchs/data/hestat/maternal-mortality/2020/maternal-mortality-rates-2020.htm#:~:text=Rates%20in%202020%20were%2013.8,for%20women%20under%20age%2025.>

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