Women’s labor force participation rose from about 43% in 1970 to roughly 59% in December 2005. In fact, their participation has been on the increase since the late 1940s. At the same time, women have obtained higher education levels because of greater returns to higher education: Women’s high school dropout rate has fallen from nearly 18% in 1940 to about 7% in 2004, while the share pursuing a college degree or higher has climbed dramatically from about 4% in 1940 to nearly 31% in 2004.

Accordingly, women have been able to pursue better-paying occupations than before. By 2005, they held about half of all management, professional, and related occupations, up about 2 pp from 2000.

Women continue to have a majority share in business and financial operations; community and social services; education, training, and library; and healthcare practitioner and technical occupations.

Meanwhile, the income disparity between men and women has narrowed considerably. In 1979, women’s median earnings were 62% of men’s; by 2004, this figure had climbed to nearly 80%. The lessening of gender inequality may result partly from women moving into higher-paying occupations. Interestingly, within some minority groups, earnings inequality is less than in the workforce as a whole. For example, African American women make nearly 89.0% as much as African American men.