

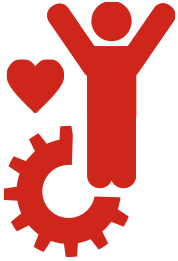
# Structural Constraints on Growth: The Workforce behind the Workforce

Federal Reserve Bank of Kansas City Economic Policy  
Symposium

August 24-26, 2023

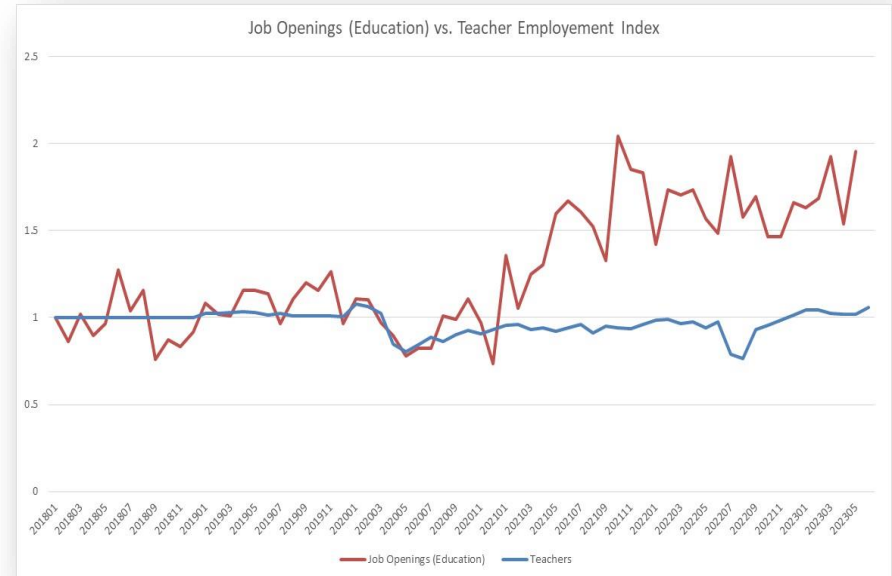
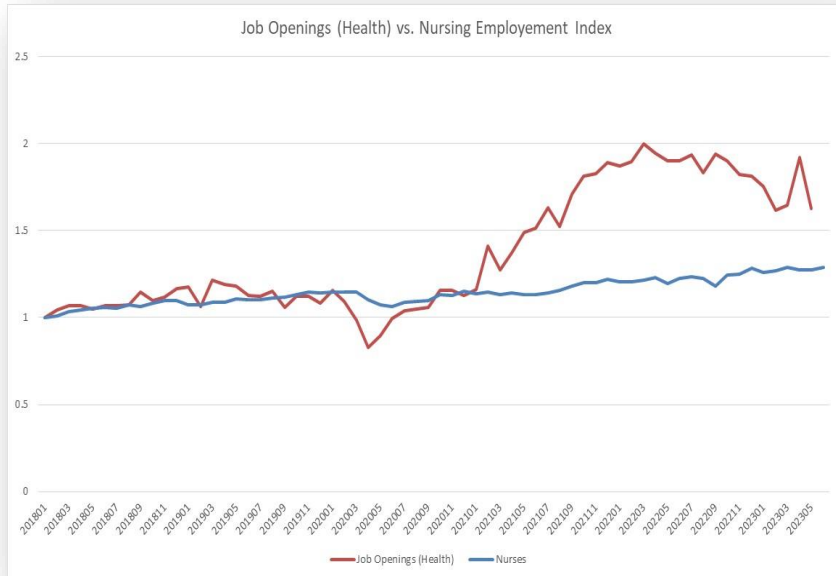
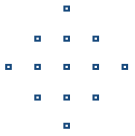
Nela Richardson  
SVP, Chief Economist

# The care economy: an important part of the national infrastructure



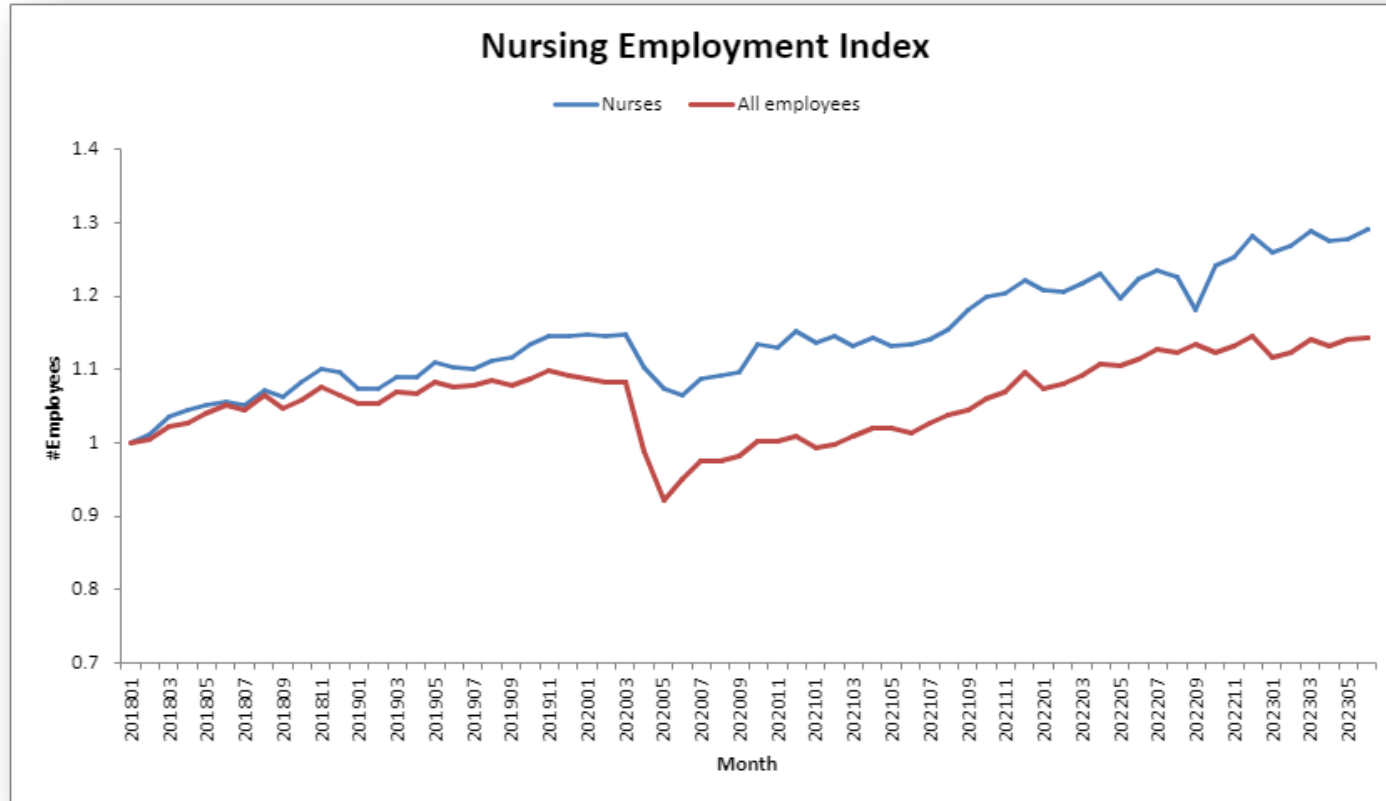
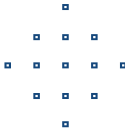
- Often referred to as the workforce behind the workforce, the care economy is composed of healthcare and education professionals.
- The care economy was upended by the pandemic and has been one of the slowest parts of the labor market to fully recover.
- In order to understand the ability of the care economy to support the overall labor market post-pandemic, the ADP Research Institute analyzed more than 12 million workers, observed each month over a five-year timespan between Jan 2018 and June 2023, with a special focus on teachers and nurses.

# Post-pandemic demand for nursters and teachers is outstripping supply

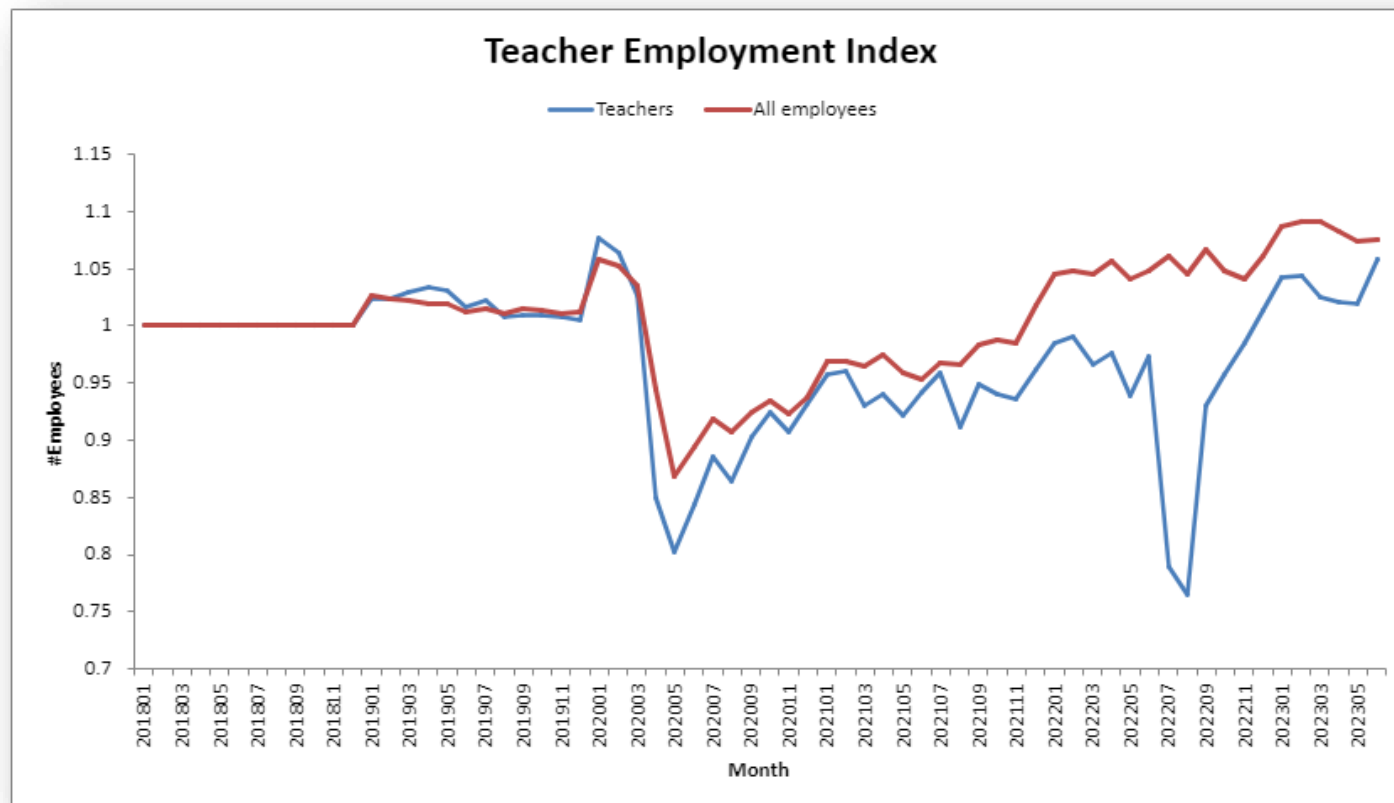
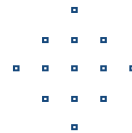


Source: BLS, ADP

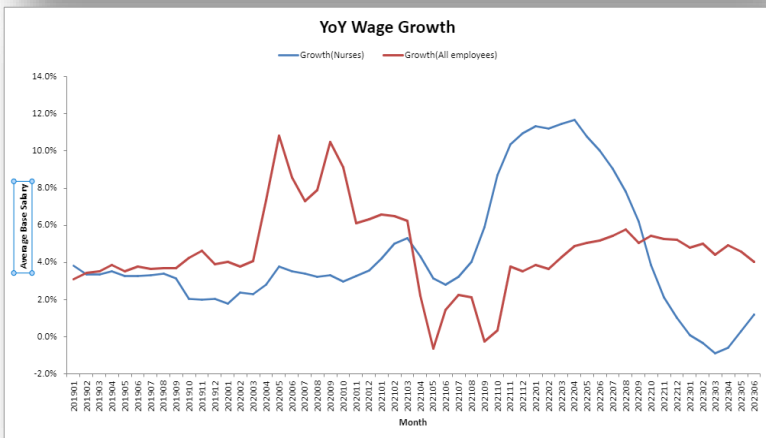
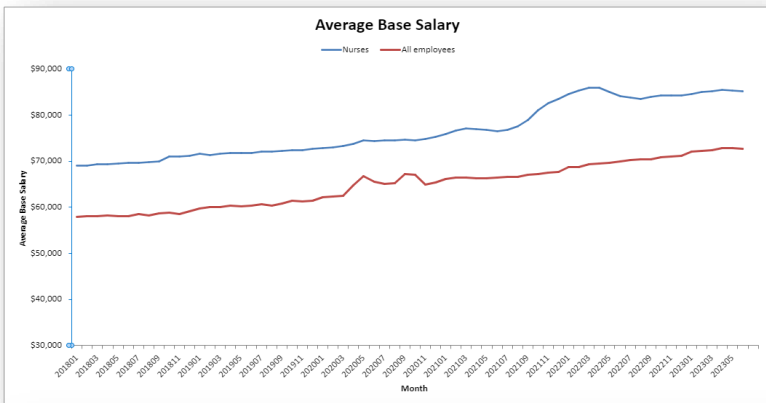
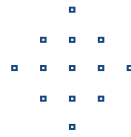
# Nursing is growing faster than the overall labor market



# The number of private sector teachers continue to lag pre-pandemic highs

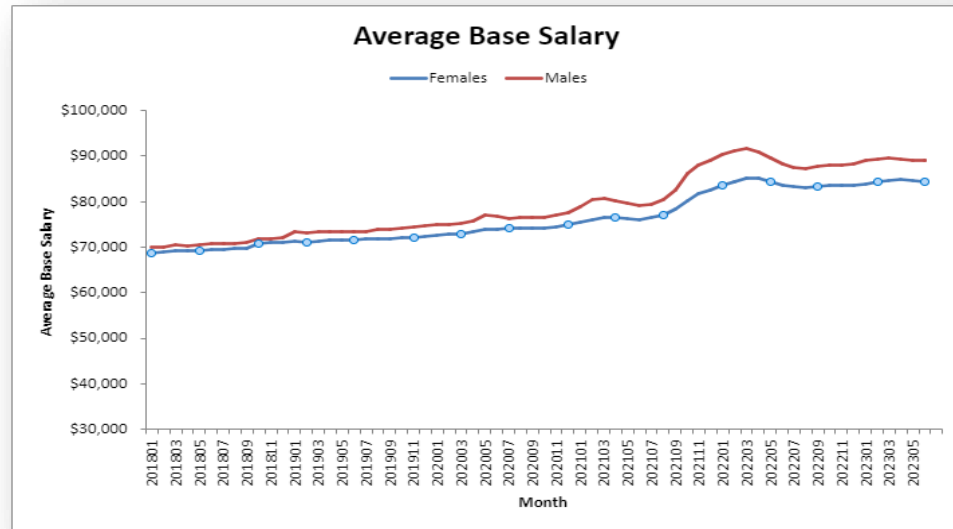


# While average salaries for nurses are higher than for most other professions, recent growth rates have not kept pace

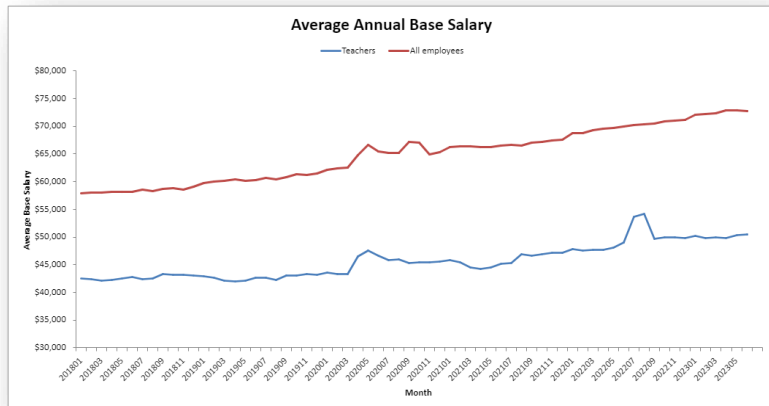
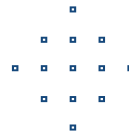


## Pay trends (as of June 2023)

- Average salary for female nurses: \$84k
- Average salary for male nurses: \$89k
- Ratio of female to male salary: 96%
- The trend in salaries shows a slight widening of the gap as male salaries are outpacing female salaries.

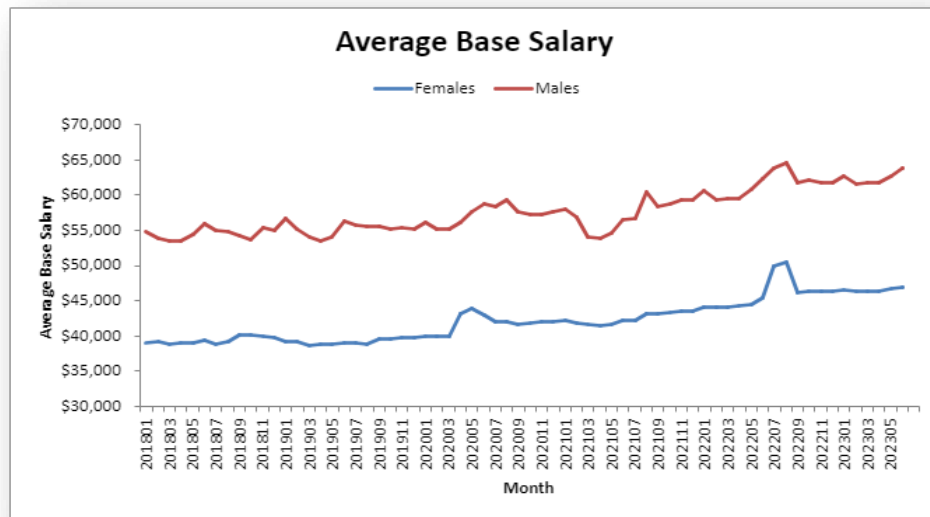


# Average teacher salaries are lower than for employees overall, wage growth is also lower

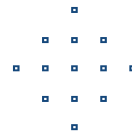


## Pay trends as of June 2023

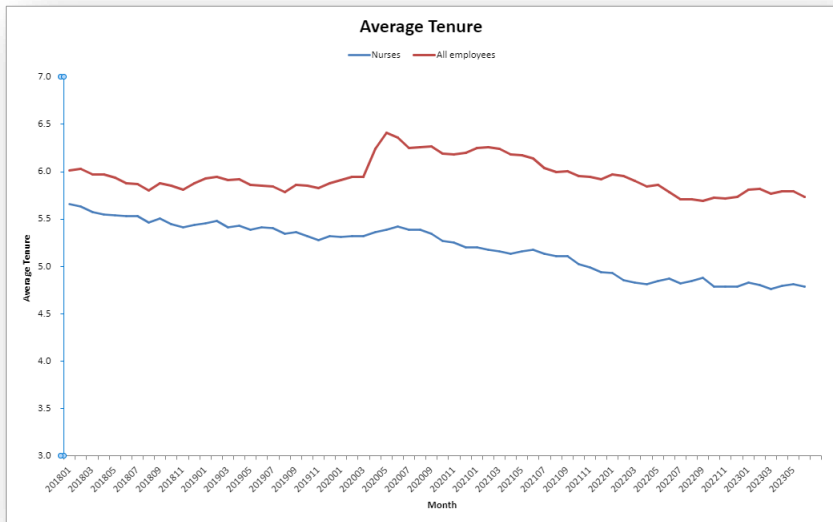
- Average salary for female teachers: \$42k
- Average salary for male teachers: \$58k
- Ratio of female to male salary: 73%
- The trend in salaries shows a closing of the gap as female salaries are slightly outpacing males.



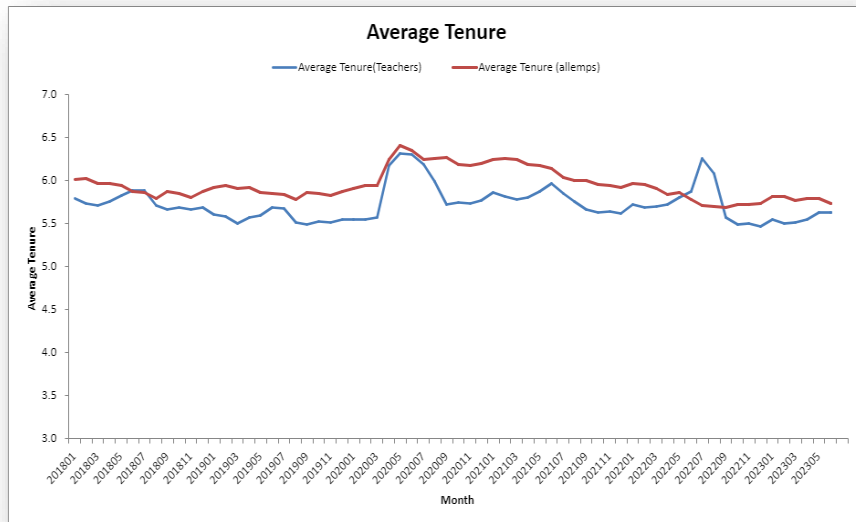
# The pandemic altered tenure trends for both nurses and teachers



Sharp decline in tenure indicates nurses are leaving the profession

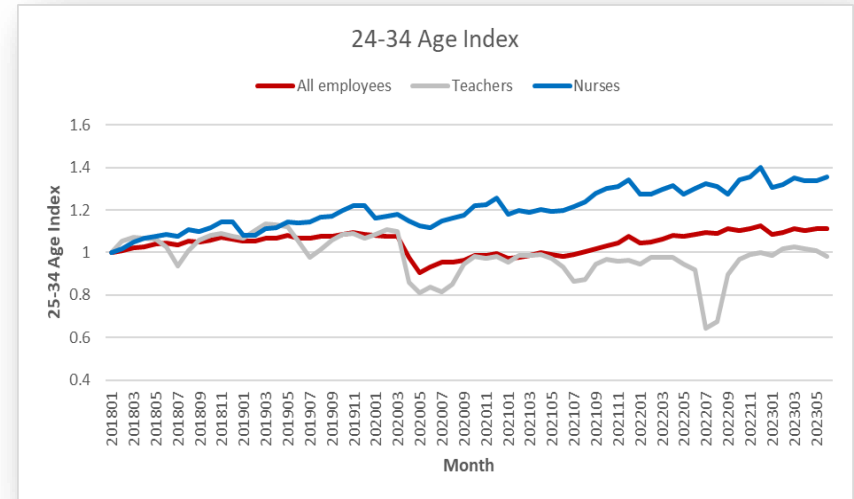
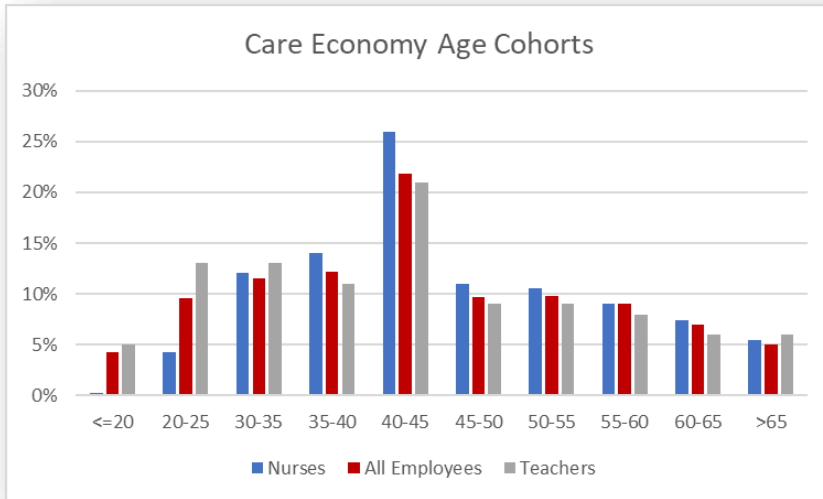


Tenure increased when the pandemic hit, likely due to less tenured teachers being disproportionately furloughed

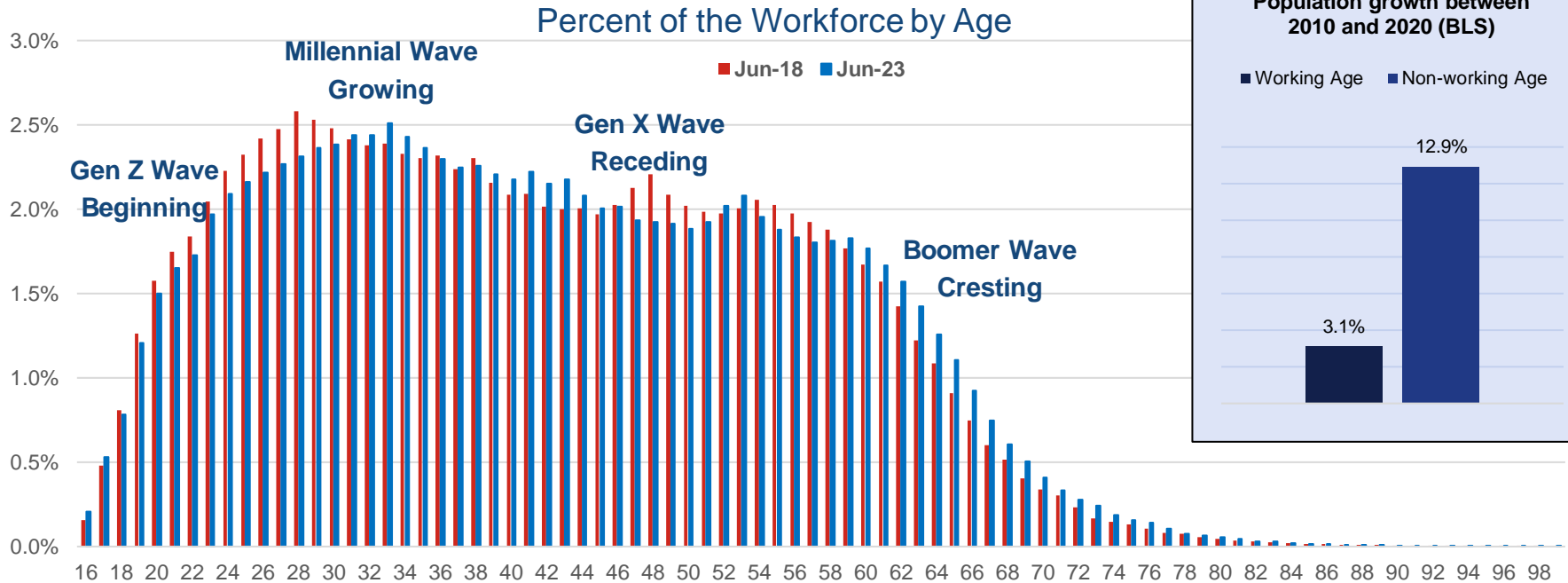
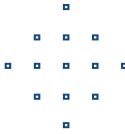




# While the number of entry-level nurses continues to climb, fewer young workers are entering the teaching profession



# The big picture: workforce demographics are reshaping the labor market



Source: ADP

