THE HAMILTON PROJECT

Seven economic facts about prime-age labor force participation

Aviva Aron-Dine, Lauren Bauer, and Eileen Powell

JULY 2025

ACKNOWLEDGMENTS

The authors thank Brad Hershbein and Ryan Nunn for insightful comments. Olivia Howard, Asha Patt, and Noadia Steinmetz-Silber provided exemplary research assistance.

MISSION STATEMENT

The Hamilton Project seeks to advance America's promise of opportunity, prosperity, and growth.

We believe that today's increasingly competitive global economy demands public policy ideas commensurate with the challenges of the 21st Century. The Hamilton Project's economic strategy reflects a judgment that long-term prosperity is best achieved by fostering economic growth and broad participation in that growth, by enhancing individual economic security, and by embracing a role for effective government in making needed public investments.

Our strategy calls for combining public investment, a secure social safety net, and fiscal discipline. In that framework, The Hamilton Project puts forward innovative proposals from leading economic thinkers—based on credible evidence and experience, not ideology or doctrine—to introduce new and effective policy options into the national debate.

The Hamilton Project is named after Alexander Hamilton, the nation's first Treasury Secretary, who laid the foundation for the modern American economy. Hamilton stood for sound fiscal policy, believed that broad-based opportunity for advancement would drive American economic growth, and recognized that "prudent aids and encouragements on the part of government" are necessary to enhance and guide market forces. The guiding principles of The Hamilton Project remain consistent with these views.

THE HAMILTON PROJECT

THE HAMILTON PROJECT

Seven economic facts about prime-age labor force participation

Aviva Aron-Dine

The Brookings Institution and The Hamilton Project

Lauren Bauer

The Brookings Institution and The Hamilton Project

Eileen Powell

The Hamilton Project

July 2025

BROOKINGS

Contents

Introduction

In many ways, the COVID-19 pandemic recession was unique. While the depth of employment losses rivaled the Great Recession, the recovery was relatively quick. By mid-to-late 2023, key economic indicators like unemployment, employment, and labor force participation had largely recovered. At the same time, the pandemic and responses to it have also had persistent effects on the labor market.

In this set of seven economic facts, we take stock of the state of the labor market through May 2025, paying particular attention to post-pandemic dynamics in prime-age (ages 25–54) labor force participation, including the new records set in recent years for women's labor force participation.

1. Prime-age labor force participation remains close to its recent two-decade high.

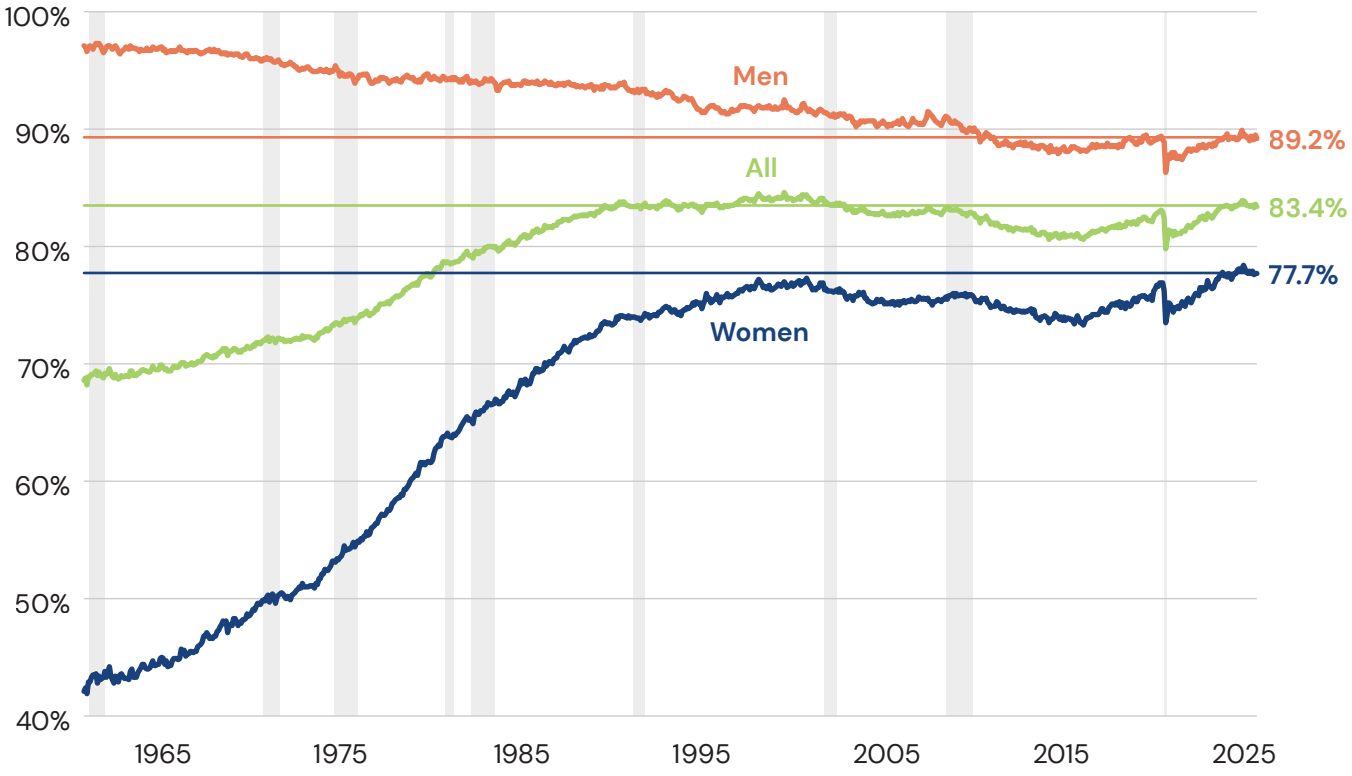
Prime-age labor force participation has rebounded for both sexes post-pandemic and reached near-record highs relative to recent decades. Prime-age labor force participation remains close to its highest level since early 2002. In May 2025, prime-age labor force participation stood at 83.4 percent—down by half a percentage point from the post-pandemic peak of 83.9 percent in the summer of 2024.

For women, prime-age labor force participation stands at 77.7 percent, slightly below the highest level on record (78.4 percent in August 2024). The rapid growth in prime-age female labor force participation that characterized the latter half of the 1900s had leveled out by the early 2000s, and changes in female labor force participation through 2019 were largely reflections of the business cycle. However, prime-age women's participation has consistently exceeded its maximum rate from the Great Recession business cycle since February 2023, driven in large part by gains among mothers, as discussed in fact 3 below.

For men, prime-age labor force participation stands at 89.2 percent, down from the post-pandemic peak of 89.9 percent, which was the highest prime-age male labor force participation rate since the fall of 2009. Prime-age male labor force participation has trended downward for decades, with faster declines during recessions. The full recovery in prime-age male labor force participation after COVID contrasts with the experience after the Great Recession, when male labor force participation never recovered to its pre-recession peak.

FIGURE 1

Prime-age labor force participation rate, overall and by sex, Jan. 1960–May 2025



Source: Bureau of Labor Statistics, n.d.

Note: Data are seasonally adjusted. Horizontal lines indicate the current labor force participation rate for each group as of May 2025. Gray bars indicate recessions. Prime-age is defined as civilian non-institutionalized persons ages 25 through 54.

THE HAMILTON PROJECT
BROOKINGS

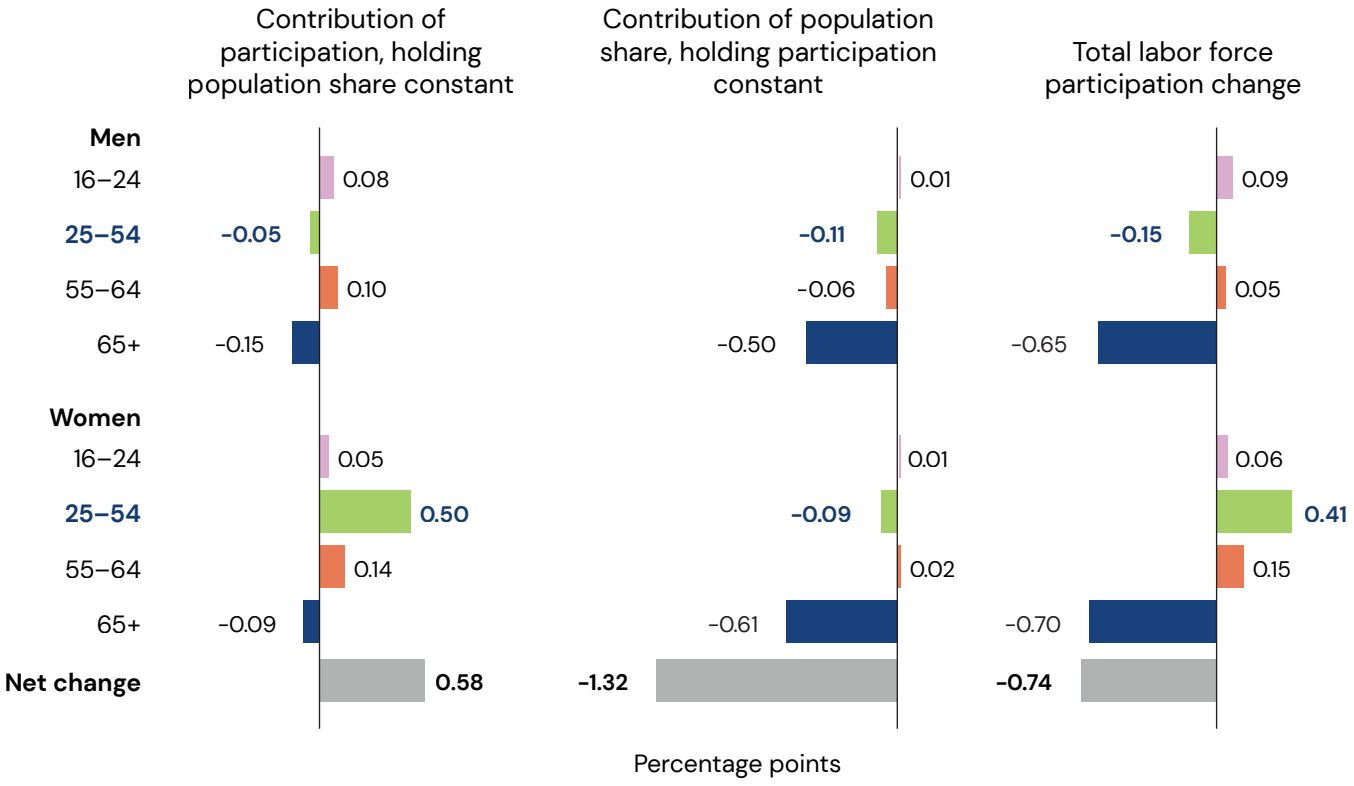
2. Population aging continues to depress the overall labor force participation rate.

While prime-age labor force participation is high by historical standards, overall labor force participation is not, largely due to population aging putting downward pressure on the aggregate labor force participation rate. Figure 2 shows that, had the age distribution of the population remained constant from the first quarter of 2019 to the first quarter of 2025, overall labor force participation would have increased by 0.58 percentage points. However, because older groups with lower labor force participation rates make up a growing share of the population, actual labor force participation declined by 0.74 percentage points over this six-year period.

While most of the decline in the overall participation rate is explained by a greater share of the population being age 65+ in 2025, the figure shows that the 65+ age group also participated less in 2025 relative to 2019 (in part driven by aging within that group). Participation rates for other age-sex groups generally rose or remained roughly constant over this period, with a notable exception—a half a percentage point increase in the propensity to participate—for prime-age women.

FIGURE 2

Contribution of changing participation rates and population shares to net decline in labor force participation rate from 2019 Q1 to 2025 Q1



Source: Bureau of Labor Statistics (CPS), n.d.; authors' calculations.

Note: The relative contributions of participation and population to changes in labor force participation are calculated following the decomposition methods described in Aaronson et al. (2006). Data for 2019 are backcast to account for changes to annual population estimates as described in Bauer et al. (2023).

THE HAMILTON PROJECT
BROOKINGS

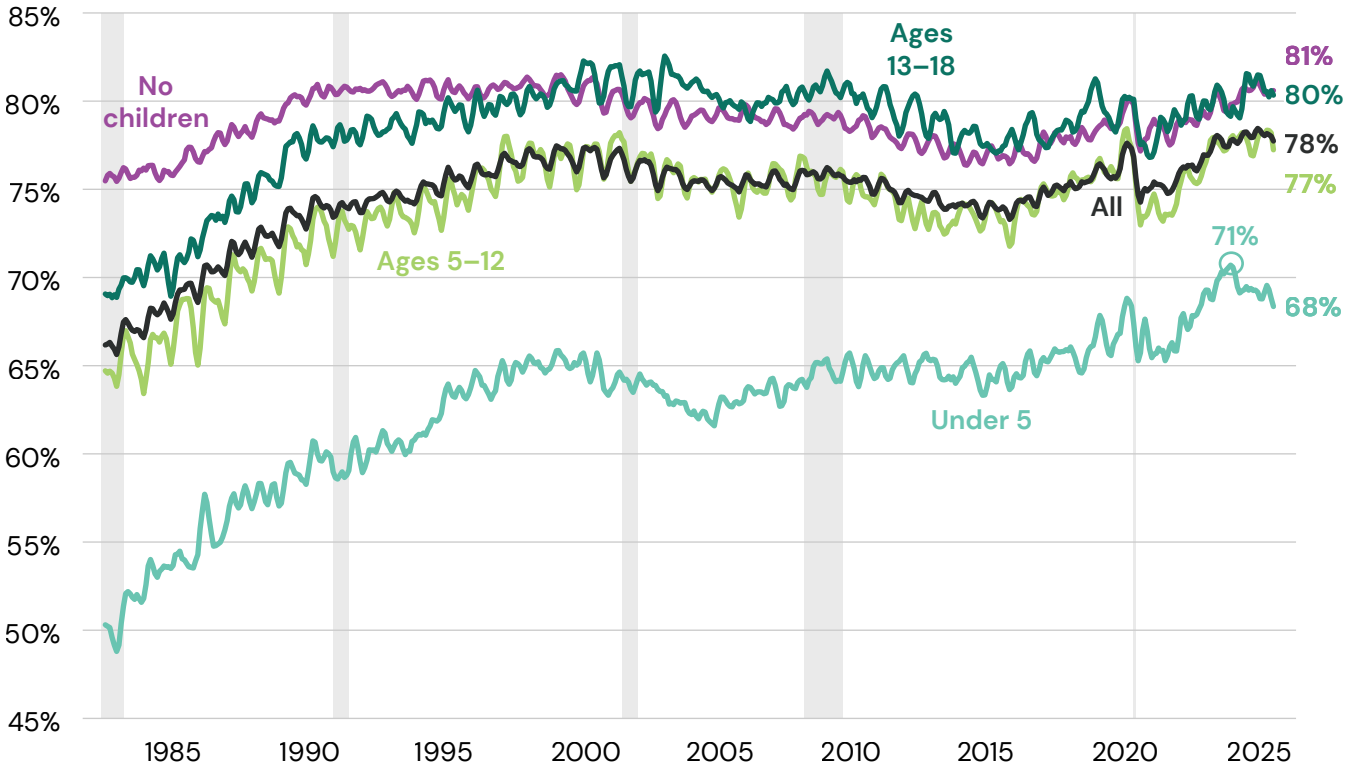
3. Elevated labor force participation among prime-age mothers persists.

Prior to the pandemic, the trend in labor force participation among prime-age mothers was one of convergence: The differences in participation rates between mothers of elementary school children (ages 5–12) and those with teenage or no children in the home were shrinking. After the 2020–21 COVID interruption, the trend toward convergence for these groups resumed. In addition, there were particularly notable increases in participation for prime-age women with children under 5 post-pandemic, although their participation rate remains lower than that for women with older children. In September 2023, labor force participation for women with children under 5 reached an all-time high of 71 percent.

Labor force participation has ticked down for all prime-age women relative to the post-pandemic peak but remains strong. As of May, labor force participation was about 2 percentage points higher in 2025 relative to the same period in 2019 for prime-age mothers. Women with children under 5 were participating at a rate nearly 3 percentage points higher than the same period in 2019, while rates for women with elementary- and teen-age children were up about 1.8 and 1.5 percentage points, respectively. One contributor to the strength of participation among mothers of young children could be pandemic-era federal funds for child care—but strong labor force participation likely also reflects other key contributors, including increased telework opportunities.

FIGURE 3

Female prime-age labor force participation, by age of youngest child, March 1982–May 2025



Source: Bureau of Labor Statistics (CPS), n.d.; authors' calculations.

Note: Lines represent three-month moving averages. Gray bars indicate recessions.

THE HAMILTON PROJECT
BROOKINGS

4. Both mothers and fathers of young children are somewhat more likely than other adults to telework.

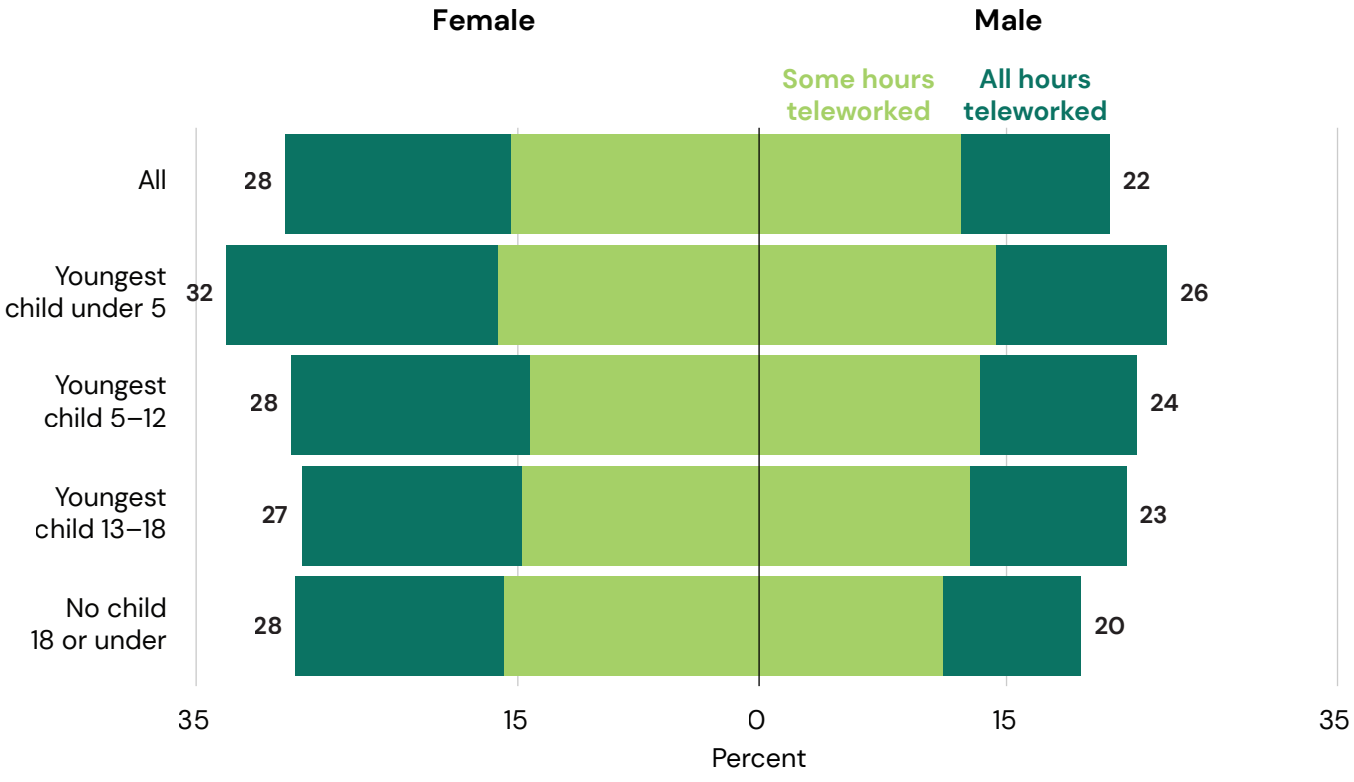
Working from home increased fourfold from pre-pandemic to 2023 and accounts for about a quarter of paid workdays in 2025 by one measure. In the Current Population Survey, an average of 23 percent of those employed in the prior week report teleworking from January through May 2025; among prime-age workers, 25 percent. The prevalence of a completely virtual schedule among those who telework increases with age; people over 65+ who telework are about 10 percentage points more likely to do so completely virtually than people 25–64. Overall, about 46 percent of people who teleworked did so for their entire work week (about 10 percent of all workers).

Consistent with other research, figure 4 shows that telework is highest among prime-age parents with young children. About a third of prime-age women with children under 5 report teleworking, about 4 percentage points higher than those without children. These mothers also have the highest rate (17 percent) of fully remote work. Among men, more than a quarter of prime-age fathers with children under 5 report teleworking, with the highest rates of both fully remote work (11 percent) and hybrid work (15 percent) among prime-age men.

Prime-age women who don't have a bachelor's degree (16 percent), particularly those who attended some college (21 percent), are more likely to telework than their male counterparts (9 percent and 14 percent). In contrast, among prime-age workers with at least a bachelor's degree, telework rates are about equal for women (40 percent) and men (41 percent). Prime-age mothers without a bachelor's degree and with a child under 5 are more likely to telework (18 percent) than their male counterparts (8 percent), while prime-age mothers and fathers with a bachelor's degree and a young child report telework at roughly equal rates (43 and 45 percent, respectively).

FIGURE 4

Telework rates among prime-age workers, by sex and age of youngest child, in 2025



Source: Bureau of Labor Statistics (CPS), n.d.; authors' calculations.

Note: Telework rates are averages from January through May 2025. Survey respondents report their use of telework and the number of hours teleworked in the week prior to being surveyed. The sum of virtual and hybrid telework rates may not exactly equal the total share of people who telework due to rounding.

THE HAMILTON PROJECT
BROOKINGS

5. Labor force participation has been rising for young women and falling for young men.

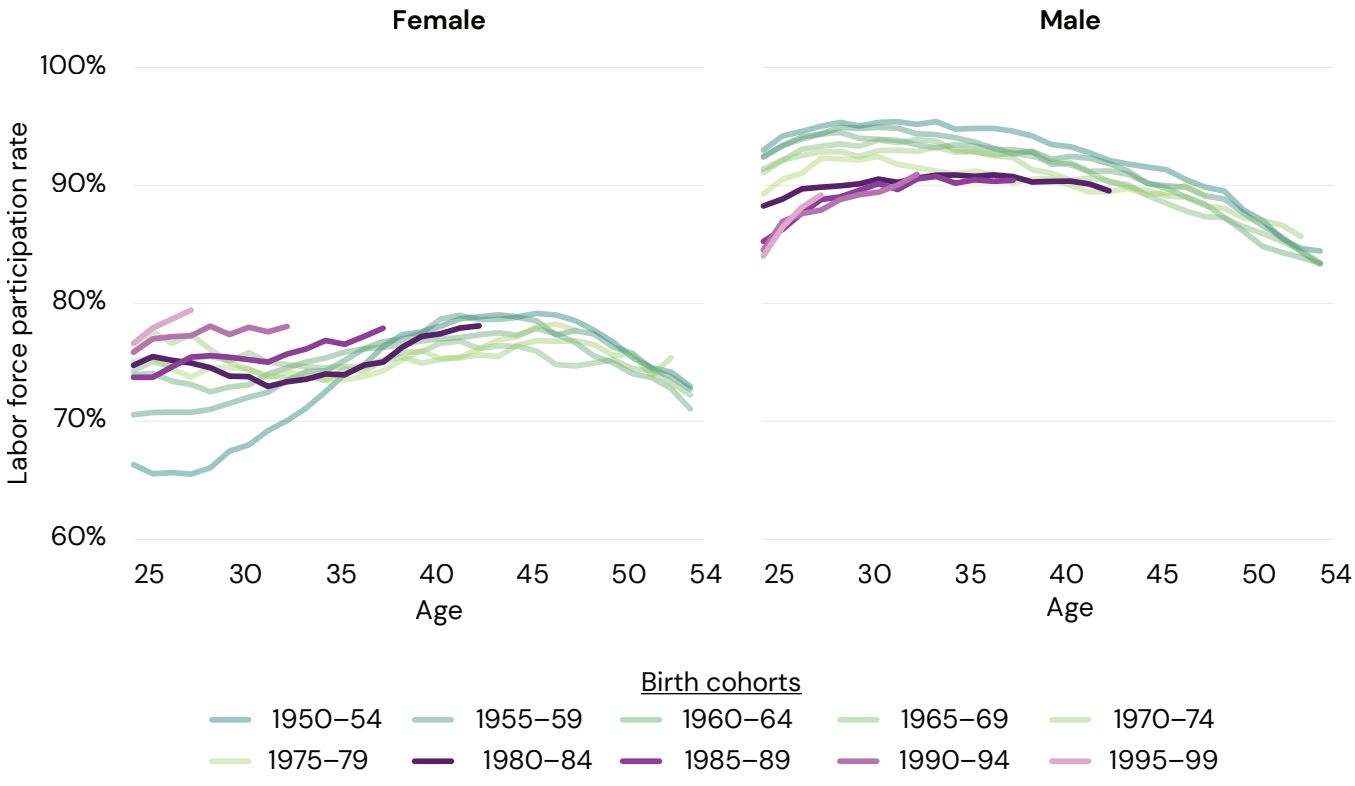
Trends in prime-age participation rates across the life cycle are quite different for men and women and have changed considerably over time (figure 5). Women born in the late 90s participated in the labor force at a much higher rate (76.6 percent) at age 25 than did women at the same age born 45 years earlier (66.3 percent). In contrast, men born in the late 90s had participation rates 9 percentage points lower (84.0 percent) at age 25 than their peers born 45 years earlier (93.0 percent). While women's participation across cohorts dips during child-bearing years, these patterns have become weaker over time.

Male labor force participation at age 25 has declined with each successive cohort, from those born in 1965–69 to those born in 1995–99 (light purple). Participation declined the most for the 1985–89 cohort—the first cohort in which all men born in those years turned 25 during or immediately following the Great Recession—then declined at a slower rate for cohorts born in the 90s. However, these drops across cohorts in labor force participation at younger ages have been balanced by faster growth in participation as men age. Participation rates for men born after 1980 have converged toward the rates of their immediate predecessors by their early-to-mid-30s, although the rates at this age are still well below those of earlier cohorts.

In contrast to men, each consecutive birth cohort of women has generally seen increases in labor force participation both at 25 and across much of their life cycle. While increases in labor force participation at age 25 seemed to slow for cohorts born between 1975 and 1989, those born between 1990 and 1999—the youngest cohorts—show significant increases in their 20s. Recent cohorts have also begun to diverge from historical trends, with smaller dips in participation during child-bearing years. Stronger participation among women in their 20s and 30s is likely related to a number of factors, including rising educational attainment, less time out of the labor force after childbirth, and older ages at first birth.

FIGURE 5

Labor force participation by age, sex, and birth cohort



Source: Bureau of Labor Statistics (CPS), n.d.; authors' calculations.

Note: Data are plotted for five-year birth year cohorts. Estimates are displayed for cohort-age combinations where data are available for three or more single-year cohorts.

THE HAMILTON PROJECT
BROOKINGS

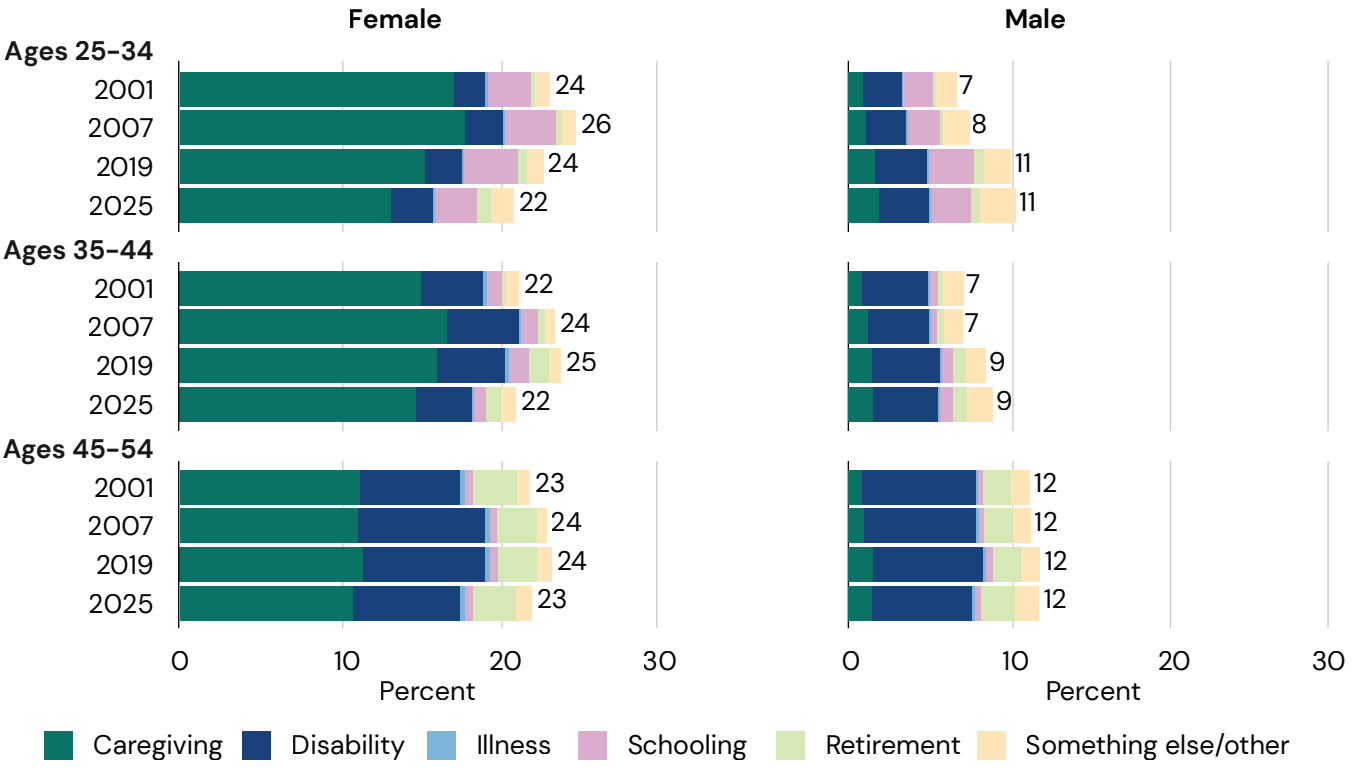
6. The vast majority of prime-age labor force nonparticipants cite caregiving or disability as the reason why.

Figure 6 shows labor force nonparticipation broken down by the distribution of reasons given for nonparticipation, over time and by age and sex. In the first quarter of 2025, a little over one-fifth (22 percent) of prime-age women were not in the labor force. This is down by 2 percentage points from the first quarter of 2019 (24 percent) and represents declines in nonparticipation among each of the age groups. The bulk of this decrease was driven by declines in nonparticipation due to caregiving, particularly for women 25–34. Caregiving still accounts for over two-thirds of nonparticipation for women 25–44 and nearly half of nonparticipation for women 45–54, for whom disability is also a large factor.

Fewer men are out of the labor force than women: Eleven percent of prime age men were not participating in the labor force in 2025. For prime-age men, disability is the largest factor in nonparticipation and increases in prevalence with age. While the share of nonparticipation due to disability declined across the board for prime-age men in 2025, the overall nonparticipation share remained roughly stable. Declines in the share of nonparticipation due to disability were offset by increases in the share due to caregiving, retirement, and other, unspecified reasons.

FIGURE 6

Reasons for labor force nonparticipation, by age and sex



Source: Bureau of Labor Statistics (CPS), n.d.; authors' calculations.

Note: The sum of each bar (shown at the right of each bar) is the total percentage of a sex-age group not in the labor force in the first quarter of a given year. "Something else/other" categories include people who were classified as not in the labor force but did not give a reason for nonparticipation.

THE HAMILTON PROJECT
BROOKINGS

7. Post-pandemic, male and female prime-age employment recovered more in tandem than in prior recessions.

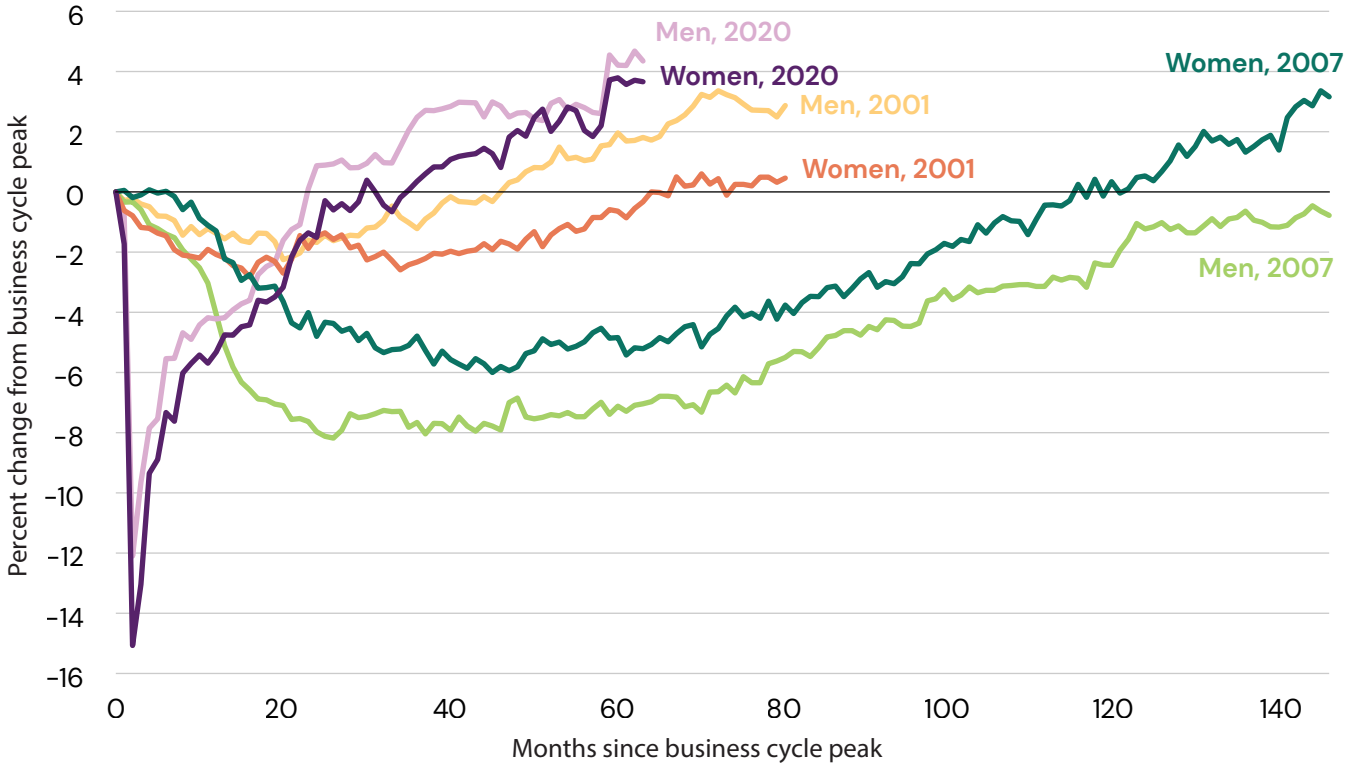
The speed and severity at which employment dropped during the pandemic, especially for women, led some observers to deem the pandemic recession a "She-Cession." At the onset of the pandemic, women were more likely to be in vulnerable industries, and child care burdens seemed likely to pull women out of the labor force at higher rates. The disproportionate employment loss, however, was largely transitory, and persistent scarring appears to have been avoided.

By early 2023, both men and women reached pre-pandemic (February 2020) employment levels. Aggregate prime-age employment recovered about twice as quickly as it did after the 2001 recession, and about four times as quickly as it did after the Great Recession. Moreover, after reaching pre-pandemic levels, employment has continued to grow, with fewer differences by sex than after the prior two recessions.

The fact that prime-age male employment exceeds pre-pandemic levels is itself notable (see fact 1). As with labor force participation, prime-age male employment never fully recovered from the Great Recession. In January 2020, male employment stood 0.8 percent below its level in December 2007. As of May 2025, prime-age male employment is roughly 3 percent above its December 2007 level.

FIGURE 7

Percent change in prime-age employment from business cycle peaks, by sex



Source: Bureau of Labor Statistics, n.d.; NBER, n.d.; authors' calculations.

Note: Data are seasonally adjusted and show percent changes in prime-age total employment from NBER business cycle peaks. The 2001, 2007, and 2020 business cycle peaks occurred in March 2001, December 2007, and February 2020, respectively.

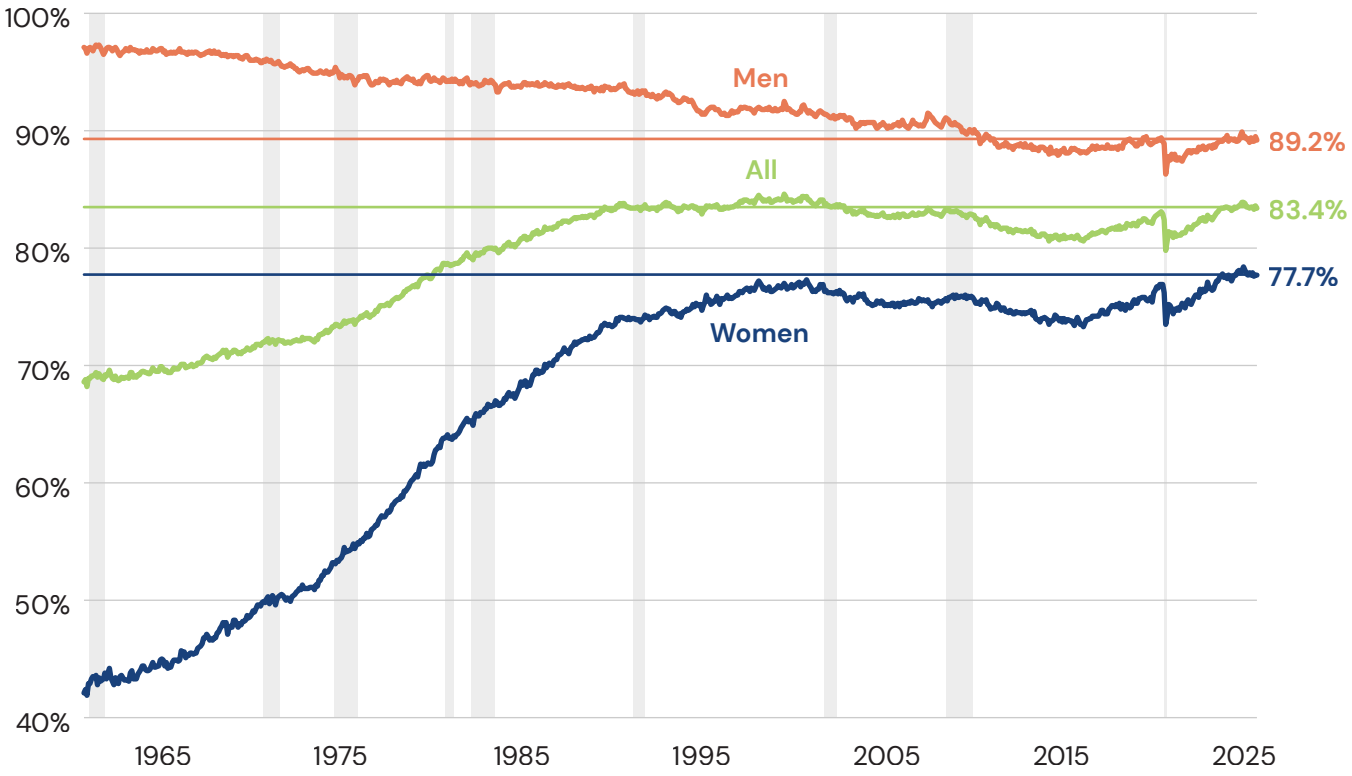
THE HAMILTON PROJECT
BROOKINGS

THE HAMILTON PROJECT ADVISORY COUNCIL

Seven economic facts about prime-age labor force participation

1. Prime-age labor force participation remains close to its recent two-decade high.
2. Population aging continues to depress the overall labor force participation rate.
3. Elevated labor force participation among prime-age mothers persists.
4. Both mothers and fathers of young children are somewhat more likely than other adults to telework.
5. Labor force participation has been rising for young women and falling for young men.
6. The vast majority of prime-age labor force nonparticipants cite caregiving or disability as the reason why.
7. Post-pandemic, male and female prime-age employment recovered more in tandem than in prior recessions.

Prime-age labor force participation rate, overall and by sex, Jan. 1960–May 2025



Source: Bureau of Labor Statistics, n.d.

Note: Data are seasonally adjusted. Horizontal lines indicate the current labor force participation rate for each group as of May 2025. Gray bars indicate recessions. Prime-age is defined as civilian non-institutionalized persons ages 25 through 54.

THE HAMILTON PROJECT
BROOKINGS

THE HAMILTON PROJECT
BROOKINGS

www.hamiltonproject.org
1775 Massachusetts Ave., NW
Washington, DC 20036
(202) 797-6484