

2025 ————— MEXICO CITY

More women, greater growth

Economic impact at the national and state level

Increasing women's participation in the economy could boost Mexico's GDP by 6.9 trillion pesos over the next decade

- At its current pace, it would take Mexico 56 years to reach the OECD's current women's economic participation rate, requiring the inclusion of 18.6 million women in the workforce.
- State-level GDP could be, on average, 4.9% higher by 2035 if women's participation increases to match the OECD average.

Over the past decade, women's economic participation in Mexico has risen from 43% to 46%, according to INEGI.¹ However, this figure remains below the Organization for Economic Cooperation and Development (OECD)² average of 67%. Without timely strategies to accelerate women's inclusion, **it would take Mexico 56 years to match the economic participation rate of these countries.**

In commemoration of International Women's Day 2025, the Mexican Institute for Competitiveness (IMCO) calculated the economic benefit the country would get if it reached the average economic participation of women in OECD countries. **Additionally, for the first time, IMCO analyzed this potential benefit at the state level.**

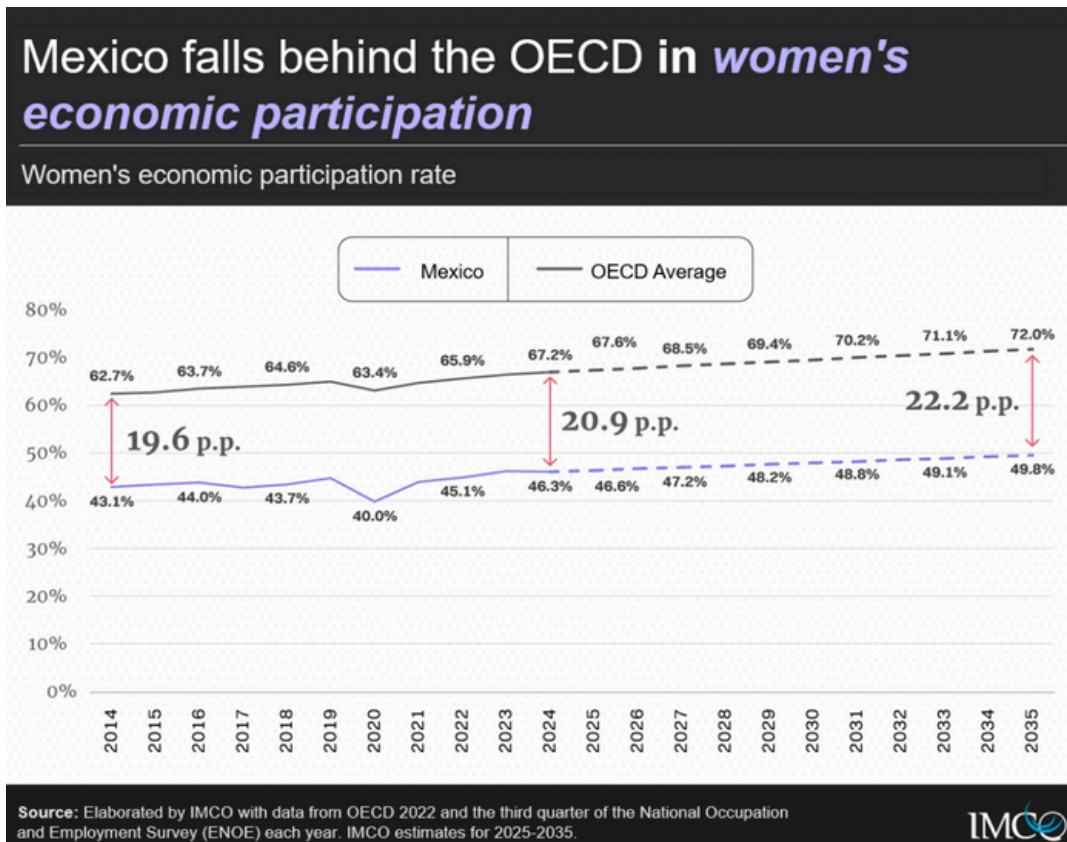
1. INEGI. 2025. National Survey of Occupation and Employment. Third quarter of 2024. Available at: <https://www.inegi.org.mx/programas/enoe/15ymas/>

2. OECD. 2024. OECD employment and labor force participation rates remain stable at record levels in the third quarter of 2024. Available at: <https://bit.ly/41InjTX>

Why increase women’s participation in the economy?

Harnessing women's talent in the labor market is key to achieving sustainable and inclusive economic growth, especially in the face of challenges such as reducing informality and improving productivity. Between 2014 and 2024, women's economic participation in Mexico grew at a slower pace than the OECD’s average rate, meaning the country is increasingly falling behind the international trend of closing the gender gap in the labor market.

The OECD³ estimated that, on average, the increase in women's economic participation contributed 0.37 percentage points (p.p.) annually to GDP per capita growth between 2000 and 2022. In contrast, men contributed half of this amount (0.14 p.p.). The study shows that countries with the lowest rates of women's economic participation—such as Italy, Mexico, and Turkey—have the greatest potential for economic growth.



This represents an opportunity not only for the national economy, but for millions of businesses, as well as women and their households. Accelerating change to boost women’s economic participation in Mexico could increase GDP by 6.9 trillion pesos over the next decade—equivalent to approximately 630 billion pesos (mmdp) per year.

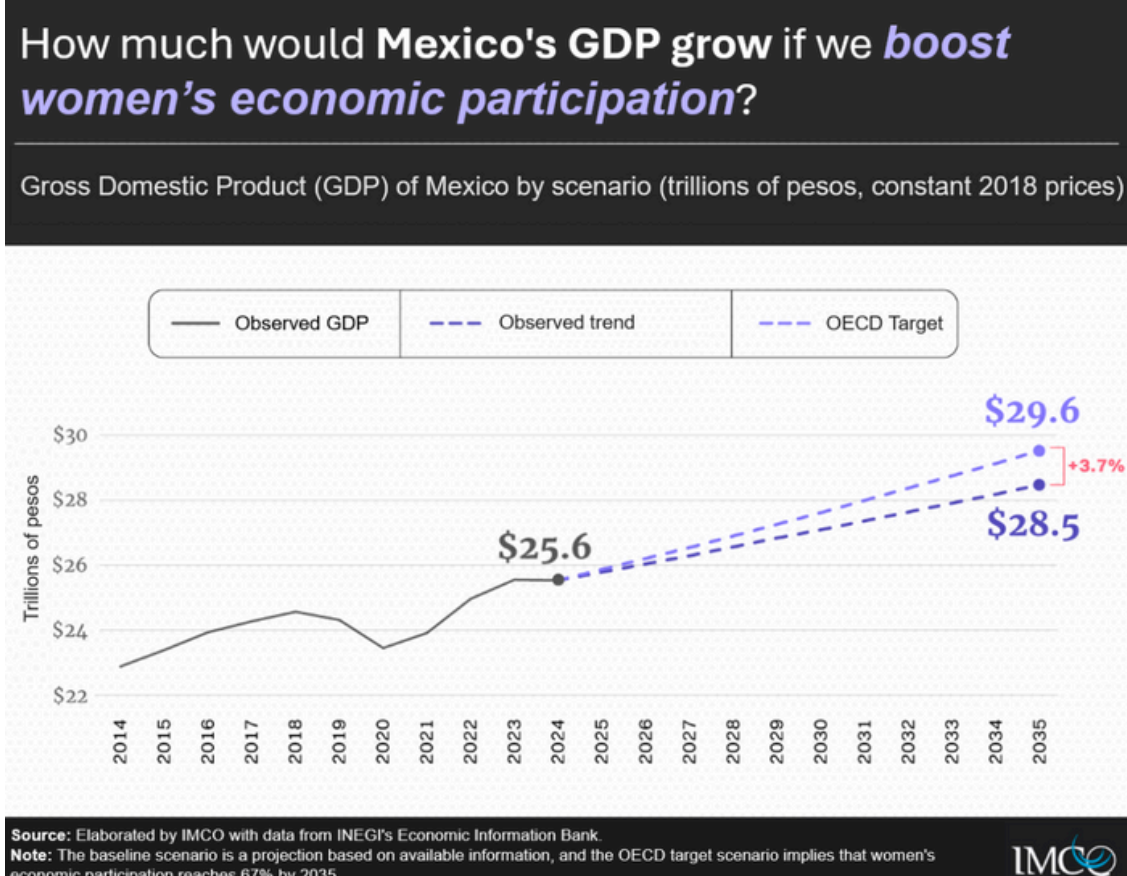
3. OECD. 2020. Gender Equality and Economic Growth. Past Progress and Future Potential. Available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/03/gender-equality-and-economic-growth_7d0c8365/fb0a0a93-en.pdf

How could Mexico benefit from incorporating more women into its economy?

To reach the level of participation currently seen in the OECD, Mexico would need to incorporate 18.6 million women into its economy by 2035. To answer this question, **IMCO developed a methodology that projects two scenarios to measure the economic impact of achieving this goal (see methodological annex for more details):**

- **Baseline scenario:** Projects what Mexico's economy would look like in 2035 if the current trend in women's economic participation continues its actual path.
- **OECD target scenario:** Estimates how Mexico's economy would perform if women's economic participation reached the OECD average (67%) within a shorter period of time (by 2035).

IMCO estimates that, if the target scenario is achieved, an additional 6.9 trillion pesos could be added to Mexico's GDP between 2025 and 2035. If the country opts to accelerate the inclusion of more women, GDP in 2035 could be 3.7% higher compared to the baseline scenario. Additionally, the economic value of women's work would increase by 35%, rising from 3 trillion pesos to 4.1 trillion pesos.

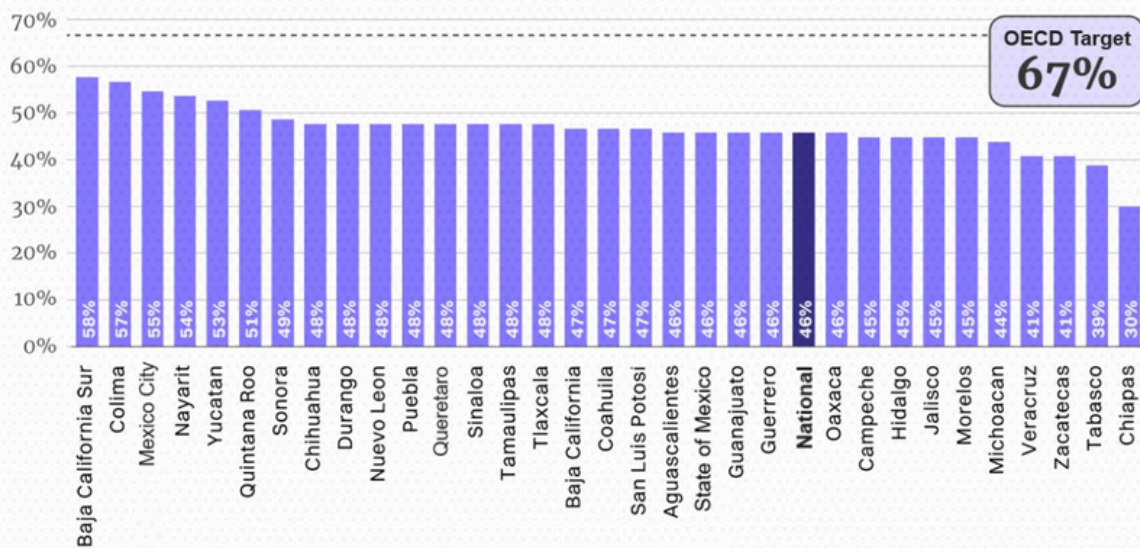


What would be the economic impact at the state level?

Reaching a 67% economic participation rate among women requires varying levels of effort across Mexico's states. While federal entities like Baja California Sur, Colima, and Mexico City already report participation rates close to 60%, Chiapas and Tabasco have less than 40%. To reach the OECD average (target scenario), **Chiapas and Tabasco would need to more than double their population of economically active women, whereas Mexico City and Colima would need to increase it by less than 40%.**

How far are the states from reaching the OECD average for *women's economic participation*?

Women's economic participation rate



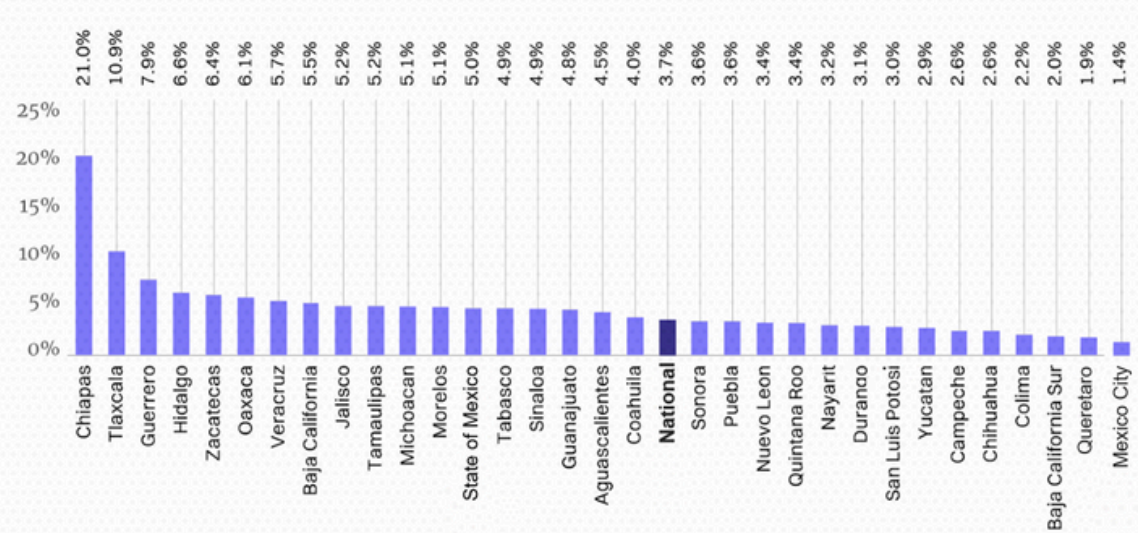
Source: Elaborated by IMCO with data from INEGI, National Occupation and Employment Survey (ENOE), third quarter 2024.



The states with the lowest levels of women's economic participation would see the greatest benefits from increasing it. In Mexico City and Queretaro—where female economic participation rates are among the highest—state GDP in 2035 would increase between 1% and 1.9% compared to current trends. In contrast, Chiapas' GDP could grow by up to 21%, while the GDP of Hidalgo, Zacatecas and Oaxaca would increase by around 6% under this scenario. This represents an **opportunity for states to boost their local economies, as moving closer to the target could lead to an average state GDP increase of 4.9% by 2035.**

How much would each state's GDP increase if *women's economic participation* reached the OECD level?

Percentage difference in GDP by 2035 between the baseline scenario and the target by state



Source: Elaborated by IMCO with data from the Economic Information Bank, state GDP at constant 2018 prices.



Without measures to accelerate women's economic inclusion, Mexico will keep missing out on opportunities for **further growth, innovation, and development**. Each year will make it more challenging to achieve this goal, as other countries continue moving toward greater gender equality in the labor market.

IMCO proposes



Mexico holds significant economic potential in its untapped women's talent. Both governments and businesses play a key role in incentivizing women's participation in the economy and strengthening the competitiveness of the country and its states. To achieve this, IMCO Proposes: strengthening and expanding care policies in both the public and private sectors. [Evidence](#) shows that caregiving responsibilities disproportionately fall on women, impacting their career trajectories, labor market access, and job retention.

1

Public sector actions. The federal and local governments' action and investment is key to building an affordable National Care System that ensures access to care services and rights for all working women, including those in informal employment. This includes **expanding access to healthcare, childcare, and education services.**

Additionally, it is necessary to **promote shared responsibility for childcare by approving mandatory and paid paternity leave.** This would allow fathers in the labor market to dedicate more time to care responsibilities and would establish equal benefits that don't depend on gender.

2

Private sector actions. Companies have the capacity to implement and institutionalize clear guidelines for developing workplace flexibility strategies and care policies. This includes initiatives such as extended and paid parental leave, childcare subsidies, and flexible work schedules.

Additionally, companies can establish **on-site childcare facilities at their workplaces.** Currently, the Mexican Social Security Institute's (IMSS, by its Spanish acronym) guidelines allow companies to co-manage exclusive childcare facilities for their employees. This model is set to be renewed under the new Centers for Early Childhood Education and Care framework, with the potential to expand accessibility to these services.

IMCO is a non-partisan, non-profit research center dedicated to enriching public decision-making with evidence to advance a fair and inclusive Mexico.

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