

Economic Recovery

What's Ahead for Men and Women Workers?

by Wendy A. Stock

Predicting what is ahead for Montana's men and women workers as we move from the economic downturn and into what is expected to be a slow and subdued recovery requires us to look back on how the recession affected those workers. The recession's impact on men and women differed nationally and even generated the coining of a new term, "mancession," to describe the more negative impacts of the recession on males. Higher rates of job loss for males had the related impact of pushing the percentage of female workers in the national economy upward, to the point where data indicate that women now constitute a near majority of the nation's workforce. Recession-induced changes in family structures and educational attainment are likely to have long-lasting impacts. The recession's impacts on men and women in Montana have matched some, but not all, of the national trends.

Unemployment

As shown in Figure 1, in 2006 the national unemployment rate was at 4.7 percent for both men and women. It diverged only slightly in March 2008 (to 5.2 for men and 5.0 for women) and then rose dramatically afterward, but much more

so for men than for women. By March 2009, the national unemployment rate for men was 9.5 percent compared to 7.5 percent for women. Thus, the nation saw the unemployment rate gap between males and females move from essentially zero at the start of the recession to more than 2 percentage points by 2009. Roughly 1.7 million more men than women entered the ranks of the unemployed between March 2008 and March 2009.

Although much has been made about this male/female unemployment rate gap during the past 18 months, larger increases in male unemployment than female unemployment are not uncommon during recessions. Indeed, during the most recent recessions of 1990-91 and 2001, the male/female unemployment gap was roughly 1 to 2 percentage points – similar to what we have seen during the present recession.

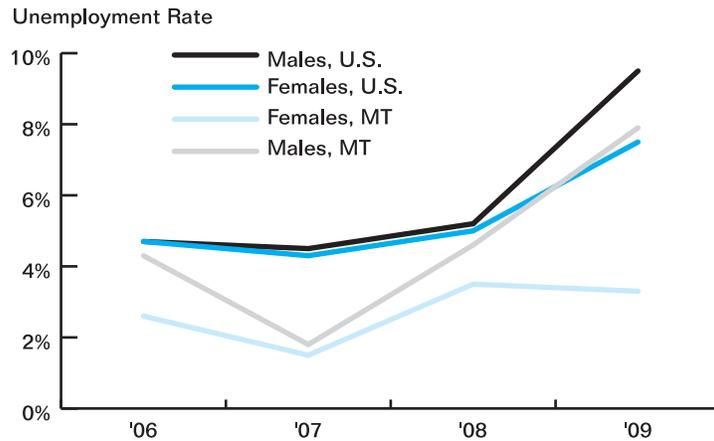
These gaps tend to close during economic recovery periods.

The male and female unemployment rates for Montanans show a different pattern than the national data. The unemployment rate for males rose from a low of about 2 percent in 2007 to 4 percent in 2008 and roughly 8 percent in March 2009. The female unemployment rate was similar to that of males in 2007, at roughly 2 percent. It rose to

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Figure 1
Male and Female Unemployment Rates



Source: U.S. Bureau of Labor Statistics seasonally adjusted figures for national unemployment rates and author's computations from March Current Population Survey, U.S. Bureau of Labor Statistics, for Montana figures.

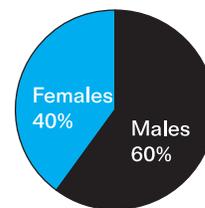
near 4 percent in 2008, but then leveled off. These trends generated an unemployment rate gap between males and females in Montana of about 4.5 percentage points – double the national unemployment gap. By this measure at least, the larger negative impacts of the recession on males relative to females were worse in Montana than in the United States more broadly. Although male/female unemployment gaps tend to narrow during expansions, the larger gaps in Montana have not narrowed as systematically as at the national level.

Figure 2 further illustrates the more negative relative impact of the recession on males in Montana than in the United States. Although males made up 60 percent of the nation's unemployed in 2009, in Montana they accounted for roughly 75 percent of the unemployed.

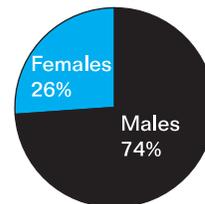
Explanations for the larger impact of the recession on Montana males than females come largely from differential changes in employment among industries and occupations where males versus females tend to work. Figure 3 on page 4 shows the industrial distribution of nonagricultural employment in Montana, as well as the share of males and females in these industries. Males account for over 80 percent of the workers in the mining and energy, construction, forestry and fisheries, and transportation and utilities industries in the state. Females are more prevalent in the services and finance, insurance, and real estate sectors. As shown in Figure 4 on page 4, the male-dominated

Figure 2
Shares of Unemployment
United States and Montana
March 2009

Share of National Unemployment,
 March 2009

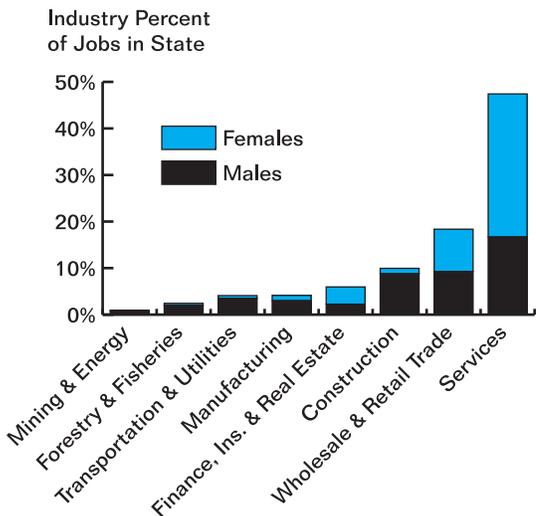


Share of Montana Unemployment,
 March 2009



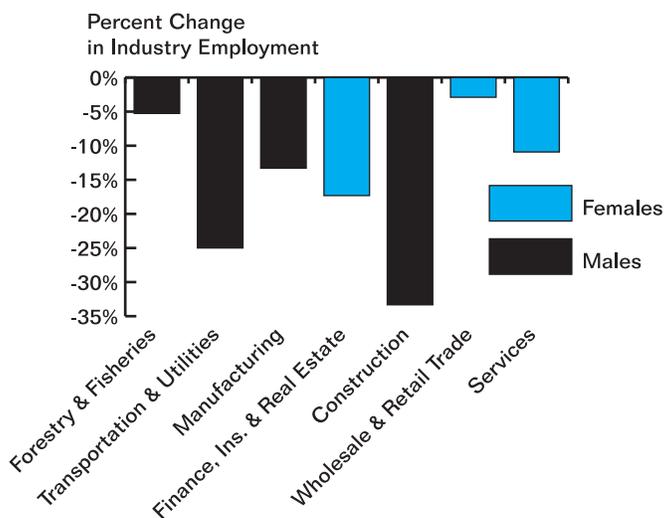
Source: U.S. Bureau of Labor Statistics seasonally adjusted figures for national unemployment rates and author's computations from March Current Population Survey, U.S. Bureau of Labor Statistics, for Montana figures.

Figure 3
Male-Female Employment In Montana
by Industry, 2005-2009



Source: Author's computations from March Current Population Survey data from the U.S. Bureau of Labor Statistics. Percentages exclude agriculture. Data are averaged over 2005-2009.

Figure 4
Montana Industry Employment Changes,
2008-2009



Source: Author's computations from March Current Population Survey data from the U.S. Bureau of Labor Statistics. Percentages exclude agriculture. Small sample size for mining and energy precludes reporting changes for this period.

industries – particularly construction and transportation and utilities – saw much larger drops in employment during the 2007-2009 period than did the predominately female services and finance, insurance, and real estate sectors.

A similar result holds if we examine employment by occupation rather than industry. The public service, technical services, and laborer occupations, which are more than 80 percent male, saw much larger employment declines than the clerical and support occupations, which are more than 80 percent female. In addition, the personal services and health-related occupations (which are just under 80 percent female) saw employment gains during 2008-2009.

Women Closer to Majority of Workforce Nationally

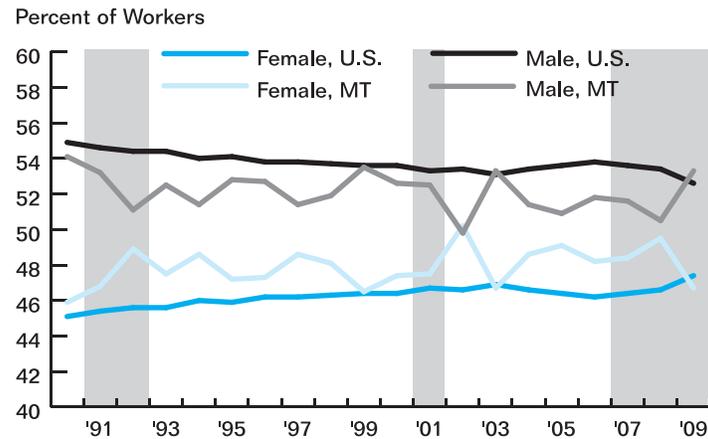
The higher rates of job loss among males than females generated another trend nationally that does not appear to be matched in Montana: Women moved closer to becoming the majority of the nation's workers. As shown in Figure 5, between March 2008 and March 2009, the male percentage of the workforce fell from its steady rate of 53 percent for several years to 52 percent. Correspondingly, the percentage of the nation's workers who are female rose from 47 percent to 48 percent.

Similar estimates for Montana show that the recession has come with a divergence rather than a convergence in the male/female percentages of the workforce. The percentage of workers in Montana who are women increased – similar to the national trend – throughout 2007-2008. Between 2008 and 2009, however, the percent of Montana's workers who are women fell to roughly 46.5 percent. The decline in women's representation in the state's workforce arises because women are exiting the labor force altogether at larger rates in Montana than nationally. Those exiting the labor force are disproportionately women from lower-income households and women with young children, groups particularly sensitive to the declines in wages or hours that accompany economic downturns.

Changes in Family Structure and Educational Attainment

Although entry into marriage tends to fall during recessions and the rate of divorce rises during economic contractions, these impacts are smaller than headlines in the popular press tend to imply.¹ Evidence does indicate that women tend to delay pregnancy during recessions. Data from the Guttmacher Institute indicate that 44 percent of sampled women report that they want to reduce or delay their childbearing because of the economy. This impact is larger

Figure 5
Male and Female Percentages of Workers



Source: Author's computations from March Current Population Survey from the U.S. Bureau of Labor Statistics. Shaded areas represent recession periods.

among families with lower household incomes and in worse economic situations (such as unemployment).²

One positive outcome of the recession is record college enrollment, both nationally and in Montana. Enrollment at institutions in the Montana University System rose by 2.3 percent between 2008 and 2009 (to 36,375 full-time equivalent students), particularly at Montana's community colleges and colleges of technology.³ This reflects national trends, where enrollment of 18- to 24-year-olds at two-year colleges rose by roughly 300,000 students between October 2007 and 2008. This does not appear to be the result of a large influx of older students entering college after layoff. Indeed, the percentage of U.S. college students who are either 25-35 or 35 and older has been stable at roughly 20 percent for each group since 1990.⁴

What's Ahead for Men and Women Workers?

Like the recession, the economic recovery will likely have different impacts on men and women in Montana. Bright spots include the public services, education, and health care sectors, which fared well during the downturn and are likely to grow during the recovery and in response to the American Recovery and Reinvestment Act. This translates

into better news for women, since they make up larger portions of the health care and education sectors. Growth in the construction, forestry, transportation, and manufacturing sectors is likely to be slower, since slack in the housing and related markets will slow down recovery in those areas. Because men are dominant in these sectors, a broad economic recovery will likely be slower for them. □

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References

¹See, for example, "Divorce During Recession," *Forbes*, 7/7/2008, "Will the Market Kill Your Marriage?" *Time*, 10/23/2008, James White, (1990) "Discrete Time Models of Entry into Marriage Based on Retrospective Marital Histories of Young Adults in the United States and the Federal Republic of Germany." SIPP Working Paper Series No. 9035/140 and Scott J. South (1985) "Economic Conditions and the Divorce Rate: A Time-Series Analysis of the Postwar United States," *Journal of Marriage and Family*, 47(1) (February): pp. 31-41.

²Guttmacher Institute, "A Real Time Look at the Impact of the Recession on Women's Family Planning and Pregnancy Decisions," <http://www.guttmacher.org/media/nr/2009/09/23/index.html>.

³Montana University System, "Annual Average Full-Time Equivalent Enrollment." [http://mus.edu/data/enrollment/Summary%20Enrollment%20Report%20\(FY99-FY09\).pdf](http://mus.edu/data/enrollment/Summary%20Enrollment%20Report%20(FY99-FY09).pdf).

⁴Richard Fry, Pew Research Center, "College Enrollment Hits All-Time High, Fueled by Community College Surge." October 29, 2009. <http://pewsocialtrends.org/pubs/747/>.