

Winter 2010

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Citation Details

King, Mary C., "Jobs and gender : Does sex play a role in the region's recession?" (2010 Metroscape, Institute for Portland Metropolitan Studies, Portland State University)

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Jobs and Gender

Does sex play a role in the region's recession?

by Mary C. King

This recession has been nearly universally destructive, but impacts are felt somewhat differently by women and men, due to an enduring gender division in the economy.

The financial crisis on Wall Street generated more fear that the U.S. economy would spiral down into depression, dragging the world economy with it, than any downturn in the last 70 years. Investment bankers took unprecedented risks, facilitated by lax regulatory oversight. Surprisingly, given the low representation of women in the world of high finance, three voices raising the alarm and critiquing current practices came from women: Brooksley Born at the Commodity Futures Trading Commission, Sheila Bair at the FDIC, and Elizabeth Warren of the TARP Congressional Oversight Panel.

Employment fell hard and fast after the financial crash, particularly in construction and manufacturing industries. Nationally, men's unemployment rates raced ahead of women's, hitting 10% in June 2009 as compared to 7.6% for women, leading USA TODAY health editor David Zincenko to term this a "he-cession." The blogosphere erupted with predictions that the result would be painful role reversals for men thrust into the role of homemaker and dependent, as their wives outearned them.

From the other end of the spectrum, controversy followed early discussion of the design of the fiscal stimulus program geared to reduce hardship and stave off depression. Initially focused on infrastructure and green technologies, it was a "macho stimulus package," according to economist Randy Albelda of the University of Massachusetts, Boston, promising construction work and little else. It looked like the construction trades—still heavily dominated by white men—would receive the lion's share of taxpayer-funded assistance in a nation where poverty rates are highest among single mothers, children and minority communities.

Unemployment rates in Oregon have been among the highest in the nation. In a real role reversal, unemployment in the seven counties of the Portland metropolitan area have hovered less than a percentage point below the state level, defying the usual rule that unemployment hits the rural counties far harder than the more diversified economies of the urban areas.

Are we experiencing a "he-cession" here in the metroscape? Is the economic downturn hitting men hardest, leaving women relatively unscathed? Has stimulus spending disproportionately benefited men? Does it even make sense to think about an economic downturn having a gendered impact, when women and men live together in family units?

While it hardly makes sense to pit women and men against each other—as if most of us weren't members of mixed-sex families, workplaces, credit unions and communities—the financial crash and ongoing recession do affect women and men differently. The biggest reason for different impacts of the recession on women and men in the metroscape, as elsewhere, is the fact that we still have a strong gender division of labor in both paid and unpaid work.

Gender, Risk and De-Regulation

Researchers have shown that all-male groups pursue riskier strategies than do mixed-sex and all-female groups, prompting the comment that Wall Street's competitive, self-interested, macho culture fed the excesses that have brought the global economy down.

And interestingly—despite the erroneous but nevertheless oft-repeated comment that "no one could have foreseen this financial crash"—three of the highest profile voices for greater caution and regulation have been women. Brooksley Born, when chair of the Commodity Futures Trading Commission, pushed to regulate derivatives in the late 1990s, but according to the New York Times, was thwarted in this effort by Alan

Greenspan and Robert Rubin, and “chastised” for her attempt by Larry Summers, a man as famous for bullying as for brains—as well as a Wall Street perspective. Sheila Bair, chair of the FDIC, has spoken out consistently for better oversight and more effective regulation, and Elizabeth Warren, the Harvard law professor chairing the Congressional Oversight Panel monitoring the use of TARP funds, expresses clearly the notion that giving the big banks and investment houses their heads is not the course that will best serve taxpayers and consumers.

Whatever men’s and women’s roles in our financial and political institutions, health editor David Zincenko asserted on *USA Today’s* online op-ed page this June that men are “an endangered species,” struggling with higher unemployment, less health insurance coverage, and worse health outcomes than women, facing a “he-cession” and in need of a “he-coveyry.” Leaving aside the difference between women’s and men’s health habits, women’s annual incomes from all sources still average only 63% of men’s, according to the most recent Economic Report of the President—what evidence might there be for a “he-cession?”

A “He-cession”?

Men’s unemployment rates in this recession have been markedly higher than women’s, officially hitting 10.3% of men aged 20 and over in the national labor force in September 2009, as compared with 7.8% of women. Monthly unemployment rates are not available for states and metropolitan areas, but Nick Beleiciks of the Oregon Employment Department pointed out that the recession begins to show up in Oregon’s annual unemployment rates for 2008, 7.4% for Oregon men and 5.4% of Oregon women, as compared to 2007 with 5.1% for men and 5.2% for women. Unemployment has continued to climb through 2009, hitting 12.2% of the Oregonian labor force in September 2009, and most likely significantly higher for men than women.

The reason that men’s unemployment rates have been higher than women’s in this recession is not, as some may assume, because the vast majority of the labor force are men. In fact, women have accounted for more than 40% of the U.S. labor force since 1976.

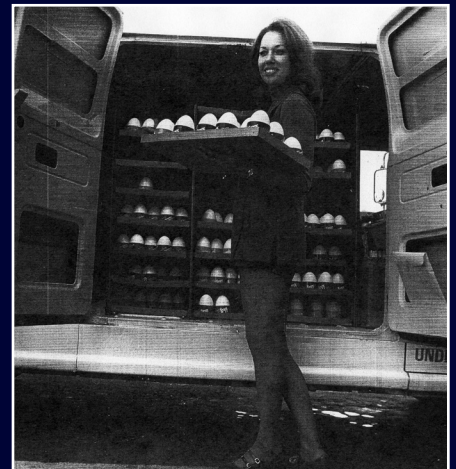
Although women are currently over 46%, or nearly half of the U.S. labor force, women and men still occupy very different jobs, and it is occupational segregation by sex that drives the unemployment differences between women and men. Men are concentrated in the jobs that fluctuate most with the business cycle.

We tend to notice people in “non-traditional jobs” – the female pilot or the male nurse behind the flu shot – but aren’t as cognizant of the degree to which it’s true that most of us still work in occupations dominated by one sex or the other. By the most recent measurements,



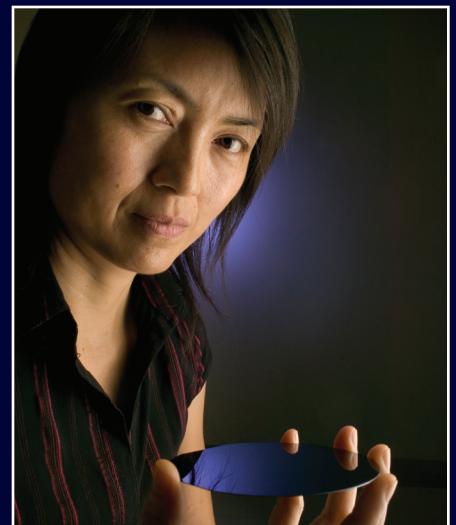
OrHi #80984

Dorothy Ourada works on an electrical cable on a nearly completed vessel at the Oregon Shipbuilding Corporation as part of the war effort in 1942.



OrHi #102613

Charley Purdy was one of seven women route salesmen in the Portland area as part of a L'Espresso advertising campaign in 1972.



Dr. Mingdi Yan, chemistry professor at Portland State University, inventor of a “molecular glue,” is symbolic of the rise of women in nontraditional jobs.

Our gender division of labor means that women are twice as likely as men to work part-time.

two-thirds of either women or men would have to change occupations, in order for the sexes to be identically distributed among jobs. Extreme but common examples are construction, still 95% male, and nursing, still 93% female, according to the U.S. Current Population Survey data for 2008.

Occupational segregation has also meant that women used to experience higher unemployment rates than men. For instance, women's unemployment rates were higher than men's for the 20 years between 1965 and 1985, except for the recession years of 1982 and 1983, according to the 2009 Economic Report of the President. The reason is that women's work opportunities were still quite limited, even though the work that they did obtain was relatively steady.

What's more, our gender division of labor means that women are twice as likely as men to work part-time, largely because women do much more of the unpaid work in homes and communities. Women comprise the vast majority of single parents and provide the bulk of unpaid elder care.

Because women are more likely to work part-time, or to take time out of the labor force to care for young children or elderly parents than men are, unemployed women obtain less from the unemployment insurance system than do men. Unemployment benefits are based on your earnings in the year ending between three and six months prior to the time you are unemployed. So, if a woman stayed home with a newborn for a year, returned to work for five months and was then laid off, she would not have any earnings in the relevant period to qualify her for benefits.

Remember, though, that the calculation of the unemployment rate is not derived from the number of people receiving unemployment benefits, as is commonly believed. The unemployment rate is figured based on a sample of U.S. households contacted by telephone each month by the Current Population Survey; respondents who report that they are not working as much as one paid hour a week, or 15 hours unpaid in a family business, and have actively sought work in the last four weeks are counted as unemployed. Women's unemployment has been more accurately captured in recent years, because surveyors in the past did not ask women who said that their principal activity was "keeping house" if they were also looking for work. In this way, a significant group of unemployed women used to be overlooked.

Unemployment

Men's unemployment rates in this recession, and in all recent U.S. recessions, are higher than

women's because men are concentrated in volatile industries. Construction and heavy manufacturing experience the biggest swings in employment over the business cycle, because they represent investments and big expenditures—houses, office buildings, automobiles—that people postpone when times are uncertain. In good times businesses see profits to be made and invest in new buildings, heavy equipment, and office machines, while consumers are able to purchase new houses and cars.

The highest unemployment rates by industry nationally are in construction, where 17% of the workforce was unemployed in September 2009, and in durable manufacturing, with an unemployment rate of 13.1%, as compared with an overall national unemployment rate of 9.8%. Unemployment rates by sex within an occupation may be higher for women, as was true for construction in 2008, which posted unemployment rates of 9.4% for men and 10.5% for women.

But since the labor force in both construction and heavy manufacturing is very male dominated, men have higher unemployment rates than do women overall. Wages tend to be high in construction and other volatile industries, which some economists have described as the result of an "implicit contract," in which workers knowingly take on the risk of unsteady work in exchange for high wages.

Other analysts of occupational segregation by sex stress the simple role of social norms, funneling men into jobs traditionally construed as masculine. They don't think that men are more likely than women to be attracted to relatively well-paying but irregular work, but that men and women both mostly conform to widely held ideas about work that is "appropriate" to each sex. Some economists describe holding a socially appropriate job as an investment in the marriage market; Nancy Folbre and Lee Badgett have shown that both women and men in "non-traditional" occupations are less successful at attracting interest in their personal ads, regardless of the other attributes they claim!

Unemployment has been high in Oregon, partly because our regional economy includes more jobs in manufacturing than many, and we are still affected by the ripple effect from declines in the timber industry when construction slides nationally. Unemployment in Oregon – 12.2% in August 2009 – was the fourth highest in the nation, behind only Michigan, Nevada, and Rhode Island and tied with California. According to Nick

Beleiciks, construction employment in Oregon was 83% male in 2008 and fell 24% between December 2007 and August 2009; similarly, mining and logging employment, 88% male, fell 22%. Meanwhile, employment in education and health services, 76% female, grew 5 percent%.

Unemployment has also been surprisingly high in the metroscape area as compared with the state, defying the conventional wisdom that urban areas fare much better in downturns than do rural counties. One reason for high unemployment in the metro area has been that the labor force has apparently grown during the recession, rather than shrinking as people become discouraged and drop out of the labor force. One plausible theory for this phenomenon in this recession is that it's a side effect of having attracted so many "young creatives" in recent years. Portland has benefited by its attractiveness to young, college educated workers, who have come in large numbers, even without jobs in hand, lured by relatively affordable housing, livability, and our growing reputation as a center for sustainability and the arts.

It seems likely that many young—and not so young—creative couples pursued a strategy of keeping at least one person out of the labor market, engaged in artistic, political, and self-employment activities. Marginal businesses may have folded during the recession, pushing people into the labor force. And if the major earner in a household lost hours or even a job, the "second person" would need to look for work.

The "young creatives" may amplify a phenomenon that's more widespread, that of women attempting to work more hours when men are laid off or cut back. As Christopher Caldwell put it in *Time* magazine, "When women lose jobs, the victims are women. When men lose jobs, the victims are, um, women, because they have to make up for that lost male income."

The other way in which women are affected differently than men in recession is in the impact of public sector cuts.

Public Service Cuts

The higher male unemployment rates, the "h recession" in the first phases of a recession, aren't the end of the story. Women are more likely to work in health, education, and other human service positions, many of which are in the public sector. Women in traditional jobs—teachers, librarians, clerical workers—are found in large number in the public sector. Also, the public sector is thought to discriminate less against women in the kinds of occupations found in both sectors,

such as attorneys and drivers. African American women professionals are found almost entirely in the public sector.

Because states have to balance their budgets each year, they cut spending when tax revenues fall off and women tend to lose their jobs in the second phase of a recession. The vast majority of the teachers, school counselors, and clerical workers losing work in state budget cuts are women. According to State Senator Diane Rosenbaum, the Oregon Legislature may have to make deep cuts in home health care, a labor force comprised almost entirely of women. Traditional men's work in the public sector—in the uniformed services such as police and fire departments—tends to be protected, if possible.

The other gendered impact of cuts in public services is that women are more likely to take up the slack, without pay. Women still do the bulk of caring for children, for the elderly, and for the sick. If full-day kindergarten programs are cut, women care for children. If hospital stays are shorter and home health care is less available, female relatives provide more sick care. If mental health services are scarce, or after-school recreation programs are cut, women tend to be the ones who cut their hours or re-arrange their schedules in order to take care of people.

Because women are more likely to be poor than men are, whether as young parents, in middle age and when elderly, they feel the loss of public services more than men do. For instance, women are the majority of public transit riders, partly because they earn less.

For these reasons, women are harder hit than men by cuts in public budgets. Gender equality is greater in countries with strong welfare states, such as the Scandinavian nations. In the developing world, women have been particularly hard hit by the structural adjustment policies advocated by the IMF and World Bank for indebted nations. These policies include deep cuts in public budgets, disproportionately affecting women, as public employees, as unpaid providers of health, child and elder care, and as the majority of the poor who obtain public services.

The Structure of the Stimulus

Poverty among single mothers and their children—the highest rates in the country—is also what motivated critics of early plans for stimulus spending that concentrated entirely on re-building public infrastructure. Certainly U.S. physical infrastructure is in need of upgrading, and idle people and industrial capacity offer the potential

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**... investments
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to make significant strides toward “green” energy, technology, and transportation.

The model for stimulus spending in many people’s minds was the Works Progress Administration, which put millions of people to work in the 1930s. The vast majority of those employed by the WPA were men, at a time when women in the labor force were perceived as taking work from men, rather than as people with substantial responsibilities in their own right.

Even in the 1930s, women were supporting children and other family members, and represented 15% of “household heads” employed by the WPA. While divorce and childbearing out of wedlock were less common than they are now, many families were left without male breadwinners by death, desertion, disability, incarceration, alcoholism, and unemployment—as they continue to be today.

Critics of a purely infrastructure-based stimulus called for a “green and pink” stimulus plan to bolster our social, as well as our physical, infrastructure. They pointed out that investments in human potential are at least as important in raising our economic productivity as is physical infrastructure. Economists studying “human capital investment” credit education with a tremendous portion of the growth of the U.S. economy in the 20th century.

Not only is public money spent on education, health, and human services a good investment in our economic future, but the “bang for the buck” in stimulus spending in these areas is the largest possible, second only to direct aid in the form of additional Food Stamps and extended unemployment benefits. The impact of public stimulus spending depends on the ripple effect, or the “multiplier,” which is different for different kinds of government spending. The greatest effects are felt when the public money spent is all spent again, rather than saved, creating more demand in the community for other goods and services. That happens when stimulus spending is concentrated on low-income people, and on labor-intensive industries, such as education and healthcare.

For these reasons, economists including John McCain’s economic advisor, Mark Zandi, have advocated that stimulus spending be focused on maintaining state and local spending on education, health, and human services, and on physical infrastructure. These represent our strongest investments in future productivity and give the biggest possible boost to employment.

A Blueprint for Recovery?

So, are we experiencing a he-cession here in the metrocape? Although definitive data are not available, it is most likely the case that the first impact of the recession is a loss of jobs disproportionately held by men, in construction and heavy manufacturing. The second wave will be concentrated more on the public sector and women, in terms of employment, a greater need for unpaid provision of services once provided publicly and a loss of public services oriented toward the low-income households and the poor. Our best strategy for minimizing the duration and damage of this recession is to maintain public spending for education, health, and human services as well as infrastructure and green technology as best we can. Investment in these areas provides work for both women and men, and keeps us on a path for future prosperity. **M**

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