WOMEN IN THE RECESSION

WORKING MOTHERS FACE HIGH RATES OF UNEMPLOYMENT

A REPORT BY THE JOINT ECONOMIC COMMITTEE
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Executive Summary

Working women have received pink slips in growing numbers over the course of the current recession, which began in December 2007. For the first 3 months of the recession, when job losses were relatively light, women actually gained rather than lost jobs. This uptick in women's employment is similar to what has happened in previous recessions. However, in August 2008, this recession began to look quite different from past downturns. Women's job losses picked up pace to become a significant fraction of the total monthly job losses.

As women's job losses have accelerated, so have the job losses for working mothers. A Joint Economic Committee analysis of published and unpublished data collected by the Bureau of Labor Statistics (BLS) finds that increases in unemployment during this recession have been especially steep for female heads of household – mothers who are solely responsible for maintaining their families' economic security. Key findings of the analysis include the following:

- In 2008, seven out of ten mothers with children under 18 years old were in the labor force. Over half of all mothers usually worked full time last year.
- As of April 2009, nearly one million working-age female heads of household wanted a job but could not find one.
- One out of every ten women maintaining a family is unemployed, which exceeds the highest rate (9.0 percent) experienced during the 2001 recession and the "jobless recovery" that followed.
- The ranks of female heads of household who are unemployed or "marginally attached" to the labor force has grown across all demographic groups, with women of color faring the worst. Black and Hispanic women in this group are currently experiencing unemployment at rates of 13.3 percent and 11.0 percent, respectively.

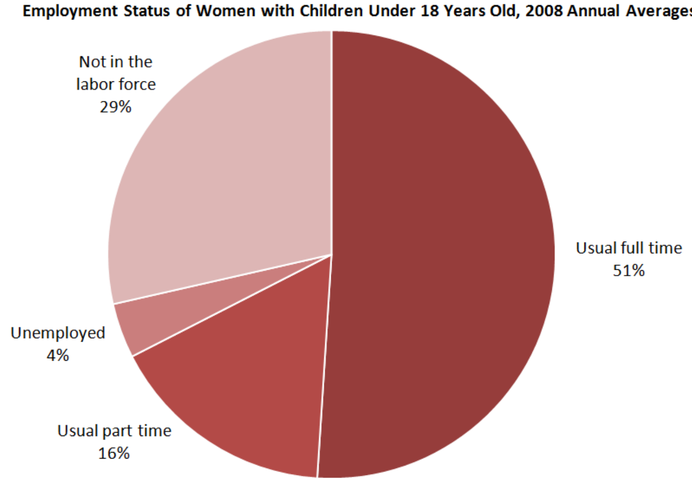
The American Recovery and Reinvestment Act (ARRA) will temper the effects of the current recession for these families right now and over time. Extended unemployment benefits, nutrition assistance programs, preserving Medicaid benefits and tax cuts will bring immediate relief for these families. In addition, ARRA invests in job creation in education, healthcare, and child care that tend to disproportionately employ women. This will help to ensure that female-headed households will not be left behind in the recovery.

Vast Majority of Mothers in the Labor Force, Most Work Full-Time

Women's increased vulnerability to the business cycle has significant implications for family economic well-being.[1] Most children grow up in families with working parents, regardless of whether they live in dual- or single-parent families. Today, many families no longer have an additional worker to enter the labor force when times are tough, making rising unemployment among women a worrisome trend.

On average, in 2008, seven out of ten (71.4 percent) mothers with children under 18 years old were in the labor force.[2] The remaining 29 percent were not in the labor force and were usually not counted in official unemployment statistics. Over half of all mothers worked full time during 2008. An additional 16 percent worked part time, while 4 percent of all mothers were unemployed. (See Figure 1) Of those employed mothers, about one-third were the sole breadwinners for the families – either because they were the head of the household or, for married women, because their spouses were unemployed or out of the labor force. (See Figure 2) Among those in the labor force, the unemployment rate for mothers with children under 18 years old averaged 5.6 percent in 2008, a full percentage point higher than in 2007.

Figure 1. Over Half of All Mothers Worked Full Time Last Year
Employment Status of Women with Children Under 18 Years Old, 2008 Annual Averages



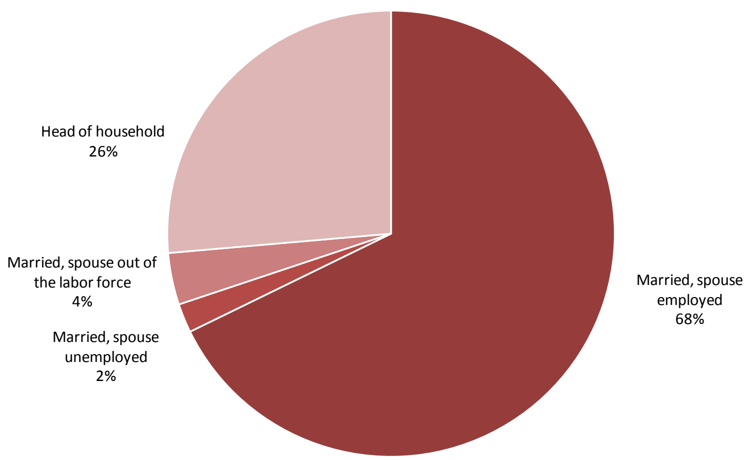
Source: JEC calculations based on data from Bureau of Labor Statistics, Current Population Survey.

As Recession Continues, Working Mothers Face Rising Unemployment

Working women have received pink slips in growing numbers over the course of the current recession. For the first 3 months of the recession, when job losses were relatively light, unlike men, women actually gained jobs.[3] This uptick in women's employment is similar to what has happened in previous recessions. However, in August 2008, this recession began to look quite different from past downturns as women's job losses picked up pace to become a significant fraction of the total monthly job losses. On average, one-third of jobs lost were held by women during the past eight months.

Increases in unemployment during this recession have been especially steep for female heads of household, who are solely responsible for maintaining their families' economic security.[4] Among female heads of household, the unemployment rate rose 3.1 percentage points between December 2007 and April 2009, compared to an increase of 2.7 percentage points for all women 16 years and older (not seasonally adjusted).

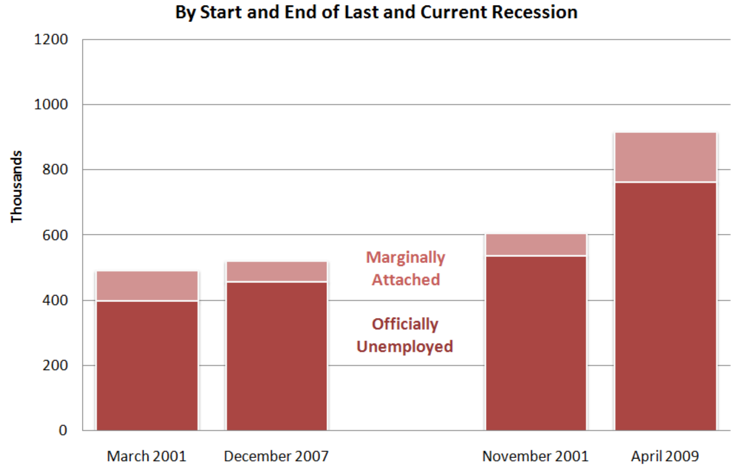
Figure 2. Nearly One-Third of Working Moms Are Their Families' Sole Earner
Employed Women in the Labor Force with Children Under 18 Years Old, 2008 Annual Averages



Source: JEC calculations based on data from the Bureau of Labor Statistics, Current Population Survey.

During the current recession, the number of working-age (ages 25-54) female heads of household who are either unemployed or "marginally attached" to the labor force has increased dramatically. Marginally attached workers are those that are not counted as part of the labor force, even though they want a job, are available for work, and have searched for a job in the past 12 months. Unlike those counted as unemployed, marginally attached workers have not searched for work in the preceding 4 weeks. (See Figure 3) The increase in the number of marginally attached female heads of household has occurred across all demographic groups. Given that a female head of household is the sole breadwinner for her family, the growing rate of marginal labor force attachment among this group is particularly troublesome.

Figure 3. Nearly 1 Million Women Maintaining Families Want a Job
Female Heads of Household, 25-54 Years Old, Unemployed or Marginally Attached, By Start and End of Last and Current Recession



Source: JEC calculations based on data from unpublished tables from the Bureau of Labor Statistics, Current Population Survey.

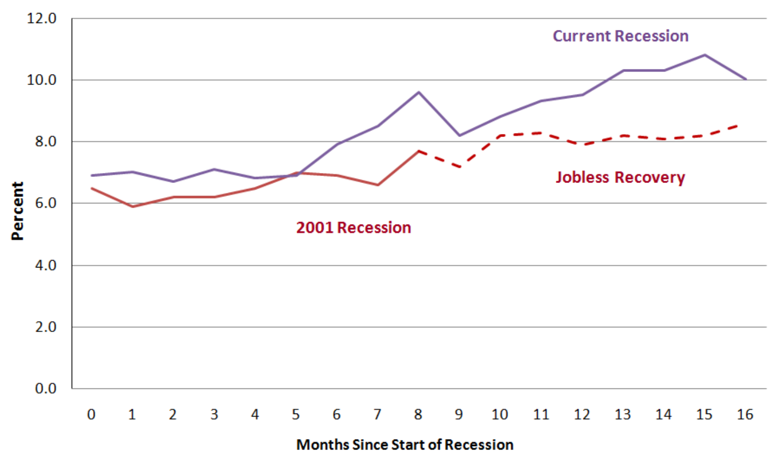
Nearly one million working age female heads of household wanted a job but could not find one as of April 2009, 16 months into the recession.[5] These included 761,000 unemployed working-age heads of household, 304,000 more than at the start of the recession, and an additional 154,000 “marginally attached”, 92,000 more than at the start of the recession.[6]

The unemployment rate today for all female heads of households is 10.0 percent, which exceeds the highest rate (9.0 percent) experienced during the 2001 recession and the “jobless recovery” that followed. Because employment for female heads of household never regained strength during the jobless recovery of the 2000s, this group entered the current recession with a relatively high unemployment rate as compared to the rest of the population.[7] (See Figure 4) In December 2007, the overall civilian unemployment rate was 4.9 percent[8] while the rate for female heads of household was 6.9 percent.[9]

Comparing the current recession to the 2001 recession shows how much more severe this recession is for female heads of household. While the unemployment rates were similar at the start of the recession, the duration of the current recession is taking a heavy toll. Over the past 12 months, the unemployment rate among all female heads of household has steadily climbed by 3.2 percentage points, to its current level of 10.0 percent. One out of every ten women maintaining a family is unemployed.[10] (See Figure 4)

Figure 4. Unemployment Rate Among All Female Heads of Household

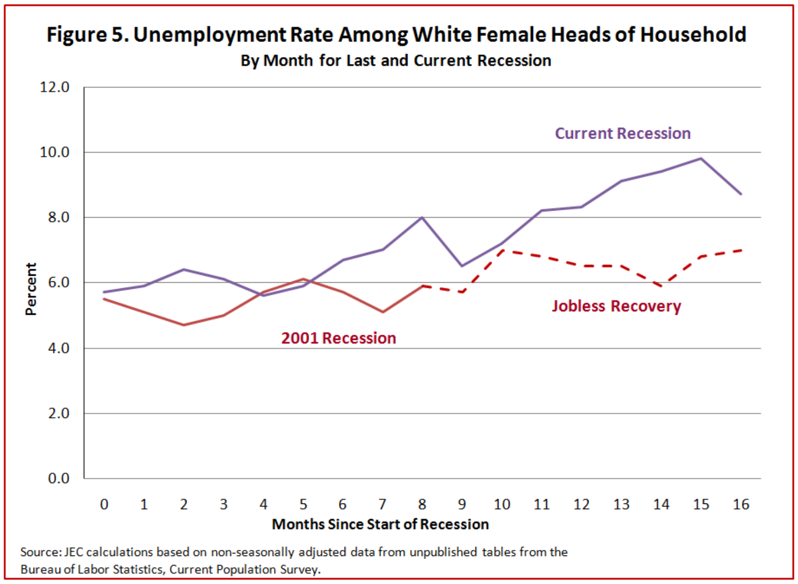
By Month for Last and Current Recession



Source: JEC calculations based on non-seasonally adjusted data from unpublished tables from the Bureau of Labor Statistics, Current Population Survey.

Women of Color Are Faring the Worst in this Recession

White women, including white female heads of household, have fared somewhat better than women of color. In both recessions these households experienced a fairly steady, although high, rate of unemployment. (See Figure 5) But the current recession now has this group facing an unemployment rate of 8.7 percent, 3.1 percentages points higher than one year ago and considerably higher than at any point during the 2001 recession.[11]

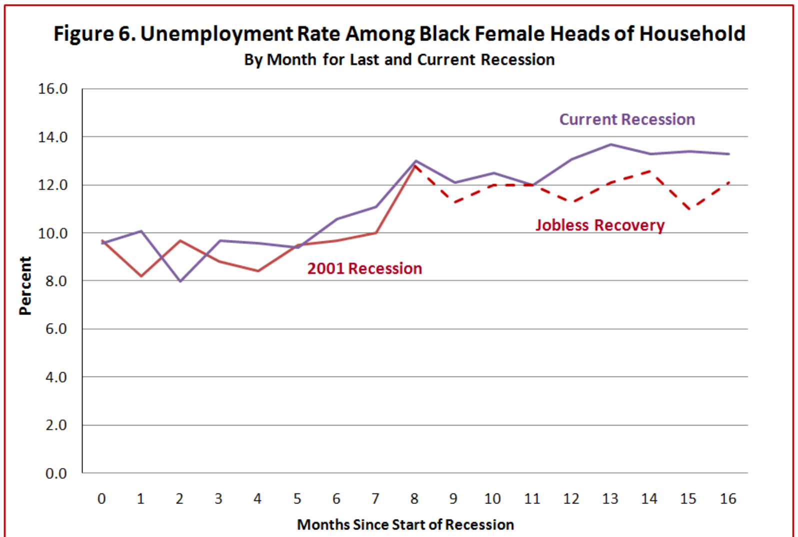


Black female heads of household started both recessions with an unemployment rate just under 10 percent, well above the average for all female heads of household.[12] (See Figure 6) At first, their experience in the labor market during this recession was comparable to their experience in the 2001 recession. However, as the current recession intensified, the gap widened between the unemployment rates in the current recession and in the jobless recovery following the 2001 recession. The unemployment rate for black female heads of household is currently 3.7 percentage points higher than it was one year ago, suggesting that the employment situation for these women is quite difficult.

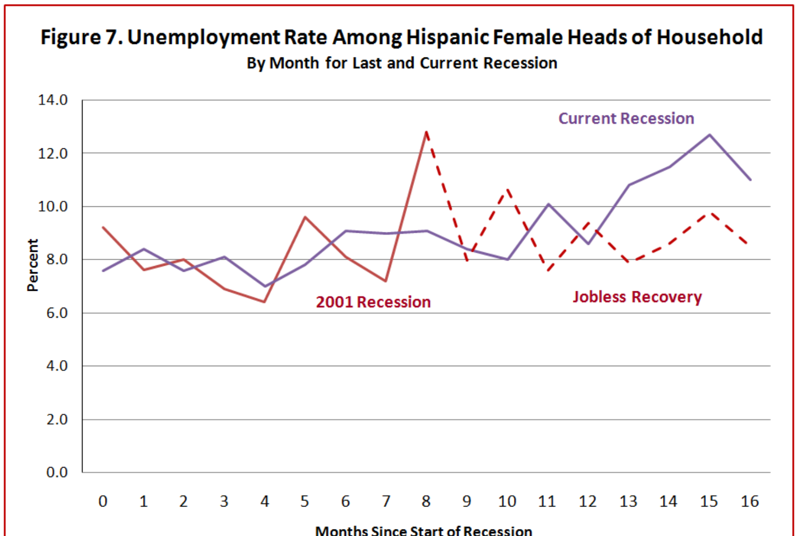
Hispanic female heads of household started this recession with a lower unemployment rate than in 2001. (See Figure 7) Over the past 12 months, the unemployment rate for Hispanic female heads of household has increased 4.0 percentage points.[13]

Summary

The American Recovery and Reinvestment Act (ARRA) will temper the effects of the current recession for these families right now and over time. Extended unemployment benefits, nutrition assistance programs, preserving Medicaid benefits and tax cuts will bring immediate relief for these families. In addition, ARRA invests in job creation in education, healthcare, and child care that tend to disproportionately employ women. This will help to ensure that female-headed households will not be left behind in the recovery.



Source: JEC calculations based on non-seasonally adjusted data from unpublished tables from the Bureau of Labor Statistics, Current Population Survey.



Source: JEC calculations based on non-seasonally adjusted data from unpublished tables from the Bureau of Labor Statistics, Current Population Survey.

[1]Joint Economic Committee, "Equality in Job Loss: Women Are Increasingly Vulnerable to Layoffs During Recessions" July 22, 2008.

[2]Bureau of Labor Statistics (BLS), Current Population Survey (CPS), Table 4. Number of families by presence and age of own children under 18 years old, type of family, employment status of parents, race and Hispanic or Latino ethnicity, 2008 annual averages. The Current Population Survey is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The sample is scientifically selected to represent the civilian noninstitutional population. See www.census.gov/cps/ for more information on this survey.

[3]BLS, Current Employment Statistics. The last seven months available data are for August 2008 through February 2009.

[4]BLS, Current Population Survey, unpublished tables. These data are not seasonally adjusted. According to the CPS, a "family" is a group of two persons or more (one of whom is the head of the household) residing together and related by birth, marriage, or adoption. Thus, female heads of households may include households where the dependents are the aging parents rather than children of the head of household. We note that the CPS discontinued the use of the word "head of household" in March 1980 and replaced it with "householder."

[5]This is the sum of the unemployed and the marginally attached. *Ibid.*

[6]*Ibid.*

[7]*Ibid.*

[8]BLS, Current Population Survey, Table A-1. Employment status of the civilian population by sex and age, various months. These data are seasonally adjusted.

[9]BLS, Current Population Survey, unpublished tables.

[10] *Ibid.* We note that the April 2009 data show a reduction in the unemployment rate. However, this is a highly volatile series and it is not possible to extrapolate a change in trend from a single observation. This hold for figures 4-7.

[11]*Ibid.*

[12]*Ibid.*

[13]Although none of the data used for Figures 4 -7 are seasonally adjusted, a seasonal trend is only visible for Hispanic female heads of households, shown in Figure 7. The peak in the unemployment rate during the last recession and the spike in unemployment during month 12 of the current recession are for December. This strong seasonality may indicate that Hispanic women who maintain families are more likely to be employed in occupations that have strong seasonal trends. *Ibid.*