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Why Women Weather Recessions Better than Men

Posted by Sarah Kliff | April 13, 2012

The Romney campaign has been repeating the stat all week: <u>Women account for 92.3 percent of jobs lost under Obama</u>. That number is, everyone agrees, misleading. But that's politics.

(Bart Ah You - Associated Press)Behind that number, however, is an interesting story of how women have proven significantly more resilient in the midst of a sweeping, economic downturn. They are half as likely to drop out of the workforce; their wages have remained remarkably stable.

This is clearest when you take a look at median wages. Between 2006 and 2010, men's average earnings fell by \$2,433. Women's earnings fell by about one-tenth as much, \$253, according to analysis by Measure of America. As the Institute for Women's Policy Research's Jeff Hayes describes it, "in a lot of ways, we're looking at his and hers recessions."

Part of it has to do with growing disparities in educational attainment. Unemployment rates spiked the most for those without higher education. Women, who make up the majority of college-degree holders, found themselves more insulated from the economic downturn. In fact, those with a bachelor's degree saw no change to their wages in the Social Science Research Council analysis.

"Women have earned the majority of college degrees for a little while," says Kristen Lewis, co-director of Measure of America. "Even though that's not necessarily reflected in closing the wage gap, it's becoming increasingly important as women have had this protective effect."

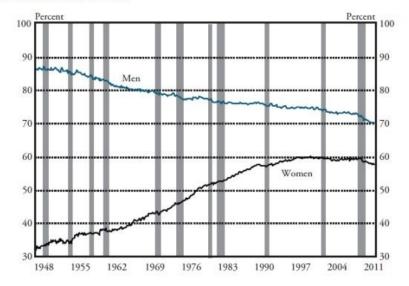
The wage gap matters, too. As Lewis puts it, with salaries lower than those of men, "women had less space to fall."

The types of jobs women hold are also important. They make up the majority of workers in service occupations, which is one of the few sectors to have grown in recent years. Service jobs are harder to replace with foreign labor, or to automate with technology, making them particularly recession-proof.

"There are a lot of questions, right now, of whether we've permanently lost jobs as companies invest in technology that could replace people," says IWPR's Hayes. "That would tend to hurt men more than women, since service jobs are a lot harder to replace."

Women were also less likely to fall out of the workforce during the economic downturn. Men's participation in the workforce fell by an annual average of 2.7 percent between 2007 and 2011, according to an <u>analysis</u> from the Kansas City Federal Reserve Bank. Among women, that same figure stood at 1.2 percent.

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The different numbers mostly reflect different drivers behind a shrinking workforce. For men, labor force participation rates have been dropping steadily for 60 years, largely due to "increased access to Social Security benefits and the declining real wages of low-skilled workers," writes Willem Van Zandweghe, an economist with the Federal Reserve Bank of Kansas City.

For women though, the downturn was a reversal: Up until the recession they had been joining the workforce in greater numbers. Van Zandweghe attributes "essentially all of this decline to the cyclical downturn in the labor market." While the recession compounded a trend in the male labor market, it essentially created a new, countertrend among working women.

Moving forward, female-dominated fields tend to have greater projections for growth than those with a majority of men. Women hold the lion's share of jobs in education and health care, two service-oriented industries — and two of the fastest growing sectors:

Annual average rate of change 2008-2018 ¹	Women as a percent of total employed by industry in 2010 ²
3.0%	43.2%
2.4%	68.6%
2.3%	79.0%
1.7%	8.9%
1.2%	2.6%
	2008-2018 ¹ 3.0% 2.4% 2.3% 1.7%

That suggests that women may prove equally resilient in the recovery as they have in the recession.