

Research-in-Brief

B209b

ARE MOMMIES DROPPING OUT OF THE LABOR FORCE? NO!

Despite a spate of recent news articles reporting a slowdown and even reversal of the long-term growth in women's labor force participation -- articles that assume the reversal is led by mothers anxious to stay at home with their children -- the data show that most mothers are continuing to increase their participation in the labor force, even during the current recession. More women are working than ever before. Married mothers and mothers of very young children have increased their labor force participation the most.

TRENDS IN WOMEN'S AND MEN'S LABOR FORCE PARTICIPATION

◆ When considered decade by decade, women's participation in the labor force (the proportion of women working or looking for work relative to women in the population as a whole) shows remarkably large increases since 1950. Only in the last decade has the rate of increase slowed.

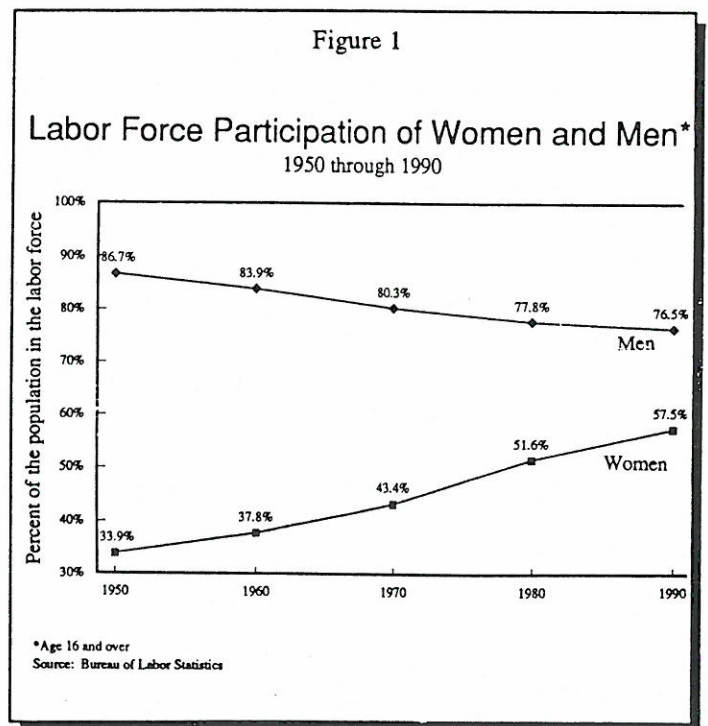
◆ In contrast, labor force participation rates for men have fallen steadily. As a result, the gap between the rates for women and men narrowed from a difference of 53 percentage points in 1950 to 19 percentage points in 1990.

These trends, illustrated by data from the U.S. Bureau of Labor Statistics, are shown in Figure 1.

Since 1990, women's labor force participation has declined slightly while men's labor force participation declined more.

Both declines most likely resulted from the recession:

◆ In 1991, 57.4 percent of women over age 16 (56.9 million women) were in the labor force compared to 57.5 percent (56.5 million women) in 1990. Between 1990 and 1991, the number of women working or looking for work increased by 400,000, even though the *proportion* of the female population working or looking for work decreased by one tenth of one percentage point.



◆ The decrease in the men's labor force participation rate was larger (six tenths of one percentage point), and the *number* of men in the labor force declined by approximately 1.4 million between 1990 and 1991. Since the average *annual* decline in the labor force participation rate for men during the 1980s was just slightly more than one tenth of a percentage point (0.13 percent), the relatively large drop between 1990

The Institute for Women's Policy Research is an independent nonprofit research institute dedicated to conducting and disseminating research that informs public policy debates affecting women. This fact sheet is based on a briefing paper, "Are Mommies Dropping Out of the Labor Force?" written for IWPR by demographer Janice Hamilton Outtz. The full report is available for \$8.00. Data used in this study were provided by the U.S. Bureau of Labor Statistics and the U.S. Census Bureau and are based on the Current Population Survey, a monthly survey of approximately 60,000 households. This project was supported by IWPR's Fund for Action Research.

and 1991 suggests a new development--the effect of the recession. It is likely, therefore, that the much smaller decline for women was also due to the recession. (Because jobs are harder to find during recessionary periods, many unemployed workers stop looking for work and people who would have entered the labor market do not; neither group is considered part of the labor force, so that labor force participation rates are likely to fall during a recession.)

◆ Women continued to increase their share of the total labor force: from 45 percent in 1990 to 46 percent in 1991.

HIGH LABOR FORCE PARTICIPATION OF MOTHERS AND WOMEN OF CHILDBEARING AGE

The recent news reports about "drop out moms" focused on women of childbearing age (ages 20 to 24, 25 to 34, and 35 to 44), most of whom have some work experience. Through 1970, many women in these age groups tended to drop out of the labor force when having and raising children. Since 1970

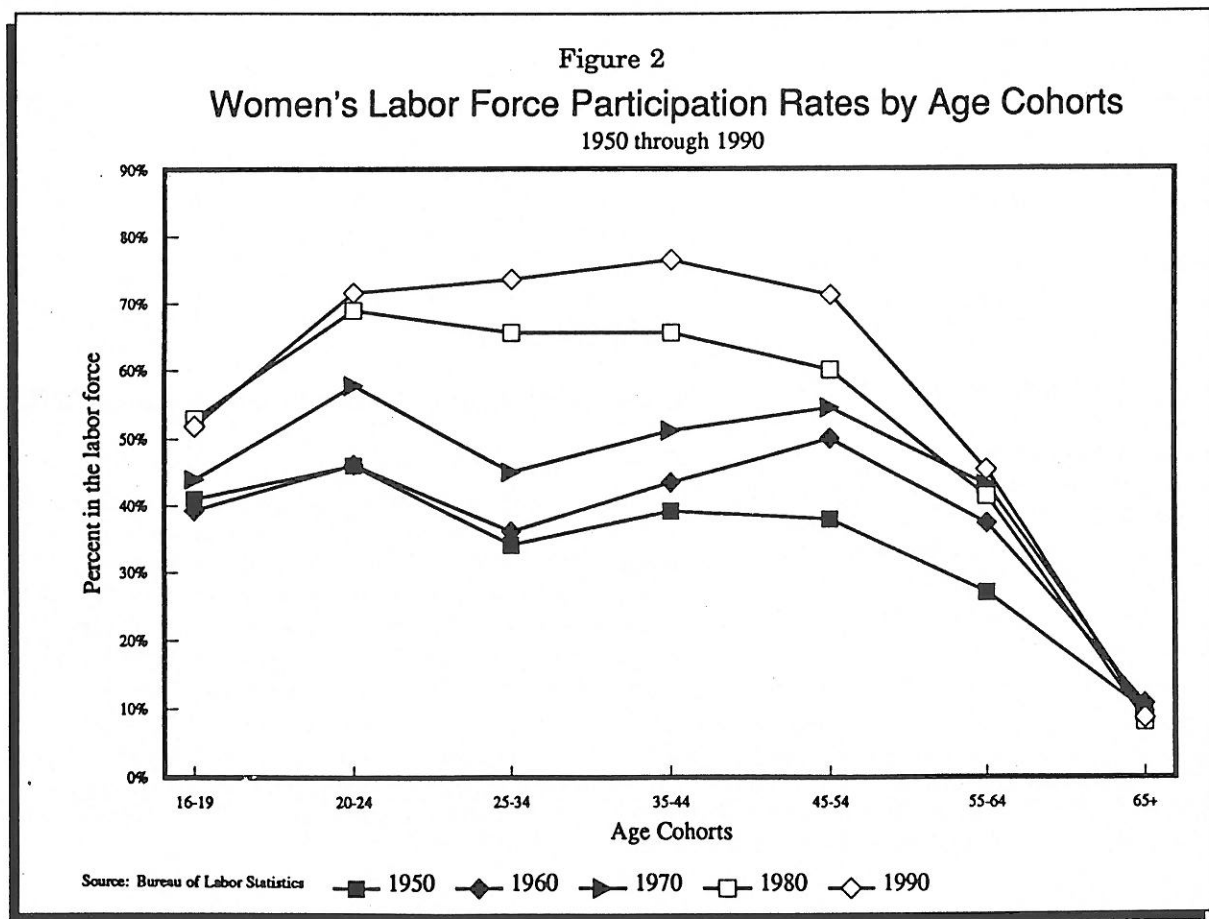
however, women's labor force participation rates have *not* declined for these age groups; again the largest increases in participation rates occurred in the 1970s (see Figure 2).

◆ Despite a steady increase over four decades, between 1988 and 1990 the labor force participation rate for 20 to 24 year old women did decline, and it fell again in 1991 (72.7, 71.6, and 70.4 percent respectively).

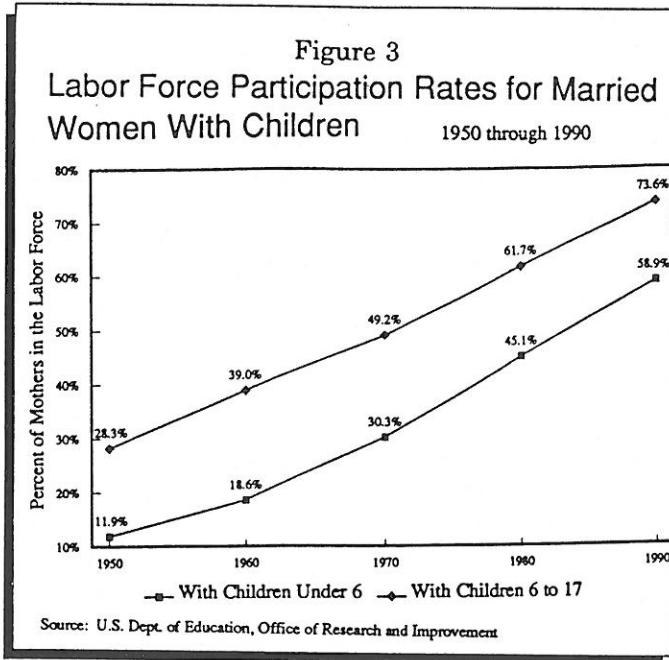
◆ The labor force participation rates of women in the older childbearing-age groups (25 to 34 and 35 to 44) continued to increase for the entire 1980 to 1990 period, but the rate for 25 to 34 year olds also dropped slightly in 1991 (from 73.6 to 73.3 percent).

◆ The labor force participation rates for all three age groups of *men* fell between 1990 and 1991, once again suggesting the effect of the recession.

Were the women who dropped out of the labor force (or did not enter) mothers? **NO!** The labor force participation rates continued to rise for mothers, and the rates for married mothers rose even during the recession.



◆ In every decade since 1950, the labor force participation rates of mothers have increased more than they have for all women; mothers have been the group whose labor force participation has increased the most. (See Figure 3 and compare with Figure 1).



◆ Among married women, the labor force participation rates for those *with children* increased faster than the rates for those *with no children*. The largest two-year increase occurred between 1986 and 1988 when the rate for married women with children increased from 61.3 percent to 65.5 percent. By 1990, the labor force participation rate for married women *with children* was 66.6 percent compared to the rate for married women *without children* of 52.5 percent. (The lower rate for married women without children reflects their age distribution; they are more likely to be both younger and older than women with children, and thus outside their prime working and earning years.)

Increases for married women with young children were even larger than those for women with older children:

◆ Between 1970 and 1990, the labor force participation rate for married women with children under age six rose from 30.3 percent to 58.9 percent, an increase of nearly 29 percentage points.

◆ The participation rate for married women with school-age children only (age 6 to 17) rose from 49.2

percent in 1970 to 73.6 percent in 1990, an increase of 24 percentage points.

◆ Both groups of mothers had slightly higher labor force participation rates in 1991 (59.7 percent and 73.7 percent respectively) than in 1990, even though the recession had begun.

Single mothers also increased their labor force participation over the 1950 to 1990 period. And they increased their share of families with children, from 7.4 percent in 1950 to 24 percent in 1990. For most of this period, single mothers had higher labor force participation rates than married mothers. During the decade of the 1980s, however, the labor force participation rate for single mothers stopped growing and married mothers caught up.

◆ Between 1990 and 1991, the labor force participation rate for single mothers fell from 67.0 to 65.6 percent, whereas the rate for married mothers rose slightly. The recession appears to have affected single mothers more than married mothers, discouraging them from seeking work. This discouragement most likely reflects a lack of adequate child care as well as factors such as low levels of educational attainment, especially for never married mothers. This puts single mothers at risk and complicates their ability to work or even look for work.

LIMITED IMPACT OF HIGHER BIRTH RATES

Much of the media presentation of the recent decline in women's labor force participation focuses on formerly working mothers now staying home with their children and notes the recent rise in the birth rate. The headlines ask: "*Do More Babies Mean Fewer Working Women?*" The answer is again -- NO!

A new Census Bureau study reports that the labor force participation rates for mothers with newborns increased sharply during the 1980s:

◆ In 1980, the labor force participation rate for mothers (aged 18 to 44) who had a child in the preceding year was 38 percent (1.2 million new mothers). In 1990, the rate was 53 percent (2.1 million new mothers).

◆ The rates were higher for older, more educated, and first-time mothers. In June 1990, the labor force participation rate for women aged 20 to 24 who had a birth was 56.1 percent; 55.3 percent for women aged 25 to 29; and 58.9 percent for women aged 30 to 44.

◆ A growing proportion of all births are to older women. This trend will tend to encourage high and growing labor force participation among mothers of newborns.

WILL WOMEN'S LABOR FORCE PARTICIPATION RATES CONTINUE TO INCREASE?

YES! Labor economists have cited many factors to explain the dramatic, long-running increases in women's labor force participation rates: declining fertility (which despite recent increases is well below its 1950 level), closer child-spacing and fewer years spent in child rearing; increased educational attainment of women -- more education is associated with more work; increased real wages, both absolutely and relative to men; greater financial responsibilities for families, for both single and married mothers; and the growth of available jobs for women in the service sector, such as in health care and education. These long-term trends can be expected to continue to push labor force participation rates up for women.

On the whole, no evidence suggests that mothers are dropping out of the labor force at increasing rates. Labor force participation rates of mothers rose throughout the

1980s. The rates for married mothers (precisely those thought to be dropping out), continued to rise in both 1990 and 1991, even after the onset of the recession. Because older mothers especially tend to work after childbirth, and older mothers have had an increasing share of all births, the labor force participation rate for mothers can be expected to continue to increase.

For the first time since 1950, the overall labor force participation rate for women dropped slightly in 1991. Those women dropping out seem to be those with the lowest earning capacity -- younger and older women and never married mothers. These women are the most likely to be discouraged from seeking work because of poor job prospects during the current recessionary period. Especially for young women, getting increased schooling becomes relatively attractive in a recession.

Today, three of every four women of *childbearing age* (the groups of women with the highest labor force participation rates) are in the workforce. Nearly seven of ten married women with children are working or are looking for work.

Mommies, the data show, are not dropping out of the labor force. As working women, they are the new role models for their daughters.