



# Equal pay for breadwinners

More men are jobless while women earn less for equal work

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Heather Boushey January 2009

Center for American Progress



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# Introduction and summary

The current recession is entering its second year and looks quite likely to become the worst recession in terms of job losses of any since the Great Depression. Since this recession officially began in December 2007, employers have shed 2.6 million employees—a decline of 1.9 percent—with most of that occurring in the last four months of 2008. Not all groups, however, have been affected equally: Over the first year of this recession, job losses and unemployment have spiked higher for male workers than their female counterparts.<sup>1</sup>

This recession began with the bursting of the housing bubble, which has led to sharp job losses in male-dominated industries, especially construction, through 2008. As a result, the share of men in the United States with a job is at its lowest point ever, 69.7 percent. Over the past year, however, women's jobs have been sustained by hiring in the government and health care sectors. As a result, since the recession officially began adult women's unemployment has risen by 1.6 percentage points, to 5.9 percent in December 2008, from 4.3 percent a year earlier, while adult men's unemployment has risen by 2.8 percentage points, to 7.2 percent from 4.4 percent over the same period.<sup>2</sup> There has been only one other time since 1949 that men's unemployment has been this much higher than women's, in 1983, at the height of the high unemployment of the early 1980s recession.

With so many men out of work, it is clear that more families are relying on women workers to make ends meet. As women increasingly take on the role of breadwinner, ensuring that they get a fair wage is taking on more urgency than ever before. Nearly half a century after passage of the Equal Pay Act, women continue to earn less than men, even if they have similar educational levels and work in similar kinds of jobs as their male co-workers.<sup>3</sup> Among full-time, full-year workers, women earn only 78 cents for every dollar a man earns.<sup>4</sup> Earlier this month, the House of Representatives passed the Lilly Ledbetter Fair Pay Act and the Paycheck Fairness Act—legislation that will ensure equal pay for equal work—and is now waiting for action from the Senate. This legislation could not be more timely and more important to the millions of families relying on women's wages.

There are no signs that the worst of the labor market turmoil is behind us. As of December 2008, the decline in employment as a share of peak employment is larger in the current recession than at this point during all of the recessions in recent memory. To help families make ends meet through this recession, policymakers need to focus on a recovery and

reinvestment package that gets people back to work, but they also need to remember that those workers still employed must be paid a fair day's wage. In the pages that follow, this report will detail the gender trends that underlie the current recession, and then briefly examine the options male and female unemployed workers have to reenter the workforce amid this increasingly brutal economic downturn. Our analysis underscores the importance of equal pay for equal work in this recession.

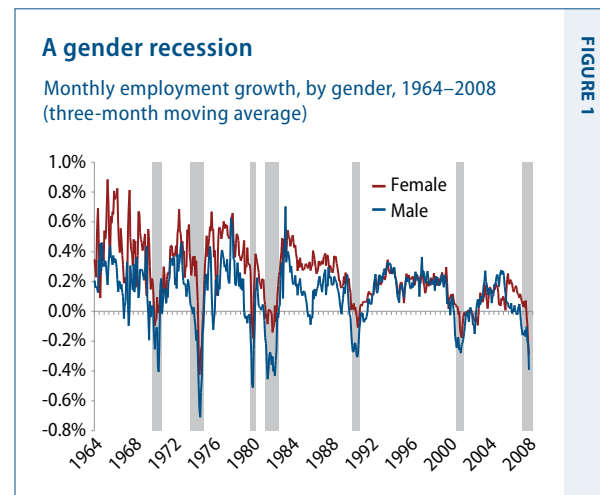
# Job losses a year into the 2008 recession

Comparing job losses among women and men over the course of this recession (with no indication when the hemorrhaging will stop) reveals a few striking facts. Specifically, between December 2008, the last month for which complete jobs data are available, and the start of the recession in December 2007:

- Men lost 1.6 million jobs while women lost only a third as many, 495,000<sup>5</sup>
- The number of jobs for men has fallen by 2.2 percent while the number of jobs for women has fallen by 0.7 percent
- Among adult men, the employment rate fell by 2.8 percentage points, down to 69.7 percent, an all-time low
- Among adult women, the employment rate has fallen by 0.6 percentage points, to 57.5 percent, which is still slightly higher than during the 2001 recession

The pace of job losses since September is especially striking. As the Figure 1 shows, there have been few times when male or female employment has fallen as sharply as they did at the end of 2008. Men's employment growth has trended downward since 2006, and turned negative at the beginning of 2008, while women's employment growth has only begun to turn negative more recently. Among women, however, the quarterly change in employment over the three months from September through November was -0.29 percent. There has been only one time since 1969 (in early 1975) when women's employment has fallen by so much so quickly. Among men, the three-month moving average change in employment was -0.39 percent at the end of 2008, far below the record decline in the three-month moving average of male employment of -0.71 in 1975, but still relatively large.

The 2008 recession began with job losses in housing-related industries, but has now fanned out across nearly all industries (except for health care). Even within industries with high female employment, men's jobs have fallen sharply. Case in point: The retail industry lost 67,000 jobs in December, but about a third of those jobs were lost by car dealerships, a predominantly male occupation. However, even as job losses mount across the economy, the construction industry has



Note: Shaded areas are recessions as defined by the National Bureau of Economic Research.  
Source: Bureau of Labor Statistics, Establishment Survey; National Bureau of Economic Research.



experienced especially sharp job losses. Over the past four months as job losses have quickly accelerated, the construction industry—accounting for only 6.0 percent of private employment—has registered 17.1 percent of all private sector job losses.

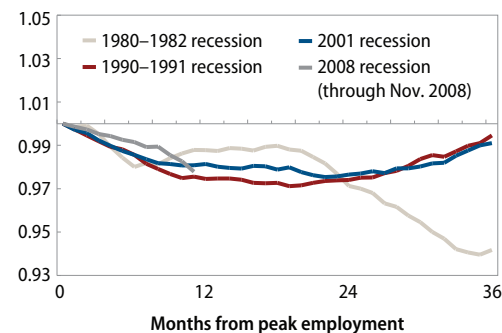
The sharp job losses in construction are at the core of why men have lost so many more jobs than women during this recession. It's not just that men dominate the industry—even within construction men have lost a disproportionate share of the construction jobs. Men make up 87 percent of the construction workers, but they have lost 95 percent of the jobs over the course of the recession. According to employer data, construction employment peaked in September 2006 and has lost 899,000 jobs since then, with most of that—632,000 jobs—lost over the past year.

The Census Bureau's survey of households (conducted for the Bureau of Labor Statistics) shows even more striking job losses among construction workers. Over the past year, 1.3 million workers report losing a construction job, and the unemployment rate among construction workers rose to 15.9 percent in December 2008 from 9.6 percent in December 2007. The higher job losses in the household survey are because so many construction workers were employed "under the table" and thus not captured in official employer records.<sup>6</sup>

Another way to look at the recession's impact on workers by gender is to compare men and women's experience in prior recessions. Figures 2 and 3 show employment levels indexed at the peak of the prior recovery for the current recession and the three prior recessions. As of November, women have lost more jobs as a percent of their employment at the peak of the recovery in December 2007 than they have at this point during any of the three prior recessions, while men have lost nearly as many jobs as at this point during the early 1990s recession.

## Males suffer swiftly in this recession

Falls from peak employment among men in this recession and three previous recessions (indexed to the peak of the prior recovery, in percentages)

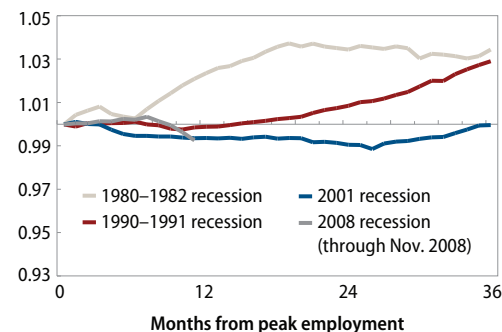


Source: Bureau of Labor Statistics, Establishment Survey; National Bureau of Economic Research.

FIGURE 2

## Female suffer suddenly in this recession

Falls from peak employment among men in this recession and three previous recessions (indexed to the peak of the prior recovery, in percentages)



Source: Bureau of Labor Statistics, Establishment Survey; National Bureau of Economic Research.

FIGURE 3

# Unemployment trends so far in this recession

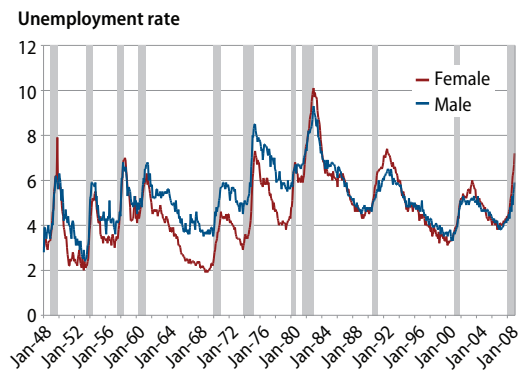
The data on employment used in the previous two charts tell us how many jobs have been lost, but the unemployment data tell us how hard it is for workers to find another job. The Bureau of Labor Statistics' concept of unemployment is that a person must be out of work, available for work, and actively seeking a job. Therefore, the unemployment data not only capture workers who have lost a job, but also those entering or re-entering employment. Employment data do not capture whether stay-at-home wives are increasingly entering the labor markets in hopes of finding a job to make up for a husband's job loss, but data on unemployment will.

As of December 2008, the current recession shows a sharp rise in unemployment for men, which has not been matched by as large a rise for women. Over the past year, among adult men the unemployment rate rose by 2.8 percentage points, up to 7.2 percent. Among adult women, however, the overall unemployment rate has risen by only 1.6 percentage points, to 5.9 percent. Overall, 67 percent of the rise in unemployment since the recession began has been among men.<sup>7</sup>

There has been only one other time (in 1983) since 1949 when men's unemployment has been this much higher than women's (see Figure 4). In contrast, for most of the post-World War II era, women's unemployment was consistently higher than men's. This changed during the recession of the early 1980s, and ever since then men's unemployment has risen above women's during recessions. During the early 2000s recession, women were close to catching up with men, and it appeared that the gender gap in unemployment may have been becoming a thing of the past.<sup>8</sup> Today, the gender gap looms large once again, even though women's unemployment rate is now falling sharply, too.

## Gender still matters

Unemployment rate, by gender, aged 20 and over



Note: Shaded areas are recessions as defined by the National Bureau of Economic Research.  
Source: Bureau of Labor Statistics, Establishment Survey; National Bureau of Economic Research.

FIGURE 4

# Unemployed, but now what: Search or exit?

In times of high unemployment, workers who lose their jobs may drop out of the labor force because they have been having such a hard time finding a new job. The data on what is happening to unemployed workers are striking—unemployed men are having an exceptionally difficult time finding a new job and are increasingly dropping out of the labor force much more so than women.

Table 1 shows a breakdown of movements among the unemployed, employed, and those exiting the labor force. The first set of rows shows how many people moved into unemployment from being employed or out of the labor force in the prior month, or remained unemployed from the prior month. The two most notable trends are the very sharp

**TABLE 1**  
**What next for men and women workers?**

Monthly transitions in and out of employment, unemployment, and out of the labor force

Status in current month	Status in prior month					
	Employed		Unemployed		Not in the labor force	
	Women	Men	Women	Men	Women	Men
<b>Unemployed</b>						
Number of workers (thous.)						
Dec. 2007	746	1,134	1,602	2,146	1,065	835
Dec. 2008	893	1,664	2,447	3,687	1,252	1,128
Year-over-year % change	19.7%	46.7%	52.7%	71.8%	17.6%	35.1%
<b>Out of labor force</b>						
Number of workers (thous.)						
Dec. 2007	2,272	1,949	844	652	45,580	27,722
Dec. 2008	2,130	1,756	1,117	1,135	45,760	28,398
Year-over-year % change	-6.3%	-9.9%	32.3%	74.1%	0.4%	2.4%
<b>Employed</b>						
Number of workers (thous.)						
Dec. 2007	65,066	75,476	820	1,147	2,102	1,576
Dec. 2008	64,534	73,143	821	1,267	2,106	1,381
Year-over-year % change	-0.8%	-3.1%	0.1%	10.5%	0.2%	-12.4%

Source: Bureau of Labor Statistics.



increases over the past year among men losing their jobs (moving from employed last month to unemployed) and the sharp increase in men staying unemployed from the prior month. There have been increases for women, but they are not nearly as large. Specifically:

- **Among men**, the share of workers who moved from employed last month to unemployed increased by 46.7 percent over the past year, to 1.6 million workers in December 2008 from 1.1 million to 1.6 million workers a year earlier. There has been a 71.8 percent increase in men staying unemployed; as of December 2008, 3.7 million men remained unemployed from the prior month.
- **Among women**, the share of workers who moved from employed last month to unemployed increased by 19.7 percent over the past year, to 893,000 in December 2008 from 746,000 a year earlier. There has been a 52.7 percent increase in women staying unemployed; as of December 2008, 2.4 million women remained unemployed from the prior month.

These data are consistent with the high numbers of workers applying for and continuing to receive unemployment benefits.<sup>9</sup> Clearly, the data are showing that not only is the economy shedding jobs, but those out of work are having a difficult time finding new employment.

The second set of rows in Table 1 shows the movement of workers out of the labor force. Over the past year, there has been a significant increase in men becoming so discouraged that they leave the labor force entirely. Between December 2007 and December 2008, there was a 74.1 percent increase in men moving from unemployed to out of the labor force. As of December 2008, there were 1.1 million men and 1.1 million women who had exited the labor force after being unemployed in the prior month.

Historically, these data show women as more likely to exit the labor force from unemployment, but in December 2008, men and women were at near parity. The upshot: Men and women workers alike are suddenly finding it difficult to find new jobs as the current recession enters its second year.

# The importance of equal pay in this recession

In millions of U.S. families, the breadwinner is a woman. With unemployment rising precipitously, especially for men, it is becoming increasingly urgent to focus on the kinds of jobs that women workers hold and ensuring that these jobs offer fair pay and fair benefits.

Women's work has become increasingly important to family economic well-being. Women are now more likely to work outside the home and their earnings are more important to families than even a generation ago. Consider that:

- In 1980, at the beginning of the early 1980s recession, women comprised 41.2 percent of the labor force, but by 2007, at the beginning of the current recession, women comprised nearly half of the labor force (48.7 percent).
- In 1980, just under half of all women (48.3 percent)<sup>10</sup>—and four in ten women with a child under age 6 (42.1 percent)<sup>11</sup>—worked outside the home, but by 2007 58.3 percent of women<sup>12</sup> (and 60.1 percent of women with a young child) worked outside the home.<sup>13</sup>

Women are also now much more likely to head families or contribute significantly to family economic well-being. Between 1980 and 2007, the share of households headed by a single female parent rose from 18 percent to 25 percent. By 2007, more than 70 percent of children either lived in dual-earner families or working, single-parent families, compared to 61 percent in 1980.<sup>14</sup> While single-mother families typically rely exclusively on a woman's wage, less than half (41.7 percent) of custodial mothers receive any child support, and less than a third (25.4 percent) actually receive their full award. In married-couple families, the typical wife brings more than a third (35.6 percent) of her family's income.<sup>15</sup>

As the recession moves forward, policymakers must ensure that both men and women have job opportunities, as well as ensure fair pay for all workers. Because women will become responsible for supporting families due to high male job losses, equal access and equal pay are particularly important for family economic well-being.

Two bills currently before Congress address pay equity issues. The Ledbetter Act corrects a 2007 decision by the Supreme Court by clarifying that every discriminatory paycheck, and every other act of new or continued discrimination, starts the clock running again each time. The Paycheck Fairness Act will improve enforcement of our fair pay laws and further narrow the gender pay gap. Both of these laws are important to ensuring that women receive a fair day's pay and can support their families.

The American Recovery and Reinvestment Act put forth by the House of Representatives last week aims to stem the tide of rising joblessness and get the economy back on track. Some argue, however, that women may not benefit enough from the economic recovery package because it is too focused on infrastructure spending, which will produce mostly men's jobs. That is why Rep. Jared Polis (D-CO) has put out a statement urging his fellow members of Congress and the Obama administration to focus on improving job access for women in infrastructure projects since otherwise most of those jobs will go to men.<sup>16</sup>

Clearly, men's jobs, especially those in construction, have been hit hard by this recession. Making investments in getting those workers back to work should be a top priority of any recovery package. In the current stimulus spending package released by the House of Representatives on January 15, 2009, only about one-fifth of the package is aimed at infrastructure investment, while many other elements will help ensure that women do not experience the kind of sharp employment losses men have been facing. In particular, the aid to the state is critical for women's jobs.<sup>17</sup>

Women make up 59.2 percent of state and local government workers. If the states and municipalities are forced to make large cutbacks due to the recession, this will lead to sharp lay-offs among women workers. The important issue is not which workers are directly employed by the components of the recovery package, but whether the recovery package is successful at stemming the tidal wave of job losses now appearing.

The recovery package should ensure transparency in how workers can access the jobs that are being created and fairness in the wages they are paid. The House recovery package (the only plan released at this time) contains several provisions that focus on job quality, including funds for the enforcement of labor laws and an additional \$500 million for the Employment Service, which helps match the unemployed with available jobs.

As in all recessions, job losses are concentrated in some regions, while job opportunities may be concentrated elsewhere. Establishing a national jobs clearinghouse would help workers identify opportunities far away from where they are currently living. Further, if jobs were allocated through the Employment Service, then the Labor Department would have access to the data they need to monitor the process to prevent discrimination and prevent violations of fair pay statutes.

Getting workers back to work must be the main priority, but since today's families are increasingly relying on the wages of women, policymakers should recognize that creating jobs is not enough. Every worker should get a fair day's pay. On top of passing a recovery package that focuses on job creation, passing the Lilly Ledbetter Fair Pay Act and the Paycheck Fairness Act could not be timelier and more important to the millions of families relying on a woman's wage.

# Endnotes

- 1 This report is clearly a work in progress because the recession, while more than a year old now, is showing no signs of abatement. Thus, while the trends described are true as of the data in mid-January, the trends may change in future months.
- 2 Men's employment has been falling since its peak in November 2007, a month before the recession officially began, but women's employment peaked in July 2008.
- 3 Jessica Arons, "Lifetime Losses: The Career Wage Gap," Center for American Progress Action Fund, December 2008; and Stephen J. Rose and Heidi Hartmann, "Still a Man's Labor Market: The Long-term Earnings Gap," Institute for Women's Policy Research, 2004.
- 4 Institute for Women's Policy Research, "The Gender Wage Gap: 2007," IWPR No. C350, August 2008.
- 5 The most up-to-date by gender, employment data released by the Bureau of Labor and Statistics (BLS) are for the month of November 2008. Thus, these numbers represent the change in men's and women's jobs between November 2008 and December 2007. Employment data come from the BLS Current Establishment Survey.
- 6 Comparisons of Bureau of Labor Statistics' Current Population Survey and Current Establishment Survey Data.
- 7 Bureau of Labor Statistics, Current Population Survey.
- 8 See *Equality in Job Loss*, U.S. Congress Joint Economic Committee, July 22, 2008, available at [http://www.jec.senate.gov/index.cfm?FuseAction=Reports.Reports&ContentRecord\\_id=4aaaa4af-e9c5-429e-7fab-4a700496c4f4&Region\\_id=&Issue\\_id=](http://www.jec.senate.gov/index.cfm?FuseAction=Reports.Reports&ContentRecord_id=4aaaa4af-e9c5-429e-7fab-4a700496c4f4&Region_id=&Issue_id=).
- 9 U.S. Department of Labor, Unemployment Insurance Weekly Claims Data, available at <http://workforcesecurity.doleta.gov/unemploy/finance.asp>.
- 10 Employment-population ratio for women aged 20 and over (seasonally adjusted) for January 1980. See Bureau of Labor and Statistics, Current Population Survey (CPS).
- 11 Bureau of Labor and Statistics, *Women in the Labor Force: A Data Book* (2008 Edition), Statistical Table 7—Employment status of women by presence and age of youngest child, 1975-2007, December 2008.
- 12 Employment-population ratio for women aged 20 and over (seasonally adjusted) for January 2007. See Bureau of Labor and Statistics, Current Population Survey (CPS).
- 13 Bureau of Labor and Statistics, *Women in the Labor Force: A Data Book* (2008 Edition), Statistical Table 7.
- 14 CPS Annual Demographic Survey, March Supplement.
- 15 Bureau of Labor and Statistics, *Women in the Labor Force: A Data Book* (2008 Edition), Statistical Table 24—Contribution of wives' earnings to family income, 1970-2006, December 2008.
- 16 Rep. Jared Polis, letter to President-Elect Barack Obama, January 15, 2009, available at <http://polis.house.gov/Genderequityletter.pdf>.
- 17 Center for American Progress calculations based on the American Recovery and Reinvestment Act as released by the House Appropriations Committee on January 15, 2009.

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## About the author

Heather Boushey is senior economist at the Center for American Progress. Prior to joining the Center she was a senior economist with the Joint Economic Committee of the U.S. Congress. She was formerly a senior economist with the Center for Economic and Policy Research.

Dr. Boushey studies working families and trends in the U.S. labor market. She has written extensively on labor issues, including tracking the recession and its impact on workers and their families, women's labor force participation, trends in income inequality, and work/life policy issues. Her work is important to understanding how women have fared in recent recessions.

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