



# Not Working: Unemployment Among Married Couples

## Unemployment Continues to Plague Families in Today's Tough Job Market

By Heather Boushey

All kinds of families have faced the prospect of job losses, downsizing, involuntary part-time work, and often less-generous benefits as a result of the Great Recession. Dual-earner, married couples may seem like the luckiest kind of families when it comes to unemployment since they have a second earner to keep the family afloat when one spouse loses their job.

New data for 2010, however, highlight that even married couples have been vulnerable to unemployment. And for the first time in decades unemployment has been concentrated among husbands rather than wives.

With so many wives—and women more generally—supporting families there could not be a more important time to ensure that women are paid fairly. The typical woman earns an average of 77 cents on the male dollar, and so when a husband loses his job the family suffers since her earnings are typically lower than his.<sup>1</sup> These data show that addressing this pay inequity should be a key goal of our economic recovery policy agenda.

Further, unemployment has grown sharpest among husbands in older couples, leaving many pre-retirement couples with the double-whammy of falling asset values and limited job prospects. Older workers are having an especially hard time finding re-employment. Job market challenges are compounded by the fact that this generation is the vanguard for our nation's experiment in the efficacy of 401(k)s as a retirement savings vehicle, even as we've lived through the bursting of asset bubbles.

As the nation debates retirement security we need to ensure that focusing on the implications now and potentially far into the future of high unemployment and asset shocks among older workers are integral to the conversation. Yet there is a growing chorus of voices clamoring to pare back government pensions and limit Social Security benefits for future retirees. Congressman Paul Ryan's (R-WI) budget plan, for example, would shift an increasing share of the cost of Medicare onto seniors. This policy agenda suffers from a lack of recognition of economic reality.

High unemployment, especially among husbands, is occurring across families, regardless of race or ethnicity. African-American husbands, however, are more likely to be unemployed compared to other husbands. Given the long-standing truism that the rate of African-American unemployment is about double that of white unemployment, and the excruciatingly high unemployment because of the Great Recession, families of color are struggling more than ever. Making sure that all workers—including men of color—have access to good jobs must be a top policy priority.

This brief will explore these trends in more depth and offer recommendations going forward.

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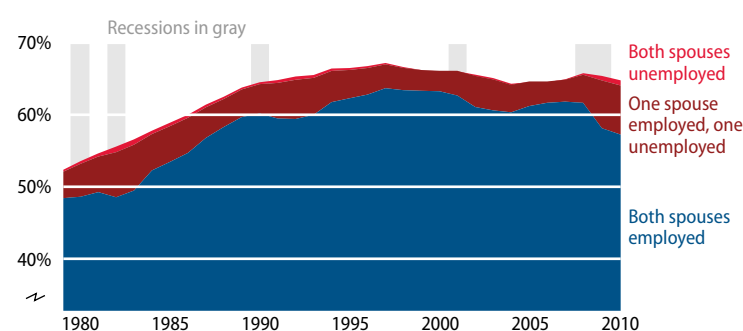
## Rise in dual-earner married couples

Since the late 1970s there has been a marked increase in the share of “dual-earner” married couples. This is where both spouses are in the labor force.<sup>2</sup> A sharp rise occurred between 1979 and 1997, when the share of married couples with both spouses in labor force rose steadily from 52.4 percent to 67.1 percent. (see Figure 1)

Since 1997 the share of dual-earner married couples has remained relatively flat, falling slightly during recession years and increasing slightly during nonrecession years. In 2010, when the national unemployment rate averaged 9.6 percent, the share of married couples with both spouses in labor force was 64.7 percent.

The share of dual-earner married couples with both spouses employed fell more sharply due to the Great Recession than it had due to prior recessions. By 2010, the share of dual-earner married couples with one spouse employed and one unemployed rose to 6.8 percent, higher than any time since 1979.

**FIGURE 1**  
Percent of married couples with both spouses in the labor force



Source: Center for American Progress' analysis of the Center for Economic and Policy Research Extracts of the Current Population Survey, Outgoing Rotation Group Files

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## The Great Recession underscored the importance of women's earnings to family well-being

The increase in dual-earner couples is due to a rise in women in the labor force, especially mothers. Between 1979 and 2010, women's labor force participation rose from 50.9 to 58.6 percent.<sup>3</sup> As a result, women's earnings have become increasingly important to family well-being.

By 2008, women were breadwinners or co-breadwinners in two-thirds of families with children, bringing home at least a quarter of their families' earnings.<sup>4</sup> In 2009, the last

year for which we have data on family income, working wives brought home nearly half (47 percent) of their family's earnings.<sup>5</sup>

The Great Recession has further underscored the importance of women's earnings, because unlike in prior recessions husbands have been more likely than wives to experience unemployment. As a result, families have been more reliant on wives' earnings than in prior recessions.

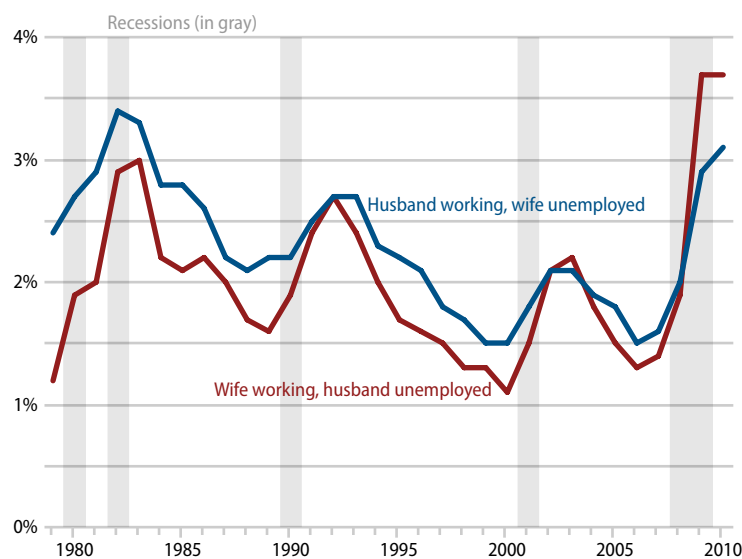
Up until the Great Recession it was more common for wives than husbands to be unemployed (see Figure 2). In the wake of the recessions of the early 1980s, the percent of married couples with the husband employed and the wife unemployed hit a high of 3.4 percent, while the share with the wife working and the husband unemployed hit a high of 3 percent. During the recessions of the early 1990s and early 2000s, however, there was no gender difference in which spouse was unemployed during the peak unemployment years. During the economic recoveries of the 1980s, 1990s, and 2000s, the trend moved back to being the case that wives were more likely than husbands to be the one unemployed.

There was a marked shift in the wake of the Great Recession. In 2010, the share of married couples with the husband unemployed rose to 3.7 percent, much higher than the share with the wife unemployed, which reached 3.1 percent.

On the one hand, this makes sense because over the course of the Great Recession men lost the majority of jobs. Between December 2007 and June 2009, the recession as defined by the National Bureau of Economic Research, men lost over 70 percent of the jobs. This gendered pattern in job losses, however, was not new and thus cannot explain the trends in spousal unemployment. In the 2001 recession, men lost 86 percent of the jobs. In the early 1990s recession, men lost 98.2 percent of the jobs; and in the early 1980s recession(s) women actually gained jobs.

The gendered pattern in unemployment among spouses may be explained by looking to re-employment patterns. Workers are less likely to be re-employed, compared to prior recessions. But the fall in the re-employment rate is greater for men than for women. According to analysis by the Center for Economic and Policy Research of Bureau of Labor Statistics data that tracks workers who lost a job within the prior three years due to their plant closing or position being abolished, among men, in 1994, 65 percent who had been

**FIGURE 2**  
Percent of married couples with one spouse working, one unemployed, by gender



Source: Center for American Progress' analysis of the Center for Economic and Policy Research Extracts of the Current Population Survey, Outgoing Rotation Group Files

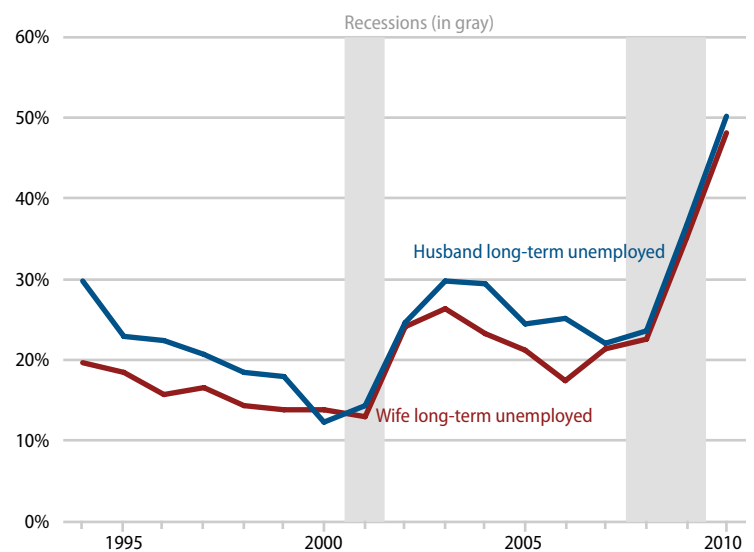
displaced from a full-job had found another full-time job, whereas in 2010, only 40 percent had found re-employment. For women, in 1994, 51 percent had found full-time re-employment, much less than men, while in 2010, only 38 percent had done so, about the same as men.<sup>6</sup>

Re-employment has been limited even as the economy is now in economic recovery because of a lack of demand for workers. Over the course of 2010, there was an average of five job seekers for every opening available. The challenges in re-employment can be seen in the high shares of long-term unemployed, that is, those out of work and searching for a job for at least six months.<sup>7</sup> Overall, the proportion of the unemployed who were long-term unemployed in 2010, 43.3 percent, is nearly three times as large as it was in 1982, 16.6 percent. This provides some indication that the lack of re-employment options is a big factor in the depth of male (and female) unemployment.

During the Great Recession the share of unemployed husbands who were long-term unemployed was the same as the share of unemployed wives (see Figure 3). This contrasts with the recovery years of the 1990s and 2000s when it was more common for unemployed husbands rather than unemployed wives to be long-term unemployed.

The increased reliance on wives' earnings underscores how important pay equity is to families. The typical woman earns 77 cents on the male dollar, and with her lower wages, her family suffers, too.<sup>8</sup> With so many wives (and unmarried women) supporting their families, there is a need for women to be paid fairly. The Paycheck Fairness Act, which will take steps to remedy pay inequities, passed the House of Representatives in early 2009 but was unable to garner sufficient votes in the Senate to even get to take a vote on the legislation.

**FIGURE 3**  
Married couples with one spouse unemployed, percent who are long-term unemployed, by gender



Source: Center for American Progress' analysis of the Center for Economic and Policy Research Extracts of the Current Population Survey, Outgoing Rotation Group Files

### Higher unemployment among husbands is increasingly occurring among older couples

The rise in dual-earner couples has been especially large among older couples. Between 1979 and 2010, the share of couples where the older spouse was between the ages of 55 to 64 rose from over one-third (36.3 percent) to over one-half (55 percent).

The Great Recession led to a larger rise in unemployment among older couples compared to younger couples. Comparing the peak unemployment years 1982 and 2010, the share of married couples who have one spouse employed and one unemployed has increased most among couples where the older spouse is between the ages of 55 and 64.<sup>9</sup> (see Figure 4)

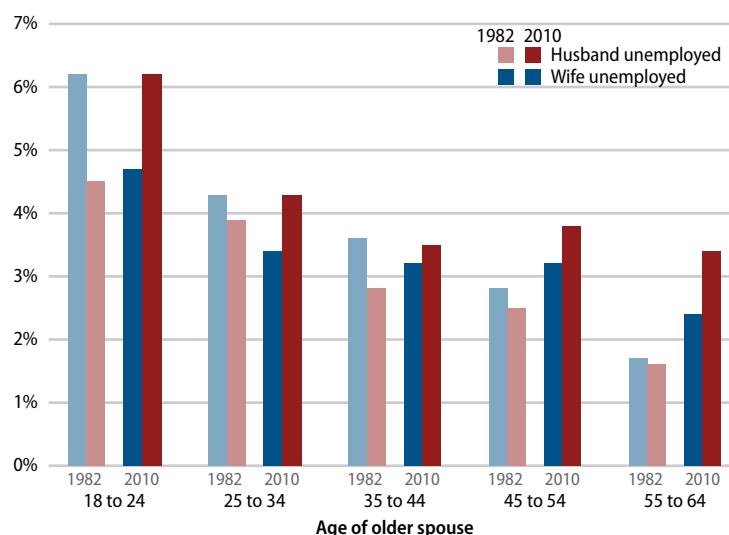
It is husbands in older couples who are more likely to be unemployed, as with the unemployment pattern among couples overall. In 1982, older couples were less likely than younger couples to experience any unemployment. But in 2010, the share of couples with an unemployed husband is about the same across couples aged 35 to 44, 45 to 54, and 55 to 64. In 2010, the largest spousal gap in unemployment is among the oldest couples and among those where the older spouse is aged 55 to 64. Husbands are 42 percent more likely to be the spouse unemployed.

Higher unemployment among older husbands has implications for family well-being now and for the retirement income of these families. That's because older wives are less likely than younger wives to out-earn their husband, both due to the fact that these women were the vanguard of the increase in women's labor supply, but also because, on average, they took more time out of the labor force for caretaking. That pay penalty accumulates over time and increases the gender pay gap.<sup>10</sup> While the gap in wages among full time workers is less than 10 percent among younger men and women, aged 18 to 34, it's about 20 percent among men and women aged 45 to 64.<sup>11</sup>

Further, this group of workers is having a much harder time finding re-employment compared to younger workers. In January 2010, among displaced workers between ages 55 and 64, nearly two-thirds of women (62.8 percent) and men (62.3 percent) were not working at all. By contrast, among workers aged 35 to 44, half of men (50.3 percent) and nearly 6 in 10 women (57 percent) were working.<sup>12</sup> Most of the full-time workers who were displaced who find re-employment earn less than they had before they were displaced and among older workers, about half are making at least 20 percent less.<sup>13</sup>

Given these data it is quite possible that many of these workers will never be re-employed. And if they do it will be at much lower earnings than their prior job, which has significant implications for planning for Social Security.

**FIGURE 4**  
Share of married couples with one spouse working, one unemployed, by age of older spouse and sex, 1982 and 2010



Source: Center for American Progress' analysis of the Center for Economic and Policy Research Extracts of the Current Population Survey, Outgoing Rotation Group Files

This is especially important because the U.S. population is aging. Older couples make up a larger share of married couples in 2010 than they did in 1982. The older spouse was aged 45 to 64 in 41 percent of married couples in 1982, compared to 57 percent in 2010. Poor employment outcomes for this group is thus providing a relatively large demographic with less in earnings exactly at the same time that they need to be preparing for retirement.

High unemployment among older couples should give serious pause to the growing chorus of voices clamoring to pare back government pensions and limit Social Security benefits for future retirees. Older workers have been hit by not only high unemployment but also the housing and stock market crashes, which have deflated their retirement assets.<sup>14</sup>

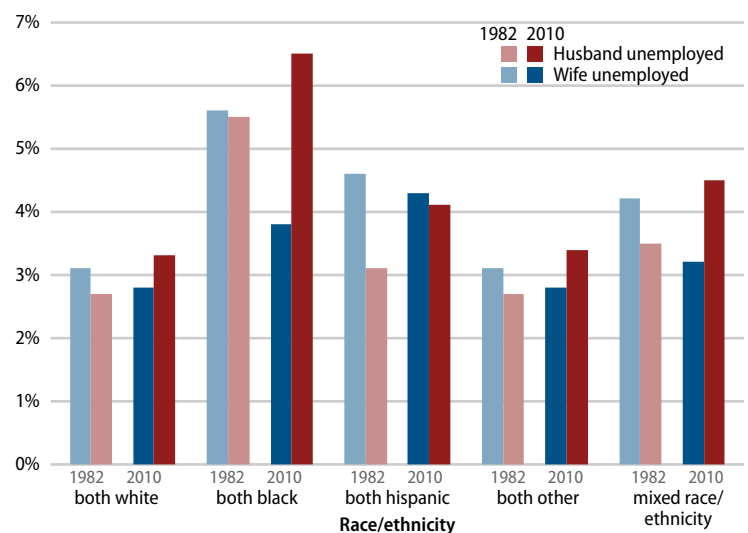
To make matters more complicated, this generation is the vanguard of our nation's experiment in the efficacy of 401(k)s as a retirement savings vehicle. Increasingly, as these couples begin to retire, more and more of our nation's retirees will rely on 401(k)s rather than pensions for the bulk of their retirement income.

### African-American husbands and Latina wives experience disparate employment trends

There are long-standing disparities in unemployment by race and ethnicity. It is typically the case that African Americans have an unemployment rate that is double that of whites. We can also see significant differences in spousal unemployment by race and ethnicity. In 2010, African-American husbands were 71 percent more likely to be unemployed than their African-American wives and nearly twice as likely as husbands in white couples to be unemployed. This was the case even as African-American wives had significant lower unemployment in 2010 than 1982, 3.8 versus 5.6 percent.

Lack of employment opportunities for African-American men continues to be a problem even among those who are married. The problem has been compounded by the relatively large share of African-American men who are ex-offenders as compared to other groups and the additional barrier that a criminal history poses to African-American men's employment.<sup>15</sup> Even though husbands are disproportionately less likely to be among the ex-offender population the employment challenges of that group plays a role for many African-American men in further compounding their historically high exclusion from employment opportunities.

**FIGURE 5**  
Share of married couples with one spouse working, one unemployed, by race/ethnicity and sex, 1982 and 2010



Source: Center for American Progress' analysis of the Center for Economic and Policy Research Extracts of the Current Population Survey, Outgoing Rotation Group Files

Bucking the general marital unemployment trend, in 2010, Hispanics wives were slightly more likely to be unemployed than Latino husbands. Further, that year, the share of Hispanic wives who were unemployed was actually lower than had been the case in 1982, though by a smaller margin than other groups of wives. Some of this success in maintaining employment may be because of an increase in the number of college-educated Latinas in the last three decades, which has far outpaced other demographic groups.<sup>16</sup> Since higher-educated individuals suffer unemployment less than less-educated individuals, this has undoubtedly provided Latinas with some insulation from unemployment in the Great Recession compared to prior recessions.

Clearly, ensuring that everyone who wants it has access to education is an important policy goal and one that can help individual workers to find and keep jobs. But policymakers should also work to close the unemployment gap between workers across ethnicity and race, so that some groups—African-American men in particular—do not bear a disproportionate share of unemployment.

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## Conclusions

High unemployment hits families hard regardless of who has lost their job. But when the higher earner—or the earner that is more likely to be providing the family's health insurance—is out of work the economic hardship is great. The Great Recession has seen a reversal of past trends in that husbands, rather than wives, have been more likely to be unemployed. And while women's earnings are increasingly important to family well-being many women are not yet in jobs that replace a man's earnings. Addressing pay equity should be a key priority as we address the recession.

But we also need to focus on the workers who should be enjoying the fruits of a lifetime of labor but are now struggling to regain a footing in the employment market and cope with lower asset values due to the collapse of the housing bubble and reckless activities on Wall Street. Making sure that Social Security is there for the workers yet to retire is just as important as maintaining it for those already enjoying their golden years.

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## Endnotes

- 1 Heather Boushey and others, "What the Census Tells Us About the Great Recession: New Data Reveals Decreased Income and Health Coverage" (Washington: Center for American Progress, 2010).
- 2 The analysis in this paper uses the Center for Economic and Policy Research Extracts of the Current Population Survey, Outgoing Rotation Group Files from 1979 to 2010, which is a nationally representative sample of the civilian, noninstitutional U.S. population. The sample here includes any household with two married people where both are between the ages of 18 and 64. The survey does not allow us to identify gay and lesbian couples over this time period, so they are excluded from the analysis. Dropping households where the spouse was absent excluded 6.6 percent of married individuals from the sample and dropping households with three or more married people excluded 3 percent of all married individuals.
- 3 Bureau of Labor Statistics, "Current Population Survey, Table A-1: Labor Force Participation Rate - Women (Unadjusted)" (2011), available at <http://bls.gov/webapps/legacy/cpsatab1.htm>.
- 4 Heather Boushey, "The New Breadwinners." In Heather Boushey and Ann O'Leary, ed., *The Shriver Report: A Woman's Nation Changes Everything*. (Washington: Center for American Progress, 2009).
- 5 Kristin Smith, "Wives as Breadwinners: Wives' Share of Family Earnings Hits Historic High during the Second Year of the Great Recession." (Durham: Carsey Institute, 2010), available at <http://www.carseyinstitute.unh.edu/publications/IB-Smith-Breadwinners10.pdf>.
- 6 Unpublished data from the Center for Economic and Policy Research analysis of the Current Population Displaced Worker Survey.
- 7 Joint Economic Committee, "JEC Hearing: Long-term Unemployment - Causes, Consequences and Solutions" (2010), available at [http://jec.senate.gov/public/index.cfm?p=Hearings&ContentRecord\\_id=bc5482ef-8e0f-41fc-9cfd-52f127c29e3b&ContentType\\_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group\\_id=cb5dcfe4-afee-419f-94ee-e51eb07de989&MonthDisplay=4&YearDisplay=2010](http://jec.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=bc5482ef-8e0f-41fc-9cfd-52f127c29e3b&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=cb5dcfe4-afee-419f-94ee-e51eb07de989&MonthDisplay=4&YearDisplay=2010).
- 8 Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, "Income, Poverty, and Health Insurance Coverage in the United States: 2009" (Washington: US Census Bureau, 2009).
- 9 For this analysis, we focus our attention on the years of peak unemployment during the early 1980s and the late 2000s: 1982, when the unemployment rate averaged 9.7 percent, and 2010, when the unemployment rate averaged 9.6 percent.
- 10 Jessica Arons, "Lifetime Losses: The Career Wage Gap" (Washington: Center for American Progress, 2008).
- 11 Author's calculation from the Center for Economic and Policy Research extracts of the Current Population Survey Outgoing Rotation Group Files, available at [www.ceprdata.org](http://www.ceprdata.org).
- 12 Unpublished data from the Center for Economic and Policy Research analysis of the Current Population Displaced Worker Survey.
- 13 Ibid.
- 14 Christian Weller, "Weller Debates the Future of Retirement: The Oppositions Opening Remarks," *The Economist*, June 16, 2009, available at [http://economist.com/debate/days/view/329-con\\_statement\\_anchor](http://economist.com/debate/days/view/329-con_statement_anchor).
- 15 John Schmitt and Kris Warner, "Ex-Offenders and the Labor Market" (Washington: Center for Economic and Policy Research, 2010).
- 16 National Center for Education Statistics, "Table 282. Associate's degrees conferred by degree-granting institutions, by race/ethnicity and sex of student: Selected years, 1976-77 through 2007-08," available at [http://nces.ed.gov/programs/digest/d09/tables/dt09\\_282.asp](http://nces.ed.gov/programs/digest/d09/tables/dt09_282.asp).