

Trends in employment and unemployment in families

Multiearner families have extra protection against financial reversals, but economic recession tends to erode this cushion; during the most recent downturn, the employment of married women declined less than that of married men who are more likely to work in cyclically sensitive industries

DEBORAH PISETZNER KLEIN

The monthly employment and unemployment statistics receive a great deal of national attention because they are a useful yardstick of the state of the economy. In addition to the overall measures, the Bureau of Labor Statistics issues a wide range of data series focusing on specific worker groups. In recent years, there has been an expansion in the data series that enable us to examine the situation of individual workers in a family context. These data provide additional insights into the personal impact of employment and unemployment, because family members often pool their earnings and support each other both financially and emotionally when out of work. This article explores recent trends in employment and unemployment in families.¹

In 1982, 85 percent of the labor force lived in family units. (Of the remainder, 10 million lived alone and 7 million lived with nonrelatives, such as roommates or housemates.) As table 1 shows, more than a third of the labor force consisted of husbands and nearly a quarter were wives. Including other related persons (mostly teenagers and young adults), more than 70 percent of the labor force lived in married-couple families. In recent years, however, there has been a very marked increase in the number of families maintained by women on their own. In 1982, nearly one-tenth of the labor force lived in such families, including the

women themselves, their older children (age 16 and over), and other relatives. Families maintained by unmarried men constituted the remainder of the labor force.

With the increase in the number of families maintained by women, and growing labor force participation by wives, husbands are no longer the mainstay of the market economy. Married men accounted for only 36 percent of the labor force in 1982, down from 41 percent just 5 years earlier and 52 percent in 1955.

Employment

Over the long run, the number of employed persons changes in line with population movements, variations in the desire for work among persons in different demographic groups, and the availability of jobs. During the 1970's, the number of employed persons increased by a whopping 20 million, as the crest of the baby boom reached working age, the proportion of married women working outside the home increased dramatically, and the rapidly expanding service-producing sector provided many new jobs. These developments translated into significant growth in the number of multiworker families. Today more than 60 percent of all husband-wife families have at least two persons employed, compared with fewer than 40 percent in 1955.

More recently, cyclical movements in employment have dominated secular ones. Between April 1981 and February 1983, the number of married men with jobs dropped by 1.8

Deborah Pisetznier Klein is a senior economist in the Division of Employment and Unemployment Analysis, Bureau of Labor Statistics.

Table 1. Labor force, unemployment, and employment by family status, 1982 annual averages
[In percent]

Family status	Labor force	Unemployment	Employment
All persons	100.0	100.0	100.0
In married-couple families:			
Husbands	36.0	23.3	37.4
Wives	23.2	17.1	23.8
Relatives	12.6	23.3	11.4
In families maintained by women:			
Women who maintain families	5.2	6.3	5.1
Relatives	4.4	11.4	3.7
In families maintained by men:			
Men who maintain families	1.7	1.7	1.7
Relatives	1.4	2.6	1.2
Persons living alone	9.5	7.0	9.7
All others	6.1	7.2	5.9

million, but by June 1983, the recovery had returned 500,000 to employment.

The impact of the 1981–82 recession was much less severe among married women. The number employed declined for several months during 1981—for a total reduction of about 500,000—but began rising again shortly. By June 1983, the number of employed wives was 24.3 million, more than 700,000 above the 1981 low. Thus, in mid-1983, the number of employed married women stood at an all-time high while the number of employed married men was 2 million below its peak of 39.9 million recorded before the 1980 recession.

Employment among women maintaining families on their own has increased over time along with their expanded population. More recently, their employment level has held at about 5 million, but the proportion with jobs declined from 54 to 52 percent over the course of the 1981–82 recession and showed no appreciable improvement in the first half of 1983. (See chart 1.)

Unemployment

With lower-than-average unemployment rates, husbands and wives account for a much smaller share of unemployment (two-fifths in 1982) than they do of the labor force (three-fifths). Women who maintain families on their own account for a slightly larger share of unemployment (6 percent) than of the labor force (5 percent). Relatives, regardless of their family type, are typically young people with high unemployment rates; they account for less than one-fifth of the labor force but nearly two-fifths of the unemployed.

These relationships change over the business cycle, with married men comprising a greater share of unemployment when economic conditions are at their worst. For example, husbands' share of the jobless total rose from 19 percent in July 1981 to 24 percent in December 1982, before receding slightly to 23 percent by June 1983.² (See table 2.)

Married men generally have strong attachment to the labor force and typically have relatively low unemployment rates.

In 1979, for example, when the overall rate was 5.8 percent, the rate for husbands was below 3 percent. However, unemployment for this group is highly cyclical because many married men work in the goods-producing sector of the economy. Thus, their jobless rate rises sharply in every recession and tends to show the most improvement during recoveries. Over the past recession, for instance, the rate for husbands was 3.8 percent in April 1981, peaked in December 1982 at 7.8 percent, and came down about a percentage point in the first half of 1983. While the recovery was still in progress in mid-1983 and further reductions could therefore be expected, it should be noted that, in the business cycles shown in chart 2, married men began each recession with a higher unemployment rate than the previous one.

The unemployment rate for all adult men surpassed the rate for all adult women in 1982, but this was not true among married persons. The jobless rate for married women has consistently been higher than that for married men, although the gap did narrow considerably during the 1981–82 recession. With recovery underway in 1983, the rate for married men dropped more sharply than that for married women, and by midyear, the gap was back to more than a full percentage point. (See chart 2.)

Unemployment among women who maintain families tends to be very high. These women, on average, have completed fewer years of school than wives and are concentrated in lower skilled, lower paying jobs, where there is considerable turnover.³ During the late 1960's, the unemployment rates for married women and for women who maintained families on their own were very similar. Since the early 1970's, however, the rates have diverged. As can be seen in chart 2, women who maintain families have shown little or no improvement in their jobless situation during expansionary periods.

The unemployment cushion in families

With the rising incidence of multiworker families comes the greater likelihood that there will still be a worker in the family when someone becomes unemployed. However, recession not only increases unemployment but also serves

Table 2. Unemployment by family status, selected months, seasonally adjusted

[Numbers in thousands]

Family status	July 1981		December 1982		June 1983	
	Number	Percent	Number	Percent	Number	Percent
Total, all persons	7,854	100.0	12,036	100.0	11,146	100.0
Husbands	1,508	19.2	2,907	24.2	2,586	23.2
Wives	1,398	17.8	2,036	16.9	1,970	17.7
Relatives in married-couple families	1,916	24.4	2,735	22.7	2,558	22.9
Women who maintain families	613	7.9	763	6.3	730	6.5
Relatives in such families	932	11.9	1,389	11.5	1,303	11.7
Other persons	1,483	18.9	2,206	18.3	1,999	17.9

Chart 1. Employment-population ratios¹ for husbands, wives, and women who maintain families, quarterly averages, 1968—second quarter 1983, seasonally adjusted

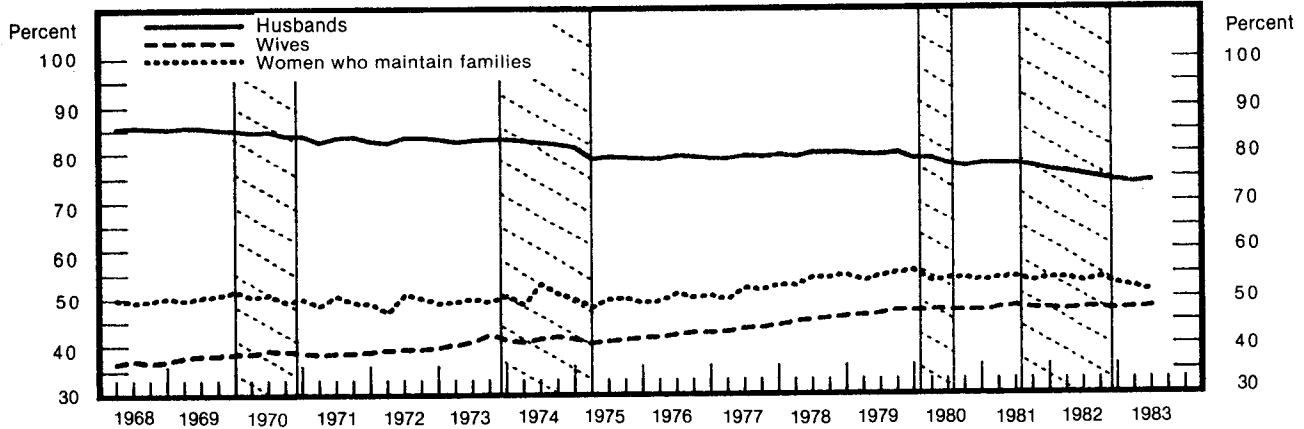


Chart 2. Unemployment rates for husbands, wives, and women who maintain families, by month, 1968-83, seasonally adjusted

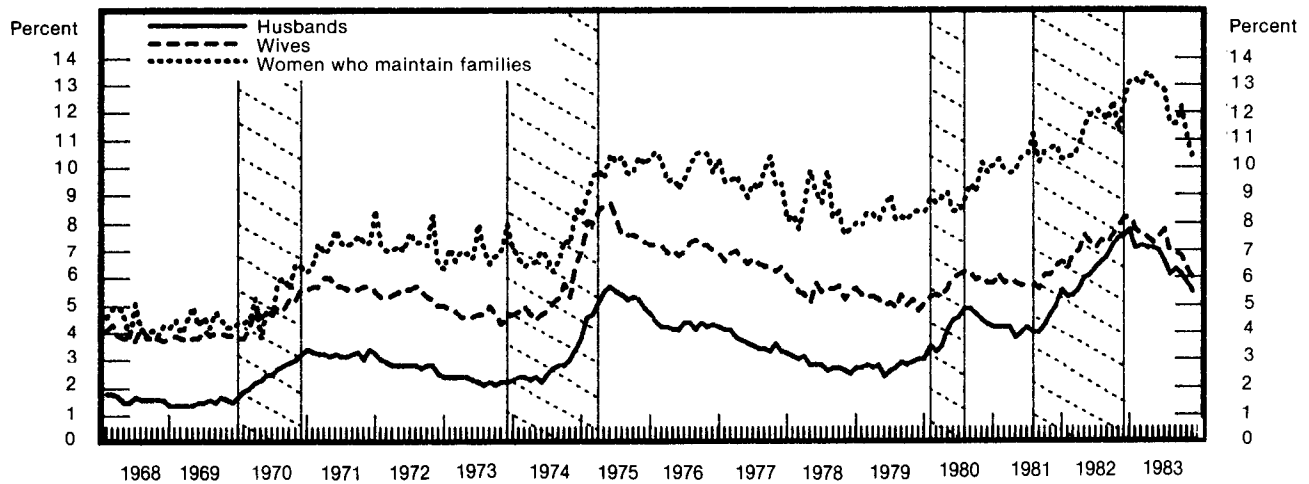
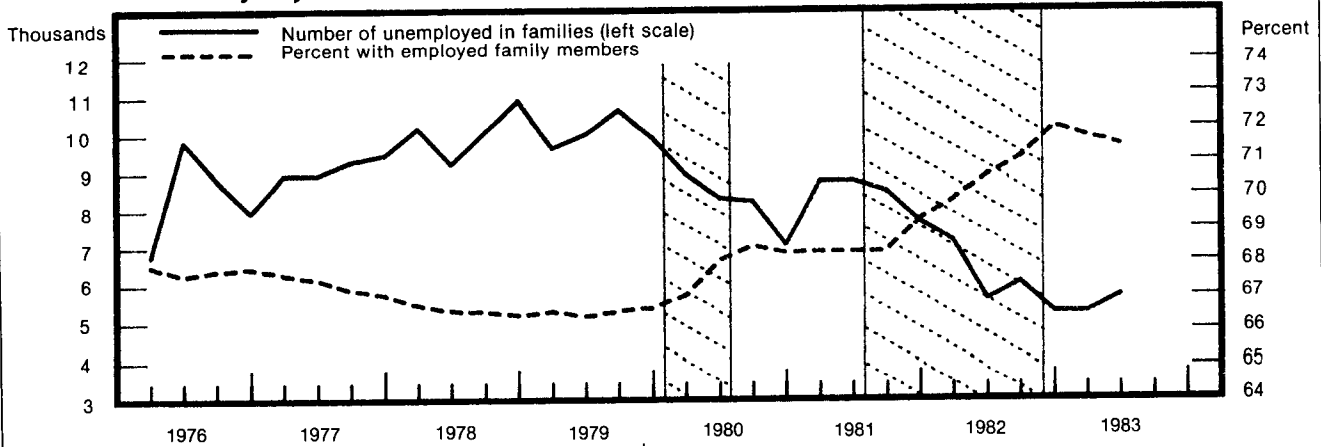


Chart 3. Number of unemployed persons in families and the percentage with someone in family employed, quarterly averages, 1976—second quarter 1983, seasonally adjusted



¹ The employment-population ratio is the proportion of all employed civilians in the civilian noninstitutional population age 16 and over.

NOTE: Shaded areas indicate recessionary periods as designated by the National Bureau of Economic Research.

to reduce the cushion provided by other family members. From the middle of 1981 to the end of 1982, for example, the number of unemployed family members rose from 7 to 10 million; at the same time, the proportion of the unemployed living in a family with an employed member dropped from 70 to 66 percent. (See chart 3.) The major reason for this decline was the general contraction of employment caused by the recession as well as the increasing share of unemployment accounted for by persons with a relatively lower likelihood of having employed family members.

Relatives in husband-wife families—most typically teenage and young adult children of the couple—are the most likely group to live in a family with workers; in 9 out of 10 cases, at least one of their parents has a job. In 1979, these relatives constituted more than 28 percent of the unemployed; in 1982, with the sharp increases in joblessness for groups with traditionally lower unemployment rates, their share was down to 23 percent. Even among this group, there was a recessionary decline in the family employment cushion. The number of unemployed relatives in married-couple families rose from 1.9 to 2.7 million during the 1981–82 recession, and the proportion with an employed person in their family edged down from 93 to 86 percent.

Unemployed wives are also very likely to have an employed person in their family. In 1978, the proportion peaked at nearly 90 percent. Because the person most likely to be working is the husband and because the employment levels of married men were reduced during the recession, the proportion of unemployed wives with working husbands declined sharply, from 87 percent in mid-1981 to 75 percent in mid-1982. With the pickup in employment in 1983, the proportion edged up to 77 percent by midyear.

As married women have entered the labor force, the proportion of unemployed husbands with a working family member has increased markedly. Between 1977 and 1981, the proportion of unemployed husbands with a working wife increased from 48 to 55 percent. As mentioned earlier, the 1981–82 recession drove up unemployment among married men, but the proportion with an employed person in the family did not drop as sharply as among other groups. This was primarily because employment levels for wives did not decline nearly as much as for husbands. With the onset of the recovery, the proportion of unemployed husbands with a worker in the family began to rise, and by June 1983, had reached 56 percent.

Difficulties in coping with economic downturns are exacerbated by the fact that, to a certain extent, unemployment tends to run in families. Persons with high levels of educational attainment and good preparation for careers often marry each other, as do persons with more limited labor market skills. Even more important, when high unemployment hits a specific geographic area, it can affect more than one family member. The fact that the unemployment rate for persons with unemployed spouses runs about three times the rate for persons with employed spouses illustrates this

point most dramatically. Thus, in 1982, the unemployment rate for wives with unemployed husbands was 20.7 percent, compared with 6.3 percent for wives with employed husbands. While the number of married couples who are both unemployed is relatively small—it peaked at 400,000 in December 1982 and was down to 300,000 by mid-1983 (not seasonally adjusted)—the impact of multiple unemployment on their financial well-being is considerable.

Unemployment is a particularly severe problem for families maintained by women. Because there are smaller numbers of persons of working age, on average, in these families, the likelihood of there being an employed member to cushion the effects of unemployment is also smaller. Since quarterly data of this type first became available in 1976, the proportion of unemployed women who maintain families that include an employed person has never been as high as 22 percent. Moreover, unemployed relatives in such families are substantially less likely to have an employed person in their family than relatives in married-couple families. However, in both cases, the problems are principally structural in nature, and the business cycle does not bring about substantial change.

Blacks and Hispanics

Because the cushioning effect of working family members is so different by family type, an understanding of the family composition of different groups in the population is important.

In particular, the family composition of blacks and Hispanics is quite different from that of whites. (See table 3.) Whites are most likely to live in married-couple families where unemployment rates are relatively low and multiple workers most frequent. Blacks, on the other hand, are more likely than whites or Hispanics to live in families maintained by women, which, as we have just seen, are relatively disadvantaged in the labor market. In 1982, 28 percent of the black working-age population lived in a family maintained by a woman, compared with only 8 percent of the

Table 3. Family status of the civilian noninstitutional population by race and Hispanic origin, 1982 annual averages

(In percent)

Family status	White	Black	Hispanic
All persons	100.0	100.0	100.0
In married-couple families:			
Husbands	30.0	19.1	26.3
Wives	30.0	18.6	27.1
Relatives	12.8	11.9	15.7
In families maintained by women:			
Women who maintain families	4.4	14.5	7.6
Relatives	3.8	13.6	6.9
In families maintained by men:			
Men who maintain families	1.3	2.0	1.8
Relatives	1.3	2.3	2.3
Persons living alone	11.2	12.3	6.3
All others	5.2	5.6	5.8

white population and 15 percent of the Hispanic population. Primarily because of these differences in family composition, the likelihood that unemployed black workers lived in a family with someone employed is lower than for other

groups. In 1982, about half of all unemployed blacks lived in a family that included an employed person, compared with about 60 percent of unemployed whites and 56 percent of unemployed Hispanics.⁴ □

—FOOTNOTES—

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¹ The source of data is the Current Population Survey, a monthly sample survey of households conducted by the Bureau of the Census for the Bureau of Labor Statistics. Data relate to the civilian noninstitutional population 16 years of age and over. A description of the survey appears in the Bureau of Labor Statistics publication, *Employment and Earnings*. Some of the series were seasonally adjusted for the first time for this article.

² For a discussion of the economic recovery during the first half of 1983, see Norman Bowers, "Employment on the rise in the first half of 1983,"

Monthly Labor Review, August 1983, pp. 8–14. A discussion of the 1981–82 downturn may be found in Michael A. Urquhart and Marillyn A. Hewson, "Unemployment continued to rise in 1982 as recession deepened," *Monthly Labor Review*, February 1983, pp. 3–12.

³ A discussion of the labor market situation of women maintaining families may be found in Beverly Johnson and Elizabeth Waldman, "Most women who maintain families receive poor labor market returns," in this issue.

⁴ Other articles in this issue focus on specific family types and compare the labor market experience of whites, blacks, and Hispanics in each family type.

Women paid less—why?

Remuneration is an area in which the difference between the position of men and women is particularly marked. Women are generally more numerous in the "low-paid" category; in France, for example, a survey carried out by the Centre for the Study of Incomes and Costs, published in 1981, showed that 33 percent of women workers and 13 percent of men in a representative sample were in this category. Furthermore, whether one takes the average or the median, women's earnings are lower than men's in almost all countries and in most sectors and occupations. In 1977, women's earnings in the industrialized countries amounted in real terms to between 55 and 80 percent of those of men.

These differences are caused by a variety of factors. Skill and education, experience and seniority as well as hours of work partly explain them; it is well known that women are numerous at the low-skill levels, that they often have little seniority because of interruptions in their careers owing to maternity or turnover in arduous jobs, and that they work fewer hours (limits on overtime imposed by legislation or family constraints). In industry the prohibition of night work, which inhibits their recruitment for certain posts, deprives them also of the wage differential for the night shift.

It will be noted also—and this is probably the main cause of wage differences—that women workers are unevenly distributed in the various sectors and occupational categories and levels. We have already drawn attention to the existence of a dual employment market assigning men and women to different jobs (paradoxically, it is sometimes because of the competence displayed by women in a precise technique that any access to better-paid jobs is difficult for them).

—MARIE-CLAIRE SEGURET

"Women and Working Conditions: Prospects for Improvement?" *International Labour Review*, May–June 1983, p. 301.