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What Do Male Nonworkers Do?

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## What Do Male Nonworkers Do?

### **Abstract**

Although male nonworkers have become a larger fraction of the population since the late 1960s, labor economists know very little about them. Using data from several sources--the March CPS, the National Longitudinal Survey of Youth, and the 1992-94 University of Maryland Time Diary Study--this paper fills that void. The picture that emerges is that there is a small cadre of marginal workers who often do not work for periods of a year or more and tend to work relatively few weeks in the years that they do work. The vast majority of nonworking men (men who do not work at all during the year) receive unearned income from at least one source, and the amount of unearned income received varies significantly by reason for not working. Family members provide an important alternative source of support for nonworking men who have little or no unearned income of their own. For the most part, these nonworking men are not substituting nonmarket work for market work. Most of the time that is freed up by not working is spent in leisure activities and sleep.

## I. Introduction

Over the past 30 or so years, the fraction of prime-age men who do not work has increased dramatically. In the late 1960s, virtually all 25-54 year-old men worked at least one week during the year. Only a small fraction--2.6 percent--went an entire calendar year without working. By the late 1990s, that fraction had increased to 6.7 percent.

Papers by Juhn (1992) and Welch (1997) have found that the increase in the nonwork rate was mainly due to labor supply factors in the early 1970s and to labor demand factors in the 1980s. Much of the decline in labor supply in the 1970s can be attributed to the increase in real Social Security Disability Insurance (DI) benefits during that time (see Parsons 1980),<sup>1</sup> whereas much of the decline in the 1980s was due to a shift in demand away from less-skilled workers. For the late-1980s and the 1990s, Autor and Duggan (2003) present convincing evidence that the liberalization of the DI program in 1984 resulted in an increase in the nonwork rate, especially among less-skilled workers. This was due, in part, because the benefit formula is indexed to average wage changes, which have been larger than the wage changes experienced by people at the lower end of the earnings distribution. As a result, the replacement rate for the least-skilled workers increased over this period. As further evidence, Bound and Waidmann (2002) showed the growth in DI reciprocity can account for all of the increase in the number of disabled individuals who do not work. Sheu (2003) argues that the availability of Medicaid benefits to individuals receiving DI have also contributed to the increase in the nonwork rate.

Although we have a good idea of why these men do not work, we know relatively little about them. From earlier studies, we know that male nonworkers are less likely to be married

and are more likely to live alone or with relatives than are employed men (Welch 1990 and Juhn, Murphy, and Topel 1991); that they are more likely to receive government transfer payments than working men (Juhn 1992); that the amount of unearned income they receive increases with age (Welch 1999); and that income from other household members accounted for 52 percent of income in households with a nonworking man, compared with 31 percent for the overall sample (Juhn 1992). But we know nothing about the distribution of unearned income among male nonworkers, or the fraction of male nonworkers that are supported by their families. We also know nothing about what nonworkers do with their time or the total amount of time they will ultimately spend not working. These aspects of nonwork are of more than academic interest, because policy prescriptions likely will depend on the amount of support that can be expected from family members, whether or not nonworkers are merely substituting nonmarket work for market work, and whether or not it is the same men who do not work year after year.

The goal of this study is to learn more about the growing population of prime-age male nonworkers by exploring the longitudinal aspects of nonwork, examining what nonworkers do with their time, and taking a more complete look at sources of support. To address the first two topics, I draw on data from the National Longitudinal Survey of Youth (NLSY) and the 1992-94 University of Maryland (UMD) Time Diary Study. To address the last topic, I, like the earlier researchers, use the March CPS. I focus primarily on the 1990s, because this period is recent and has not been covered extensively by other studies, and because good data for examining the first two points are not available for earlier decades.

The picture that emerges is that there is a small group of men that have a marginal attachment to the labor force and account for the lion's share of the total amount of time spent

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<sup>1</sup> Legislation was enacted in the late 1970s to stem the increases in real benefits.

not working. These men often do not work for periods of a year or more, and, in the years that they do work, they work fewer weeks than men who work every year. Most nonworking men receive unearned income from at least one source, and the sources of income are consistent with the reasons given for not working. For nonworking men who have little or no unearned income of their own, family members provide an important alternative source of support. Finally, it is clear from the time-diary data that these men are not substituting nonmarket work for market work to any great extent. Seventy percent of the time freed up by not working is spent in leisure activities and personal care.

The paper is organized as follows. Section II updates trends in nonwork. Section III examines longitudinal aspects of nonwork. And Sections IV and V examine sources of support for male nonworkers and what they do with their time. Section V summarizes my findings.

## **II. Trends in Nonwork**

Table 1 shows how nonwork rates have changed between the late-1960s and the late-1990s. The data come from the March CPS data, with the sample being restricted to civilian, noninstitutional<sup>2</sup> men age 25-54.<sup>3</sup> I also dropped the Hispanic and State Children's Health Insurance Program (SCHIP) oversamples to make the series consistent over time.<sup>4</sup> I classified

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<sup>2</sup> This sample restriction excludes the growing population of men who are incarcerated (see Chandra 2003). However, this exclusion is justified because we already have a good idea of what they do and who supports them.

<sup>3</sup> Age is as of March of the year in question.

<sup>4</sup> The CPS began oversampling Hispanic households in 1976. The Hispanic oversample is drawn from Hispanic households that were in the CPS in the previous November, December, or January and were still at the same address in March. Beginning in 2001, the March CPS sample was expanded to facilitate study of the SCHIP. The expanded sample has two components: (1) households that were in MIS 4 or 8 in February or that are scheduled to be in MIS 1 or 5 in April, (2) households that were in the CPS in the previous November that were interviewed during the February-April period. These oversample households are less representative than the rest of the CPS households, because they are less likely to have moved in the previous five months. Somewhat surprisingly, excluding these oversamples reduces estimated nonwork rates. The difference between the full sample and the nonoversample ranges from less than 0.2 of a percentage point in the late 1970s to approximately 0.6 of a percentage point in the

men as workers if they worked at least one week during the previous year or if they did not work during the year because they were in school.<sup>5</sup> Men who worked but did not report earnings were dropped from the sample. All other men were classified as nonworkers. The time periods (1967-1969, 1977-79, 1987-1989, and 1997-1999) were chosen because they are ten years apart and represent similar points in the business cycle.

There are two key points to take away from Table 1. First, there are significant differences in the magnitude and timing of increases in the nonwork rate by education level. Over the entire period, the largest proportional increase has not been among high school dropouts, but among high school graduates. The 1990s differed from earlier decades in that it was the most educated men that saw the largest proportional increases in the nonwork rate. The nonwork rates of college graduates and men with some college increased by 70 percent and 57 percent, respectively. For college graduates, the increase in the 1990s accounts for more than 80 percent of the increase over the entire 30-year period. Among high school dropouts and high school graduates, the relative increase in the nonwork rates were smaller in the 1990s than in previous decades (15 percent and 43 percent, respectively). Second, although most nonworkers are “Sick/Disabled,” a large fraction (35 percent in the late 1990s) are not. Further, except for the 1990s, there has been disproportionately greater growth in categories other than Sick/Disabled. In the late 1960s, the Sick/Disabled category accounted for 75 percent of nonworkers, but only 58 percent of the increase between the late 1960s and the late 1990s. In the late 1980s, this category was 62 percent of nonworkers, and accounted for 77 percent of the increase in the nonwork rate in the 1990s.

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mid-1990s. This implies that using the full sample overestimates the nonwork rate by up to 9 percent. As part of the SCHIP initiative, the CPS also increased the monthly sample in states with high sampling errors for uninsured children. I did not drop these observations.

These trends indicate that disability, while important, is not the entire story and that an increasing share of nonworkers are not disabled. Although the increase in the nonwork rate of non-college educated men during the 1990s is consistent with Autor and Duggan's explanation,<sup>6</sup> rising DI replacement rates cannot explain the large relative increase in the nonwork rate of college graduates during this time because their replacement rates did not increase. As further evidence, the Sick/Disabled category accounted for only 42 percent of the increase among college graduates, while the Family Care category accounted for 27 percent of the increase.

### **III. Longitudinal Aspects of Nonwork**

Although March CPS data tell us a lot about trends in nonwork rates, they cannot tell us anything about the total amount of time that an individual will ultimately spend not working. In this section, I use NLSY data to examine this issue along with other longitudinal aspects of nonwork. For this analysis, I restricted the NLSY sample to civilian, noninstitutional men who were age 25-29 in 1987 and had valid data for all years in the 1987-1997 period.<sup>7</sup> The resulting dataset has 20,581 observations on 1,871 men. Because sample attrition could have biased the results, I also ran the analyses on a more complete sample of 25,395 observations on 2,445 men who had valid data for at least 5 years of the 11 years in the 1987-1997 period. Although the nonwork rates were slightly higher in the expanded sample, the two datasets tell the same qualitative story.<sup>8</sup>

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<sup>5</sup> The classification of students as workers does not affect my results.

<sup>6</sup> In the 1990s, the Sick/Disabled category accounted for over 75 percent of the increase in the nonwork rate of non-college educated men.

<sup>7</sup> As above, age is as of March of the year in question.

<sup>8</sup> I opted to use the balanced panel, because it simplifies the presentation of my results. As an added check, I compared the NLSY sample to a similarly defined sample from the CPS, and found that there were very similar to each other. See Table A1 and the Data Appendix for more details.



I defined nonworkers as above (zero weeks worked and not in school) using a weeks-worked variable constructed from the detailed week-by-week employment information in the Work History file. Men who were nonworkers in one or more years of the 11 years of the sample are referred to as “marginal workers,” and, to simplify the presentation, are classified into three categories: frequent nonworkers (men who were nonworkers in four or more years), occasional nonworkers (nonworkers in two or three years), and one-time nonworkers (one year of nonwork). The nonwork rate for this cohort over the 1987-1997 period in the NLSY is somewhat lower than that in the comparable March CPS data--averaging 2.8 percent<sup>9</sup> versus 5.1 percent in the CPS. Some of this difference is due to attrition (the nonwork rate for the full NLSY sample averaged 3.5 percent), but differences in the way the data are collected likely account for most of the difference (see the Data Appendix for more details).

Table 2 shows that a small percentage of men account for the vast majority of the time spent not working. Over the 1987-97 period, the 2.8 percent of men who were frequent nonworkers accounted for 68.3 percent of the years spent not working, and another 2.2 percent who were occasional nonworkers accounted for an additional 17.0 percent. Hence, a small fraction (5 percent) of men accounts for nearly all (85.3 percent) of the years spent not working. Put another way, in an average year 85.3 percent of full-year nonworkers are either frequent or occasional nonworkers and only 14.7 percent are one-time nonworkers.

The amount of time spent not working varies predictably by demographic characteristics (see Table 3). High school dropouts spent an average of 1.1 years not working out of the 11 in the sample, compared with 0.3 of a year for high school graduates, 0.2 of a year for men with some college, and a negligible amount of time for college graduates. The fraction of men who

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<sup>9</sup> The nonwork rate in the NLSY ranged from a low of 1.6 percent in 1989 to a high of 4.2 percent in 1997.

worked all 11 years increases monotonically with education from 71.7 percent for high school dropouts to 98.4 percent for college graduates. Similarly, the fraction of men who are frequent nonworkers is 11.3 percent among high school dropouts, about 2.6 percent among high school graduates and men with some college, and zero for college graduates. There are significant differences by race as well. Nonwhites spent an average of 0.7 of a year not working, while whites spent 0.2 of a year not working. Nonwhites are more likely to be marginal workers than whites (17.7 percent vs. 7.8 percent), and the difference between whites and nonwhites becomes more pronounced at higher levels of nonwork.

Looking at the first and last columns in Table 3, it appears that much of the between-group differences in the total number of years spent not working are due to differences in the fraction who are marginal workers, rather than differences in the number of years spent not working conditional on being a marginal worker. The regression results in Table 4 help sort this out. Because the number of full years spent not working is essentially a count, I estimated the effects of covariates using a Poisson regression model. The results in the first column confirm that there is significant between-group variation in the average number of years spent not working. High school dropouts spend nearly three times as many full years not working as high school graduates, and college graduates spend significantly fewer years not working. Nonwhites and men who have spent some time in jail spend more than twice as many years not working as their respective reference groups. The remaining two columns support the hypothesis that most of the between-group differences are due to differences in the probability of being a marginal worker. The probit results<sup>10</sup> in the second column show that the probability of being a marginal worker is monotonically decreasing in education and that nonwhites are about 6 percentage

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<sup>10</sup> The coefficients are expressed as marginal effects.

points more likely than whites to be a marginal worker. These effects are large and statistically significant. In contrast, having spent time in jail does not seem to affect the probability of being a marginal worker. The Poisson regression in the third column was estimated over the subset of marginal workers. Among marginal workers, college graduates spend 63 percent fewer years not working and men who have spent time in jail spend about 73 percent more years not working. The other coefficients are not significant. Together, these results indicate that most of the between-group differences in the number of years not worked are due to differences in the probability of being a marginal worker and that unobserved differences account for much of the variation in the time spent not working among marginal workers.

In the years that they do work, marginal workers work fewer weeks than men who worked every year (see Table 5). One-time nonworkers work a full year in only 75 percent of years that they work, compared with nearly 93 percent for men who worked every year. The fraction is even lower for occasional and frequent nonworkers (63 percent and 42 percent). Conversely, conditioning on the number of weeks worked, individuals who work fewer weeks in a year are more likely to be occasional and frequent nonworkers. Nearly 30 percent of men who worked 1-13 weeks are occasional or frequent nonworkers. In contrast, less than 2 percent of full-year workers (50+ weeks) are occasional or frequent nonworkers.

These results have several implications. Given that a small fraction of men account for the vast majority of the time spent not working, the composition of nonworking men does not change much from year to year. Thus, we can learn a lot about nonworkers using cross-section datasets such as the CPS. From a policy perspective, this result means that programs designed to reduce the nonwork rate need only target a relatively small fraction of the population. The fact that men who work part year are more likely to be marginal workers implies that potential

experience understates actual experience for these workers. To illustrate the effect of this understatement, I estimated wage equations on full-year and part-year workers and found that the return to experience is about 30-40 percent lower for part-year workers. If full-year and part-year workers are pooled together, the estimated parameters slightly underestimate the returns to experience for full-year workers, and significantly overestimate the returns for part-year workers.

#### **IV. Who Supports Them?**

This section builds on earlier studies by providing a more detailed description of the sources of support for nonworking men. For this analysis, I pooled data from the 1994-2000 March CPS files (covering the 1993-1999 period) using the sample restrictions and definitions described in Section II. Unearned income is broken into six categories: asset income,<sup>11</sup> disability income,<sup>12</sup> income from Social Security,<sup>13</sup> income from retirement sources, unemployment compensation, and other unearned income.<sup>14</sup>

Table 6 shows the percent of nonworkers that have any unearned income and the percent with each type of income by reason for not working. About 70 percent of nonworkers have at least one source of unearned income, although there is significant variation by reason for not working. Nonworkers who were Sick/Disabled or Retired, whom together comprise 75 percent of nonworkers, were by far the most likely to have unearned income (82 and 84 percent, respectively). The remaining three categories (25 percent of nonworkers) were significantly less

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<sup>11</sup> This includes interest, dividends and rental income. For married couples, I assume that the CPS correctly allocates income to each spouse.

<sup>12</sup> This includes worker's compensation and disability benefits from pension plans and private insurance policies.

<sup>13</sup> This includes Social Security and SSI. The main reason for combining these two sources is that respondents seem to have confused them. There are a large number of men who claim to be receiving Social Security, but who are too young to receive retirement benefits.

likely to have unearned income. Among all nonworkers, the most common sources are Social Security (42 percent), asset income (20 percent), and disability (12 percent), although there are large differences by reason for not working. Among the Sick/Disabled, the most common sources of income were Social Security (62 percent), disability benefits, and income from assets (17 percent each). Slightly over half of all Retired nonworkers received asset income, 42 percent received retirement income, and 26 percent received Social Security. The relatively small number receiving Social Security likely reflects the fact that these men are too young for old-age benefits. Hence, they must have received DI or SSI payments, but reported being Retired rather than Sick/Disabled. For those who were Unable to Find Work, unemployment benefits, asset income, and other income were the most common sources, but relatively few received income from any of these sources (between 13 and 15 percent for each source). In the Family Care category, asset income (28 percent) and other income (14 percent) are the most common sources.

Table 7 shows the amount of unearned income received (conditional on receiving any unearned income) by reason for not working, and the relative contribution from each source of income. Unearned income amounts were adjusted to account for income and FICA taxes (to make them comparable to earned income)<sup>15</sup> and deflated to 1998 dollars using the CPI. Of nonworkers who have any unearned income, the average amount is \$12,990. Most of this total comes from Social Security (42 percent), disability benefits (19 percent), retirement income (11 percent), and asset income (10 percent).

As might be expected, both average income (conditional on having any income) and the share from each source vary considerably by reason for not working. Retired nonworkers have

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<sup>14</sup> Other unearned income includes veteran's benefits, public assistance, child care, alimony, and money received from non-household friends and relatives.

by far the highest average income at \$23,261. About half of this amount comes from pensions and other retirement sources, another 19 percent comes from assets, and 14 percent comes from Social Security. Sick/Disabled nonworkers averaged \$12,644 in unearned income, with nearly four-fifths of this coming from Social Security (53 percent) and disability benefits (25 percent). Nonworking men who were Unable to Find Work and doing Family Care received significantly less unearned income, only \$7,725 and \$6,838, respectively. Among nonworking men who were Unable to Find Work, a little over half came from unemployment benefits (38 percent) and other income (34 percent). While for those doing Family Care most of their income came from assets (31 percent) and other income (38 percent).

Looking at average incomes potentially can be misleading, because income distributions tend to be skewed.<sup>16</sup> As it turns out, median incomes (shown in the second row of Table 7) tell a similar story. The main differences show up in the Family Care and Other Reason categories. Overall, median income is about 35 percent less than mean income, but for these two categories the relative differences are about twice as large (62 and 75 percent). Thus it appears that a large fraction of nonworkers in these two categories receive very little income.

The box-and-whisker plots in Figure 1 further illustrate the differences in income by reason for not working.<sup>17</sup> The universe for Figure 1 is all nonworkers, not just those with positive incomes, so that we can more clearly see the effect of income nonreceipt. Retired

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<sup>15</sup> When I adjusted for income taxes, I assumed that income from programs not subject to income taxes was marginal so that the marginal tax rates on the Unicon March CPS files applied.

<sup>16</sup> Interestingly, the distribution of income among nonworkers is considerably *more* skewed than the distribution of either earnings or total income among workers. The skewness coefficient is about 2.8 for workers and about 4.7 for nonworkers. Perhaps not surprisingly, the skewness coefficient for retired nonworkers is about 2.6--approximately the same as for workers.

<sup>17</sup> The box in the box-and-whisker plots extends from the 25<sup>th</sup> to the 75<sup>th</sup> percentile, while the line inside the box is at the median. The endpoints of the whiskers are equal to  $\inf(Y | Y < (Y_{75} + 1.5 \cdot (Y_{75} - Y_{25}))$  and  $\sup(Y | Y > (Y_{75} - 1.5 \cdot (Y_{75} - Y_{25}))$ .

nonworkers stand out from the rest, because they have significantly higher median income and their unearned income exhibits greater dispersion than any other category. Focusing on the other four reasons, we see that income nonreceipt plays an important role. For example, the collapsed boxes for the Family Care and Other Reasons indicate that 75 percent of the men in these categories have little or no income. This and the higher fraction of Sick/Disabled nonworkers with unearned income account for the fact that there is no overlap between the interquartile range of Sick/Disabled category and the other three categories (Family Care, Unable to Find Work, and Other Reasons), indicating that 75 percent non-Sick/Disabled nonworkers (except Retired) receive less income than the 25<sup>th</sup> percentile of Sick/Disabled nonworkers. If the universe for Figure 1 had been restricted to nonworkers with unearned income, these four groups would look much more similar to each other.<sup>18</sup>

Putting Tables 6 and 7 and Figure 1 together, we can see that the income received by male nonworkers reflects the high proportion that are Sick/Disabled and that there is significant variation in the incidence and amount of income received by reason for not working. More importantly, a large fraction of nonworking men have little or no income, which suggests that they have other sources of support.

### **Support from Other Family Members**

The first step in this analysis is to examine the living arrangements of nonworkers and compare them to those of workers. For the purposes of this discussion, I consider living arrangements defined by the presence of family members, where “family” includes all immediate

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<sup>18</sup> These plots are available from the author on request.

and extended family members living in the household.<sup>19</sup> The top panel of Table 8 shows that 42 percent of nonworkers live with a spouse and 29 percent live alone. The rest live either with their parents (21 percent) or other relatives (7 percent). In contrast, 68 percent of working men live with a spouse, 23 percent live alone, and only 6 percent live with their parents. So, compared with working men, nonworking men are much less likely to be living with a spouse and are more likely to be living alone, with their parents, or with other relatives.

The bottom panel of Table 8 examines the extent to which the nonworker's income rather than employment status accounts for differences in living arrangements. The income quantile ranges in Table 8 were chosen to facilitate comparisons between workers and nonworkers with similar incomes. Nonworking men in the 30-75 percentile range have roughly the same income as workers in the first decile, and nonworking men in the top quartile have roughly the same income as working men in the 10-90 percentile range. Nonworking men in the first three deciles have no income.

The lower panel of Table 8 shows that working and nonworking men with roughly the same income have similar distributions of living arrangements. The main difference between the distributions is that nonworkers in the 30-75 and 75+ percentile ranges are about 8-10 percentage points less likely to be living with a spouse compared to workers with similar incomes. Nonworkers in the 30-75 percentile range are 5 percentage points more likely to live with their parents, whereas those in the 75+ range are 6 percentage points more likely to live alone. But these differences are relatively small compared to the differences between nonworkers with different levels of income. Comparing nonworkers in the 30-75 percentile range to those in the 75+ range, the higher income nonworkers are 20 percentage points more likely to be living with

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<sup>19</sup> Alternatively, I could have used the household or the nonworker's immediate family. The results are not sensitive



a spouse and are 14 percentage points less likely to be living with their parents. Nonworkers in the first three deciles (those with no income) are the most likely to be living with their parents or other relatives (32 percent and 11 percent) and are the least likely to be living with a spouse (35 percent).

The next step is to investigate the extent to which nonworkers are supported by other family members living in the household. Table 9 shows family per capita income and the contributions to family per capita income from nonworkers, their spouses, parents, and other relatives conditional on having any family income. Over all living arrangements, average per capita income is \$11,048.<sup>20</sup> Per capita income is highest when the nonworker is living alone or with a spouse and is lowest for nonworkers who live with other relatives, although there is not much variation across living arrangements. There is, however, quite a bit of variation in the fraction contributed by the nonworker. Of the nonworkers who live with family members, those who live with their wives contribute the most (38 percent) to per capita family income, while those living with their parents contribute the least (17 percent). Households where the nonworker lives with other relatives fall between these two figures, with the nonworker contributing 24 percent to family per capita income.

Table 10 provides insight to some of this variation by showing how the contributions to total family income are broken down into the fraction of nonworkers' families receiving income from a given source and the amount conditional on receipt. Nonworkers who live with their parents or other relatives are the least likely to have unearned income. Only 54 percent of nonworkers who live with their parents have any income of their own, and the average amount is considerably smaller --\$8,515 versus \$12,990 overall. A similar percentage of nonworkers who

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to the definition used.

live with other relatives have income, though the average amount is somewhat higher (\$10,901). In contrast, 75 percent of nonworkers who live with a spouse received income, with the average amount being \$15,614. A similar fraction of nonworkers who live alone received unearned income, but the average amount was only \$11,902.

There is significant variation in the income contributed by family members. Spouses provide much of the income in married couples. In Table 9, we can see that their incomes, which are mostly from earnings, comprise 53 percent of family per capita income. Table 10 indicates that the 60 percent of wives who have earned income earned an average of \$23,398 per year. A similar fraction have unearned income, but the average amount is considerably smaller, only \$5,677. In contrast, when nonworkers live with their parents (no spouse present), the parents income, most of which is unearned, accounts for 71 percent of per capita income (see Table 9). Only 38 percent of parents of nonworkers in this arrangement have earned income, although the amount is relatively large, \$26,916. These parents are twice as likely to have unearned income (82 percent) with the average amount being \$14,427 (see Table 10). Overall, other relatives contribute 11 percent to per capita family income. Interestingly, of the nonworkers who live with a spouse or with their parents, 41 and 46 percent have other relatives present who also contribute income.

The data in Tables 9 and 10 indicate that a significant portion of family income comes from other family members and that the extent of that support varies considerably by living arrangement. But averages do not tell us much about what fraction of nonworking men receive substantial or total support from household family members. Ideally, I would like to compare the resources consumed by the nonworker to the income received by the nonworker, but

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<sup>20</sup> As a point of reference, the average per capita income in families with a working man is \$24,938.

consumption data are not available in the CPS. However, if I assume that resources are distributed approximately equally among family members, then I can shed light on this issue by looking at the ratio of the nonworker's income to the average income of other adults in the family (I will refer to this as the relative income ratio). I use 75 percent and 125 percent as my main cutoffs. A relative income ratio between 75 and 125 percent indicates that the nonworker's income is about the same as other adults in the family, and I assume that he neither receives substantial support from nor provides substantial support to other family members. Below 75 percent, I assume that the nonworker receives substantial support from other family members, and above 125 percent the nonworker provides substantial support to other family members. Table 11 shows the distribution of the relative income ratio by living arrangement, reason for not working, income percentile range, and selected demographic characteristics. The universe for this table includes nonworking men in who live in families with positive family income.

From Table 11, we can see that there is considerable variation in the fraction of nonworkers who receive substantial support from family members by living arrangement, and reason for not working. Fifty-three percent of nonworking men who live with a spouse receive substantial support from other family members, compared with 77 percent of nonworkers who live with their parents and 70 percent of those who live with other relatives. Nonworkers in the latter two living arrangements also are much more likely to be completely supported by other family members. Nonworkers who said they were Sick/Disabled or Retired are the least likely to be receiving substantial support from family members (53 percent and 41 percent, respectively). Over 80 percent of men who report the other three reasons receive substantial support from family members, with between half and two-thirds of them receiving total support.

Looking at the level of support by income quantile range makes it clear that support from family members is a substitute for nonworkers' own income, and that the differences described above are related to differences in income across living arrangements and reason for not working. Not surprisingly, nearly 60 percent of nonworking men in the 30-75 percentile income range receive substantial support from family members, while only 24 percent provide substantial support. In contrast, only 21 percent of nonworkers in the top quartile receive substantial support, while 60 percent provide substantial support.

There is surprisingly little variation by race and especially by education, although black nonworkers are significantly more likely to have no income compared with white nonworkers. The fraction receiving substantial support decreases with age, but this is not surprising given Welch's (1999) finding that nonworkers' incomes increase with age.

Putting all of these results together, it is clear that family members provide an important alternative source of support for nonworking men who have little or no unearned income of their own. This can be a double-edged sword, because the availability of potential support from family members, while providing an important alternative safety net, may, like the availability of DI benefits, reduce incentives to work.

Taking a quick look at the NLSY data suggests that living arrangements are jointly determined with employment status, which casts doubt on the safety-net aspect of family support. If the safety net aspect is important, then one would expect that transitions from work to nonwork to be accompanied changes in living arrangements. But of the 212 nonwork spells that began in 1988 or later, only 13.7 percent (on a weighted basis) were accompanied by a

change in living arrangements.<sup>21</sup> Of those, only one third (4.4 percent of all transitions) moved in with their parents at the same time they made the transition from work to nonwork. Moreover, the distributions of living arrangements before and after the transition are nearly identical. Hence, it appears that living arrangements and employment status are jointly determined, and that certain living arrangements facilitate nonwork.

## **V. What Do Nonworkers Do?**

To examine this question, I use data from the 1992-94 University of Maryland (UMD) Time Diary Study. In this study, households were sampled using random digit dialing (RDD), and one household member was randomly selected and interviewed. Respondents were asked to sequentially report everything they did during the previous day. For each episode, the survey collected a verbatim description of what was done, the start and stop times, where the respondent was, and who the respondent was with. Each verbatim response was coded into one of 90 fairly detailed activity codes. In addition to the time-diary information, the UMD data contain basic demographic information (age, race, sex, education) and employment status.

As with the March CPS data, I restricted the sample to civilian, noninstitutional men age 25-54.<sup>22</sup> I also excluded observations where the respondent reported four or fewer episodes. I further restricted the analysis to nonworkers and full-time workers, because part-time workers looked very different both from full-time workers and nonworkers and there were not enough of them to do a separate analysis.<sup>23</sup> Nonworkers were further broken down by reason for not

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<sup>21</sup> I dropped the 28 transitions for which living arrangement was unknown either before or after the transition from work to nonwork.

<sup>22</sup> Age is at the time of the interview.

<sup>23</sup> For this analysis, I excluded nonworking students.

working: disabled, unemployed, and other reasons.<sup>24</sup> Individuals were classified as workers if they reported that they were employed during the previous week. About 6 percent of individuals who were not employed full time during the previous week reported working during the diary day. Although these observations appear to be legitimate transitions out of nonemployment,<sup>25</sup> I dropped them from the sample because I could not determine their full-time/part-time status.

To keep the presentation manageable, I aggregated the 90 2-digit activities into 6 broad activity groups. The Work category includes time spent in job search and commuting. Household Work includes housework and purchasing goods and services. Child Care refers only to care that was done as a primary activity, and does not include looking after children while doing something else. It also excludes playing with children if the activity falls into another category.<sup>26</sup> Leisure and Recreation includes active sports, exercise, outdoor activities, arts and crafts, games, computer use, watching TV, reading, and conversation. And Personal Care includes time spent eating, sleeping, bathing, and dressing. The six columns of Table 12 show the average number of hours per day spent in each activity for each of the broadly defined activities defined above. The rows do not sum to 24 hours, because I omitted activities related to organizations, which are not household work, leisure, or personal care. Table 12 shows that nonworking men spend 3.6 hours per day (25.2 hours per week) doing unpaid work (Household Work plus Child Care), 8.4 hours per day (58.6 hours per week) in leisure and recreational

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<sup>24</sup> Keep in mind that these categories are not exactly the same as the corresponding categories in the March CPS data.

<sup>25</sup> I looked into this by comparing the implied monthly transition rate of about 24 percent in the UMD sample to the average monthly transition rates of men for the same period from the CPS gross flows data. Average monthly transition rates of men for the period from the gross flows were 26.3 percent for unemployment-to-employment transitions and 5.2 percent for NILF-to-employment. Hence, the transition rate implied by the UMD data is about right for unemployment-to-employment transitions, and too large for NILF-to-employment transitions. The results are virtually identical when these observations are included in the sample and classified as employed.

<sup>26</sup> For example, bike riding with young children is likely to be recorded as active sports rather than child care.

activities, and 11.1 hours per day (77.6 hours per week) doing personal care activities. To put these numbers into perspective, it is useful to compare nonworking men to nonworking women and to working men.

Nonworking women spend 6.0 hours per day (41.7 hours per week) doing unpaid work, or 2.4 hours more per day (16.5 hours more per week) than nonworking men. Comparing nonworking men and women by reason for not working, we see that the greatest difference in unpaid work is for the unemployed. Unemployed women spend 5.4 hours (37.5 hours per week) doing unpaid work compared with 3.2 hours (22.4 hours per week) for unemployed men. The differences for the other two reasons are smaller, which suggests that much of the overall difference is due to differences in the distributions of reasons for not working--three-quarters of nonworking men reported being disabled or unemployed, whereas only one-quarter of nonworking women gave those reasons.

To illustrate the effect of difference in the distributions of reasons for not working, I generated counterfactual estimates of the time that nonworking men spend doing unpaid work by calculating weighted averages across the three reasons using the fraction of nonworking women giving those reasons as weights. Using these counterfactual estimates, the difference in unpaid work fell from 2.4 hours (16.5 hours per week) to 1.7 hours (12.0 hours per week), with all of the reduction being due to household work. The difference in the time spent in child care increased slightly. However, it is likely that this counterfactual estimate does not fully account for the differences in reasons for not working, because the composition of the Other Reasons category differs significantly between men and women. The vast majority (84 percent) of women in the Other Reasons category report keeping house, whereas only 18 percent of men in the Other Reasons category gave that reason. Tabulations of CPS data further support this hypothesis.

Nonworking women are nearly twice as likely as nonworking men to be living with children under 18 (64 percent versus 34 percent) and are nearly 10 times as likely to be taking care of family (70.0 percent versus 7.4 percent). It is also worth noting that the estimated differences in the time spent in child care likely understates the true difference in child care between nonworking men and nonworking women, because they do not include child care as a secondary activity, which accounts for most child care.

To compare nonworking men to working men, it is useful to examine what nonworkers do with the time that is freed up by not working. Compared with men who work full time, nonworking men spend about 6.6 fewer hours per day (46.1 hours per week) less in work-related activities than working men (0.2 of an hour versus 6.8 hours). About 25 percent of this difference (1.7 hours) is spent doing household work and child care, and another 6 percent (0.4 hours) is spent getting additional education or training. The remaining 69 percent is spent in leisure and recreation activities (3.6 hours) and personal care (1.0 hour, about  $\frac{3}{4}$  of which is sleep). The differences between workers and nonworkers shrink considerably when the comparison is restricted to nonwork days.<sup>27</sup> Workers and nonworkers spend similar amounts of time in unpaid work (3.6 versus 3.7 hours per day for workers) and leisure activities (8.4 versus 8.0 hours per day). If one looks at less-aggregated 1-digit activities, the differences are statistically significant for only three of the ten activities (Work, Education, and Passive Leisure) compared with eight of ten activities when workdays are included for working men. Thus, the average day of a nonworking man looks very much like the average day-off of a man who works full time. In contrast, nonworking women substitute nonmarket work for market work to a much

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<sup>27</sup> I did not omit days when the respondent reported looking for work.



greater degree. Of the 6 hours per day freed up by not working, they spend 50 percent doing unpaid work, 35 percent doing leisure and recreation activities, and 10 percent in personal care.

To help quantify the differences described above, the bottom panel of Table 12 shows values of the activity profile index for selected comparisons. This weighted absolute deviation index ( $T_{WAD}$ ) is given by the following formula:

$$T_{WAD} = \sum_{i=1}^k \left\{ \frac{|a_i - b_i|}{a_i + b_i} \left( \frac{a_i + b_i}{\sum_{i=1}^k (a_i + b_i)} \right) \right\}.$$

where  $a_i$  is the time spent in activity  $i$  by group  $a$ ,  $b_i$  is the time spent in activity  $i$  by group  $b$ , and  $k$  is the number of 1-digit activities. This index ranges between 0 and 1, with 0 indicating identical activity profiles and 1 indicating no activities in common, and is best described as a weighted average of the absolute percentage difference in time spent in all activities.<sup>28</sup>

The values of the index in the first column compare full-time workers to nonworkers for both men and women. Comparing the average day of a full-time worker to the average day of nonworker, the activity profile index values are 0.27 for men and 0.24 for women, indicating significant differences between the two groups for both men and women. In contrast, comparing an average day of nonworkers to an average nonwork day of full-time workers the index value is

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<sup>28</sup> I used this index, because it has an intuitive interpretation and is not sensitive to the level of aggregation. See Stewart 2000 for a discussion of other activity profile indexes used in the time-use literature. This index is

equivalent to the Duncan segregation index when  $\sum_{i=1}^k a_i = \sum_{i=1}^k b_i$

about 0.06 for both men and women, indicating a strong similarity.<sup>29</sup> Comparing nonworking men and women reveals that nonworkers of both sexes are similar to one another, but that the activities of nonworking men are more similar to those of working men on their day off than to those of nonworking women.

The fact that there is not much substitution of nonmarket work for market work suggests that the relatively high reservation wages of male nonworkers are due to something other than opportunities for nonmarket production, and provides some additional corroboration of the findings of the Autor and Duggan (2003) and Bound and Waidmann (2002) studies.

## **VII. Summary**

The increase in the nonwork rate of prime-age males, which has been documented through the 1980s by Juhn (1992) and Welch (1997), has continued unabated through the 1990s. Much of the increase in the 1990s was in the Sick/Disabled category, which is consistent with the Autor and Duggan (2003) and Bound and Waidmann (2002) studies. But this is not the entire story, because the non-Sick/Disabled categories have increased as well.

Examination of NLSY data indicates that there is a small cadre of men who spend large amounts of time not working. In an average year, about 85 percent of male nonworkers are men who will end up spending nearly one in five years not working, and 68 percent will end up spending one in three years not working. Most of the between-group variation in the time spent not working is due to differences in the probability of being a marginal worker, rather than

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<sup>29</sup> Findings from Stewart 2000 can help put these numbers in to perspective. For the population as a whole, the activity profile index takes on values of between 0.02 and 0.04 when comparing weekdays to each other, and between 0.13 and 0.20 when comparing weekend days to weekdays. For groups that are identical except for random noise, the activity profile index is approximately 0.03. See Stewart (2000) for a description of this procedure.

differences in the time spend not working conditional on being a marginal worker. In the years that they do work, these marginal workers tend to work fewer weeks.

Most nonworking men have income from at least one source, although fully 30 percent receive no income. As might be expected, there is significant variation in the fraction receiving income by reason for not working. Nonworkers who are Sick/Disabled or Retired are the most likely to have unearned income, and, conditional on receiving any income, the amounts received by men in these categories are larger as well. There is a large fraction of nonworking men that have little or no income, which suggests that they have other sources of support such as other family members living in the household.

Compared with workers, nonworkers are less likely to be living with a spouse and are more likely to be living with their parents or with other relatives. However, after controlling for income, many of these differences disappear. Hence, most of the differences in the distribution of living arrangements between workers and nonworkers are related to differences in income, rather than differences in employment status per se.

These differences in living arrangements by income level suggest that family members--especially parents--are an important source of support for nonworkers who have little or no income. Overall, three-fifths of nonworkers who live with family members receive substantial or total support from those family members. Nonworkers who live with their parents or who report not working because of Family Care, they are Unable to Find Work, or Other Reasons have the lowest incomes and are by far the most likely to receive substantial or total support from family members living in the household.

Although nonworking men receive substantial support from family members, they do not substitute nonmarket work for market work to any great extent. Nonworking men do more

unpaid household work than men who work full time, but household work and education account for only 31 percent of the time that is freed up by not working. The remaining 69 percent is spent in leisure and personal care activities. Compared with nonworking women, nonworking men spend significantly less time doing household work, although much of the difference is due to differences between men and women in the distribution of reasons for not working. It is also worth noting that these estimates likely understate the differences between nonworking men and women, because nonworking women are much more likely to be living in a household with children and these time-diary data do not capture child care that is done as a secondary activity.

The small sample size of the UMD data limits the analyses that can be performed. With more time-diary data, it would be possible to make finer distinctions. For example, it would be possible to determine how the amount of unpaid work varies by living arrangement (are stay-at-home Dads different from stay-at-home Moms?) and the length of the nonwork spell (do long-term nonworkers differ from short-term nonworkers?). Once data from the American Time-Use Survey become available, it will be possible to answer these questions and more.

## Data Appendix

Panel A of Table A1 shows summary statistics for the NSLY sample in 1997 and a comparably defined sample from the March CPS. The two samples look very similar, except for the distribution of educational attainment and the distribution of weeks worked. Much of this difference is due to the fact that the CPS uses a degree based measure, while the NLSY uses a years-of-schooling measure.<sup>30</sup> The more important difference is in the nonwork rate, which is nearly 50 percent higher in the CPS (6.1 percent vs. 4.2 percent in the NLSY). Attrition can account for some of the difference--the nonwork rate for the full NLSY sample is 5.0 percent, which is still well below the CPS rate. Moreover, the difference in 1997 understates the difference between the two datasets over the entire 1987-97 period. The average over all years was 5.1 percent in the CPS compared with 3.5 percent in the full NLSY sample and 2.8 percent in the balanced panel.

Differences in survey design seem to be the most likely explanation for the lower nonwork rate in the NLSY. The NLSY collects information directly from the individual, whereas information for about half of the CPS sample comes from proxy respondents, who may be less likely to remember or know about short spells of employment. Also, the NLSY collects the work history information by showing respondents a calendar and asking what they were doing each week, whereas the CPS asks a single question about number of weeks worked during the previous year. Again, short spells of employment are less likely to be remembered. Apart from the fraction with zero weeks worked, the main difference in weeks worked shows up in the fraction of full year workers (50+ weeks per year): 85.4 percent in NLSY vs. 80.0 in the CPS. If

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<sup>30</sup> See Frazis and Stewart (1999) for a discussion of the two approaches to collecting educational attainment in the context of the 1992 change in the CPS question.

differences in survey design are responsible, then they affect reporting at all points in the weeks-worked distribution.

Panel B of Table 1 compares the UMD data to the March 1993 and 1994 CPS data. The CPS data are from the monthly questions, so they refer to March of those years. In general, the UMD data are very similar to the CPS data. The age distributions are nearly identical, although the UMD sample is better educated. This is probably an artifact of the RDD sampling, because high school dropouts are less likely to live in households with a telephone. There are somewhat more nonwhites in the UMD sample than in the CPS. Probably the biggest difference is the distribution of employment status. A much higher fraction of the CPS sample is not employed. Again, this may be an artifact of the RDD sampling. Apart from the fact that there are only 152 respondents who are not employed, this should not affect my results, because I am comparing time use across employment status.

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**Table 1: Trends in the percent of 25-54 year-old men who did not work during the year, by education level and reason for not working**

|                               | <b>Percent of 25-54 year-old men in each education category who did not work during the year (3-year averages)</b> |         |         |         |
|-------------------------------|--|---------|---------|---------|
|                               | 1967-69  | 1977-79 | 1987-89 | 1997-99 |
| <b>Education</b>              |  |         |         |         |
| High school dropout           | 4.4  | 10.7    | 15.1    | 17.4    |
| High school graduate          | 1.6  | 3.8     | 5.6     | 8.0     |
| Some college                  | 1.4  | 3.1     | 3.4     | 5.3     |
| College graduate              | 1.2  | 1.3     | 1.5     | 2.5     |
|                               |  |         |         |         |
|                               | <b>Percent of all 25-54 year-old men who did not work during the year (3-year averages)</b>                        |         |         |         |
|                               | 1967-69  | 1977-79 | 1987-89 | 1997-99 |
| <b>Reason for Not Working</b> |  |         |         |         |
| Sick/Disabled                 | 1.9  | 3.1     | 3.4     | 4.4     |
| Family Care                   | 0.0  | 0.1     | 0.2     | 0.6     |
| Retired                       | 0.2  | 0.4     | 0.4     | 0.7     |
| Unable to Find Work           | 0.1  | 0.5     | 0.9     | 0.6     |
| Other                         | 0.3  | 0.5     | 0.5     | 0.5     |
| <b>All Reasons</b>            | 2.6  | 4.7     | 5.5     | 6.7     |

Note: Author's tabulations of March CPS data.



**Table 2: Percent of years spent not working accounted for by occasional and frequent nonworkers**

| Number of years spent not working | Percent of men who did not work ... years |                    | Percent of years not working accounted for by men who did not work ... years |                    |
|-----------------------------------|---|--------------------|--|--------------------|
|                                   | Percent                                   | Cumulative percent | Percent  | Cumulative percent |
|                                   | 4+ (frequent nonworkers)                  | 2.8                | 2.8  | 68.3               |
| 2-3 (occasional nonworkers)       | 2.2                                       | 5.0                | 17.0   | 85.4               |
| 1 (one-time nonworkers)           | 4.5                                       | 9.5                | 14.6   | 100.0              |
| 0                                 | 90.5                                      | 100.0              | 0.0  | 100.0              |

Note: Author's tabulations of NLSY data (balanced panel of men who were 25-29 in 1987).

**Table 3: Distribution of years spent not working, by education level and race**

|                      | Percent of men in each category who spent ... years not working (out of 11) |      |       |      | Mean |
|----------------------|---|------|-------|------|------|
|                      | 0   | 1    | 2 - 3 | 4+   |      |
| <b>Education</b>     |   |      |       |      |      |
| High School Dropout  | 71.7  | 10.7 | 6.3   | 11.3 | 1.1  |
| High School Graduate | 88.3  | 5.6  | 3.4   | 2.7  | 0.3  |
| Some College         | 94.1  | 2.8  | 0.5   | 2.6  | 0.2  |
| College Graduate     | 98.4  | 1.5  | 0.1   | 0.0  | 0.0  |
| <b>Race</b>          |   |      |       |      |      |
| White                | 92.2  | 4.0  | 1.8   | 1.9  | 0.2  |
| Nonwhite             | 82.3  | 6.5  | 4.0   | 7.2  | 0.7  |
| All men              | 90.5  | 4.5  | 2.2   | 2.8  | 0.3  |

Note: Author's tabulations of NLSY data (balanced panel of men who were 25-29 in 1987).

**Table 4: Determinants of the time spent not working**

|  | Dependent Variable         |  |   |
|--|----------------------------|--|---|
|  | Number of years not worked | Probability of being a marginal worker | Number of years not worked (marginal workers) |
| High School Dropouts                   | 2.744 **<br>(0.661)        | 0.111 **<br>(0.029)                    | 1.230<br>(0.220)                              |
| Some College                           | 0.623<br>(0.202)           | -0.045 **<br>(0.011)                   | 1.188<br>(0.263)                              |
| College Graduates                      | 0.058 **<br>(0.024)        | -0.091 **<br>(0.011)                   | 0.373 **<br>(0.051)                           |
| Nonwhite                               | 2.275 **<br>(0.448)        | 0.064 **<br>(0.019)                    | 1.287<br>(0.182)                              |
| Ever in military<br>(prior to 1987)    | 1.307<br>(0.395)           | 0.031<br>(0.023)                       | 0.881<br>(0.205)                              |
| Ever in jail/prison<br>(prior to 1987) | 2.605 **<br>(0.945)        | 0.048<br>(0.060)                       | 1.735 **<br>(0.324)                           |
| Observations                           | 1,871                      | 1,871                                  | 224   |

Notes: Estimated using NLSY data (balanced panel of men who were 25-29 in 1987). The coefficients from the Poisson regressions (first and third columns) are expressed as incidence rate ratios, and the coefficients from the probit (second column) are expressed as discrete marginal effects.

**Table 5: Distribution of weeks worked during the year by years spent not working  
(conditional on working any weeks during the year)**

| Weeks worked during year | Number of years spent not working |      |       |      | Total |
|--------------------------|-----------------------------------|------|-------|------|-------|
|                          | 0                                 | 1    | 2 - 3 | 4+   |       |
| 1-13                     | 57.5                              | 13.7 | 14.0  | 14.9 | 100   |
|                          | 0.9                               | 4.5  | 10.7  | 21.2 | 1.4   |
| 14-26                    | 71.9                              | 14.9 | 6.8   | 6.4  | 100   |
|                          | 1.8                               | 8.5  | 8.9   | 15.8 | 2.4   |
| 27-39                    | 80.7                              | 9.5  | 5.9   | 3.9  | 100   |
|                          | 4.6                               | 12.1 | 17.4  | 21.5 | 5.3   |
| 40-49                    | 87.9                              | 7.1  | 3.6   | 1.4  | 100   |
|                          | 8.3                               | 15.0 | 17.7  | 12.9 | 8.8   |
| 50+                      | 95.6                              | 3.0  | 1.0   | 0.3  | 100   |
|                          | 84.4                              | 60.0 | 45.3  | 28.7 | 82.2  |
| Total                    | 93.1                              | 4.2  | 1.8   | 1.0  | 100   |
|                          | 100                               | 100  | 100   | 100  | 100   |

Note: Author's tabulations of NLSY data (balanced panel of men who were 25-29 in 1987). The universe for this table is all observations in which the individual worked at least one week.

**Table 6: Percent of 25-54 year-old male nonworkers with income from various sources --  
1993-1999 average**

|                           | All<br>nonworkers | Sick/disabled | Family care | Retired | Unable to find<br>work | Other<br>reasons |
|---------------------------|-------------------|---------------|-------------|---------|------------------------|------------------|
| Any unearned income       | 69.6              | 82.0          | 45.3        | 83.6    | 38.2                   | 33.1             |
| Asset income              | 20.3              | 16.6          | 27.8        | 53.9    | 13.4                   | 20.8             |
| Disability income         | 11.7              | 17.0          | 1.1         | 6.9     | 0.9                    | 1.9              |
| Social Security income    | 42.1              | 61.8          | 5.5         | 25.7    | 3.7                    | 1.5              |
| Retirement income         | 5.2               | 2.5           | 0.8         | 42.2    | 1.2                    | 0.7              |
| Unemployment compensation | 3.6               | 1.9           | 1.2         | 0.5     | 14.0                   | 4.6              |
| Other income              | 15.0              | 16.0          | 14.6        | 11.3    | 15.1                   | 11.5             |

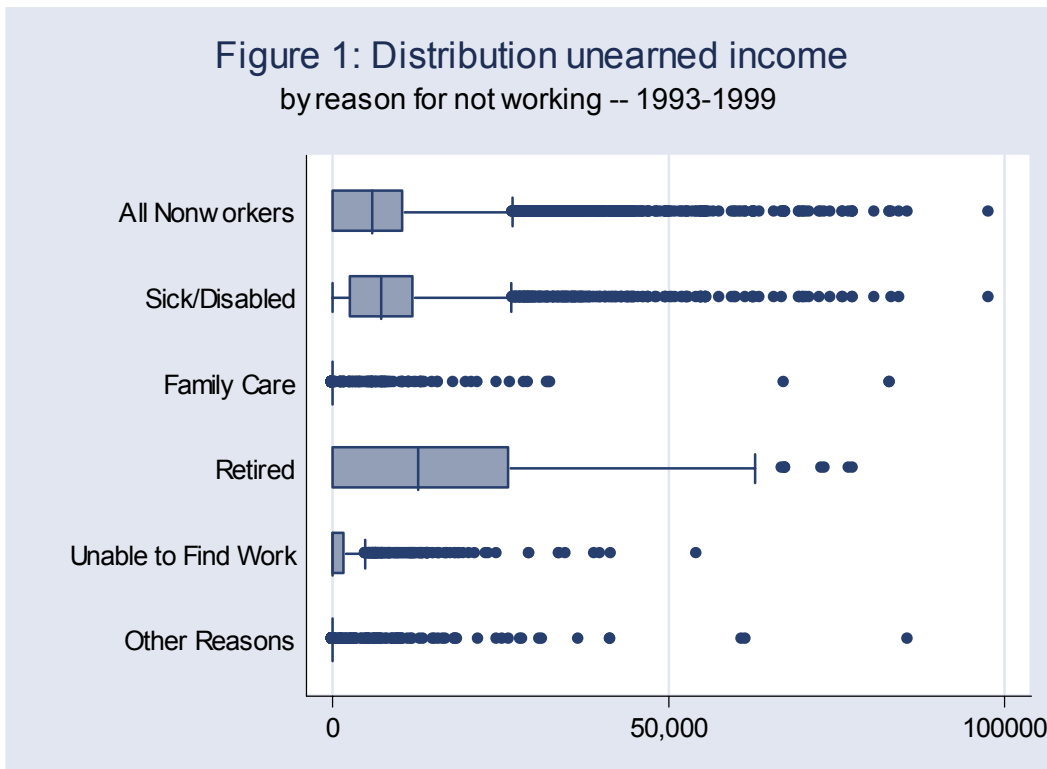
Notes: Author's tabulations of March CPS data. The universe for this table is all male nonworkers.

**Table 7: Income of 25-54 year-old male nonworkers by source (conditional on having any income) --  
1993-1999 average**

|   | All<br>nonworkers | Sick/disabled | Family care | Retired  | Unable to find<br>work | Other<br>reasons |
|---|-------------------|---------------|-------------|----------|------------------------|------------------|
| <b>Unearned income</b>                      |                   |               |             |          |                        |                  |
| Mean  | \$12,990          | \$12,644      | \$6,838     | \$23,261 | \$7,725                | \$12,058         |
| Median                                      | \$8,491           | \$8,651       | \$2,577     | \$18,632 | \$5,206                | \$3,006          |
| <b>Percent of (mean) income<br/>from...</b> |                   |               |             |          |                        |                  |
| Asset income                                | 9.9               | 5.1           | 30.7        | 18.5     | 6.9                    | 52.2             |
| Disability income                           | 19.4              | 24.6          | 7.5         | 6.4      | 2.0                    | 3.8              |
| Social Security income                      | 42.0              | 53.4          | 11.6        | 14.3     | 10.5                   | 3.1              |
| Retirement income                           | 11.4              | 2.7           | 3.2         | 52.4     | 7.3                    | 4.6              |
| Unemployment compensation                   | 2.8               | 1.1           | 3.0         | 0.1      | 37.9                   | 8.8              |
| Other income                                | 14.5              | 13.0          | 44.0        | 8.3      | 35.3                   | 27.4             |
|   | 100.0             | 100.0         | 100.0       | 100.0    | 100.0                  | 100.0            |

Notes: Author's tabulations of March CPS data. The universe for this tables is male nonworkers with unearned income

Figure 1: Box plots of full-time workers' earnings and earnings-equivalent income of nonworkers -- 1993-1999 average



Notes: Author's tabulations of March CPS data. The box in the box-and-whisker plots extends from the 25<sup>th</sup> to the 75<sup>th</sup> percentile, while the line inside the box is at the median. The endpoints of the whiskers are equal to  $\inf(Y | Y < (Y_{75} + 1.5 \cdot (Y_{75} - Y_{25})))$  and  $\sup(Y | Y > (Y_{75} - 1.5 \cdot (Y_{75} - Y_{25})))$ .

**Table 8: Distribution of living arrangements by employment status and income quantile range -- 1993-1999 average**

|                                 | Alone | Spouse | Parents<br>(No spouse) | Other<br>Relatives | Total |
|---------------------------------|-------|--------|------------------------|--------------------|-------|
| All Nonworkers                  | 29.1  | 42.4   | 21.0                   | 7.5                | 100   |
| All Workers                     | 23.0  | 67.7   | 6.1                    | 3.2                | 100   |
| <b>By Income Quantile Range</b> |       |        |                        |                    |       |
| Nonworkers                      |       |        |                        |                    |       |
| 0-30                            | 22.2  | 35.1   | 32.0                   | 10.7               | 100   |
| 30-75                           | 33.7  | 38.4   | 21.1                   | 6.8                | 100   |
| 75+                             | 29.4  | 58.5   | 7.3                    | 4.8                | 100   |
| Workers                         |       |        |                        |                    |       |
| 0-10                            | 30.0  | 46.2   | 16.8                   | 7.1                | 100   |
| 10-90                           | 23.1  | 68.5   | 5.4                    | 3.0                | 100   |
| 90+                             | 15.1  | 82.7   | 1.1                    | 1.2                | 100   |

Notes: Author's tabulations of March CPS data.



**Table 9: Family per capita income by source and type of living arrangement (conditional on receipt of any family income) -- 1993-1999 average**

|                                  | Total    | Alone    | Spouse   | Parents<br>(No spouse) | Other<br>Relatives |
|----------------------------------|----------|----------|----------|------------------------|--------------------|
| <b>Total</b>                     | \$11,048 | \$11,199 | \$11,331 | \$10,700               | \$9,983            |
| <b>Percent of income from...</b> |          |          |          |                        |                    |
| <b>Self</b>                      | 47.7     | 100.0    | 37.7     | 16.8                   | 23.7               |
| <b>Spouse</b>                    |          |          |          |                        |                    |
| Earned Income                    | 19.7     |          | 42.9     |                        |                    |
| Unearned Income                  | 4.8      |          | 10.4     |                        |                    |
| <b>Parents</b>                   |          |          |          |                        |                    |
| Earned Income                    | 6.8      |          | 0.4      | 30.3                   |                    |
| Unearned Income                  | 9.2      |          | 0.8      | 40.6                   |                    |
| <b>Other relatives</b>           | 11.8     |          | 7.9      | 12.4                   | 76.3               |
|                                  | 100.0    | 100.0    | 100.0    | 100.0                  | 100.0              |

Notes: Author's tabulations of March CPS data. The universe for this table is male nonworkers who have unearned income or are living in families that have income (earned or unearned).

**Table 10: Incidence and amount (conditional on receipt) of income by source and type of living arrangement -- 1993-1999 average**

|                        | Total    | Alone    | Spouse   | Parents<br>(No spouse) | Other<br>Relatives |
|------------------------|----------|----------|----------|------------------------|--------------------|
| <b>Total</b>           | 90.8     | 76.8     | 95.8     | 97.7                   | 96.9               |
|                        | \$28,669 | \$11,902 | \$34,915 | \$33,104               | \$32,803           |
| <b>Self</b>            | 69.6     | 76.8     | 74.9     | 53.5                   | 56.5               |
|                        | \$12,990 | \$11,902 | \$15,614 | \$8,515                | \$10,901           |
| <b>Spouse</b>          |          |          |          |                        |                    |
| Earned Income          | 25.5     |          | 60.0     |                        |                    |
|                        | \$23,335 |          | \$23,335 |                        |                    |
| Unearned Income        | 25.4     |          | 60.0     |                        |                    |
|                        | \$5,677  |          | \$5,677  |                        |                    |
| <b>Parents</b>         |          |          |          |                        |                    |
| Earned Income          | 8.3      |          | 1.0      | 37.6                   |                    |
|                        | \$26,631 |          | \$21,449 | \$26,916               |                    |
| Unearned Income        | 18.6     |          | 3.1      | 82.3                   |                    |
|                        | \$14,344 |          | \$13,243 | \$14,427               |                    |
| <b>Other relatives</b> | 33.7     |          | 40.6     | 45.2                   | 93.7               |
| (Earned and unearned)  | \$14,005 |          | \$9,205  | \$12,864               | \$27,344           |

Notes: Author's tabulations of March CPS data. The universe for this table is all male nonworkers.

**Table 11: Distribution of nonworker income relative to income of other adults in family, by selected characteristics -- 1993-1999 average**

|  | Nonworker's income is ... percent of<br>average income of other adults in family |      |        |      | Nonworker is<br>sole source<br>of family | Total |
|--|--|------|--------|------|--|-------|
|  | 0  | <75  | 75-125 | >125 |  |       |
| <b>Living Arrangement</b>                                |  |      |        |      |  |       |
| Spouse   | 21.9   | 30.9 | 13.5   | 23.4 | 10.4                                     | 100   |
| Parents (No spouse)                                      | 45.2   | 31.8 | 11.1   | 10.1 | 1.8                                      | 100   |
| Other Relatives  | 41.7   | 28.0 | 11.7   | 14.3 | 4.3                                      | 100   |
| <b>Reason for Not Working</b>                            |  |      |        |      |  |       |
| Sick/Disabled  | 18.9   | 34.0 | 15.7   | 23.1 | 8.4                                      | 100   |
| Family Care  | 52.5   | 36.1 | 5.5    | 3.9  | 2.2                                      | 100   |
| Retired  | 13.7   | 27.0 | 17.9   | 31.2 | 10.3                                     | 100   |
| Unable to Find Work                                      | 65.0   | 20.2 | 3.7    | 5.6  | 5.5                                      | 100   |
| Other Reasons  | 66.4   | 22.7 | 4.4    | 4.7  | 1.8                                      | 100   |
| <b>Income Quantile Range</b>                             |  |      |        |      |  |       |
| 0-30   | 100.0  | 0.0  | 0.0    | 0.0  | 0.0                                      | 100   |
| 30-75  | 0.0  | 58.7 | 17.8   | 15.5 | 8.0                                      | 100   |
| 75+  | 0.0  | 21.4 | 18.9   | 45.5 | 14.2                                     | 100   |
| <b>Age</b>   |  |      |        |      |  |       |
| 25-34  | 48.8   | 28.2 | 7.9    | 10.2 | 4.9                                      | 100   |
| 35-44  | 30.3   | 33.0 | 13.2   | 17.1 | 6.4                                      | 100   |
| 45-54  | 20.2   | 30.6 | 15.1   | 24.9 | 9.3                                      | 100   |
| <b>Race</b>  |  |      |        |      |  |       |
| White  | 27.0   | 32.2 | 13.4   | 19.8 | 7.6                                      | 100   |
| Black  | 42.5   | 27.3 | 11.1   | 14.5 | 4.6                                      | 100   |
| Other  | 36.5   | 27.7 | 8.2    | 16.6 | 11.0                                     | 100   |
| <b>Education</b>   |  |      |        |      |  |       |
| High School Dropouts                                     | 31.8   | 27.4 | 12.1   | 20.6 | 8.2                                      | 100   |
| High School Graduates                                    | 34.5   | 30.2 | 13.4   | 15.4 | 6.5                                      | 100   |
| Some College   | 24.7   | 34.1 | 10.9   | 22.7 | 7.7                                      | 100   |
| College Graduates  | 25.5   | 38.8 | 14.2   | 16.0 | 5.4                                      | 100   |
| <b>All Nonworking Men Living<br/>With Family Members</b> |  |      |        |      |  |       |
|  | 31.0   | 30.9 | 12.6   | 18.5 | 7.2                                      | 100   |

Notes: Author's tabulations of March CPS data. The universe for this table is male nonworkers living in families with positive family income.

**Table 12: Time spent in various activities by working and nonworking men and women (hours per day)**

|                          | Work-<br>Related<br>Activities | Education<br>and Training | Household<br>Work | Active<br>Childcare | Leisure and<br>Recreation | Personal<br>Care | N     |
|--------------------------|--------------------------------|---------------------------|-------------------|---------------------|---------------------------|------------------|-------|
| <b>Men</b>               |                                |                           |                   |                     |                           |                  |       |
| FT workers (average day) | 6.75                           | 0.12                      | 1.72              | 0.23                | 4.80                      | 10.10            | 1,682 |
| FT workers (nonwork day) | 0.03                           | 0.15                      | 3.43              | 0.27                | 8.03                      | 11.57            | 538   |
| All Nonworkers           | 0.17                           | 0.48                      | 3.33              | 0.27                | 8.37                      | 11.08            | 151   |
| Disabled                 | 0.05                           | 0.57                      | 3.17              | 0.25                | 9.12                      | 10.70            | 55    |
| Unemployed               | 0.33                           | 0.63                      | 2.83              | 0.37                | 8.50                      | 11.00            | 56    |
| Other                    | 0.08                           | 0.13                      | 4.38              | 0.17                | 6.95                      | 11.82            | 40    |
| <b>Women</b>             |                                |                           |                   |                     |                           |                  |       |
| FT workers (average day) | 5.90                           | 0.13                      | 2.68              | 0.40                | 4.28                      | 10.40            | 1,484 |
| FT workers (nonwork day) | 0.02                           | 0.17                      | 4.47              | 0.53                | 6.70                      | 11.77            | 547   |
| All Nonworkers           | 0.07                           | 0.18                      | 4.73              | 1.22                | 6.35                      | 10.97            | 478   |
| Disabled                 | 0.00                           | 0.42                      | 3.62              | 0.77                | 7.58                      | 11.42            | 58    |
| Unemployed               | 0.42                           | 0.02                      | 4.60              | 0.75                | 7.18                      | 10.45            | 83    |
| Other                    | 0.00                           | 0.18                      | 4.93              | 1.38                | 5.98                      | 11.02            | 336   |

**Activity Profile Index Comparison of ...**

| <b>FT workers and nonworkers</b> |      | <b>Men and Women</b> |      |
|----------------------------------|------|----------------------|------|
| Average day                      |      | FT Workers           | 0.06 |
| Men                              | 0.27 | All nonworkers       | 0.10 |
| Women                            | 0.24 | Disabled             | 0.08 |
| Nonwork day                      |      | Unemployed           | 0.13 |
| Men                              | 0.06 | Other reasons        | 0.10 |
| Women                            | 0.07 |                      |      |

Note: Author's tabulation of data from the UMD Time Diary Study.

**Table A1: Comparisons to March CPS****A. Comparison of NLSY to March CPS\***

|                             | NLSY       |                 | <u>CPS</u> |
|-----------------------------|------------|-----------------|------------|
|                             | <u>All</u> | <u>Balanced</u> |            |
| <b>Education</b>            |            |                 |            |
| High school dropout         | 10.6       | 9.8             | 11.8       |
| High school graduate        | 43.4       | 43.2            | 36.5       |
| Some college                | 21.0       | 21.2            | 24.5       |
| College graduate            | 25.0       | 25.9            | 27.3       |
| <b>Age</b>                  |            |                 |            |
| 35                          | 20.1       | 20.5            | 21.0       |
| 36                          | 20.3       | 20.8            | 20.2       |
| 37                          | 20.6       | 20.2            | 20.2       |
| 38                          | 19.1       | 18.8            | 19.4       |
| 39                          | 20.0       | 19.7            | 19.3       |
| <b>Race</b>                 |            |                 |            |
| White                       | 80.0       | 82.8            | 83.2       |
| Nonwhite                    | 20.0       | 17.3            | 16.8       |
| <b>Weeks worked in 1997</b> |            |                 |            |
| 0                           | 5.0        | 4.2             | 6.1        |
| 1-13                        | 1.5        | 1.3             | 1.5        |
| 14-26                       | 2.3        | 1.8             | 2.5        |
| 27-39                       | 2.4        | 2.2             | 3.8        |
| 40-49                       | 5.5        | 5.1             | 6.0        |
| 50+                         | 83.4       | 85.4            | 80.0       |

**B. Comparison of UMD data to March CPS\*\***

|                          | <u>UMD</u> | <u>CPS</u> |
|--------------------------|------------|------------|
| <b>Education</b>         |            |            |
| High school dropout      | 7.71       | 11.72      |
| High school graduate     | 31.61      | 34.63      |
| Some college             | 23.71      | 25.34      |
| College graduate         | 36.97      | 28.31      |
| <b>Age</b>               |            |            |
| 25 - 34                  | 37.68      | 37.11      |
| 35 - 44                  | 35.09      | 36.88      |
| 45 - 54                  | 27.23      | 26.01      |
| <b>Race</b>              |            |            |
| White                    | 81.80      | 84.85      |
| Nonwhite                 | 18.20      | 15.15      |
| <b>Employment Status</b> |            |            |
| Employed Full-time       | 92.47      | 84.20      |
| Not Employed             | 7.53       | 15.80      |

\* Data are for 1997

\*\* Data are for Sept. 1992-Oct 1994 (EPA) and March 1993 &amp; March 1994 (CPS)