



Women's Labor Force Trends and Women's Transportation Issues

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THE DATA

First, we need to take a brief look at the source of the data I have used as a basis for this talk in order to understand and interpret some of the recent movements in women's labor force trends. The data are based on information collected in the Current Population Survey (CPS), which is conducted for the Bureau of Labor Statistics by the Bureau of the Census. Currently, the CPS sample consists of about 50,000 households nationwide. The survey collects information that is used to determine the employment status of persons age 16 and over in the civilian noninstitutional population. In addition, it collects a wide range of demographic information that is used in studying the labor force activity of various population groups such as women.

While the CPS has been in continuous operation for about a half century, it has undergone several revisions in order to maintain the quality of its data in a changing world and to take advantage of technological and scientific advances in survey methodology. In the late 1980's and early 1990's the Bureau of Labor Statistics, in cooperation with the Bureau of the Census, undertook a major redesign of the CPS questionnaire and survey methodology. The revised survey questionnaire and data collection methodology were implemented in January 1994. One result of these changes, however, is that estimates based on data collected by the revised survey are not strictly comparable with estimates based on the old survey. It has been estimated, for example, that the number of employed women is about 3/4 million greater using the information obtained by the revised questionnaire and methodology than under the old survey. While this makes it difficult to analyze changes between 1993 and 1994, it does not affect fundamentally the interpretation of the broad, long-term trends that are the focus of this talk.

LABOR FORCE PARTICIPATION

Women's labor force participation rate (the percent of women 16 years and over in the civilian noninstitutional population who were working or looking for work) grew from 33 percent in 1948 to 59 percent in 1995. Over the same period, the rate for men fell gradually from 87 percent to 75 percent. As a result, the gap between women's and men's participation shrank from 54 percentage points in 1948 to 16 points in 1995.

The most rapid growth in women's participation occurred from 1975-85. Subsequently, growth slowed and, since 1990, the labor force participation rate for women has been at a virtual standstill. Factors underlying this leveling-off included declines in participation among young women under age 25, the long-term slowing of participation rate growth among women 25 to 44 years old, and an unusually slow employment rebound from the 1990-91 recession.

Contrary to the expectations of some observers, however, declines in participation have not occurred among mothers. Predictions that the leveling-off of women's overall participation rate in the early 1990s presaged a return to family lifestyles of the 1950's and 1960's do not appear to be coming to pass. Indeed, there is some evidence that participation rates for mothers of young children have grown recently.

Women's Travel Issues

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Turning to individual subgroups, mothers of school-age children posted rapid gains in participation. In 1975, about 55 percent of the mothers whose youngest child was 6 to 17 years old were in the labor force. By 1990, that proportion reached 75 percent, and has been about unchanged since then. Mothers with preschool children also posted very rapid gains. In 1975, just 39 percent were working or looking for work; by 1990, the proportion had reached 58 percent. The rate changed little during the early 1990's, but by 1995 it had reached 61 percent, including 57 percent of those with a child under a year old.

By marital status category, divorced women are the group most likely to be in the labor force—nearly 3 out of 4 in 1995. The fastest-growing group, however, is married women. Wives' labor force participation rate increased by about 20 percentage points between 1970 and 1995, when 3 out of every 5 were labor force participants.

As noted earlier, the slowdown in labor force rate gains for women 25 to 44 years old was an important factor underlying the cessation of women's overall participation rate growth in the early 1990's. As might be expected, women in this age group with no children under 18 have a higher labor force participation rate than those who were mothers—84 percent in 1995, compared with 71 percent. Since 1975, the participation rate for those with no children has not grown very much, only about 6 percentage points. By contrast, the rate for the mothers has increased by 20 percentage points or more over the period.

This has resulted in a sort of “compression” as the gap between the labor force rates of the two groups narrowed sharply (from 29 percentage points in 1975 to just 12 points in 1995). This suggests the possibility that the overall participation rate for women ages 25 to 44 years may be nearing its upper limit, assuming, of course, that the rate for those with no children represents that upper limit.

EMPLOYMENT

Among women who do work, there are two important ongoing trends that have significance from an economic and family standpoint. Women are moving away from lower-paying “traditional female occupations” towards managerial and professional jobs where earnings are higher. Also, they are increasing the amount of time they spend working which affects not only the amount of time they can spend on family-related tasks but also their total earnings.

Currently, 29 percent of employed women are in managerial and professional jobs, 42 percent in technical, sales and administrative support occupations., and 18 percent in service occupations. (By contrast, men are more evenly spread across occupational groups.) Twenty years ago, in 1975, just 18 percent were in managerial or professional specialty jobs, while 46 percent were in technical, sales and administrative support jobs, and 21 percent were in service occupations.

Women are increasing the amount of time they devote to market work by increasing the number of weeks they work over the course of a calendar year. Since 1970, the proportion of employed women who work all year (50-52 weeks) has grown from 51 percent to 67 percent. Contrary to conventional wisdom, however, the proportion of women with work experience during a calendar year who usually work full-time (35 hours a week or more)—70 percent—changed little over the period.

EARNINGS

As women's labor force participation and employment patterns have changed—more nearly approaching men's—so have their earnings. Among full-time wage and salary workers, women's median usual weekly earnings grew from about 63 percent of men's in 1979 to nearly 77 percent in 1993. Subsequently, the ratio drifted lower to a little more than 75 percent.

This downturn does not mean that women's earnings are declining. Rather, it signifies that, for now, men's earnings are growing faster than women's. This may be a statistical artifact, however, and only a temporary interruption in the trend.

The new questionnaire introduced in January 1994 (which was discussed briefly above) included revisions to the earnings questions. And, since changes in questions often result in somewhat different answers, it is possible that the revisions might have had some unanticipated short-term effects on earnings trend data.

Another possible explanation is related to the fact that the distribution of persons with earnings tends to cluster around particular earnings values. This clustering occurs at several different places in the distribution, which are different for men and women. When the median value is in one of these dense clusters, its rate of change is relatively slower than when it is in the relatively unoccupied space between clusters. This is much like the difference between driving in a rush-hour traffic jam and driving on an interstate highway hundreds of miles from any population centers. Hence, if the median for men is in one of the spaces between clusters while that for women is in the midst of a dense cluster, the men's median may race ahead while the women's median advances at a much slower pace. As a result, over the short term the difference between men's and women's earnings can widen abruptly (or narrow, depending on which median is changing more rapidly).

The earnings difference between women and men is lowest among young workers. Twenty- to 24-year old women full-time wage and salary workers earn 92 cents for every dollar men of the same age earn. Among those ages 45 to 54 years, the difference is greater as women earn just 68 cents for every dollar men earn.

The data appear to indicate, however, that the relatively smaller earnings differences among younger men and women may be carried forward—or even reduced—as they age. For instance, in 1983, women ages 25 to 34 earned about 73 cents for every dollar earned by men of the same age. Ten years later in 1993, when these women and men were 35 to 44 years old, the earnings difference was the same. Women who were 35 to 44 years old in 1983 had earnings that were 61 percent of those of men in the same age group; 10 years later, when these men and women were 45 to 54 years old, the women were earning 67 cents for every dollar the men earned. These developments suggest that, taken over the long term, difference between men's and women's earnings overall will tend to narrow.

The difference between women's and men's earnings is much smaller among blacks and Hispanics than among whites. Among blacks and Hispanics, women earn nearly 90 cents for every dollar men earn, while among whites, the figure is about 73 cents. The fact that black and Hispanic women earn nearly as much as their male counterparts, however, is due largely to the fact that the earnings of black and Hispanic men are relatively low, on average.

UNEMPLOYMENT

For more than two decades, it was taken for granted that women were more likely to be unemployed than men. But, this has changed; since the mid-1980s, women have been about as likely to be unemployed as men. The higher unemployment rates for women that prevailed during the 1960s, 1970s, and early 1980s, were largely a result of the huge influx of women into the labor market that occurred during that period. As this influx subsided, and women acquired more labor market experience, their unemployment rates came to resemble men's.

As is the case among men, black and Hispanic women are more likely than their white counterparts to be unemployed. Among mothers, the unemployment rate is highest for those with very young children. For those with children under 3, for example, the unemployment rate was 8.5 percent, just about twice the rate for those whose youngest child was 14 to 17 years old. This undoubtedly reflects the difficulties involved in finding jobs that make it possible to care for very young children.

CONCLUSION

This brief overview of trends in women's labor force activity shows that, on the whole, women's overall labor force, employment, and earnings experience are coming to resemble those of men. It also shows, however, that women are a very diverse group whose labor market activity varies considerably depending on such factors as age, ethnicity, marital status, and motherhood.