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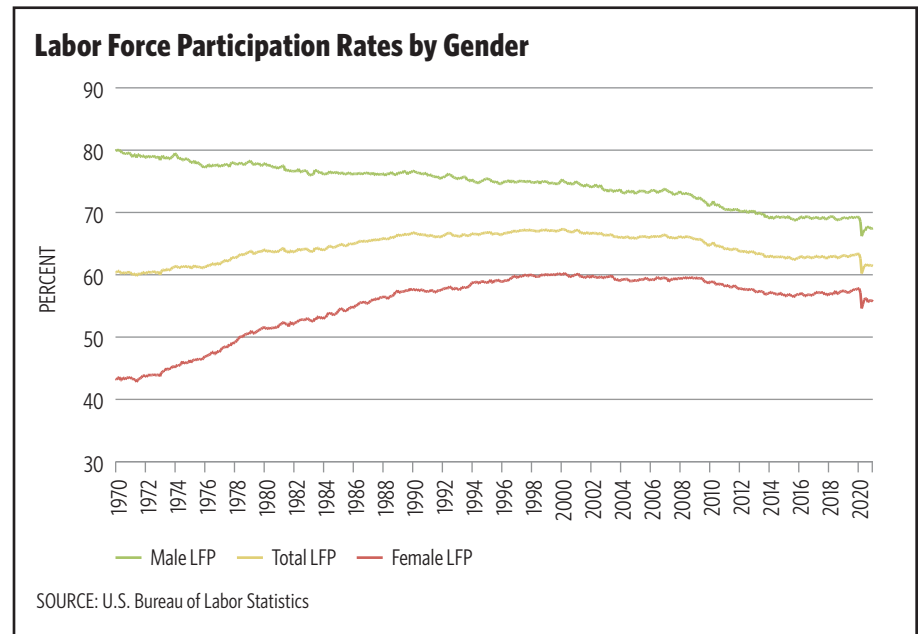
## Male Labor Force Participation: Patterns and Trends

Over the past 50 years, male labor force participation in the United States has fallen over 10 percentage points, from 80 percent in January 1970 to 69 percent in January 2020. During the COVID-19 pandemic, it has fallen further. Over the same half-century, the male share of undergraduate college enrollment has fallen considerably as well, from 58 percent to 44 percent. What are the factors behind these declines? What do these numbers look like across the Fifth District, and what might the future hold?

The term “labor force participation,” or LFP, is used often in economic discussions. Simply put, the labor force is defined as those who are working or actively looking for work. The LFP rate is defined, in turn, as the percentage of the civilian noninstitutional population ages 16 and older that is in the labor force. (The civilian noninstitutional population excludes individuals who are active-duty military, imprisoned, or confined to residential care facilities, such as nursing homes.)

This half-century span can be divided into two periods for LFP. First, the LFP rate in the United States grew steadily beginning in the late 1960s as women entered the labor force in larger numbers. In January 1970, the national LFP rate stood at 60 percent; 30 years later, in January 2000, it peaked at 67 percent. The growth over those three decades was driven by a 17 percentage point climb in female LFP — from 43 percent to 60 percent — while male LFP declined over the same period by nearly 5 percentage points. (See chart.)

Since the peak in January 2000, the national LFP rate has fallen gradually from 67 percent to 63 percent in January 2020. Both male and female LFP fell between 2000 and 2020, with female LFP falling 2.3 percentage points during that period and male LFP falling



5.8 percentage points. And then there was COVID-19. The pandemic brought numerous shocks to the labor market, including a significant shock to LFP. After a low of 60 percent in April 2020, early in the lockdown period, the LFP rate has recovered slightly to 61 percent as of January 2021. Since the pandemic began, the female LFP rate has taken a slightly larger hit than the male LFP rate, falling 2.1 and 1.8 percentage points, respectively, between January 2020 and January 2021.

### MALE LFP IN THE FIFTH DISTRICT

Are these patterns similar in the Fifth District? Examining state-level LFP data between January 1976, when state-level LFP was first reported, and February 2021 reveals major differences in trends among Fifth District jurisdictions. West Virginia’s LFP was far below that of the other Fifth

District jurisdictions in 1976, with a rate of 52 percent, while the other states and the District of Columbia ranged between a narrow band of 65 percent to 67 percent. By March 2020, right before the COVID-19 pandemic was felt in LFP, West Virginia had increased its LFP rate to 57 percent — a marked increase, though still lower than the other Fifth District jurisdictions. The range of the others had widened significantly, from 59 percent in South Carolina to 73 percent in the District of Columbia.

Second, South Carolina and North Carolina saw significant decreases in LFP between the national peak in the LFP rate in January 2000 and March 2020. While most other states saw slight increases or decreases of 1.6 percentage points in the LFP rate over the 20-year period, North Carolina and South Carolina saw declines of 7.7 and 7.6 percentage points, respectively. Conversely, the

District of Columbia saw an increase in the LFP rate of 5.2 percentage points over the same period.

While the overall LFP rate is helpful in looking at changes in the labor market, there's a narrower statistic that can be more informative. Studies of LFP often focus on prime-age LFP, which limits the population to those ages 25 to 54. These individuals are less likely to be retired or in school; therefore, prime-age LFP focuses directly on those who are most likely to be working or seeking work. As with the overall LFP rate, the prime-age LFP rate peaked in 2000 at 85 percent. The prime-age male LFP rate, which was 96 percent in January 1970, had fallen to 89 percent 50 years later in January 2020.

Within the Fifth District, the prime-age male LFP rate varies considerably by geography. (See map.) At the low end, in 2019, there were 10 counties in the Fifth District that had prime-age male LFP rates below 50 percent. These counties were spread across all five of the Fifth District states, with one each in Maryland and North Carolina, two in South Carolina and West Virginia, and four in Virginia. The main characteristic that sets these counties apart is that they're rural. Eight of the 10 are in very rural areas, and the other two are in the rural outskirts of more populated towns.

In contrast, most of the counties with prime-age male LFP above 90 percent are in the more populated metropolitan statistical areas (MSAs) within the District, such as York County, Va., in the Virginia Beach-Norfolk-Newport News MSA and Loudoun County, Va., in the Washington-Arlington-Alexandria MSA. Across the Fifth District, more rural counties tend to have lower prime-age male LFP rates, with an average of 68 percent in the most rural counties compared to 89 percent in the most urban counties.

From a statewide perspective, West Virginia's prime-age male LFP rate in 2019, 79 percent, was the lowest not only in the District, but also in

the entire United States, while Maryland's, at 90 percent, was the highest in the District. Overall, the prime-age male LFP rate in the Fifth District declined slightly between 2010 and 2019.

### REASONS FOR THE DECLINE

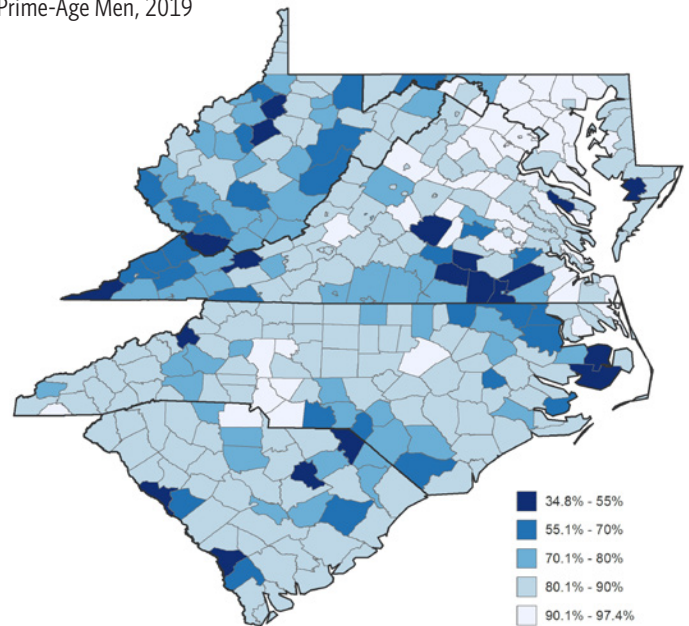
The reasons for the decline in male LFP have been widely examined in both the popular press and academic literature. The general consensus of research is that multiple factors are involved, including a shift in U.S. industry structure, a decline in male educational attainment, delayed family formation, the rise of substance abuse, and heavy use of video games.

To be sure, some of the decline in male LFP can be explained by the aging of the U.S. population. The median age of male Americans increased from 34 years old at the peak of LFP in 2000 to 37.2 years old in 2019. The aging of the baby-boom generation is increasing the percentage of the population that is over age 65, and therefore lowering the percentage of males who are in the labor force. As noted earlier, however, prime-age male LFP, which is limited to those ages 25 to 54, has also been dropping. Between 2000 and 2019, prime-age male LFP fell from 92 percent to 89 percent, indicating that younger men are also now less likely to be in the labor force. Since the beginning of the pandemic, prime-age male LFP has fallen to 87.6 percent.

A look at data from the 2020 Current Population Survey gives insight into the reasons why prime-age men and women are not working. (See chart on following page.) The reasons reported vary

## Labor Force Participation Rate

Prime-Age Men, 2019

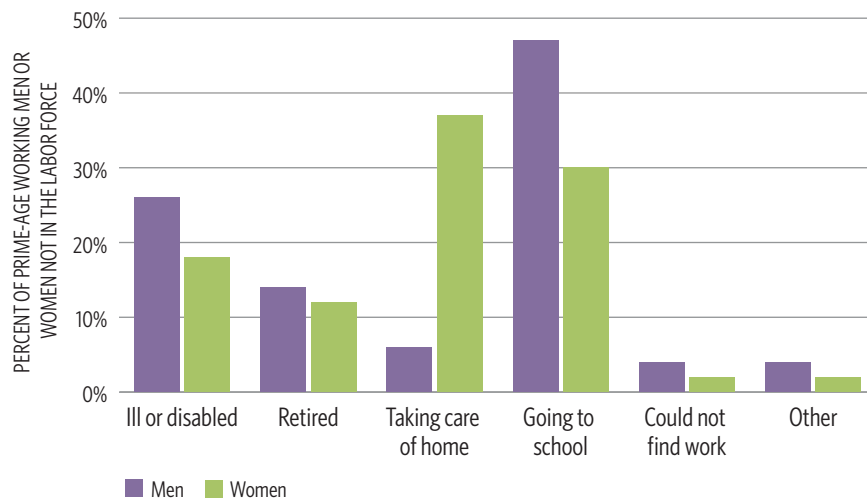


SOURCE: American Community Survey 2019 5-year estimates

notably by gender. While women most frequently say they are not working due to taking care of the home or children, men are more likely to report they are not working due to attending school or being disabled or ill. These data are self-reported; respondents saying they are attending school doesn't mean they are necessarily enrolled. In some cases, it could reflect simply a desire to return to school. The definitions may be vague as well. For example, pain or an illness that prevents one person from working may not prevent someone else from working.

In light of these data, much of the literature on this topic discusses the effect that illness, disability, and addiction have on prime-age LFP. Many of those receiving disability payments via Social Security are receiving them for ailments such as mental health disorders and disorders that occur due to long-term obesity and drug or alcohol abuse. Data from the Social Security Disability Program's 2019 annual report show that 35 percent of Social Security Disability beneficiaries are disabled due to a mental health disorder, with mood disorders most common. An additional 30 percent of beneficiaries have disabilities associated with a musculoskeletal disorder, many of which are due to obesity. While disability and LFP are

### Reasons Prime-Age Men and Women Are Not Working



NOTE: Includes men and women ages 15-64 who were out of the labor force in 2020.

SOURCE: Annual Social and Economic Supplement (ASEC) of the Current Population Survey (CPS), 2020

clearly correlated, it may be difficult to determine which is the cause and which is the effect.

A 2017 Brookings Institution report investigated the reasons for the decline in male LFP. While acknowledging there is much we still don't know about the causes, the authors pointed out both demand and supply side issues. On the demand side, the decline in manufacturing employment, which has fallen over 30 percent in the past 35 years, has undoubtedly caused structural unemployment and exit from the labor force for noncollege-educated males who dominate that sector. Work by Daron Acemoglu and David Autor of the Massachusetts Institute of Technology and others has shown that much of the decline is due to increased technology, automation, and import competition. On the supply side, we might see a skills mismatch. While employment in manufacturing has fallen, employment in other sectors such as health care has increased dramatically. Workers may lack the skills needed to shift from one sector to another. In addition, the Brookings report noted that male workers who formerly worked in manufacturing may not want jobs in these growing sectors because pay is lower and the occupations are often female-dominated. Safety nets, such as disability or other nonemployment income, could also inhibit labor supply.

### THE CULTURE FACTOR

Data from the 2019 American Time Use Survey (ATUS) show that men without employment spend just 49 minutes more each day than full-time employed men on "household activities," and they spend even less time than full-time employed men on "caring for household members." By far the largest difference in time use between working and nonworking men is the amount of time spent on "leisure and sports." In fact, nonworking males spend over 3.6 more hours *per day* on these activities than men with full-time employment.

Computer and video game technology isn't new, but it has improved rapidly over the past two decades. Four researchers have concluded in a recent article in the *Journal of Political Economy* that technological improvements in video gaming and computing explain part of the drop in men's working hours. The researchers found, first, that the number of market hours worked by men has fallen most substantially in the 21- to 30-year-old age group. They found that the percentage of men in that age group working zero hours nearly doubled between 2000 and 2016. Perhaps shockingly, they also found that recreational computer time for males ages 21 to 30 between 2004 and 2017 increased by 60 percent. After analyzing data from the ATUS, they

estimated that nearly three-quarters of the decline in hours worked by men in the 21- to 30-year-old age group, relative to older men, can be explained by the technological improvements in video games and computer-based leisure.

Other cultural changes are at play as well, such as the increase in the average age of marriage and parenthood. According to the U.S. Census Bureau, the median age for first marriage for men increased from 23.2 years old in 1970 to 30.5 years old in 2020. In addition, mean paternal age has increased among all races and educational attainment groups. Men may be under less pressure to earn income without a family to help support. A U.S. Census Bureau working paper titled "Why Bother? The Effect of Declining Marriage Market Prospects on Labor-Force Participation by Young Men" by Ariel Binder examined how changes in the marriage market have impacted the economic benefits of marriage as well as young men's employment choices. She concluded that improvements in female employment opportunities have lowered the benefit of marriage for women, especially to noncollege-educated men. Her results indicate that improvements in female employment opportunities and the reduction in marriage rates can explain roughly one-quarter of the decline in LFP rates for noncollege educated men.

A recent article in the journal *Social Science & Medicine* by Carol Graham of Brookings and Sergio Pinto of the University of Maryland examined the well-being of adults out of the labor force. They found that the well-being of this group varies significantly across demographics, with females reporting higher well-being than men and minority males reporting higher well-being than white males. White males out of the labor force report the lowest levels of health and higher levels of pain than other demographic groups. Prime-age white males report worse health than younger and older age categories, indicating that health may be one of the reasons they have left the labor force.

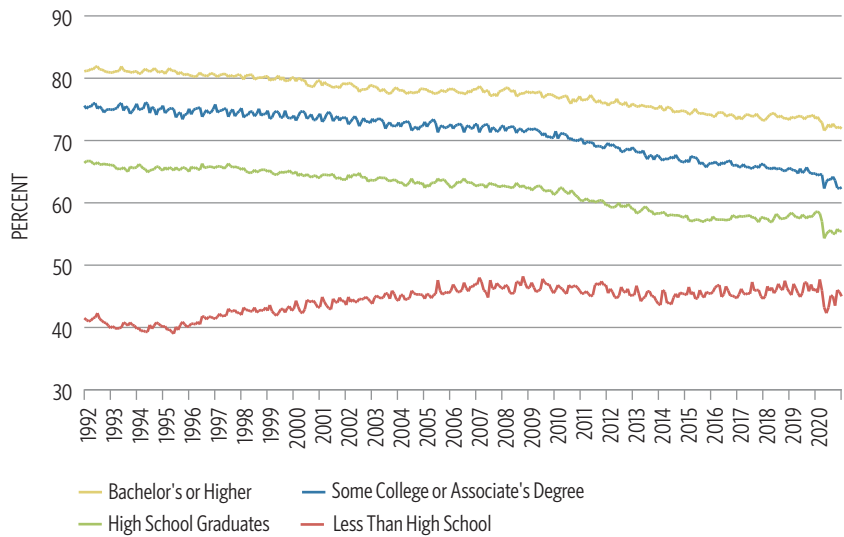
When the authors dug further, they found that the poor health and well-being of prime-age white males out of the labor force is driven by those with lower educational attainment and those between ages 35 and 54. The relationship between pain and work is likely also related to higher opioid use, as documented in a 2017 paper by Alan Krueger of Princeton University who found that nearly 50 percent of prime-age men out of the labor force reported taking pain medication on a daily basis, with almost two-thirds of it being prescription pain medication.

Incarceration is another issue that is frequently mentioned in discussions of men who are out of the labor force. A 2014 survey indicated that a third of nonworking prime-age males have criminal records. A criminal record makes individuals ineligible for many jobs, and it makes employers hesitant to hire. A 2015 paper by University of Michigan economist Michael Mueller-Smith used data from Harris County, Texas, to show that each additional year of incarceration reduces post-release employment by 3.6 percentage points. Additionally, he found that reemployment for those with felony charges, among those who were working before the charges, declines by at least 24 percent in the five years after the worker's release. These reductions in employment opportunities also result in decreased income potential. A recent Richmond Fed *Economic Brief* by Grey Gordon and Urvi Neelakantan concluded that males without a high school diploma who are incarcerated for the first time will face, on average, a 50 percent loss in lifetime income.

### EDUCATIONAL ATTAINMENT AND LFP

There is a strong relationship between educational attainment and participation in the labor force. On average, increased levels of education result in increased wages, and therefore increase the opportunity cost of exiting the workforce. While LFP rates

**Male Labor Force Participation Rate by Educational Attainment**



SOURCE: U.S. Bureau of Labor Statistics

for workers who have graduated high school have fallen recently, those with more education continue to maintain higher LFP rates. (See chart.)

The wage premium for those with a college degree or higher has grown significantly in recent decades, while men with a high school education have seen the most significant decline in LFP rate. One interesting point to note is that the gap in LFP rates between college graduates and those without a high school degree has narrowed considerably, while the gap between college graduates and those with a high school diploma has widened. Binder and Bound's 2021 *Journal of Economic Perspectives* article points out that between 1973 and 2015, real hourly wages for prime-age men with just a high school degree fell by 18.2 percent.

These trends occurred during a time when the availability of jobs for high school educated men was declining. In the late 1970s, nearly 30 percent of all men with a high school degree worked in manufacturing. By 2017, that figure had dropped to 12 percent. Of course, some manufacturing production has shifted to other countries. But in the last 30 years, the contribution of manufacturing output to U.S. GDP increased at the same time that employment in the sector fell, and automation eliminated many lower-skilled jobs previously performed by workers without a

college degree. There has also been a substantial decline in mining employment in the Fifth District, which employed a large number of non-college-educated men.

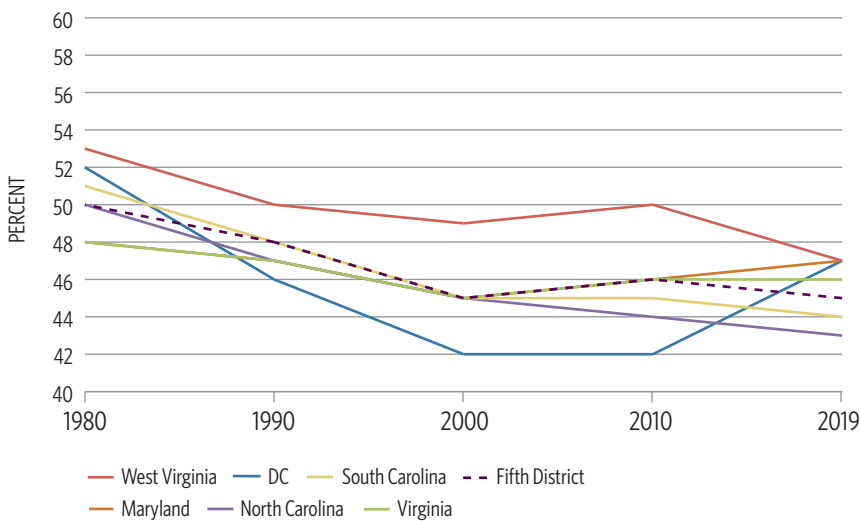
So that leaves us with the question, have men begun to seek the education or retraining that will provide them access to new jobs?

### MALE COLLEGE ENROLLMENT

At the same time available jobs for men without a college degree has diminished and wages for lower-skilled jobs have remained stagnant, educational attainment has been increasing in the United States. Since 1980, the percentage of men with a bachelor's degree or higher has risen from 21 percent to 35 percent. While men's college attainment increased, women's increased faster: The percentage of women with a bachelor's degree or higher has climbed from 14 percent to 37 percent over the same period. In fact, 2014 was the first year in which a higher percentage of females than males held at least a bachelor's degree.

In the Fifth District, college enrollment patterns have mostly followed those seen across the United States. Since 1980, even though overall enrollment has grown, the percentage of enrolled students at public four-year institutions who are male has fallen in

### Share of Full-Time Undergraduate Students Who Are Male (Public Four-Year Institutions)



SOURCE: National Center for Education Statistics, Integrated Postsecondary Education Data System

each of the Fifth District jurisdictions, with an overall decline of almost 5 percentage points. (See chart.)

Until the late 1970s, both community colleges and four-year colleges were male-dominated. Today, both sectors have enrollments that are majority female. While the percentage of males enrolled at community colleges has increased slightly over time, women still make up more than 60 percent of District community college enrollment.

There is a real risk that the percentage of males enrolled in higher education will continue to fall across the Fifth District and the United States, especially in the near term. New data from the National Student Clearinghouse show that male enrollment was hit much harder by the COVID-19 pandemic than female enrollment across all types of institutions. In fall 2020, overall male enrollment declined by 6.9 percent while female enrollment fell by only 2.6 percent. The difference was most pronounced at public four-year institutions, where male enrollment fell 7.4 times as severely as female enrollment.

#### INITIATIVES TO IMPROVE MALE OUTCOMES IN EDUCATION AND THE WORKFORCE

Some states have created specific initiatives to recruit more male students into institutions of higher education and the

labor force. Strategies include providing flexible schedules and class formats, increasing apprenticeship programs, and giving students academic credit for previous work experience.

A 2016 report from the Council of Economic Advisers recommended several policy initiatives that could improve male LFP. It recommended working to increase the “connective tissue” in the labor market — that is, programs that link workers to jobs. This involves using community colleges, and other institutions, to provide pathways into in-demand jobs. Community colleges across the Fifth District are focused on this effort, and programs like North Carolina’s Career Pathways and South Carolina’s Apprenticeship Carolina are working to provide a more direct path from education to employment.

One innovative program is that of the Louisiana Community and Technical College System, which has incorporated some unique events to try to garner attention from potential male students. An example is a series of eight country music concerts at Louisiana’s community and technical colleges done in partnership with Country Music Television. When attendees entered the concerts, they passed large posters advertising jobs that require a community college education (such as welding) and

the wages that can be earned in the field. Those who enrolled in the local community or technical college after the event were eligible for a \$1,000 scholarship jointly funded by Country Music Television and the community and technical college system.

Some other programs focus on males who have criminal records. For example, Virginia’s CARES program works with employers and ex-offenders to assist with successful reentry into the workforce. State programs like these typically use Federal Bonding Program fidelity bonds to motivate employers to hire these more at-risk individuals. While these programs have been in existence for decades, they could be expanded or adjusted to improve outcomes.

There are other policies related to incarceration that could significantly affect male labor outcomes, such as Maryland’s 2017 repeal of most of its mandatory minimum drug sentences and Virginia’s 2020 decriminalization of marijuana possession. Reducing the number of criminal convictions may significantly improve job prospects for many people, the majority of whom are male.

#### CONCLUSION

It is difficult to assess the relative importance of the factors leading to the decline in male LFP as there are many, and the interaction among them is complicated. Some of the decline is tied to structural changes in the economy. Some of it is tied to the policy environment, such as the availability of disability benefits. In addition, however, there is little doubt that it is also being driven by cultural phenomena.

Innovative solutions will be necessary to change the trajectory of the long-term decline in male LFP. Job training and upskilling programs may solve part of the problem, but they are unlikely to be sufficient in themselves. A deeper dive into the habits of men and how social and cultural norms continue to evolve will be essential to improve the labor force participation of men in the future. **EF**