Men Aren't Exactly Stampeding Back to Work

Four things could tell us why their labor-force participation remains near historic lows.



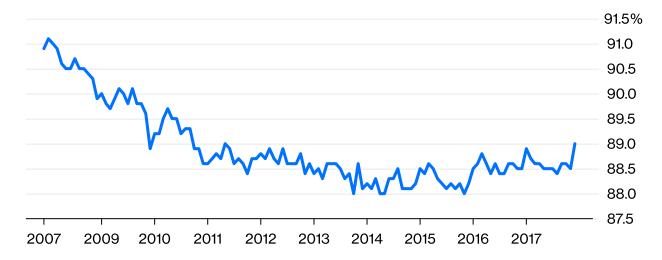
Well, of course that's more fun. Photographer: Patrick T. Fallon/Bloomberg

By Justin Fox January 18, 2018 at 4:00 PM GMT

In December, the labor-force participation rate among prime-age men (in English: the percentage of men 1 ages 25 through 54 who either had jobs or were actively looking for one) hit 89 percent for the first time in almost seven years. The fitful revival that began in 2014 or 2015 seems to be continuing.

Men Returning to the Job Market

Labor-force participation rate, men ages 25 through 54

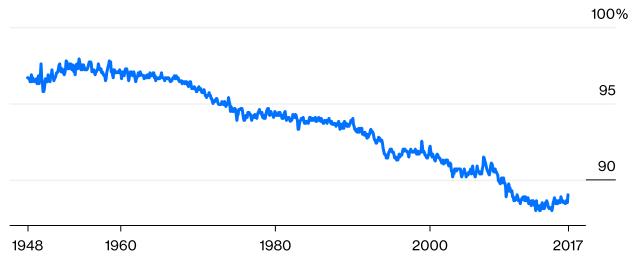


Source: U.S. Bureau of Labor Statistics

Still, prime-age-male labor-force participation remains a lot lower than it was when the Great Recession began a decade ago. In fact, it's lower than it's been at any time on record apart from 2009 through 2015.

Men Leaving the Job Market

Labor-force participation rate, men ages 25 through 54



Source: U.S. Bureau of Labor Statistics

This great departure of men from the labor force has become a much-discussed topic. There's one really simple demand-side explanation for it: Falling demand for certain kinds of labor -- especially blue-collar work such as manufacturing -- has led men to give up looking for jobs. Labor-force participation rates have fallen much faster for men with only a high school education than for those with college degrees, which seems to back this up.

Most recent discussion of falling male labor-force participation, though, has focused on potential supply-side explanations. I'd put them into four main categories:

- 1. **Men have better things to do.** A lot more people get postgraduate degrees now, meaning that more 25-and-older men are out of the labor force because they're in school. Also, more men are staying home to take care of kids than used to be the case. Neither of these can explain *much* of the participation decline, though.
- 2. **Men have worse things to do.** These explanations range from the purely cultural, such as American Enterprise Institute political scientist Charles Murray's "weakening of the work ethic among males," to the at least partly technological, such as University of Chicago economist Erik Hurst's hypothesis that the internet and better video games have "increased the value of leisure time" relative to work. It is certainly true that men not in the labor force spend an awful lot of time watching television: 5.8 hours a day in 2014, according to a 2016 White House analysis of American Time Use Survey data. They're also much more likely than employed men to be using prescription painkillers, which could be because they dropped out of the labor force due to injury but also could be the result of especially unhealthy lives or addiction. Overall, the share of the population ages 16 to 64 claiming disability benefits from the Social Security Administration rose from 0.45 percent in 1960 to 4.42 percent in 2013 even as work got less strenuous and, well, disabling.
- 3. Something's holding men back from the job market. In one of the most extensive surveys of the evidence on declining labor-force participation, Princeton University economist Alan Krueger found a link between local opioid prescription rates and drops in labor-force participation. He also found that "much of the regional variation in opioid prescription rates across the U.S. is due to differences in medical practices, rather than varying health conditions that generate pain." So overprescribing doctors may have been responsible for pushing men (and women) into opioid addictions that knocked them out of the labor force. Overzealous district attorneys may have been responsible for keeping men out of the labor force, too. In his book "Men Without Work," AEI economist and demographer Nicholas Eberstadt found that the higher percentage of American men with criminal records seemed to be the best explanation for why male labor-force participation has fallen faster and further here than in other affluent countries.
- 4. **Demographics have been shifting.** People in their early 50s have long had much lower labor-force participation rates than those in their 30s and 40s, so the passage of the giant baby-boom generation through its 50s has skewed prime-age participation rates. The last of the boomers are turning 54 this year, so that phenomenon would seem to have mostly played itself out.

So what is happening now? There's certainly strong labor demand, with the U.S. economy <u>creating</u> more than 2 million jobs a year for seven years running and the unemployment rate at 4.1 percent. As Ben Casselman reported last week in the New York Times, employment has been rising fastest since 2012 among the less educated, and employers are shedding some of their bias against those with criminal records. Ernie Tedeschi, an economist at Evercore ISI who publishes data analysis on his own

account <u>on Twitter</u> and occasionally <u>in the New York Times</u>, has dug numbers out from the monthly Current Population Survey indicating that men are leaving the ranks of the disabled, too:

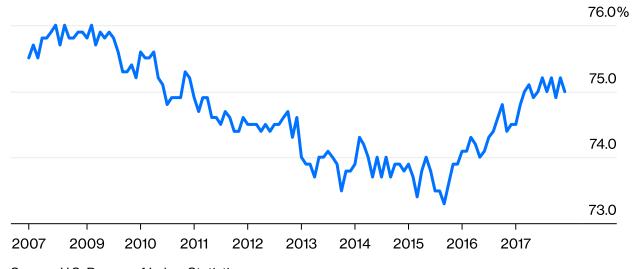
The Readout With Allegra StrattonThe Readout With Allegra StrattonThe Readout With Allegra Stratton Essential UK insights on the stories that matter. Every weekday at 5pm.Essential UK insights on the stories that matter. Every weekday at 5pm.Essential UK insights on the stories that matter. Every weekday at 5pm. Enter your email Please enter a valid email address Bloomberg may send me offers and promotions. By submitting my information, I agree to the Privacy Policy and Terms of Service.

What's most striking about his chart to me, though, is that while the rate of men moving off disability is way up from its early-in-the-recovery lows, it's still lower than it was in the early 2000s and late 1990s. There's no evidence in these numbers (yet) of a mass return of discouraged, formerly ailing men to workforce-ready health.

Also, while there's been a modest uptick (88 percent to 89 percent) in prime-age labor-force participation among men, for women the increase has been far more pronounced:

Women Returning to the Job Market

Labor-force participation rate, women ages 25 through 54



Source: U.S. Bureau of Labor Statistics

Why have women been so much more responsive to the change in labor demand than men? The most obvious reason is that most of the women counted as not being in the labor force are still working, usually taking care of kids or elderly relatives. That is, they are generally ready and able to do paid work -- and if the pay is good enough, they can hire somebody else to take care of the kids or Mom or Dad. Men not in the labor force constitute a smaller, much more troubled group. Stronger labor demand will lure some of them back, but it may have to stay strong for a long, long time to reverse much of the decades-long decline in male labor-force participation.

1 To be more precise, the percentage of men who aren't uniformed service members or being held in prisons, jails or mental facilities.

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