"Understanding the Economic Impact of COVID-19 on Women" by Claudia Goldin

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[1]Disclaimer: The views expressed here do not necessarily reflect those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

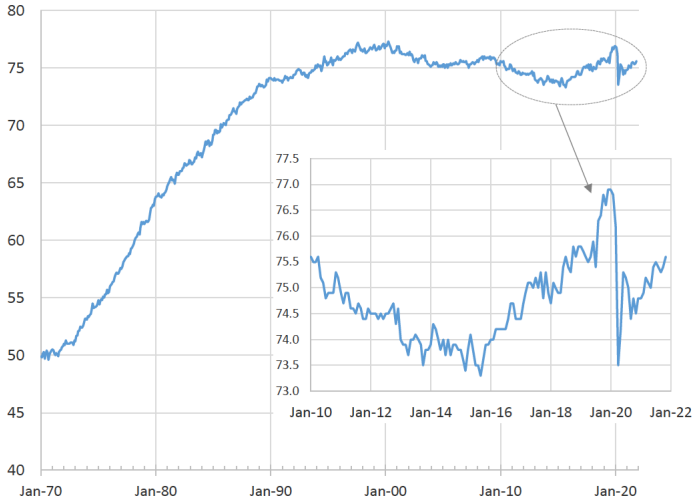
Overview of the Paper

- Comprehensive review of women's labor market experiences during pandemic
- Revises the view that gender was a major cleavage in labor market outcomes
- Education, race, and occupation matter more
  - Important contribution on drivers of racial differences: health
- Gender is strong predictor of rise in caregiving time
- Persistence of work from home matters for women's participation, job choice

My Comments

1. What is the right counterfactual for female labor force participation rate?
2. Quantifying long run effects of remote work
3. Why should we care? Policy implications of shecessions

Female Labor Force Participation Rate



Source: Goldin (2022) Figure 1

Pre-Pandemic Rise in Female Labor Force Participation Rate

Estimates of the decline in FLFPR depend on reference month

- April 2020: 3.4 pp decline vs. Feb. 2020, 2 pp decline vs. April 2019

Features of the July 2019-February 2020 rise in FLFPR:

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4. Broad-based, but highest among less-attached workers
5. Rate recovered to 76% by January 2022, suggesting that trend LFPR may have been high

New Entrants Not Significantly Different from Earlier New Entrants

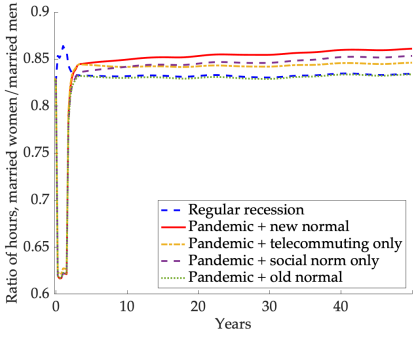
	Labor force exit, Mar.-next Apr.
New entrants, Apr.-Feb.	0.076***
	[0.012]
pandemic	0.027***
	[0.003]
New entrants × pandemic	-0.024
	[0.018]
Constant	0.162***
	[0.034]
Age, race, education, children, marital status controls	Yes
Industry × occupation fixed effects	Yes
Observations	48432
R^2	0.223

Source: Current Population Survey, April 2017-April 2021, women only. Robust standard errors in parentheses. * $p<0.05$, ** $p<0.01$, *** $p<0.001$.

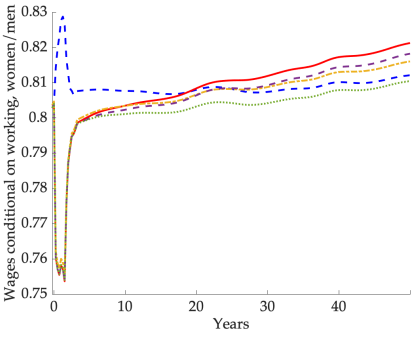
Long Run Consequences of Employment Flexibility for Women

- "Greedy jobs" a longstanding barrier to full gender equality, WFH may help
- But what if only women continue to WFH?
  - Pre-pandemic, women WFH 33% more days than men despite roughly equal ability to do so (Alon et al. (2020a))
  - Men and women now desire roughly equal number of WFH days per week (2.18 vs. 2.37) (Barrero, Bloom, and Davis (2021))
- We model WFH as a way to combine childcare time with work (Alon et al. (2020b))

Model-Predicted Role of Telecommuting for Labor Supply and Pay



(a) Labor Supply, Married Women/Married Men



(b) Gender Wage Gap

Why Should We Care? Policy Implications of Shecessions

While gender differences smaller than feared, quite distinct from past mancessions

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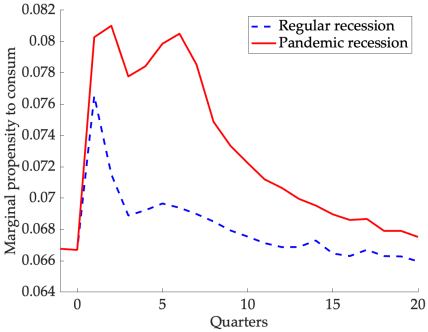
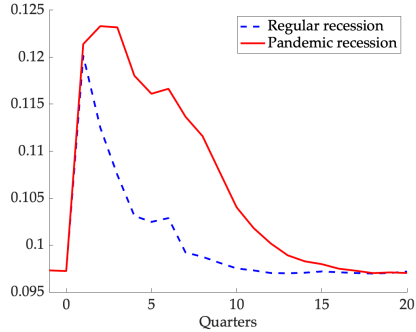
3. Greater elasticity of female labor supply $\Rightarrow$ slower recovery?

Elevated Marginal Propensities to Consume in Pandemic Recessions



(a) Singles



(b) Couples

Wrapping Up

- Vital look at women's actual experiences with benefit of hindsight
- Most women remained at work but increased caregiving time substantially
- Several million women lost jobs and some may take longer to get back to work
- Policy lessons for future shecessions
- Big question: where will/should labor force participation rates recover to?
  - Drivers of women's LFP may be distinct from men's LFP