Comment on “From Mancession to Shecession: Women’s Employment in Regular and Pandemic Recessions”

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In typical recessions, male employment falls more relative to female employment. Recessions are usually “mancessions” for several reasons. First, males are disproportionately employed in sectors and industries that are more cyclically sensitive when compared to those where women work (Albanesi and Sahin (2018)). Second, women are frequently second-earners in the household, and they enter the labor market during recessions if their spouse loses their job, making female employment less countercyclical (Doepke and Tertilt (2016)).

These differences result in the relative employment dynamics depicted in Figure 1, which plots the employment-to-population ratio of men relative to women, expressed as deviations from the beginning of a particular recessionary episode, defined using GDP-based methods (Chauvet and Hamilton (2005)). The dynamics of this object show that nearly all recessions in the U.S. since the 1970s have been mancessions, with the exception of the pandemic recession in which the gender gap in the employment-to-population ratio rose by 6 percentage points by two quarters in. The authors put together a remarkable amount of data from different countries, documenting similar patterns around the globe; the pandemic recession was thus a “shecession.”

The authors next provide convincing evidence in support of a simple narrative of how the pandemic recession led to such different outcomes by gender relative to prior recessionary episodes. First, a key feature of the pandemic was a reduction in face-to-face interactions, which naturally impacted some occupations more than others (Mongey et al. (2020)). Since women were more likely to be employed in these types of occupations, their employment outcomes were worse relative to men this time around. Second, school closures
Figure 1: The Gender Gap in Employment-to-Populations Ratios for Different Recessions in the United States

Notes: Author’s calculations based on Current Population Survey data from 1969Q2-2020Q4. Recession indicators are defined using GDP-based methods (Chauvet and Hamilton (2005)). The employment-to-population ratio (E-POP) is defined as the E-POP for men relative to the E-POP for women minus 1. The samples are limited to individuals in the civilian, non-institutionalized population between the ages of 25-54 years old. Quarterly E-POPs are the average over monthly E-POPs within the quarter.
and childcare needs imposed further constraints on those with children. Since women take on relatively more childcare obligations relative to men (Aguiar et al. (2011)), women with children were less able to work than men, and so their employment took a further relative hit.

Using monthly data from the Current Population Survey (CPS), the authors make their case as follows. First, they run regressions of the form:

\[ y_{it} = \beta_0 + \beta_1 F_i + \beta_2 D_t + \beta_3 F_i \times D_t + \beta_4 X_{it} + \epsilon_{it} \]

where \( y_{it} \) is either hours worked or an employment dummy in month \( t \) for individual \( i \), \( F_i \) is a dummy taking a value of 1 if the respondent is female, \( D_t \) is a dummy taking on a value of 1 for months during the COVID recession (2020Q2-2020Q3), and \( X_{it} \) is a vector of controls including gender-specific time trends, quarterly seasonal dummies, age dummies, education dummies, marital status, and race. An estimate of \( \beta_3 < 0 \) implies that employment fell by \( 100 \times \beta_3 \) percentage points more for women than for men during the pandemic, conditional on other characteristics.

If women were employed disproportionately in occupations that were harder hit by the pandemic than men, including controls for occupations should lower the effect of being female during the pandemic on employment and hours outcomes. The authors therefore add job controls to the above regression and show that such an addition indeed lowers the estimated effect by roughly 1 percentage point (Tables 7 and 8).

Similarly, if school closures are part of the story, employment losses among women with children should be even larger relative to men than women without children. To test this hypothesis, the authors add controls for children:

\[ y_{it} = \theta_0 \text{Kid}_{it} + \theta_1 F_i \times \text{Kid}_{it} + \theta_2 D_t \times \text{Kid}_{it} + \theta_3 F_i \times D_t \times \text{Kid}_{it} \]
\[ + \theta_4 X_{it} + \theta_5 \text{Job}_{it} + \theta_6 \text{Job}_{it} \times D_t + \epsilon_{it} \]

where \( \text{Kid}_{it} \) is a vector of three dummy variables grouping households by the age of their youngest child (< 5, 5 – 17, none or only adult children). Employment for women with school-age children fell by nearly 2 percentage points more than similar men, while those with children younger than five fell by 1 percentage point more (Tables 7 and 8).

At first glance, one of the more puzzling results is that even women without children suffered larger employment and hours losses relative to men, even
after controlling for occupation and industry. Employment fell by 1 percentage point more for women without children or with adult children relative to men, and the effect size is on the same order of magnitude as those whose youngest child is less than five years old. A similar pattern holds for hours as well. This begs the question: Is there something specific to the pandemic that explains the differential outcomes by gender, beyond industry and childcare?

One explanation that is consistent with a larger employment impact during the pandemic for women than for men - beyond industry and childcare - is that women tend to be more risk averse than men (Cortés et al. (2021)); if so, they would be more averse to going back to work, where the virus can spread more quickly (Houstecka et al. (2020)).

However, examining similar regressions for other recessionary episodes sheds some light on the plausibility of this mechanism. For similar regressions run during the Great Recession, the coefficients for each category of children have a similar magnitude, consistent with the idea that childcare issues were only significant during the pandemic in driving differential outcomes by gender (Table 10). However, the coefficients are all statistically significant, and show that employment for women fell by .2 to .4 percentage point less than their male counterparts. Why should women fare differently than men during the Great Recession once industry and occupation have been accounted for?

A more likely explanation is that the occupation and industry controls in the above regressions do not fully capture the nature of a job, which may be better captured by the specific tasks it requires. Indeed, using data from Brazil and Costa Rica which have task-level information in addition to occupation and industry information, Gottlieb et al. (2021) find that there is substantial variation in work-from-home ability across jobs, even within occupation and industry. This partially explains the findings the authors present conditioning on teleworking outcomes during the pandemic. For those individuals who ever teleworked during the pandemic, the childcare effects disappear completely once industry and occupation have already been controlled for (Table 16). Moreover, the magnitude of the coefficients are on the same order, and all three Kid$_{it}$ categories are insignificant.

However, among those that never took up the option of working from home (or never had that option to begin with) employment still fell by a whopping 8.8 percentage points more for women without children than for men. Since a similar number cannot be constructed for the Great Recession (the telecommuting measure is unavailable since it was introduced only in the COVID Sup-
Figure 2: The Gender Gap in Employment-to-Populations Ratios for Different Recessions in the United States

Notes: Author’s calculations based on Current Population Survey data from 1969Q2-2021Q1. Recession indicators are defined using the NBER recession indicators. The employment-to-population ratio (E-POP) is defined as the E-POP for men relative to the E-POP for women minus 1. The samples are limited to individuals in the civilian, non-institutionalized population between the ages of 25-54 years old. Quarterly E-POPs are the average over monthly E-POPs within the quarter.

Complement to the CPS, it is possible that a version of this regression for that time period is similar, with the signs flipped. In this case, the large coefficient can be ignored. The large differential might also arise if there is a correlation between tasks that cannot be done from home and tasks that require a high degree of physical proximity, as has been documented for occupations (Mongey et al. (2020)). If women are more likely employed in these types tasks within the same occupations, their employment losses would be larger during the pandemic. Task-based information that is not aggregated to the occupation level that can be linked with employment outcomes would help clarify these issues, but no such data exists for the U.S.\(^1\)

\(^1\)O*NET data has information on tasks, but only at the occupation level.
Notwithstanding the mysterious employment effects for women without children, the paper shows convincingly the disproportionately negative role that school closures have played in female labor market outcomes during the pandemic. The question is whether these effects will be long-lasting, and whether they will outlast the typical differential employment outcomes that men experience in downturns. To conclude on a positive note, as I write this comment in June of 2021, the gender gap in the employment-to-population ratio has more than halved since three quarters into the pandemic recession. Figure 2 reproduces Figure 1, but using NBER recession indicators so as to include data up through 2021Q1. While the gender gap in the E-POP ratio has not returned to pre-pandemic levels, the gap is on the same order of magnitude as the reversed gap from the Great Recession six quarters from its onset. This makes me hopeful that the negative effects for women well documented in this paper may reverse once schools fully reopen.
References


