“From Mancession to Shecession: Women's Employment in Regular and Pandemic Recessions”

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Steven Davis opened the discussion by questioning whether mancessions or shecessions are more socially harmful. He listed some reasons why mancessions may be more harmful, including that women are more likely to be secondary earners, women have better alternative uses of time (i.e. will spend less non-work time pursuing sleep or leisure activities), there is a larger psychic cost of male joblessness, and male joblessness is more associated with increased crime, drug/alcohol use, and physical abuse of spouses/children. The authors responded by saying they are not making a statement on which is worse, but rather argued that the responses of men and women to job loss are distinct, and this has macroeconomic implications. For example, differences in labor supply flexibility can have aggregate impacts. If a secondary earner (which on average is more likely to be a woman) loses their job, the primary earner (on average the man) has no margin for adjustment since they are already working full time. In contrast, if a primary earner loses their job, the secondary earner has a margin to adjust and work more.

Martin Eichenbaum then followed up this discussion, to ask whether the difference between male and female sensitivity should be interpreted as a market failure, and whether this pattern says anything about efficiency. The authors responded that they do not think this points to any fundamental inefficiency, but the interaction of joint labor supply with policy can certainly create some. For instance, how taxation, unemployment benefits, and retirement entitlements treat secondary vs primary earners could interact with joint labor supply decisions in a way that creates inefficiency.

Valerie Ramey expanded on comments made by the discussants and noted two reasons why women might reduce work that are not related to childcare. The first is providing care to adult relatives. She mentioned anecdotal evidence that personal elder care in the San Diego area was pervasive during Covid, particularly in the Latino community. She argued that even those not increasing care may voluntarily quit a job to protect an elderly parent’s health. She noted that discussant Loukas Karabarbounis's model was very helpful for thinking through these channels and could be extended to consider the whole family. The second channel is that secondary earners whose spouses increased work (for example, because they work in an industry that expanded during the pandemic, such as construction), may reduce their hours to curtail health risk. The authors agreed with Ramey and the discussants that understanding the
residual is very important. They further agreed that voluntary quits may have an impact, particularly by those wanting to minimize health exposure to the pandemic. This may be especially true for secondary earners not substantially contributing to family income, so the within-couple gender wage gap may play a role.

James Poterba noted that a common data need in calibrating SIR models is contact matrices on interactions between different age groups. He suggested that, in order to further evaluate the importance of caregiving responsibilities to elders, it may be important to unpack both the amount and nature of contact between age groups; for instance, whether contact with elders is employment-related or personal. The authors agreed.

Daron Acemoglu then commented that changes in childcare responsibilities could change the social norm going forward. This may lead to worse outcomes for gender equity in the future. The authors completely agreed that norms might be changing but hypothesized that it might be beneficial for gender equity. About ten percent of households had the father take over more child-care responsibilities during the pandemic. This could lead to more paternal involvement down the road, either from learning by doing or role model effects. They further noted that fathers who can telecommute tend to do more childcare. If telecommunability becomes more available this could increase paternal involvement.

The authors concluded by thanking both discussants. Matthias Doepke agreed with Laura Pilossof that the residual is a puzzle that should be fully explored. He noted that the discussion brought out some important mechanisms, and added that the policy changes, such as the stimulus payments and increased unemployment benefits, could also have had an effect. In particular, in light of Loukas Karabarbounis’s finding on the differences between labor supply flexibility, it may be that women reacted more to these policies. Michèle Tertilt added that she thought the increase in childcare costs of 100% in Loukas Karabarbounis’s model, while seemingly very large, was reasonable, because the authors treated external childcare as impossible (or an infinite increase in price) due to school closures. Karabarbounis agreed in the chat that 100% seemed right to him.