

Working Women and the Great Recession

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A report prepared for the Women's Summit
by the UNC Charlotte Urban Institute



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The Women's Summit

The Charlotte-Mecklenburg Women's Summit is a center for studying women and public policy, leadership development and community engagement, housed at UNC Charlotte in the Department of Metropolitan Studies and Extended Academic Programs. The Women's Summit is committed to ensuring that women's perspectives are represented in research, public policy, leadership development and education and aims to be a catalyst for increasing opportunities for community engagement.



Women, Wages and Work Campaign

The Women's Summit is the first organization in North Carolina to undertake a rigorous study of the social, economic, political and physical well-being of women and girls at the local level, with an initial focus on the Charlotte-Mecklenburg Region. The Women's Summit has undertaken research to provide benchmarks for women's earnings and benefits, women's civic and political engagement and the rate of poverty and domestic violence among women in our community.

In 2007, the Women's Summit presented a report that highlighted the endemic wage disparity experienced by women in the local workforce. The ensuing years have seen significant economic decline, and women have shouldered a disproportionate burden of that decline due to lower compensation and benefit packages. However, a woman's experience in the workplace extends beyond the wages she takes home. Her experience in the workplace colors every aspect of her personal life as well. To shed light on the interconnectedness of personal and professional life, the Women's Summit initiated "Women, Wages and Work," a year-long campaign dedicated to raising awareness of the challenges facing women as a result of pay inequity and to understanding how the issues traditionally considered "women's issues" either influence, or are influenced by, women's experiences in the workforce.

"Women, Wages and Work" was launched on April 12, 2011 (Equal Pay Day) and will culminate in the 2nd Biennial Charlotte-Mecklenburg Women's Summit in the spring of 2012.

This campaign will:

- Assess the consequences of the wage gap and benefits inequity on our community;
- Educate the community about how to close the wage gap;
- Explore the role of businesses and non-profit organizations in creating and supporting flexible working environments to accommodate the myriad of challenges faced by the modern labor force;
- Investigate the economic benefits for companies resulting from flexible working environments; and
- Explore the role of public policy in creating a truly just and equitable society.

Introduction

The Great Recession has widely been considered the worst economic downturn since the Great Depression, noted for its length, severe job loss, and prolonged recovery period. According to the National Bureau of Economic Research, the Great Recession lasted from December 2007 to June 2009.¹ As this report is written, two years after the Great Recession officially ended, the American economy has yet to recover fully, and now it must attempt to rebound amidst decreased consumer confidence and business contraction.¹

Although research has already shown that both men and women were vulnerable to the turbulent economic conditions of the Great Recession, their trajectories have not been identical.² Men experienced greater job loss at the height of the recession, while women are being affected in larger numbers after the official end of the Great Recession. Much of this difference in timing is due to different gender representations in employment across industries.^{3,4,5}

The Great Recession has affected families in some important ways. Labor force participation rates for women with children increased over the course of the recession, and families have become increasingly dependent upon women's labor and earnings.⁴ Further, the number of families living in poverty and the number receiving public assistance benefits in Mecklenburg County has increased greatly over this time.⁶

This report will examine how men and women in Mecklenburg County fared during the Great Recession. It will examine the overall features of the labor market and analyze some of the residual impacts the recession had on families. The goal of this report is to understand the local conditions for women and men during the recession and how these local conditions compared to those at the national level.

While this report focuses primarily on the overall differences in the recession's impact on men and women, subsequent reports will illustrate, in more detail, the dynamics of job loss and creation as it pertains to men and women in different economic sectors or industries. Understanding these differences and the complexities they create in the labor market can provide a more complete account of the recessions affect on women in the workforce.

County-level data used in this report come from two sources published by the U.S. Census Bureau: the American Community Survey and Local Employment Dynamics. The Census Bureau's Local Employment Dynamics is a relatively new dataset that provides detailed information on the labor market at the county level.⁷ Local Employment Dynamics Quarterly Workforce Indicators analyzed in this report include:

- Total employment
- New hires
- Job separations
- Net job flows
- Job creations

There are a few things to consider with these data. First, these data do not directly correspond to commonly-used labor market measures from the Bureau of Labor Statistics and the Census Bureau's Current Population Survey.⁶ Data are reported for the Charlotte/Mecklenburg Workforce Development Board which encompasses the entirety of Mecklenburg County and, unless otherwise noted, includes workers ages 14-99 for all industries. Local Employment Dynamics data have a twelve to fifteen month lag in availability. Consequently, when this report was written, the most current data available for separations, job creations, and net job flows were for the second quarter of 2010. The most current data for new hires and total employment available were for the third quarter of 2010. Data were current as of June 21st, 2011.



Key Findings

- ❖ Women posted fewer new hires throughout the recession and recovery.
- ❖ Women experienced fewer job separations than men after the recession began.
- ❖ After experiencing a negative net job flow in 2009, women experienced a positive net job flow in the first half of 2010 that was twice the size of the net job flow for men.
- ❖ In 2010, women are estimated to have had higher job creations than men.
- ❖ During the Great Recession, women's unemployment rates differed across race and ethnicity, but all followed the same trend- improvement from 2007 to 2008, followed by a rise in 2009.
- ❖ The number of women in poverty and female householders receiving food stamps increased considerably over the course of the recession.



Employment and Job Creations

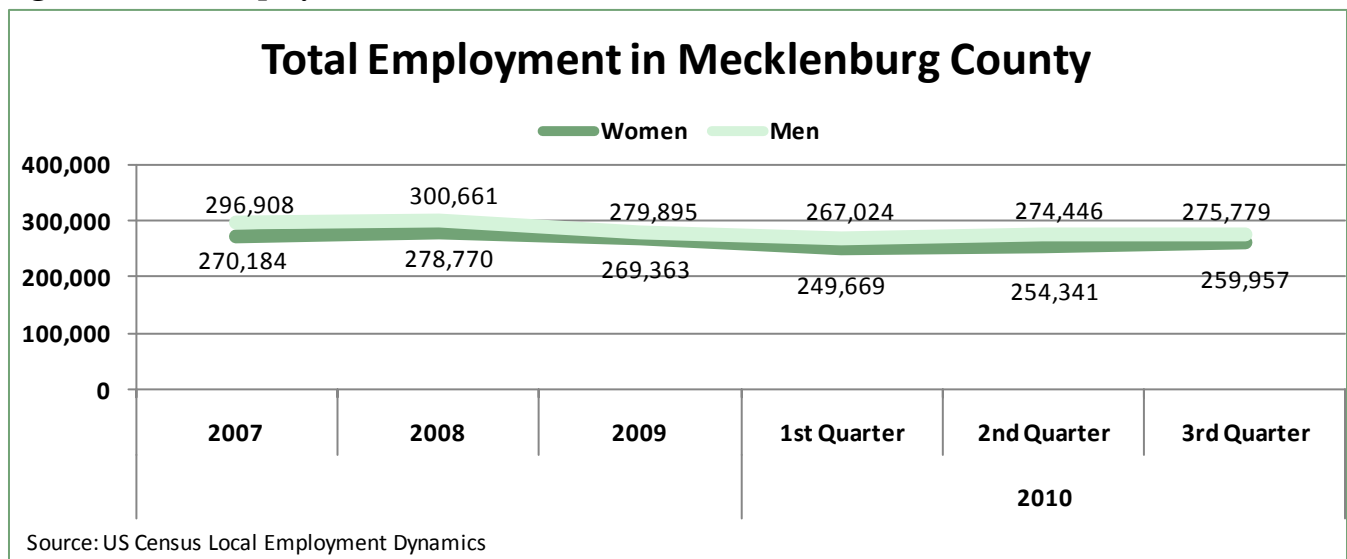
Total Employment

Total employment represents the number of employees who worked for the same employer in both the current and previous quarter; annual averages are derived from the quarterly figures.⁷

In Mecklenburg County, men are consistently employed in greater numbers than women, regardless of time period, partially due to women's lower labor force participation rates. This held true during the Great Recession, Figure 1. From 2007 to 2008 there was modest employment growth for men and women, 3,753 and 8,586 respectively, as the recession was just beginning to affect the economy. The greatest losses in employment occurred between 2008 and 2009. Women's employment decreased 3.4 percent during this time, while men experienced a larger drop of 6.9 percent.⁸

Employment declines continued into the 1st quarter of 2010 for both men and women, but women experienced a greater decline in employment than men, with a decrease of 7.9 percent for women versus a decrease of 4.6 percent for men. Beginning in the 2nd quarter of 2010 and enduring into the 3rd quarter, both sexes posted employment gains as the waning recession began showing signs of improvement.⁸

Figure 1: Total Employment

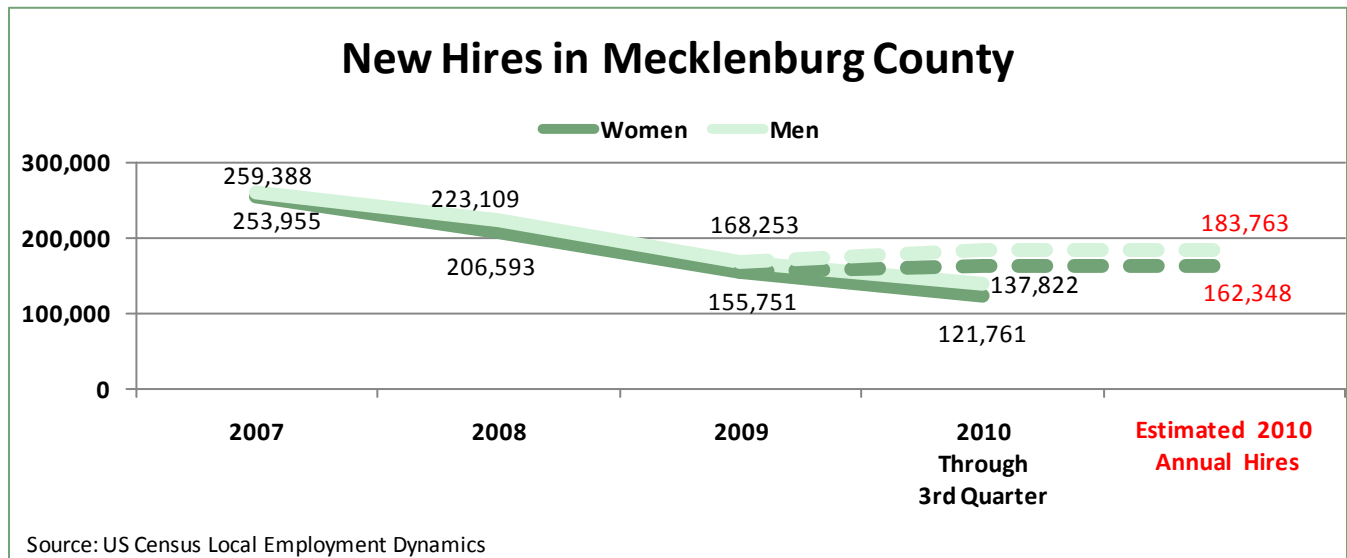


New Hires

New hires figures include the total number of workers that were not employed by their current employer during the previous four quarters; annual totals are derived from the quarterly figures.⁷

Over the three year period, the largest number of new hires in Mecklenburg County occurred during 2007 before the recession started, Figure 2. In 2007, there were 5,433 more new hires for men than for women. The number of new hires for both men and women declined in 2008 and again in 2009, with new hires for women consistently lower than those for men. New hires for women decreased 39 percent from 2007 to 2009, while men experienced a 35 percent decline in new hires during the same time period. Although data through the 3rd quarter of 2010 indicate a continuation of previous declines, estimates for the 2010 annual average tell a different story- one in which new hires rebounded and were once again on the rise. Men continued to fare better in new hires in the post-recession period, as evidenced in the data through the 3rd quarter of 2010 and estimations for the year. New hires for men are estimated to have increased 9.2 percent between 2009 and 2010, and new hires for women are estimated to have increased only 4.2 percent.⁸

Figure 2: New Hires



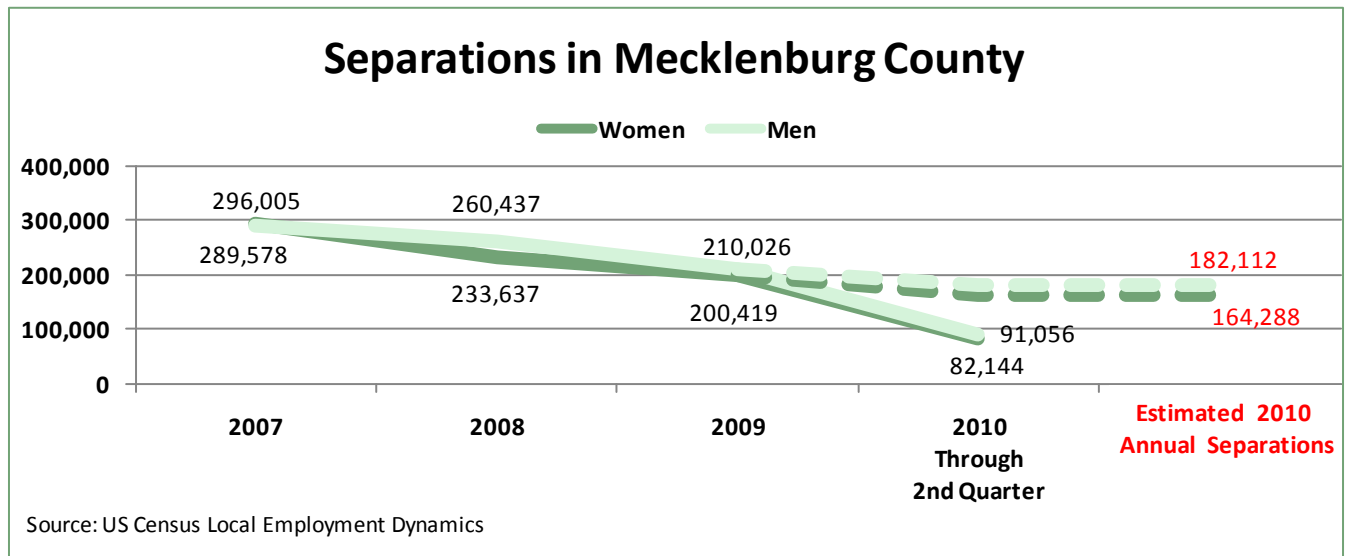
Separations

Separations data represent the total number of workers who were employed by a business in the current quarter but were not employed by that same business in the subsequent quarter; annual totals are derived from the quarterly figures.⁷

Separations in Mecklenburg County steadily declined for both men and women over the course of the recession. Although women posted slightly higher numbers of separations than men in 2007 (pre-recession), men experienced a greater number of separations in all subsequent time periods (recession and post-recession), Figure 3. From 2007 to 2009, separations decreased 32 percent for women and 27 percent for men. Data through the 2nd quarter of 2010 and estimations for the 2010 annual average indicate a continuation of the downward trend into the post-recession period. Separations for men are estimated to have decreased 13.3 percent from 2009 to 2010, and separations for women are estimated to have decreased 18 percent.⁸

Although a decrease in separations is a positive sign, the reasons behind the decrease are difficult to determine. Fewer separations might have occurred because businesses were already operating with fewer employees and additional reductions may not have been feasible. It is also possible that more employees were staying with their current employers rather than pursuing other jobs or opportunities due to economic uncertainty.

Figure 3: Separations

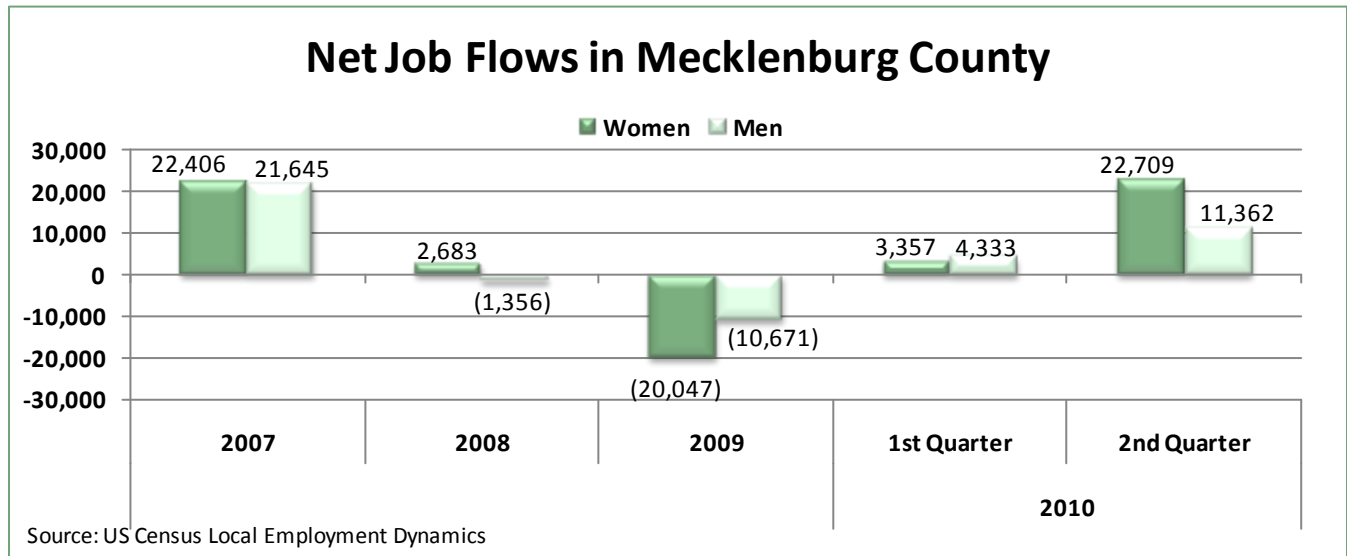


Net Job Flows

Net job flow is the difference between total employment for all area businesses in the current quarter and that in the previous quarter; annual totals are derived from the quarterly figures. A positive number for net job flow indicates that businesses were creating more jobs, and a negative number indicates that businesses were eliminating jobs. To move toward economic recovery, net job flows should be positive for several consecutive quarters.⁷

The greatest positive annual net job flows for men and women occurred in 2007 before the recession began in earnest, Figure 4. In 2007, women experienced a positive net job flow of 22,406, which was slightly higher than the net job flow for men (21,645). Then in 2008, men posted the first negative net job flow of the recession with a decline of 1,356 jobs, but women still recorded a small positive net job flow of 2,683. The single worst year for both men and women in terms of net job flow was 2009, and in this year, women clearly fared worse. The negative net job flow for women was nearly twice that for men with a net loss of 20,047 jobs for women and a loss of 10,671 jobs for men. Through the first half of 2010 the economy and businesses were showing positive gains in employment, and by the 2nd quarter of 2010, women once again outpaced men with a positive net job flow of 22,709 while men had a positive net job flow of 11,362.⁸

Figure 4: Net Job Flows



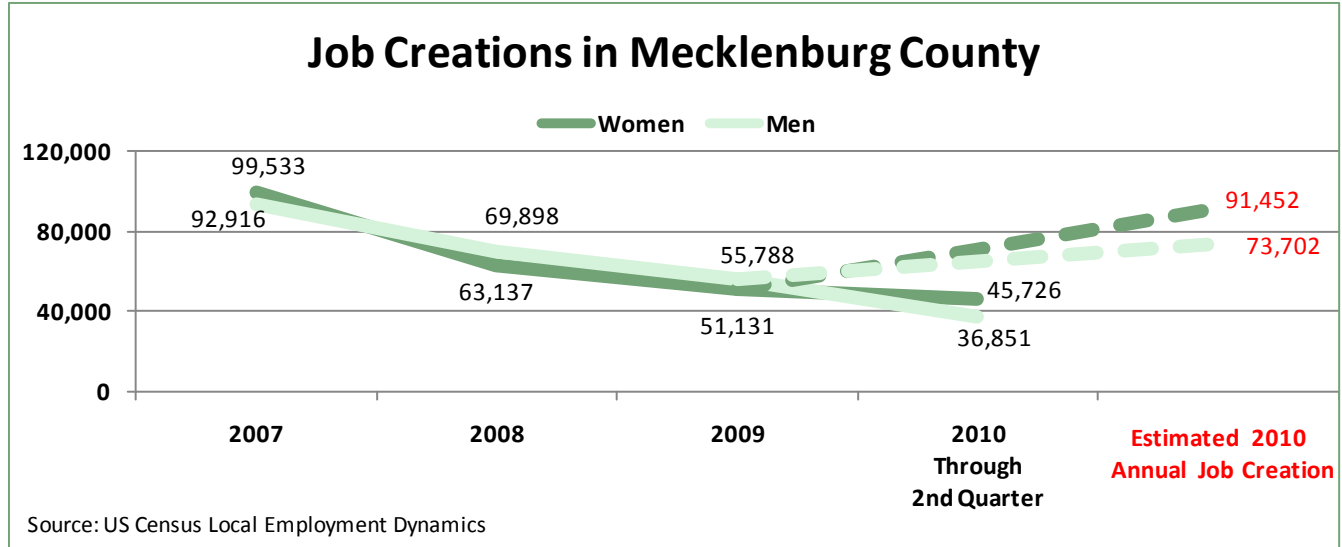
Job Creations

Job creation figures represent the number of new jobs that were created over the course of the quarter by either new businesses opening in the area or the expansion of employment by existing firms; annual totals are derived from the quarterly figures.⁷



During the 2007-2010 time period, the greatest number of job creations in Mecklenburg County occurred in 2007 when women outpaced men in newly created jobs with 99,533 and 92,916, respectively, Figure 5. The number of new jobs declined in the recessionary years of 2008 and 2009 for men and women, but women consistently had fewer job creations than men during this time. From 2007 to 2009, new jobs for women decreased 49 percent, while those for men decreased 40 percent. Data through the 2nd quarter of 2010 and estimations for the 2010 annual average indicate that job creation increased since the official end of the recession and that women fared better in newly created jobs than men in the post-recession period. Between 2009 and 2010, women’s job creations are estimated to have increased 78.9 percent, while those for men are estimated to have increased just 32.1 percent.⁸

Figure 5: Job Creations



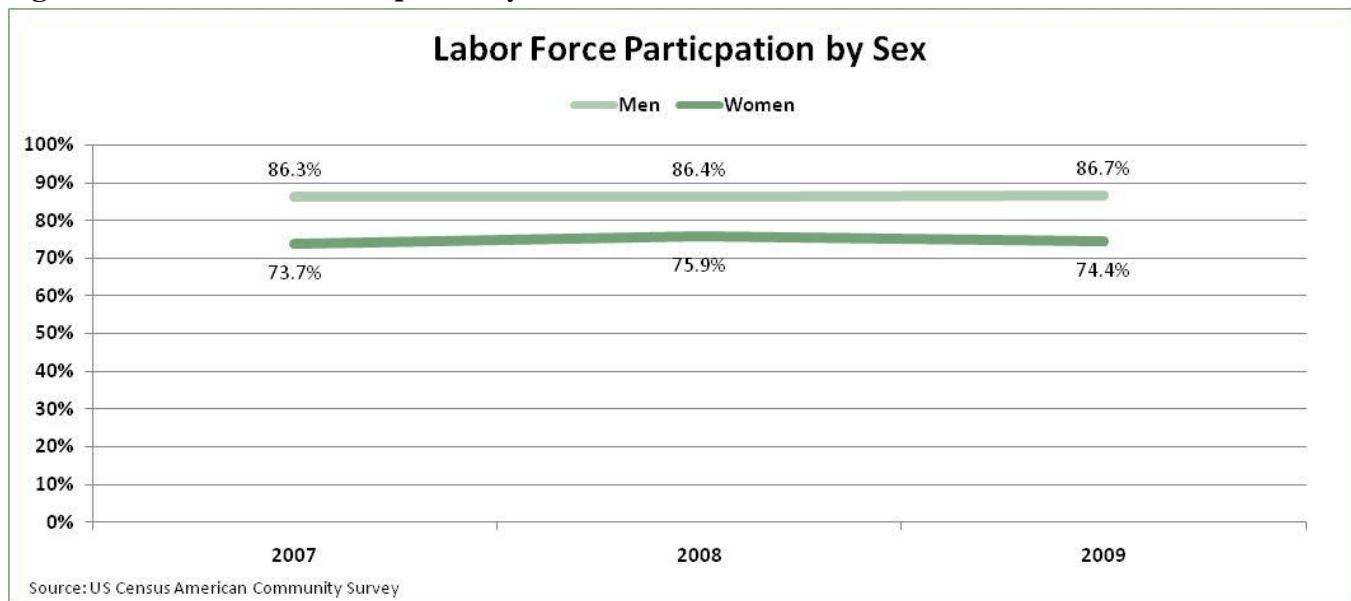
Labor Force Participation and Employment Status

Labor Force Participation

The labor force includes individuals (ages 16-64) in the civilian population who are employed or unemployed but actively seeking employment. The labor force participation rate is the percent of the population that is in the civilian labor force.⁹

Nationally, labor force participation rates for women have risen steadily since the 1970s.¹⁰ In Mecklenburg County, labor force participation by women exceeds women nationally. In 2009, 74.4 percent in Mecklenburg County participated in the labor force compared to 70.4 percent of women nationally.⁹ Still, fewer women in Mecklenburg County participated in the labor force than men (86.7%), Figure 6.⁹

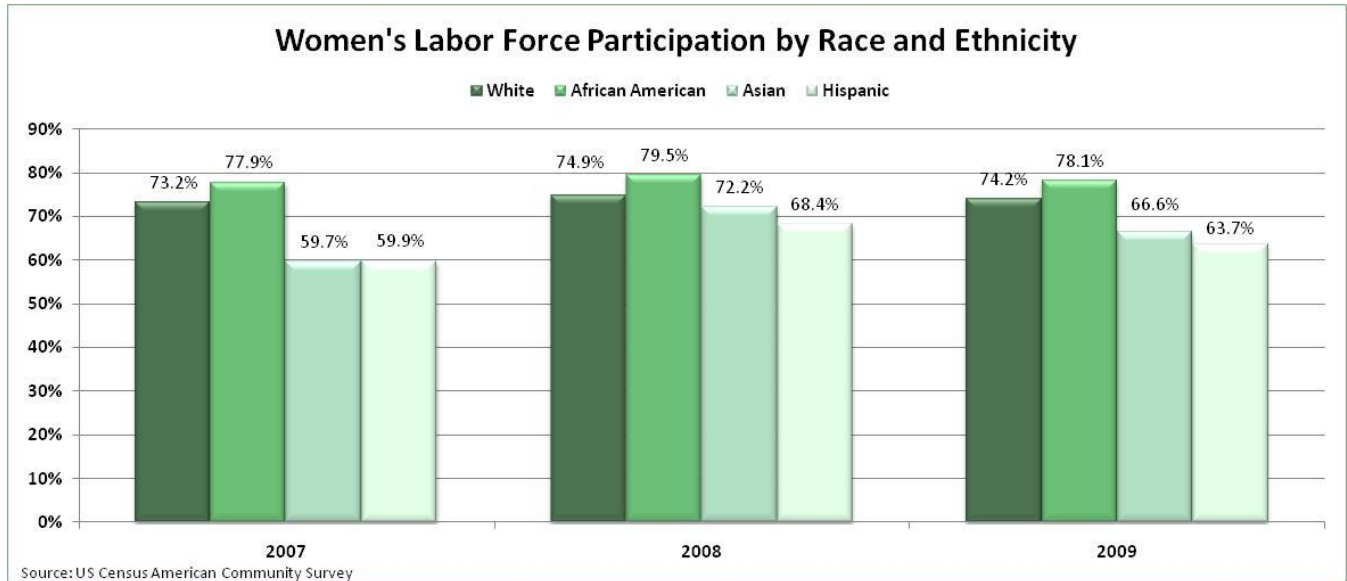
Figure 6: Labor Force Participation by Sex



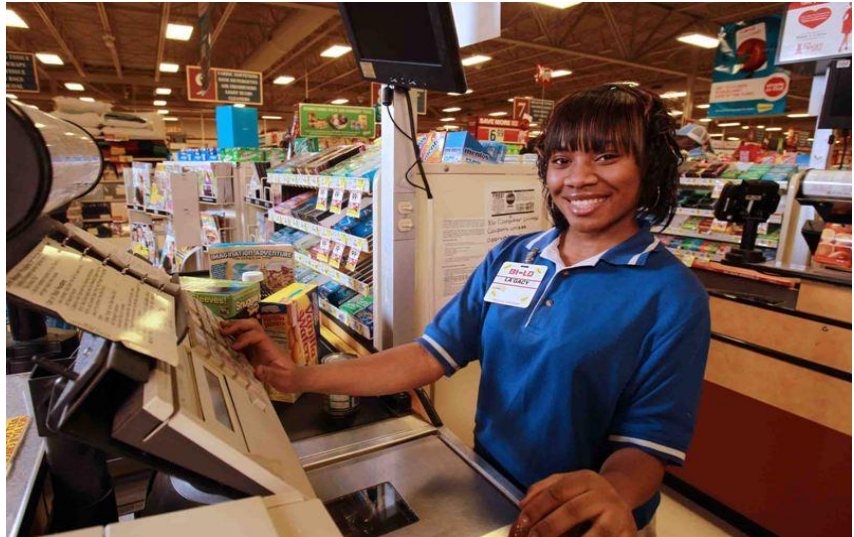
During the Great Recession, labor force participation rates in Mecklenburg County remained largely unchanged for men and women. Men's labor force participation was consistently around 86 percent during this time, while labor force participation for women showed slight fluctuations, increasing from 2007 (73.7%) to 2008 (75.9%), followed by a decrease in 2009 (74.4%).⁹

Labor force participation rates also varied among women of different races and ethnicities although all showed a similar trend over the course of the recession- a rise from 2007 to 2008 followed by a decline in 2009, Figure 7. African American women experienced the highest rates of labor force participation, followed by white women. From 2007 to 2009, labor force participation rates for African American women were 77.9, 79.5, and 78.1 percent respectively, compared to white women's labor force participation rates of 73.2, 74.9 and 74.2 percent during the same period.¹¹

Figure 7: Women's Labor Force Participation by Race



Asian and Hispanic women experienced the lowest labor force participation rates and the greatest variation from year to year. In 2007, both Asian and Hispanic women had a labor force participation rate of around 60 percent. Then in 2008, the labor force participation rates for Asian and Hispanic women increased to 72.2 and 68.4 percent, respectively, closing the gap with African American and white women. These rates then declined in 2009 to 66.6 percent for Asian women and 63.7 percent for Hispanic women.¹¹

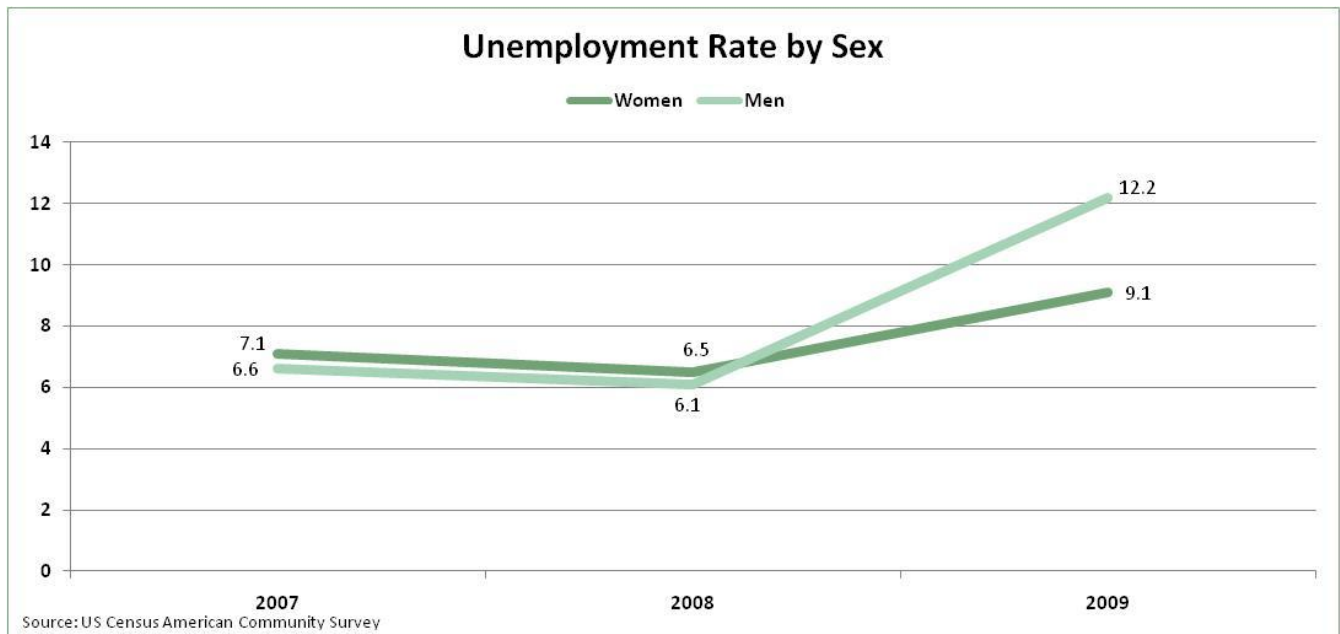


Unemployment Rates

The unemployment rate is the percent of individuals (16-64 years old) in the civilian labor force who are unemployed.¹¹

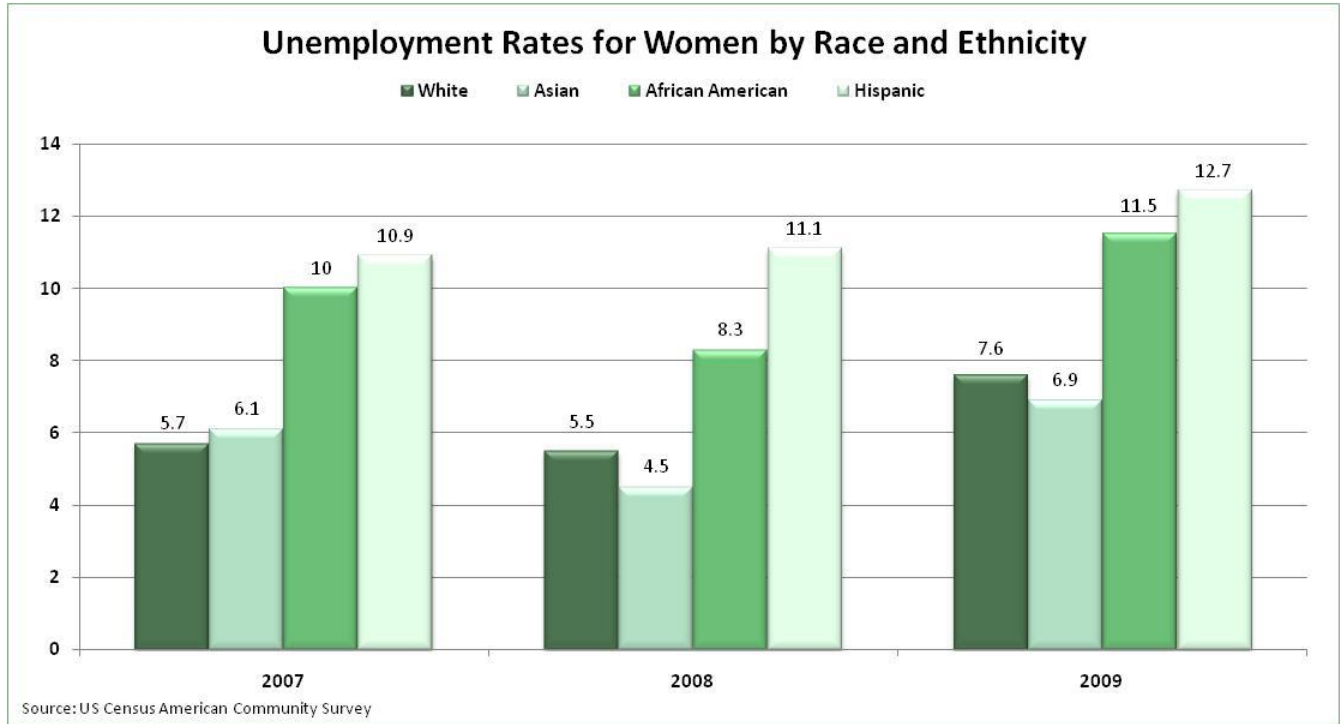
Unemployment rates in Mecklenburg County fell slightly from 2007 to 2008 then rose significantly in 2009, Figure 8. Although women experienced slightly higher unemployment rates than men in 2007 (7.1 and 6.6, respectively) and 2008 (6.5 and 6.1, respectively), men fared worse in 2009 with an unemployment rate of 12.2.⁹ During the same year, women experienced an unemployment rate of 9.1. These data are consistent with national trends where men experienced more job loss and higher unemployment rates compared to their female counterparts.²

Figure 8: Unemployment Rate by Sex



As with labor force participation, unemployment rates for women in Mecklenburg County varied across race and ethnicity, but the pattern is slightly different. Hispanic women and African American women had the highest unemployment rates while white and Asian women had the lowest unemployment rates, Figure 9.¹¹

Figure 9: Unemployment Rate for Women by Race and Ethnicity



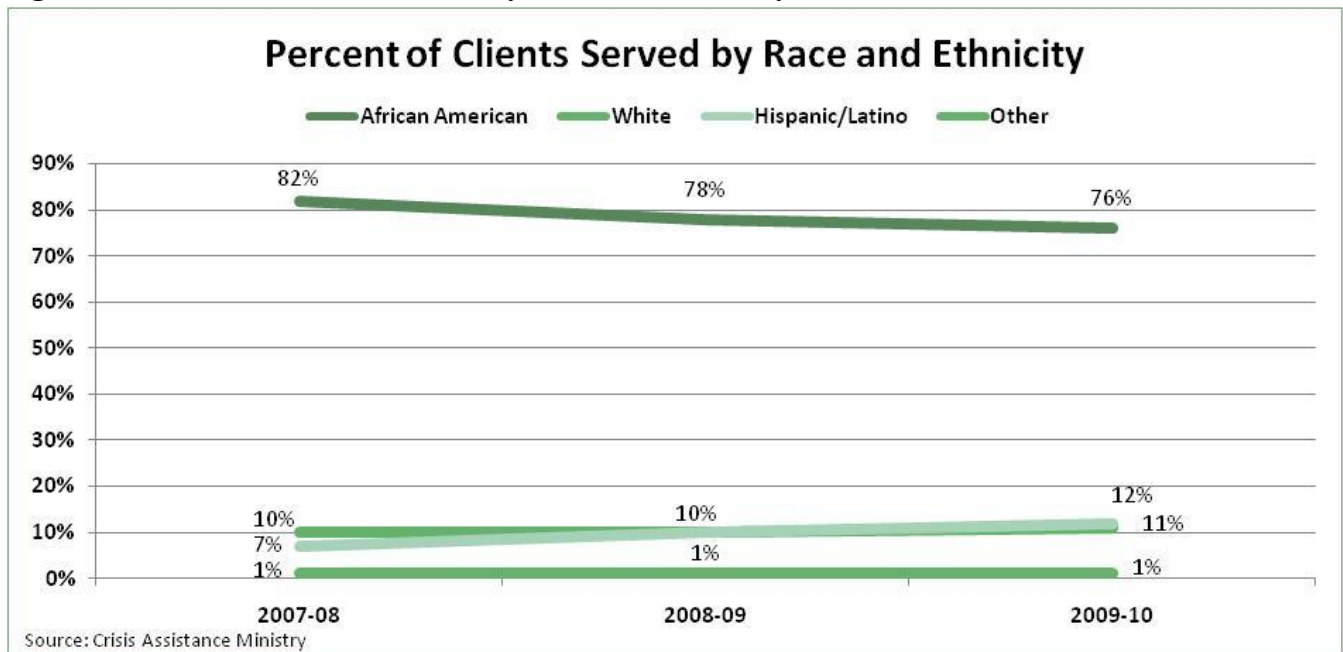
Despite having the lowest labor force participation rates, Hispanic women had the highest unemployment rates over the three year period, increasing from 10.9 in 2007 to 12.7 in 2009. From 2007 to 2009, the unemployment rate for African American, white, and Asian women followed the same general trend—decreasing from 2007 to 2008 and then rising above 2007 rates in 2009 to 11.5 for African American women, 7.6 for white women, and 6.9 for Asian women.¹¹

Impacts of the Great Recession

Given the high unemployment rates of recent years, families and individuals across the country have had to turn to others for assistance to survive without earnings from work. In Mecklenburg County, the story has been no different. According to Crisis Assistance Ministry in Charlotte, the number of people seeking emergency assistance through their Emergency Financial Assistance program nearly doubled since the beginning of the economic recession. In addition, the organization as a whole experienced a surge in new clients as 20,000 families sought assistance for the first time. During the 2009-10 year, Crisis Assistance Ministry distributed roughly \$11 million in emergency financial assistance, representing an increase of 15 percent from the previous year. During this same time, 32,000 assessments were conducted for clients, representing an increase of 19 percent from the previous year.¹²

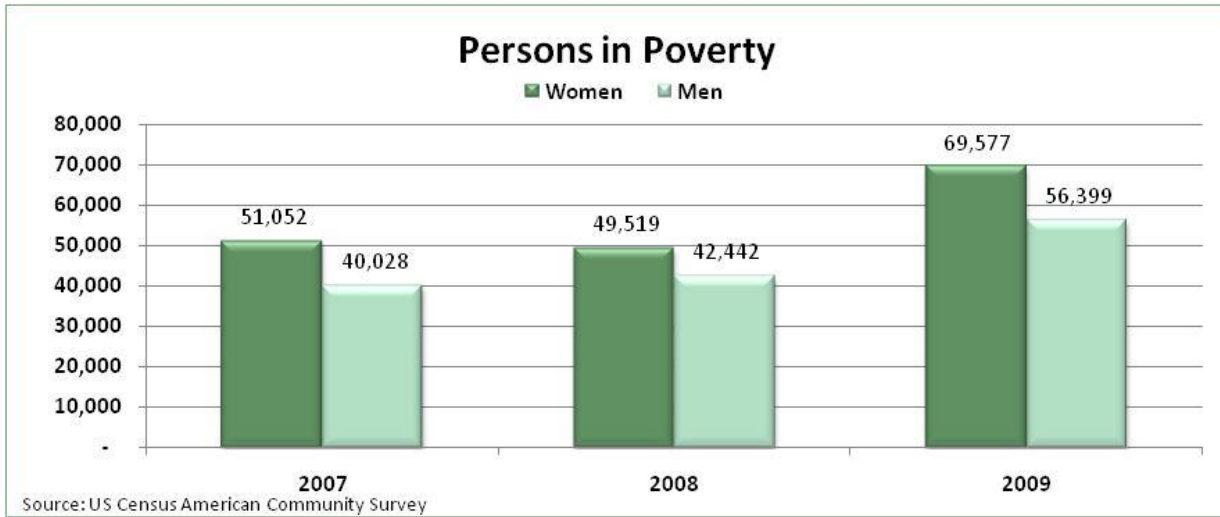
The agency has also seen a change in demographics of clients, Figure 10. Over the past three service years, the majority of clients have been African American, but this has decreased slightly as the percent of white and Hispanic clients increased. However, the agency did not see a change in the family structure or household size. Around 67 percent of their clients live in female-headed households and 33 percent live in male-headed households. The average household size for clients with children decreased slightly in 2009-10 to 3.64 compared to 3.84 in 2007-08.¹²

Figure 10: Percent of Clients Served by Race and Ethnicity



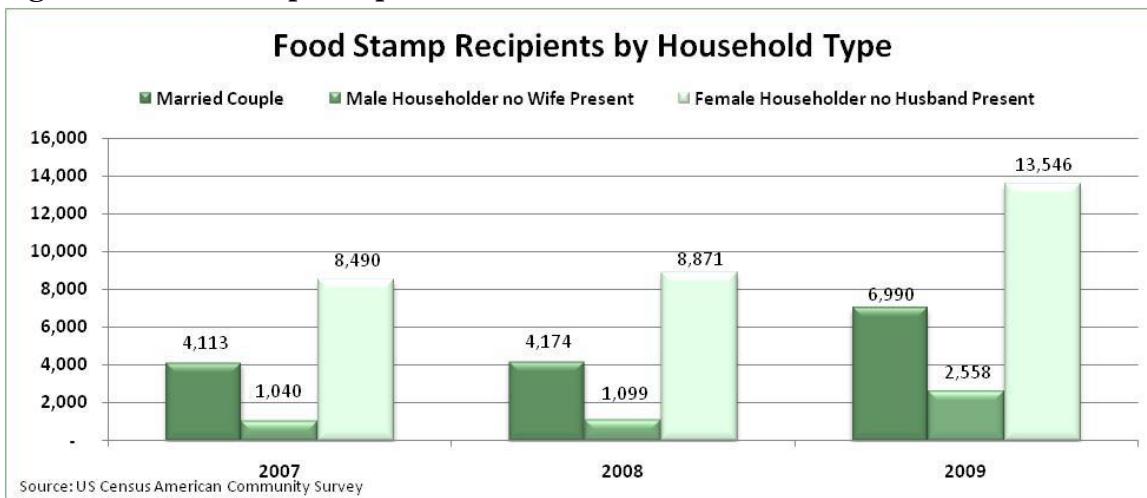
The number of individuals living below the poverty line increased during the recession, Figure 11. Over the three year period, more women were living below the poverty line compared to men. In 2007, 51,052 women were in poverty; this number climbed to 69,577 by 2009, a 36 percent increase. In 2007, 40,028 men were in poverty, and by 2009 this number increased 41 percent to 56,399. The largest annual increase for individuals in poverty occurred in 2009. From 2007 to 2008, there was a slight increase in the number of men living in poverty and a slight decrease for women. In 2009, the effects of the recession were apparent in the sizeable increase in these numbers.¹³

Figure 11: Persons in Poverty



The number of households receiving food stamps is a stark indicator of change in the economy. Figure 12 illustrates the increase in food stamp recipients by household from 2007 to 2009. In 2007, 13,643 households with children received food stamps. This number increased 69 percent to 23,094 in 2009. During this period, female-headed households with no husband present made up around two-thirds of households receiving food stamps.¹⁴

Figure 12: Food Stamp Recipients



Conclusion

The worst economic downturn since the Great Depression created economic and social hardships in Mecklenburg County for both men and women. This report presented information and provided context for how men and women were affected in varying and significant ways during the Great Recession. Women accounted for fewer hires than men during and after the recession. After negative net job flows for men and women in 2009, both sexes posted positive net job flows in the first half of 2010, with women outpacing men. Men experienced greater numbers of separations than women, although the basis for the differences may be more complex than the data represents. Post-recession, women are estimated to have had a greater number of job creations than men. Unemployment rates for women did not increase as significantly as for men, and the rates varied across race and ethnicity. Women in poverty and female householders receiving food stamps increased considerably.

While this report provided an overview of the effects of the recession on men and women and highlighted their overall differences, questions remain. Why do differences exist? Why were men and women affected at different times during the recession? What do these patterns reveal about the prospects for recovery, post-recession, for women? Previous research has identified that these differences are due, at least partially, to varying gender representations across industries and women's lower labor force participation rates.^{3,4,5} Future reports will seek to answer these questions in order to provide a greater understanding of the complex dynamics of the labor market as it relates to gender.



Endnotes

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Photographs

Cover Page: Nancy Pierce; Page 4: Nancy Pierce; Page 7: Nancy Pierce; Page 10; Nancy Pierce; Page 12 Goodwill Industries of Southern Piedmont