

Women's participation and economic downturns

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The growth in women's labour force participation is one of the most notable changes in the Canadian labour market over the past four decades. In 1976, 47% of women 20 to 64 years of age who were either married or living in a common-law relationship participated in the labour market. By 2009, the corresponding percentage had risen to 76% (Chart A).

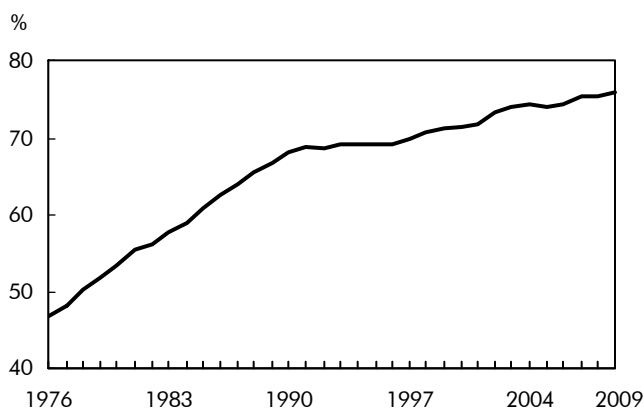
The growing labour market involvement of married and cohabiting women occurred during a period that also saw an increasing proportion of single men and women. It led to a well-documented increase in the number of dual-earner couples (e.g., Marshall 2009) and has helped families respond to downward pres-

Data source and definitions

To examine trends in married women's participation among couples where husbands are unemployed or lose their jobs due to layoffs, the **Labour Force Survey** is used. For data on couples, the sample consists of married or cohabiting couples where husbands are 20 to 64 years of age. The unit of measure is total actual hours worked in a given week.

Because the LFS education questions changed from 1989 to 1990, the comparable education categories **individuals with or without a university degree** are used when analyzing trends that cover the 1976 to 2009 period. For simplicity, the term husbands (wives) is used to refer to men (women) who either are married or living in a common-law relationship.

Chart A Participation rates of married women age 20 to 64



Note: Includes legally married women and women in common-law relationships.

Source: Statistics Canada, Labour Force Survey.

sure on the wages of some male workers during the 1980s (Morissette and Hou 2008). However, its impact on Canadian families' ability to deal with job loss during an economic downturn has received relatively little attention.

Using data from the Labour Force Survey (LFS), this note examines the evolution of the employment rate and work hours of wives whose husbands suffered job loss during the last three labour market downturns: 1981 to 1983, 1990 to 1992 and 2008 to 2009.

Labour market downturns

Between 1976 and 2009, the wives of unemployed husbands increasingly participated in the labour market. Just under one-half (47%) of unemployed husbands had a wife employed during the 1981 to 1983 downturn (Table 1). This proportion grew to 56% and 68% during the two subsequent economic downturns. Thus, while only one unemployed husband out of two had a working spouse in the early 1980s, this

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Table 1 Labour force status of couples

| | 1976 to 1977 | 1981 to 1983 | 1990 to 1992 | 2008 to 2009 |
|---|--------------|--------------|--------------|--------------|
| Couples with husband unemployed ('000) | 170 | 302 | 349 | 284 |
| % with wife employed | 39.4 | 47.2 | 56.1 | 67.6 |
| Weekly hours of employed wives | 31.6 | 30.9 | 31.2 | 30.8 |
| Couples' weekly hours | 12.4 | 14.6 | 17.5 | 20.8 |
| Couples with husband employed ('000) | 4,062 | 4,219 | 4,486 | 5,096 |
| Husband's weekly hours | 39.3 | 38.9 | 39.7 | 38.4 |
| % with wife employed | 45.7 | 54.9 | 68.9 | 77.6 |
| Weekly hours of employed wives | 29.4 | 29.0 | 29.9 | 29.6 |
| Couples' weekly hours | 52.7 | 54.9 | 60.3 | 61.4 |
| Couples with husband inactive ('000) | 295 | 366 | 558 | 674 |
| % with wife employed | 29.1 | 31.0 | 36.5 | 50.0 |
| Weekly hours of employed wives | 31.2 | 29.9 | 29.7 | 29.5 |
| Couples' weekly hours | 9.1 | 9.3 | 10.8 | 14.8 |

Note: Includes legally married and common-law couples with husbands age 20 to 64.
Source: Statistics Canada, Labour Force Survey.

was the case for almost seven out of ten in the most recent downturn. In both periods, the working wives of these unemployed husbands averaged about 30 hours of work per week.¹

The growing labour market involvement of wives was observed among unemployed husbands of all ages and levels of education but varied somewhat across these characteristics. Between two downturns (1981 to 1983 and 2008 to 2009), the employment rate of wives grew by at least 25 percentage points for couples where husbands were unemployed and 45 to 64 years of age (Table 2). More modest growth in wives' employment rates was observed among couples where the husband was younger. Wives' participation rates increased more among couples where the husband did not have a university degree than it did among those where he did have a university degree.

Table 2 Labour force status of couples with husbands unemployed

| | 1976 to 1977 | 1981 to 1983 | 1990 to 1992 | 2008 to 2009 |
|--|--------------|--------------|--------------|--------------|
| Husbands age 20 to 34 ('000) | 74 | 136 | 136 | 64 |
| % with wife employed | 43.2 | 50.3 | 58.1 | 67.6 |
| Weekly hours of employed wives | 32.1 | 31.1 | 31.2 | 28.4 |
| Couples' weekly hours | 13.9 | 15.6 | 18.1 | 19.2 |
| Husbands age 35 to 44 ('000) | 39 | 74 | 101 | 77 |
| % with wife employed | 40.1 | 49.6 | 57.9 | 68.2 |
| Weekly hours of employed wives | 31.1 | 31.0 | 31.4 | 30.4 |
| Couples' weekly hours | 12.5 | 15.4 | 18.2 | 20.8 |
| Husbands age 45 to 54 ('000) | 33 | 53 | 68 | 85 |
| % with wife employed | 37.2 | 45.3 | 57.6 | 71.8 |
| Weekly hours of employed wives | 31.6 | 31.1 | 31.5 | 32.4 |
| Couples' weekly hours | 11.8 | 14.1 | 18.1 | 23.3 |
| Husbands age 55 to 64 ('000) | 24 | 40 | 43 | 58 |
| % with wife employed | 29.4 | 35.0 | 43.6 | 60.4 |
| Weekly hours of employed wives | 30.2 | 29.7 | 30.1 | 31.3 |
| Couples' weekly hours | 8.9 | 10.4 | 13.1 | 18.9 |
| Husbands with no university degree ('000) | 162 | 285 | 322 | 230 |
| % with wife employed | 38.6 | 46.5 | 55.6 | 68.1 |
| Weekly hours of employed wives | 31.5 | 30.8 | 31.0 | 30.7 |
| Couples' weekly hours | 12.2 | 14.3 | 17.3 | 20.9 |
| Husbands with university degree ('000) | 8 | 17 | 27 | 54 |
| % with wife employed | 54.6 | 59.7 | 62.4 | 65.2 |
| Weekly hours of employed wives | 32.7 | 32.2 | 32.8 | 30.9 |
| Couples' weekly hours | 17.8 | 19.3 | 20.5 | 20.1 |

Note: Includes legally married and common-law couples.
Source: Statistics Canada, Labour Force Survey.

While unemployed husbands might be without work for a variety of reasons—e.g., they may have quit their jobs, been dismissed for cause or lost their jobs due to layoff—these numbers suggest that a growing number of them can count on earnings from their spouses' jobs when they experience job loss.

A focus on layoffs

The consequences of an unexpected economic shock such as job loss are best studied by focusing on husbands who are unemployed due to layoff (Table 3).² While 49% of husbands who were unemployed because of job loss had a wife who was employed during the 1981 to 1983 economic downturn, 71% of them were in this situation during the 2008/2009 downturn. Combined with the fact that employed wives averaged about 30 hours of work per week in the last three downturns, the end result is that couples where the husbands have lost their jobs since October 2008 are more able to moderate the impact of job loss than their counterparts in the early 1980s, thanks to the growing proportion of employed wives.

This is confirmed by the fact that during the most recent period, couples where the husbands were unemployed because of layoff averaged seven more hours of work per week than similar couples in the early 1980s. Whenever it occurred, this increase in couples' work hours (due to the growth in wives' employment rates) was most pronounced among couples where husbands were 45 to 64 years of age or had no university degree.

Table 3 Labour force status of couples with husbands unemployed due to layoff

| | 1976 to 1977 | 1981 to 1983 | 1990 to 1992 | 2008 to 2009 |
|--|-----------------|-----------------|-----------------|-----------------|
| Husbands age 20 to 64 ('000) | 116 | 219 | 248 | 190 |
| % with wife employed | 39.5 | 48.8 | 58.6 | 70.9 |
| Weekly hours of employed wives | 31.1 | 30.5 | 31.0 | 30.3 |
| Couples' weekly hours | 12.3 | 14.9 | 18.2 | 21.5 |
| Husbands age 20 to 34 ('000) | 51 | 102 | 100 | 42 |
| % with wife employed | 42.3 | 51.8 | 60.8 | 73.1 |
| Weekly hours of employed wives | 31.4 | 30.6 | 30.8 | 28.0 |
| Couples' weekly hours | 13.3 | 15.9 | 18.7 | 20.5 |
| Husbands age 35 to 44 ('000) | 27 | 55 | 73 | 53 |
| % with wife employed | 40.9 | 50.9 | 60.5 | 73.0 |
| Weekly hours of employed wives | 30.4 | 30.9 | 31.2 | 29.6 |
| Couples' weekly hours | 12.4 | 15.8 | 18.9 | 21.6 |
| Husbands age 45 to 54 ('000) | 23 | 38 | 47 | 59 |
| % with wife employed | 37.6 | 46.5 | 59.5 | 74.3 |
| Weekly hours of employed wives | 31.6 | 30.3 | 31.3 | 32.2 |
| Couples' weekly hours | 11.9 | 14.1 | 18.7 | 23.9 |
| Husbands age 55 to 64 ('000) | 14 | 25 | 27 | 37 |
| % with wife employed | 29.9 | 35.1 | 44.3 | 60.0 |
| Weekly hours of employed wives | 29.9 | 29.3 | 30.5 | 31.1 |
| Couples' weekly hours | 9.0 | 10.3 | 13.5 | 18.7 |
| Husbands with no university degree ('000) | 112 | 209 | 232 | 161 |
| % with wife employed | 39.0 | 48.1 | 58.1 | 70.8 |
| Weekly hours of employed wives | 31.1 | 30.5 | 30.9 | 30.5 |
| Couples' weekly hours | 12.1 | 14.6 | 17.9 | 21.6 |
| Husbands with university degree ('000) | 4 | 10 | 15 | 29 |
| % with wife employed | 54.5 | 63.4 | 66.0 | 71.3 |
| Weekly hours of employed wives | 29.7 | 31.9 | 32.9 | 29.6 |
| Couples' weekly hours | 16.2 | 20.2 | 21.7 | 21.1 |

Note: Includes legally married and common-law couples.
Source: Statistics Canada, Labour Force Survey.

Since these data refer only to employment rates and hours worked for wives of husbands who have experienced job loss, an important question is whether the annual earnings of these wives have actually increased since the early 1980s. Census data indicate that the answer to this question is yes. As they are both more likely to be employed and work more weeks than

their counterparts did in the past, wives of unemployed husbands have seen their earnings increase substantially since the early 1980s, rising from an average of \$10,690 in 1981 to an average of \$18,550 in 2006 (Table 4). This suggests that earnings also grew markedly among wives whose husbands were unemployed due to layoff.³

Table 4 Earnings and weeks worked by wives whose husbands are unemployed

| | 1981 | 1986 | 1991 | 1996 | 2001 | 2006 |
|---|--------|--------|--------|--------|--------|--------|
| Average earnings (2005 \$) | 10,690 | 11,560 | 14,460 | 13,260 | 16,280 | 18,550 |
| Average weeks worked | 20 | 22 | 26 | 24 | 28 | 29 |
| % with positive weeks | 57 | 60 | 70 | 63 | 69 | 72 |
| Average earnings of working wives (2005 \$) | 18,570 | 19,040 | 20,470 | 20,550 | 23,150 | 25,170 |
| Average weeks of working wives | 35 | 36 | 38 | 38 | 40 | 41 |

Note: Husbands age 20 to 64 who are unemployed during the census reference week. Earnings and weeks worked refer to the year prior to the reference year. Includes legally married and common-law couples.
Source: Statistics Canada, Census of population.

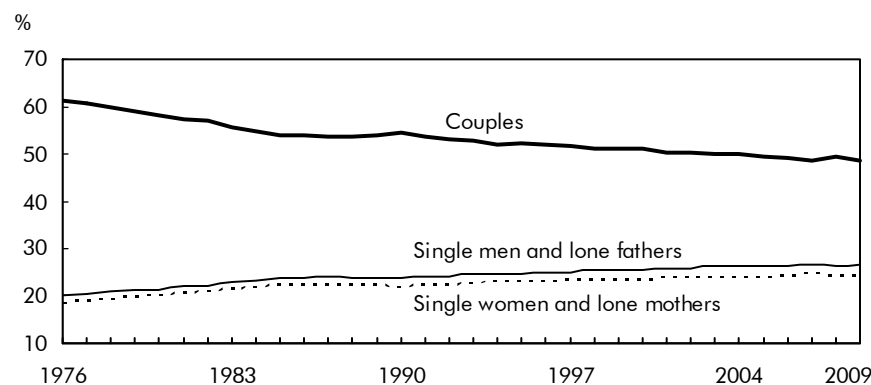
Unattached individuals and lone parents

Although growing employment rates among wives have improved the ability of couples to deal with husbands' job loss, these increases in labour market involvement took place in a period where the relative number of couples fell steadily.⁴ In 2009, couples represented 49% of family units (couples, singles and lone parents) headed by individuals 20 to 64 years of

age, more than 10 percentage points lower than the 61% observed in 1976 (Chart B). Meanwhile, the composition of the unemployed population has shifted from married or cohabiting individuals toward individuals who do not have a partner to provide additional employment income when they experience an unemployment spell. During the 1981 to 1983 downturn, 59% of unemployed individuals were married or living in a common-law relationship. This proportion fell to 53% during the 2008 to 2009 period (Table 5).

In conclusion, the risk of couples being temporarily without employment income following husbands' job loss has fallen markedly since 1976.⁵ This substantial improvement in the economic security of couples coincided with an increase in the proportion of unattached individuals or lone parents who could not count on the financial support of a second adult earner in the event of job loss.⁶

Chart B Family composition of individuals age 20 to 64



Source: Statistics Canada, Labour Force Survey.

Perspectives

Notes

1. The growing employment rate of wives was also observed among couples in which husbands were employed or inactive.
2. This information is available for unemployed husbands who have been employed at some point in the twelve months preceding the LFS interview.
3. Census data identify unemployed husbands but not husbands who are unemployed due to layoff.

Table 5 Composition of unemployed population age 20 to 64

| | 1976 to 1977 | 1981 to 1983 | 1990 to 1992 | 2008 to 2009 |
|---|-----------------|-----------------|-----------------|-----------------|
| | | | % | |
| Unemployed individuals | 100.0 | 100.0 | 100.0 | 100.0 |
| Married men | 31.6 | 32.2 | 30.6 | 28.8 |
| Married women | 31.1 | 27.0 | 27.6 | 24.1 |
| Unmarried and unattached persons | 37.3 | 40.8 | 41.8 | 47.1 |
| Individuals unemployed due to layoff | 100.0 | 100.0 | 100.0 | 100.0 |
| Married men | 39.2 | 39.0 | 36.2 | 34.2 |
| Married women | 24.0 | 21.8 | 24.0 | 21.2 |
| Unmarried and unattached persons | 36.8 | 39.2 | 39.9 | 44.6 |

Note: Includes legally married and common-law couples.
Source: Statistics Canada, Labour Force Survey.

4. Even though working wives increasingly cushion the job losses of their spouses, permanent job losses often cause substantial and persistent earnings losses, especially among high-seniority workers (Jacobson et al. 1993, and Morissette et al. 2007).
5. In addition, because Canada's fertility rate fell from 2.3 in 1970 (Drolet 2003) to 1.6 in 2006 (Crompton and Keown 2009), couples' economic resources can now be split among fewer family members than in the past.
6. Because the data presented in this article are cross-sectional, they cannot be used to quantify the extent to which husbands' job loss leads to an increased labour supply of wives. Stephens (2002) and Morissette and Ostrovsky (2008) use U.S. data and Canadian data, respectively, and find that some groups of wives increase their work hours or earnings following husbands' job loss, thereby offsetting between 20% and 30% of husbands' earnings losses.

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