



## The Slow Disappearance of The American Working Man

► The downturn has driven the share of men who have jobs lower than any time since World War II

► The falloff in wages “takes men and puts them back at their earnings capacity of the 1950s”

As President Barack Obama puts together a new jobs plan to be revealed shortly after Labor Day, he is up against a powerful force, long in the making, that has gone virtually unnoticed in the debate over how to put people back to work: Employers are increasingly giving up on the American man.

If that sounds bleak, it's because it is. The portion of men who work and their median wages have been eroding since the early 1970s. For decades the impact of this fact was softened in many families by the increasing number of women who went to work and took up the slack. More recently, the housing bubble helped to mask it by boost-

ing the male-dominated construction trades, which employed millions. When real estate ultimately crashed, so did the prospects for many men. The portion of men holding a job—any job, full- or part-time—fell to 63.5 percent in July—hovering stubbornly near the low point of 63.3 percent it reached in December 2009. These are the lowest numbers in statistics going back to 1948. Among the critical category of prime working-age men between 25 and 54, only 81.2 percent held jobs, a barely noticeable improvement from its low point last year—and still well below the depths of the 1982-83 recession, when employment among prime-age men never dropped

below 85 percent. To put those numbers in perspective, consider that in 1969, 95 percent of men in their prime working years had a job.

Men who do have jobs are getting paid less. After accounting for inflation, median wages for men between 30 and 50 dropped 27 percent—to \$33,000 a year—from 1969 to 2009, according to an analysis by Michael Greenstone, a Massachusetts Institute of Technology economics professor who was chief economist for Obama's Council of Economic Advisers. “That takes men and puts them back at their earnings capacity of the 1950s,” Greenstone says. “That has staggering implications.”

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What is going on here? For one thing, women, who have made up a majority of college students for three decades and now account for 57 percent, are adapting better to a data-driven economy that values education and collaborative skills more than muscle. That isn't to say women have yet eclipsed men in the workplace. They continue to earn about 16 percent less than men and struggle against gender discrimination and career interruptions as they disproportionately take time away from the job to raise children. And both men and women have confronted job losses in the weak economy. In July, 68.9 percent of women aged 25-54 had jobs, vs. 72.8 percent in January 2008. (In 1969, however, fewer than half did.) After a long decline in men's work opportunities, the recession worsened things with a sharp drop in male employment. Unemployed men are now more likely than women to be among the long-term jobless.

The economic downturn exacerbated forces that have long been undermining men in the workplace, says Lawrence Katz, a Harvard professor of labor economics. Corporations have cut costs by moving manufacturing jobs, routine computer programming, and even simple legal work out of the country. The production jobs that remain are increasingly mechanized and demand higher skills. Technology and efforts to reduce the number of layers within corporations are leaving fewer middle-management jobs.

The impact has been greatest on moderately skilled men, especially those without a college education, though even men with bachelor's degrees from less selective schools are beginning to see their position erode. "There's really been this polarization in the middle," Katz says, as men at the top of the education and income scale see their earnings rise while those in the middle gravitate downward.

For generations, American workers kept up with technological change by achieving higher levels of education than their parents. High school education became the norm as the country progressed from an agrarian society to an industrial one. After World War II, increasing numbers of Americans went to college as the economy became more complex. But for reasons not fully understood, college graduation rates

essentially stopped growing for men in the late 1970s, shortly after the Vietnam War ended, perhaps in part because draft deferments were no longer an inducement. Women, on the other hand, continued to pursue college degrees in greater numbers and have been more responsive to the changing economy in other ways, taking many of the nursing and technician positions in the expanding health-care industry and making greater headway in service jobs.

While unemployment is an ordeal for anyone, it still appears to be more traumatic for men. Men without jobs are more likely to commit crimes and go to prison. They are less likely to wed, more likely to divorce, and more likely to father a child out of wedlock. Ironically, unemployed men tend to do even less housework than men with jobs and often retreat from family life, says W. Bradford Wilcox, director of the National Marriage Project at the University of Virginia.

The long-term fix is simple to spell out and tough to achieve: getting more men to attend college and improving the skills of those who don't. Reducing financial barriers to higher education would be a start. But there isn't much political appetite for spending the billions it would take to make that happen. Even once-sacred Pell Grants are on the block as Washington looks for budget cuts. A strapped public education system that leaves many young men unprepared for the workplace, let alone college, doesn't help. It's noteworthy but not especially comforting to know that this is not just an American problem. The same gender

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differences in college attendance and employment are emerging in rich societies around the world.

Grappling with these intractable problems won't likely be Obama's top priority. He is under pressure to do something that will be felt now, not a generation from now. The longer people who are currently unemployed remain out of work, the more their skills will atrophy and the greater the risk of a cohort of men—and women—who become permanently detached from the workplace. Anything that raises employment overall would help. Obama is expected to propose tax incentives for employers to hire workers, a reduction in payroll taxes employers pay, and spending on infrastructure. Money for labor-intensive projects, such as retrofitting buildings for energy conservation or refurbishing aging schools, would be especially effective in putting men back to work in construction—though Washington is likely in no mood to pay for that either.

Other ideas that economists have proposed are geared toward keeping men with diminished opportunities from drifting out of the workforce altogether. They include reducing unemployment-benefits extensions for those who have been out of work for a year or more—to give those who are getting by on an unemployment check a stronger incentive to take a job, even if it's not the most desirable one. Others have proposed modifying the Social Security disability insurance system so that it is no longer an all-or-nothing proposition and instead subsidizes employers hiring workers with partial disabilities. Since 1970, the fraction of 25- to 54-year-old men on disability has more than doubled, from 2.4 percent to 5 percent. Once they begin receiving disability payments, few return to work.

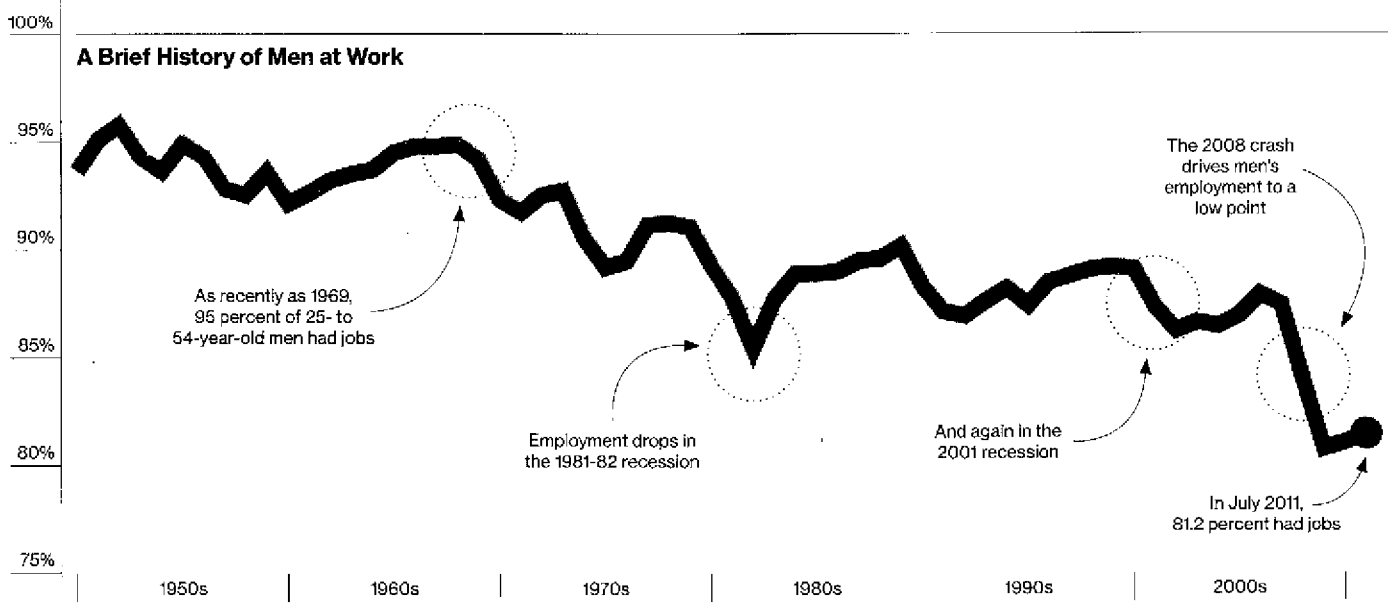
If there is any upside to recessions, it's that they tend to expose deep problems that go ignored or at least overlooked in better times. The short-term relief the President proposes may provide much needed relief for the millions of people looking for a

# 81.2

PERCENT  
of men between 25 and  
54 held jobs in July



## Politics Policy



job. The danger is that the fixes will work just well enough to let us pretend—for a while longer—that the real problem is no longer there. —*Mike Dorning*

