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Summary of Albanesi and Kim's Report in the *Journal of Economic Perspectives*

The essay first goes on to state that based on trends in the past, when a recession hits an economy, there is an employment drop in jobs held by the men rather than for the women. This recession caused by the COVID-19 virus is completely different, however, showing that trends were the opposite were true instead. Jobs held by women dropped more than jobs held by men as shown in Figure 1 of the report. This drop in employment is somewhat explained by the gender differences in the occupation distribution. Most women held jobs in the service sector, while most men held jobs in the production sector and during the pandemic, there was a much larger drop in the demand for services in order to lower the risk of infection. In addition to this, during the pandemic, there was limited availability of in-person childcare and schooling alternatives which led many parents (most particularly women) to leave the labor force to take care of their children. Albanesi and Kim go on to focus on different business cycles such as the Great Recession of 2007 and drawing a comparison between the Great Recession and the pandemic we are still experiencing now to determine how they each influenced employment for both men and women, then they go on to explore the importance between the supply-side and demand-side responses during the pandemic, and finally they discussed the lingering and continuous effects of the pandemic on the labor market.

During trying times, in order to mitigate the risk that comes with decreased job security brought about by a recession, the other partner in a married couple will increase their labor supply in the market as to add towards that household insurance by being another source of revenue for that family. This channel of thinking has only grown in relevance throughout further studies and examinations, showing that the incomes of husbands and wives are less positively correlated during recessions. High-earning husbands tend to be married to low-earning wives and vice versa with a large and statistically significant effect. With this in play, this turns women's labor supply into a countercyclical force that shows married women are less likely to leave the labor force in a recession. The patterns exhibited by the Great Recession show that the decline in women's employment is noticeably smaller than men's in every family group. During the recession brought about by the pandemic, the decline in levels of employment for women is larger in every family group by over ten percentage points in every category. This shift in employment decline is due to the fact that labor demand and supply factors affecting the sectors of work that women work in were affected more noticeably, mainly in the service sector where there is an overrepresentation of women in these sorts of job relative to men. The decline in the need for service sector jobs was due in part to the government's response to reduce infection risk as a mitigation measure during the peak of the COVID-19 pandemic. A unique event that came about with the pandemic was the effects that came about with school closures to mitigate the spread of the COVID-19 virus. To combat this, mothers were the ones responsible for reacting and solving this problem which meant that their labor supply had to diminish in order to meet those gender norms that come with being a mother and bearing the responsibility that role entails in day-to-day life. At the start of the pandemic, most working mothers were making less than their partners and these mothers responded to the increase in child supervision brought about by

the pandemic and employment losses were mostly concentrated among lower wage workers at the beginning of the pandemic where most of the jobs that mothers held which led to that disproportionate loss of employment in the female half.

Albanesi and Kim go on to classify occupations based on their flexibility (whether or not the job can be done remotely) and contact intensity (based on the physical proximity between customers and co-workers). They used data from the Occupational Information Network (O\*NET) in order to determine the flexibility parameter based on 15 questions that the survey asked participants to respond to and the physical proximity parameter was based on 5 different distances the researchers asked participants to state about their job, either there were working: beyond 100 ft, in a private office, in a shared office, at arm's length, or near touching distances/work environments. With these parameters set in place, the researchers determined that most of the flexible/high-contact occupations are in education jobs, the flexible/low-contact occupations are in managerial and professional occupations, the inflexible/high-contact occupations are in healthcare and services, and finally the inflexible/low-contact jobs are in production, protection and transportation occupations based on the data these researchers collected. It was determined that the inflexible/high-contact occupations are the most vulnerable to the COVID outbreak where the majority of women worked. With all of the data collected, two patterns emerged that being that: in flexible/low-contact jobs the recovery of those jobs was smaller for women and since essential inflexible/low-contact jobs are largely dominated by men, it led to a bigger decline in employment for women in this category.

The behavior for which employment was affected over the course of the pandemic is driven by a combination of demand and supply factors that are also affected by gender, age and education, including the presence of children. During the pandemic recession, supply-side factors

related to marital status are associated with two-thirds of the shift in the employment-to-population ratio, while occupational changes are associated with the other one-third portion. A regression framework was put in place in order to examine the dynamics of employment over the course of the year 2020 with variables accounting for the phases of the pandemic, gender, marital status, and number of children under the age of 12. After plugging the numbers in, the results suggest that the occupation distribution plays a minimal role in the rise in nonparticipation for mothers with children, especially married mothers, relative to the levels found in men, in the first phase of the pandemic.

As the pandemic is looking as though it is ending, the question is asked, ‘will employment ever return to pre-pandemic levels and jobs that were lost during the pandemic ever be reinstated?’. Using data and trends from previous recessions such as the recession of 1990-1991, the US economy has indeed experienced “jobless recoveries” where GDP and aggregate demand bounce back from the bottoming of the cycle as the labor market continue to still stagnate. After this recession, it has taken the other various recessions that occurred in the US between 2-5 years to reach the pre-recession peak. This is due to two main factors: 1.) the subdued behavior of employment during these recoveries is driven by the flattening of the female labor force participation as they tended to grow very rapidly during a recovery and 2.) there is a structural change leading to a long-run decline in certain areas of the job sectors such as the manufacturing job market. These job losses are associated with slower moving trends that are brought about and plentiful during recessions. In conclusion, the growth of mothers’ nonparticipation during the pandemic suggests that women who continue to take advantage of remote work arrangements may be stigmatized and lose out on career development in the managerial occupation sector which is classified as a flexible/low-contact job.