

Research Department Federal Reserve Bank of San Francisco

October 31, 1975

Women's Work

Militant women this week laid down their tools on "Alice Doesn't! Day" as a means of dramatizing women's increasingly crucial role in the nation's economy. But a better demonstration of the feminine role has been provided by third-quarter employment figures, which showed a new record high of 30.6 million adult women employed—slightly above the pre-recession peak. In contrast, 47.6 million adult men were employed in the same period—1.0 million less than at the pre-recession peak. While joblessness remained higher for women than for men—7.7 percent vs. 6.9 percent in the summer period—the differential between the two rates has narrowed substantially over the past year.

In an even more striking demonstration, women workers in the past quarter-century have increased their participation in the labor force from 33.9 percent to 46.2 percent of the total adult female population. Participation rates have risen especially rapidly for white women, although the proportion of black women in the labor market has remained significantly higher than that of white women at every age level except the youngest. And despite relatively high jobless rates, the number of jobs held by adult women has doubled since 1950, accounting for 56 percent of the total increase in employment over that period.

Rising participation rates

Women's participation rates have risen so rapidly largely because of the sharp rise in the percentage of 25-to-34 year olds now in the work force—many of whom have sought jobs in spite of the presence of children in the home. The participation rate for this group is now as high as the participation rate of even the most active group (young single women) a quarter-century ago. Marriage has become less and less of a deterrent to keep women out of the work force. In addition, the increasing educational attainment of younger women has encouraged them to enter an ever-wider range of jobs and to return to their jobs more quickly after the birth of children.

Underlying these factors has been a substantial decline in average family size, along with a growing trend to childless marriages. Other contributing elements have been a rise in divorce and separation rates, plus later marriages and the expectancy of greater longevity in mid-life. In addition, career commitments and occupational aspirations have risen among all women, both young and old. These attitudinal changes have been reflected in pressures for (public and private) policies to eliminate the remaining vestiges of an old order which prepared women primarily as homemakers, with only a secondary commitment to the labor market.

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In recent years, new labor-force entrants have had somewhat different characteristics from their predecessors. In the 1954-64 period, women in the 45-64-year bracket sharply increased their labor-participation rates, but a shift then developed in the following decade, with participation rates rising 14 percentage points for 20-34 year olds and 9 percentage points for those aged 35 to 44. The more recent labor-force entrants are younger than their predecessors were, and are also better educated, with a much larger percentage having a college education. Still, a great majority remain in traditional female occupations. In the past decade, a slight increase has occurred in the percentage of women employed as professional or technical workers, especially in teaching and health occupations, but the most noticeable shifts have included a rising percentage in clerical work and a decreasing proportion in maid service.

Continued job problems

Almost 90 percent of all women workers are employed in government, retailing, manufacturing and services, whereas less than 75 percent of male workers are found in those industries. About 25 percent of women workers find jobs in services. Within services, women account for almost two-thirds of all workers in education and three-fourths of all workers in health and personal services (including private homes). Women's predominant role in services reflects the similarity of this work to the activi-

ties traditionally handled by women in the home. Also, the availability of part-time and shift work in this field makes it attractive to mothers with young children.

Women are now finding more openings in other fields, but this trend must be accelerated if an over-supply of women workers in traditional feminine fields is to be avoided. The number of women college graduates is expected to increase by two-thirds in this decade, or about twice as fast as for men. However, openings may be scarce in one major traditional field—high-school and elementary education, which accounts for two out of every five professional-type jobs held by women. Job prospects are dismal here not simply because of the increasing supply of prospective teachers, but also because of the lessening demand caused by the falling birth rate.

Unemployment has remained higher among women than among men workers, both in prosperity and recession, although the difference recently has narrowed substantially. In earlier years, this differential was due largely to women's more intermittent labor-force participation, and hence their more frequent status as labor-force re-entrants. This difference will undoubtedly continue, even though women have become increasingly attached to the work force. More and more women are now trying to avoid the impact which child-bearing always imposes

on career prospects, because of the loss of opportunity to establish careers—to gain experience and seniority—due to extended periods out of the labor force. The longer their absence, the less meaningful is their previous work in providing credentials for re-entry into the labor force. Yet with the drop in the birth rate and in the average size of family, fewer women now suffer career losses of this type.

However, the intermittency problem stems not just from child-bearing and child-rearing decisions but also from women's dependence on husbands' career decisions. In every age category, the percentage of wives working tends to be much lower when job relocation occurs.

Changing status?

Women's perception of their status has changed increasingly over the past quarter-century or so—from homemaker to worker—and the set of market reactions appropriate to the old order has become less and less appropriate to the new order. Thus, pressures are growing to change the second-class position which many women still hold in the work force.

Women today are still concentrated in lower-paying (frequently non-union) industries, and in lower-paying occupational groups such as clerical and sales work. Despite a substantial rise in dollar earnings, only a minority has yet moved into higher-earning categories; in 1972 (the latest

survey year), nearly two-thirds of all full-time working women earned less than \$7,000, whereas less than one-fourth of all men workers earned below that level.

Thus, a sharp differential exists between male and female earnings, generally averaging about 40 percent. The difference is explained to some extent by women's greater concentration in part-time jobs, and also by differences in job responsibility, education and length of service. The pay difference for *similar* job assignments may eventually be overcome by the increased enforcement of equal-pay laws. A longer-range problem will remain, however, because of discrimination in the making of *initial* job assignments, which results from many influences starting with role differentiation in childhood.

The President's Manpower (sic) Report comments, "During the last quarter of the 20th century, woman's commitment to market work, traditionally limited in duration and significance, is likely to grow. Declining birth rates, along with rising levels of education and career aspirations of younger women, suggest that the future worklives of the two sexes will come to resemble each other more and more, both in terms of occupational distribution and time spent in the labor force." Nonetheless, there still may be a wide discrepancy between the career aspirations of younger women and labor market realities.

WILLIAM BURKE

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BANKING DATA—TWELFTH FEDERAL RESERVE DISTRICT
(Dollar amounts in millions)

Selected Assets and Liabilities Large Commercial Banks	Amount Outstanding 10/15/75	Change from 10/08/75	Change from year ago	
			Dollar	Percent
Loans (gross, adjusted) and investments*	86,969	- 606	+ 2,882	+ 3.43
Loans (gross, adjusted)—total	65,213	- 451	- 2,326	- 3.44
Security loans	1,821	- 432	- 66	- 3.50
Commercial and industrial	22,995	- 49	- 1,196	- 4.94
Real estate	19,578	+ 30	- 377	- 1.89
Consumer instalment	10,048	- 4	+ 292	+ 2.99
U.S. Treasury securities	8,840	- 325	+ 4,730	+ 115.09
Other securities	12,916	+ 170	+ 478	+ 3.84
Deposits (less cash items)—total*	87,241	+ 209	+ 5,567	+ 6.82
Demand deposits (adjusted)	24,590	+ 280	+ 1,020	+ 4.33
U.S. Government deposits	344	+ 116	- 17	- 4.71
Time deposits—total*	60,471	- 248	+ 4,250	+ 7.56
States and political subdivisions	5,762	- 36	- 425	- 6.87
Savings deposits	21,123	+ 64	+ 3,131	+ 17.40
Other time deposits‡	29,911	- 126	+ 1,236	+ 4.31
Large negotiable CD's	15,882	- 316	+ 771	+ 5.10
Weekly Averages of Daily Figures	Week ended 10/15/75	Week ended 10/08/75	Comparable year-ago period	
Member Bank Reserve Position				
Excess Reserves	40	3	+ 102	
Borrowings	2	8	257	
Net free (+) / Net borrowed (-)	+ 38	- 5	- 155	
Federal Funds—Seven Large Banks				
Interbank Federal fund transactions				
Net purchases (+) / Net sales (-)	+ 848	+ 1,383	+ 1,175	
Transactions of U.S. security dealers				
Net loans (+) / Net borrowings (-)	+ 665	+ 661	+ 1,585	

*Includes items not shown separately. ‡Individuals, partnerships and corporations.

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