

Research Department
Federal Reserve
Bank of
San Francisco

December 8, 1978

Every Other Woman

With their constant concern over the smallest jiggle in the unemployment rate, headline writers sometimes miss some crucial developments in the labor market. A perfect example happened early this fall, when for the first time in history, more than one-half of all adult women in this country reported themselves as working (or looking for work) outside the home.

Of course, labor-force participation rates for adult women have been increasing for decades. The rate hovered close to 37 percent in the mid-1950's, increased gradually for many years, and then accelerated in the 1970's. Throughout this decade it has climbed at least one percent a year, until finally reaching the 50-percent level this September. But meanwhile, the labor-force participation of adult men has declined over the past two decades, from 88 to below 80 percent, because of such factors as rising levels of retirement and disability benefits.

Reflecting these disparate trends in participation rates, adult women account for roughly 40 percent of the entire labor force today, as opposed to a 30-percent share two decades ago. More to the point, adult women account for almost 62 percent of the 10-million increase that has occurred over the past four years. Women are no longer "secondary" workers, as opposed to male "primary" workers, and the nation's society and economy are

being forced to adjust to that basic fact.

Two are better than one

We no longer have any basis for thinking of the average household as consisting of a male head of household, a non-working wife and two school-age children. (The stereotype still persists, however, as in the statistical family which buys the average marketbasket priced by the consumer-price index.) Indeed, over the past decade, the largest increases in labor-force participation have occurred among married women with husbands present in the household. The participation rate increased 15 percentage points for married women in the 20-35 age bracket and only slightly less for those in the 35-44 bracket.

Economic pressures in recent years, especially those arising from inflation, have helped push women workers into the labor market — and some into multiple job-holding. Labor Department data show that the number of women holding two or more jobs nearly doubled between 1970 and 1977, with about one-third of these women moonlighters reporting that they did so to meet regular household expenses.

Inflation pressures have been most evident in the accelerating rise of home prices, which has made it difficult for the average family to buy without two incomes. Thus, about 57

F R B S F Weekly Letter

Research Department
Federal Reserve
Bank of
San Francisco

Opinions expressed in this newsletter do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco, nor of the Board of Governors of the Federal Reserve System

percent of home purchases today are made by two-income families. Accelerating costs of raising children are another factor in women's labor force decisions. According to the Commission on Population Growth and the American Future, raising a child from birth through college costs anywhere between \$44,000 and \$64,000 — and that excludes the opportunity cost of the income foregone by mothers who remain out of the labor force while their children are growing. In recognition of these harsh economic facts, nearly 40 percent of all women with children under six years of age are now in the labor force.

Where do they work?

Along with their breakthroughs in previous male-dominated fields, women surprisingly have increased their representation in several traditional feminine occupations over the past decade. The percentage of employed women working in the clerical field has risen from 33 to 35 percent, and the percentage working in service occupations has risen from 16 to 18½ percent over this period. (Thus, well over half of all working women hold jobs in clerical or service occupations, whereas less than one-sixth of working men fall into those categories.) In contrast, a smaller proportion of women now work in factory jobs (where opportunities have been limited for both sexes over the past decade), and in wholesale and retail trade (where men have increased their representation at the expense of women in recent years).

The most conspicuous breakthroughs have occurred in skilled white-collar

categories. The percentage of working women holding jobs in professional and technical fields has risen from about 13½ to 16 percent over the past decade. (That's a higher proportion for women than for men, although women remain concentrated in the lower-paying technician jobs.) Again, the percentage of working women holding jobs as managers and administrators has risen from about 4½ to 5½ percent over the decade — still considerably less than half the male concentration in those fields. Signs of progress are even evident in the blue-collar skilled trades, such as carpenters, mechanics and metal craft workers. The proportion of skilled-craft women to all women has risen from about 1 to 1½ percent over the decade, but this remains only a small fraction of the proportion of men working in these fields.

Occupation and Income

Despite all the advances made by working women, they have not progressed in terms of relative income, because the median income of women has remained at about 61 percent of the male income figure over the past decade. This may be explained in part by the fact that the average experience level of the female work force has declined as the participation rate has increased — that is, as more and more untrained women have entered the work force. The average figure, in other words, may mask a relative increase in earnings of experienced women.

Other factors may also be involved, such as the lingering legacy of sex discrimination. For example, despite rela-

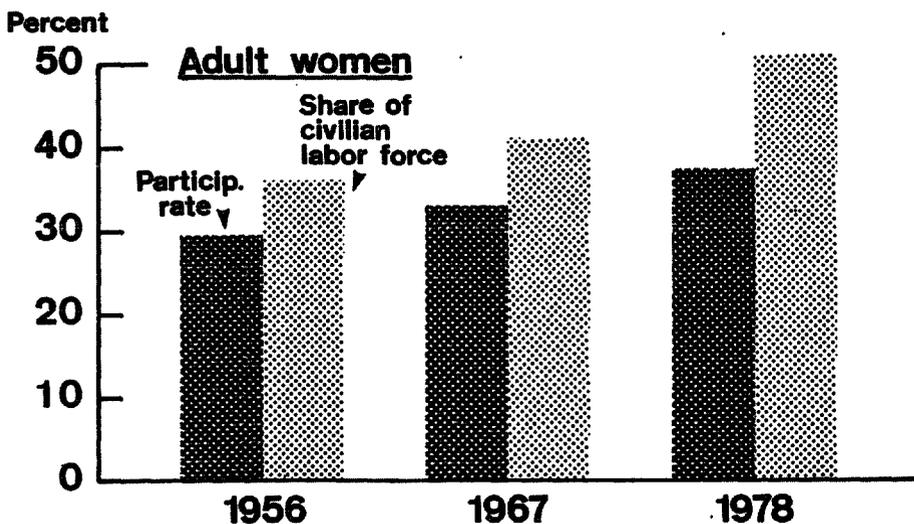
tive job comparability, fulltime women scientists earned only 72 percent as much as men scientists in the environmental sciences in 1974. However, income disparities tended to be lower in the younger age categories, which suggests a growing trend toward equal pay for equal work.

Altogether, according to a study by Mary Corcoran in the May 1978 *American Economic Review*, about one-fourth to one-third of the gap between men's and women's wages can be explained by differences in work history, schooling and labor-force attachment (that is, participation rates). These factors help account for the concentration of women workers in lower-paying fields. For example, average weekly earnings in the service industries — where women are concentrated — are only 83 percent of the all-industry average. And although

relatively more women than men work in professional and technical jobs, they tend to be concentrated in the lower-paying specialties. Women traditionally work as nurses, elementary-school teachers and librarians, while men are more likely to be high-paid physicians, dentists, lawyers or college professors.

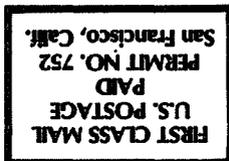
Yet, even though women remain under-represented in a number of fields, they have recorded striking gains in most areas in recent years, and the trend is likely to continue. For example, the number of women in law schools and medical schools has quadrupled in the past decade. Given these occupational shifts, and given the growing reliance of the labor markets on women workers, the differential in income levels should be narrowed considerably in coming years.

Herbert Runyon



Alaska • Nevada • Oregon • Utah • Washington
 Idaho • Arizona • California • Hawaii

San Francisco
 Bank of
 Federal Reserve
 Research Department



BANKING DATA—TWELFTH FEDERAL RESERVE DISTRICT

(Dollar amounts in millions)

Selected Assets and Liabilities Large Commercial Banks	Amount Outstanding	Change from	Change from year ago	
	11/22/78	11/15/78	Dollar	Percent
Loans (gross, adjusted) and investments*	122,195	+ 132	+ 18,528	+ 17.87
Loans (gross, adjusted)—total	98,867	+ 156	+ 18,728	+ 23.37
Security loans	1,832	- 151	- 160	- 8.03
Commercial and industrial	28,785	+ 125	+ 4,185	+ 17.01
Real estate	34,450	+ 177	+ 7,722	+ 28.89
Consumer instalment	18,307	+ 40	+ 4,099	+ 28.85
U.S. Treasury securities	8,545	- 95	- 288	- 3.26
Other securities	14,783	+ 71	+ 88	+ 0.60
Deposits (less cash items)—total*	114,560	- 1,137	+ 14,403	+ 14.38
Demand deposits (adjusted)	30,612	- 1,336	+ 2,180	+ 7.67
U.S. Government deposits	277	- 155	+ 16	+ 6.13
Time deposits—total*	81,817	+ 448	+ 12,030	+ 17.24
States and political subdivisions	6,827	+ 122	+ 1,420	+ 26.26
Savings deposits	31,601	- 23	- 17	- 0.05
Other time deposits‡	40,741	+ 520	+ 10,497	+ 34.71
Large negotiable CD's	19,432	+ 121	+ 6,870	+ 54.69
Weekly Averages of Daily Figures	Week ended 11/22/78	Week ended 11/15/78	Comparable year-ago period	
Member Bank Reserve Position				
Excess Reserves(+)/Deficiency (-)	- 8	+ 2	+ 24	
Borrowings	51	17	41	
Net free(+)/Net borrowed (-)	- 59	- 15	- 17	
Federal Funds—Seven Large Banks				
Interbank Federal fund transactions				
Net purchases (+)/Net sales(-)	+ 1,582	+ 1,156	+ 32	
Transactions with U.S. security dealers				
Net loans (+)/Net borrowings (-)	+ 33	+ 343	+ 518	

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

Editorial comments may be addressed to the editor (William Burke) or to the author. . . .

Free copies of this and other Federal Reserve publications can be obtained by calling or writing the Public Information Section, Federal Reserve Bank of San Francisco, P.O. Box 7702, San Francisco 94120. Phone (415) 544-2184.