

## **Opting Out? Explaining Recent Declines in Women's Employment**

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The decades-long trend of increasing employment among women ended in 2000. Overall, women's employment declined by 5 percent from 2000 to 2004, and has held steady since. The media has paid much attention to this decline, but for only one group of women—highly educated mothers. The following analysis documents that this decline touched all demographic groups, but some segments of the population saw more precipitous drops than others.

The media has made much of the “opting out” phenomenon among highly educated mothers (Belkin 2003; Story 2005; Wallis 2004). The stories, often based on interviews with a small number of college-educated mothers, contend that college graduates are choosing to focus on motherhood over career advancement.

Opting out has gained the attention of academic researchers as well. The same pattern of decreasing labor force activity from 2000 to 2004, and then stabilizing has been found by other researchers among various segments of the population (Boushey 2005; Bradbury and Katz, 2005; and Mosisa and Hipple 2006). Cotter, England, and Hermsen (2007) find a decrease in labor force participation among women 25-54 from 2000 to 2004, and then a small increase by 2006. Other researchers have looked at whether the child penalty has changed for advanced degree holders (Boushey 2005); analyzed whether employment levels have increased among college educated women in professional and managerial occupations (Percheski 2008); researched the reasons why

highly accomplished mothers leave the labor force (Stone 2007), and reviewed employment hours and increases in fertility by cohort groups (Vere 2007).

We focus in particular on recent patterns among highly-educated women, i.e., on the question of whether and why they are “opting out” of the labor force. Yet, by comparing the patterns among highly-educated women with those with lower education levels, we shift the focus to a more broad assessment of women’s employment declines.

In this paper, we use data from the March Current Population Surveys (1970, 1980, 1990, 2000, and 2007) to document the post-2000 reversal in women’s employment rates. First, we document employment trends from 1970 to 2007 to provide the historical context for the recent declines in women’s and mother’s employment. Specific attention is given to trends in women’s employment by education and marital status. Then, we explore changing employment rates among women since 2000. Specifically, we use methods of regression decomposition to decompose pre- and post-2000 shifts in women’s employment into composition and rate (i.e., “returns”) components. Our analyses focus on several demographic and economic sources of change, including age, education, marital status, recent fertility, race and ethnicity, and residence (among others).

Preliminary results suggest broad-based declines in women’s labor force participation rates in the 2000s rather than narrow shifts in the employment patterns among highly-educated women only. Employment rates declined by 7 percentage points for women with less than a high school degree and 5 percentage points for women with a high school education, but only by 3 percentage points for college-educated women. In fact, we find that employment rates declined across many groups—groups that typically

respond to economic downturns with lower employment as job opportunities become scarce ((Blank, Danziger and Schoeni 2006; Borjas 2006; Mosisa and Hipple 2006). For example, Table 1 shows that employment declines were large among women with low education levels, young women, black women, single women, and single mothers. That employment declines were high among women with low-education levels concurrent with a recession and sluggish economy suggests that many women may not be opting out as much as being forced out by economic conditions, as their decline in employment was larger than mothers of higher education levels.

## References

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Figure 1. Employment Rates of Women and Mothers, 1970-2007

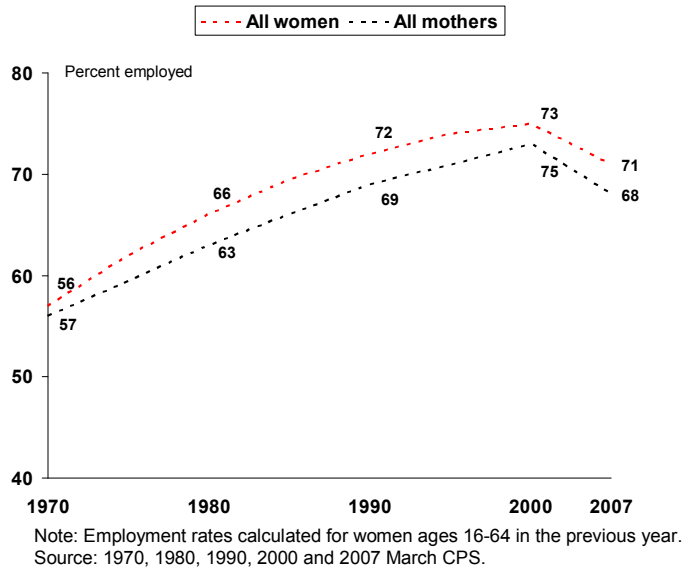


Figure 2. Employment Rates of Married and Single Mothers, 1970-2007

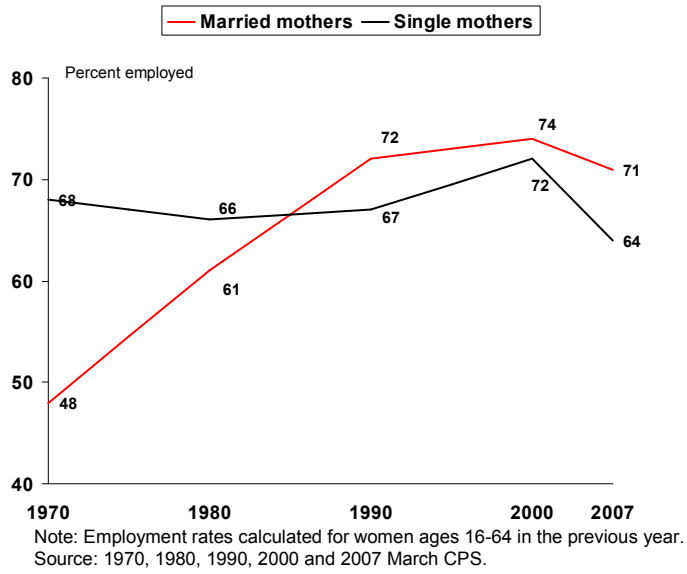
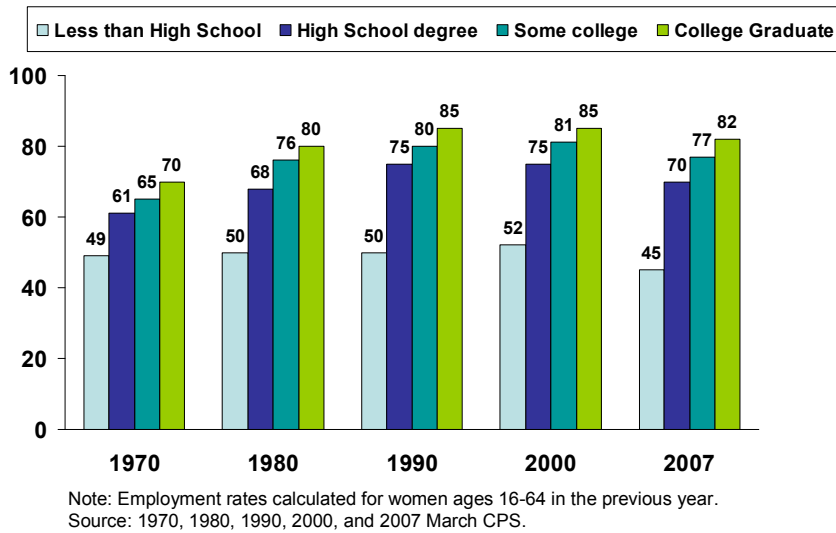


Figure 3. Employment Rates of Women by Education, 1970-2007



**Table 1. Women's Employment Rates, 2000-2007**

	2000	2001	2002	2003	2004	2005	2006	2007
<b>All women</b>	75	75	73	72	71	71	71	71
<b>Education</b>								
Less than high school	52	52	49	47	45	45	44	45
High school	75	74	73	72	70	70	70	70
Some college	81	81	79	78	78	77	77	77
College graduate	85	84	84	82	82	82	81	82
<b>Age</b>								
16-24	69	69	66	63	61	61	60	60
25-34	81	81	79	77	76	75	76	77
35-44	80	80	79	78	77	77	76	77
45-54	80	79	78	78	78	77	77	78
55-64	57	57	59	60	59	60	62	62
<b>Race/ethnicity</b>								
White, Non-Hispanic	77	77	76	75	74	74	74	74
Black, Non-Hispanic	75	74	72	71	70	69	70	70
Other Race, Non-								
Hispanic	69	72	64	65	66	66	66	67
Hispanic	63	66	64	61	61	61	61	62
<b>Marital status</b>								
Married	74	73	73	72	71	71	71	71
Single	77	76	74	73	72	72	71	71
<b>Family status</b>								
Married, child under 6	69	68	66	64	63	64	64	65
Married, no child under								
6	75	75	75	74	74	73	73	73
Single, child under 6	73	73	72	70	68	67	69	66
Single, no child under 6	77	77	74	73	72	72	72	72

Table 2. Logistic Regression Predicting Women's Employment, 2000 and 2007

	All Women		All Mothers		Married Mothers		Single Mothers	
	2000	2007	2000	2007	2000	2007	2000	2007
<b>Intercept</b>	1.585 **	1.009 **	0.685 **	0.156	0.659 *	0.574 *	0.751 **	0.191
<b>Education</b>								
Less than high school	R	R	R	R	R	R	R	R
High school	1.269 **	1.216 **	1.087 **	1.121 **	0.924 **	0.950 **	1.240 **	1.229 **
College graduate	1.807 **	1.747 **	1.306 **	1.306 **	1.164 **	1.111 **	1.708 **	1.811 **
<b>Race/Ethnicity</b>								
White, Non-Hispanic	R	R	R	R	R	R	R	R
Black, Non-Hispanic	-0.135 **	-0.179 **	-0.091	-0.216 **	0.454 **	0.406 **	-0.499 **	-0.584 **
Other, Non-Hispanic	-0.341 **	-0.34 **	-0.207	-0.367 **	0.147	-0.309 **	-0.693 *	-0.515 **
Hispanic	-0.327 **	-0.241 **	-0.429 **	-0.312 **	-0.302 **	-0.326 **	-0.753 **	-0.422 **
<b>Age</b>	-0.016 **	-0.007 **	0.017 **	0.021 **	0.016 **	0.020 **	0.018 **	0.021 **
<b>Married</b>	-0.048	0.139 **	-0.251 **	-0.019	NA	NA	NA	NA
<b>Other income (ln)</b>	-0.096 **	-0.103 **	-0.088 **	-0.09 **	-0.099 **	-0.115 **	-0.09 **	-0.088 **
<b>Rural residence</b>	0.011	-0.021	0.105 *	0.137 **	0.211 **	0.223 **	-0.093	0.005
<b>Number of observations</b>	43,684	68,127	20,953	36,546	12,957	22,095	7,996	14,451
<b>Log Likelihood</b>	-22,729 **	-37,896 **	-11,320 **	-20,905 **	-7,121 **	-12,716 **	-4,143 **	-8,088 **

\* p < .05; \*\* p < .01  
Source: 2000, 2007 CPS

