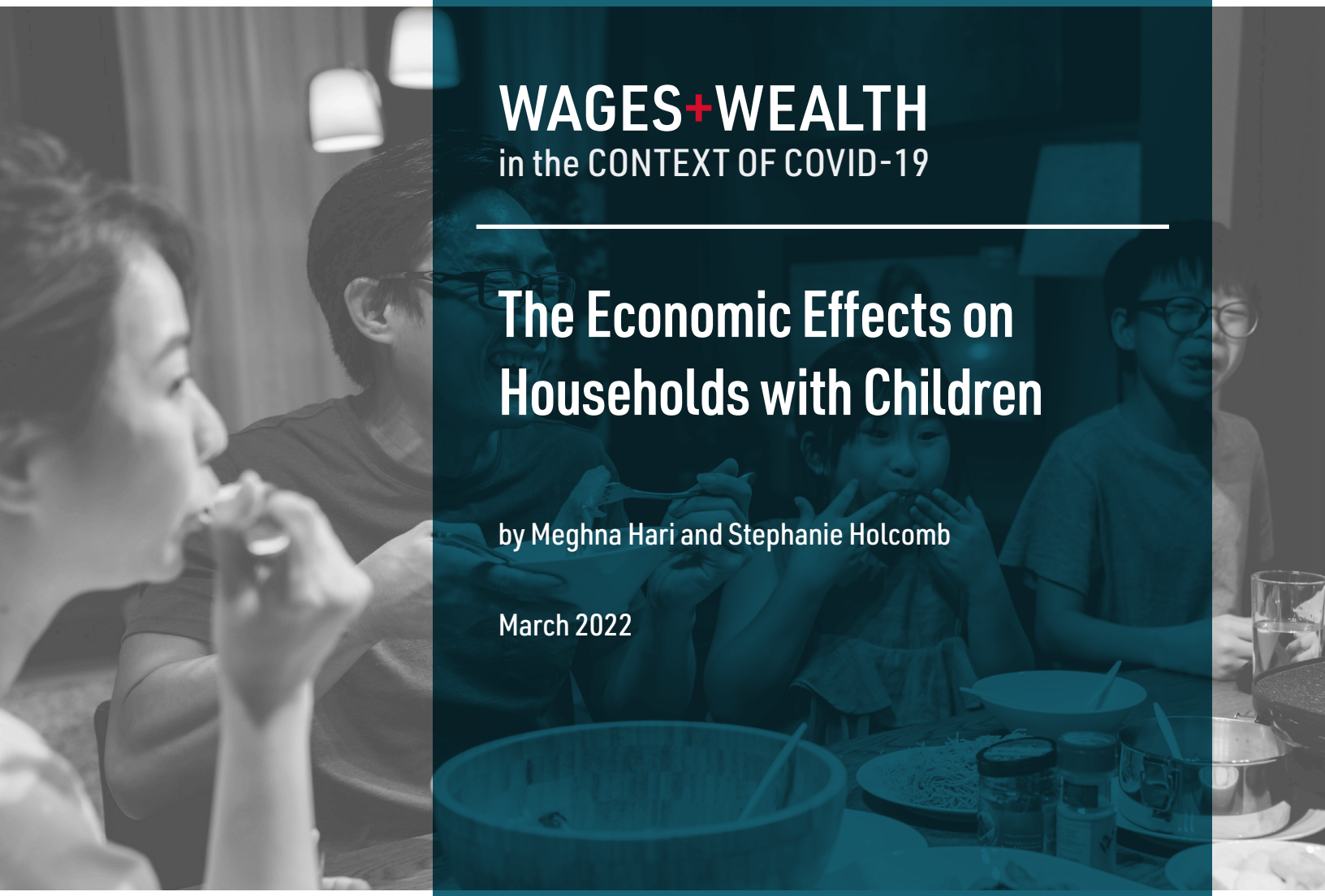

WAGES+WEALTH
in the CONTEXT OF COVID-19

The Economic Effects on Households with Children

by Meghna Hari and Stephanie Holcomb

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HELDRICH CENTER
FOR WORKFORCE DEVELOPMENT

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Introduction/Background

The COVID-19 pandemic dramatically affected households across New Jersey, with weekly Unemployment Insurance claims that topped 100,000 for several weeks in 2020, and an unemployment rate that skyrocketed to 16.6%. As is true in any economic downturn, the effects of these trends are felt more by some groups than others – whether across geographic regions, race, gender, age, or other characteristics and experiences. Last year, *The New York Times* **referred** to the economic recession following the onset of the pandemic as a "she-cession," noting the higher rate of job loss for women than men. The economy continues to recover, adding 467,000 jobs in January 2022, but the National Women's Law Center **notes** that while male workers have regained all of the jobs they lost since the start of the pandemic, 1.1 million women who left the labor force since the pandemic began have not returned to the workforce. One cause of this may be the higher share of unpaid labor taken on by women, particularly as stay-at-home orders continued, children attended school from home, and childcare providers were closed. This shift in caregiving responsibilities greatly affected the ability of parents to continue working in the way they had before the pandemic, and led some to drop out of the labor force altogether.

This research brief series, *Wages and Wealth in the Context of COVID-19,* examines the impact of COVID-19 on New Jersey workers and households by different demographics. The **first brief** in this series focused on differences in the employment effects of the pandemic by race. This research brief focuses on the employment gaps by gender and caregiver status to better understand how these groups in New Jersey are affected by the COVID-19 pandemic.

Key findings from this research include:

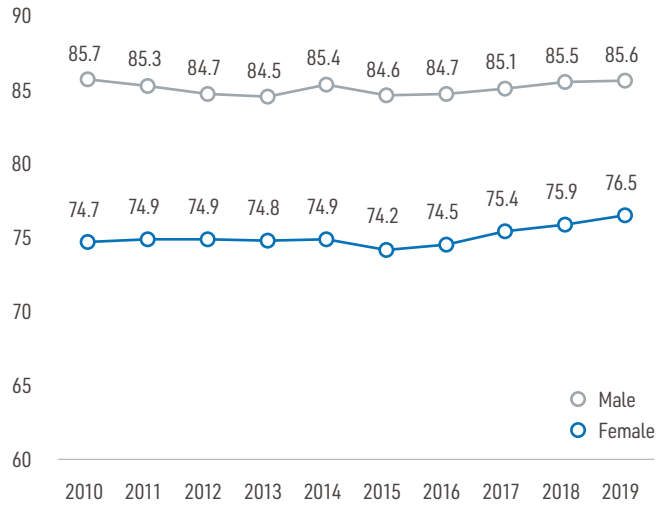
- Until 2019, women in New Jersey had engaged increasingly in the labor force, steadily narrowing the male-female labor force participation gap. Even more significantly, women with children under age six matched the participation level of women overall in 2019.
- Prior to the pandemic, caregiving for parents varied by gender and age of children across all U.S. households. Caregivers with children under age five spent more time on children-related activities than those with children age five or older. Female caregivers spent more time on children-related activities than male caregivers.
- During the COVID-19 pandemic in 2021, caring for household children was a key factor in not working for New Jersey parents. A higher share of female caregivers who did not work indicated the main reason for this was caring for children in the absence of available daycare/school options as compared to male caregivers who did not work.

Labor Force Participation

The **labor force participation rate** is defined as "the labor force as a percent of the civilian non-institutional population." Therefore, it is the number of people who are employed or actively searching for work over the civilian non-institutional population, which includes individuals aged 16 and older living in the United States who are not institutionalized or on active duty in the armed forces. Since 2000, this rate has been steadily declining in the nation overall from an all-time high of 67.3% in January 2000 to 62.2% in January 2022 (up from its low of 60.2% in March 2020). This rate offers insight into the decision to enter and remain in the labor force. People choose to exit the labor market for many reasons, including to care for a child or family member, to enroll in education, or because they were unsuccessful in their job search.

The labor force participation rate varies among different groups, particularly by race, gender, and caregiving status. Looking at the labor force participation rate since 2010, the figures below show differences by some of these characteristics. First, as shown in Figure 1, there was over a 10-percentage point difference in the participation rates of men and women in New Jersey in 2010, at 85.7% for men and 74.7% for women. This has narrowed slightly over time, to 85.6% for men and 76.5% for women in 2019.

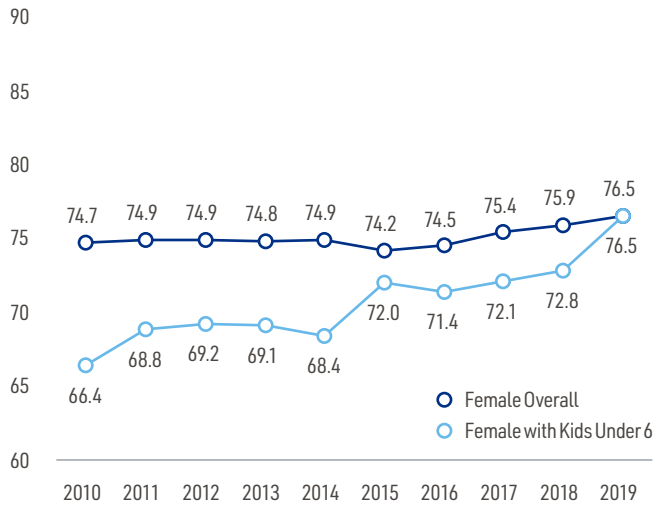
Figure 1: Labor Force Participation Rate for New Jersey Residents Between the Ages of 20 and 64 by Sex, 2010 to 2019



Source: U.S. Census Bureau, American Community Survey S2301, 2010-2019

Figure 2 shows that women with children under age six made significant gains in their labor force participation in the past 10 years, going from a rate of 66.4% in 2010 to 76.5% in 2019, the year their participation matched the overall average for women in the labor force.

Figure 2: Labor Force Participation for New Jersey Women with Children Under Age Six Compared to all Women, 2010 to 2019



Source: U.S. Census Bureau, American Community Survey S2301, 2010-2019

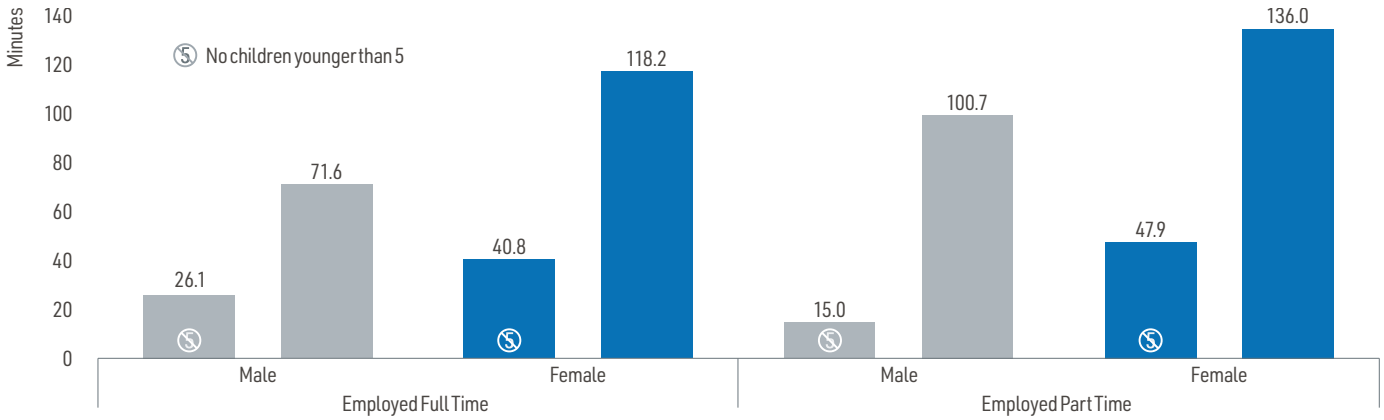
These gains may speak to an increase in availability of pre-K programs in the state, a tightening labor market prior to the pandemic, or other individual decisions that led to women with children under the age of six participating in the labor force at higher rates. The pandemic and its subsequent childcare challenges, however, has likely affected this trend.

Time Use for Children-related Activities

The reduction in the labor force participation rate gap between males and females has, however, not been matched with a proportional reduction in the gap on time spent by women and men on household and children-related activities. The American Time Use Survey is a national panel of survey participants that provides a detailed snapshot of time spent on various activities. Figure 3 shows the average time spent on children-related activities from the 2019 sample of American Time Use Survey data. It shows that irrespective of labor force status, women spent more time on children-related activities compared to men in households with children.

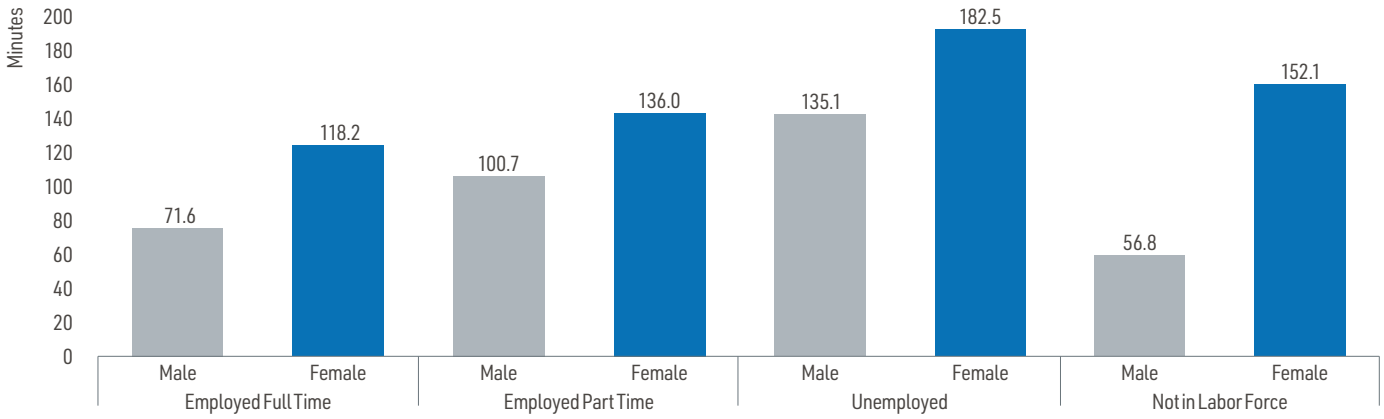
While all caregivers with at least one child under age five spent more time on children-related activities, women, on average, spent more time on children-related activities as compared to men, varying from 50% more time for those employed full time (irrespective of child's age) to 30% more time for those employed part time and with at least one child under age five. For caregivers with at least one child under age five, the difference in time spent between men and women is consistent across labor force status as shown in Figure 4.

Figure 3: Average Time Spent on Children-related Activities for Parents by Sex and Labor Force Status, 2019



Source: Bureau of Labor Statistics, American Time Use Survey, 2019

Figure 4: Average Time Spent on Children-related Activities for Parents by Sex and Labor Force Status for Households with at Least One Child Under Age Five, 2019

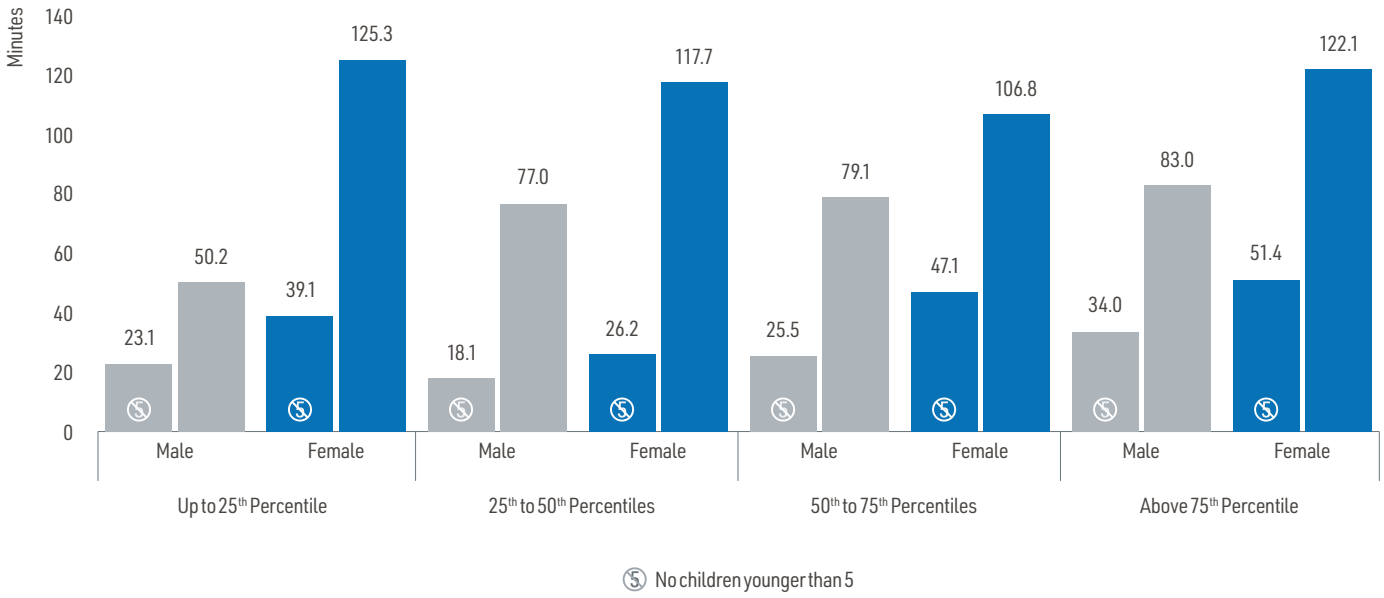


Source: Bureau of Labor Statistics, American Time Use Survey, 2019

The differences in the average time spent on children's activities is consistent by income level. Using the **Current Population Survey median wage quartiles** for 2019, the survey participants' time use is analyzed by earnings in Figure 5. It shows that irrespective of earnings, women spend more time on children-related activities than men. Figure 5 shows that women with children above age five, earning above the 75th percentile, spend, on average, 50 minutes daily on children-related activities, which is comparable to men earning below the 25th percentile with a child under age five.

The analysis shows that irrespective of labor force status and earnings among those employed, the time spent on children-related activities by women was disproportionately higher as compared to that spent by men even prior to the pandemic. During the pandemic, the amount of time caregivers would typically spend on children-related activities, especially those related to virtual schooling and/or caregiving due to school/daycare closures, has increased. Although men **report** increased caregiving responsibilities, a global **study** found that women were more likely to shoulder the bulk of increased childcare needs.

Figure 5: Average Time Spent on Children-related Activities for Parents by Sex and Wage Quartile, 2019



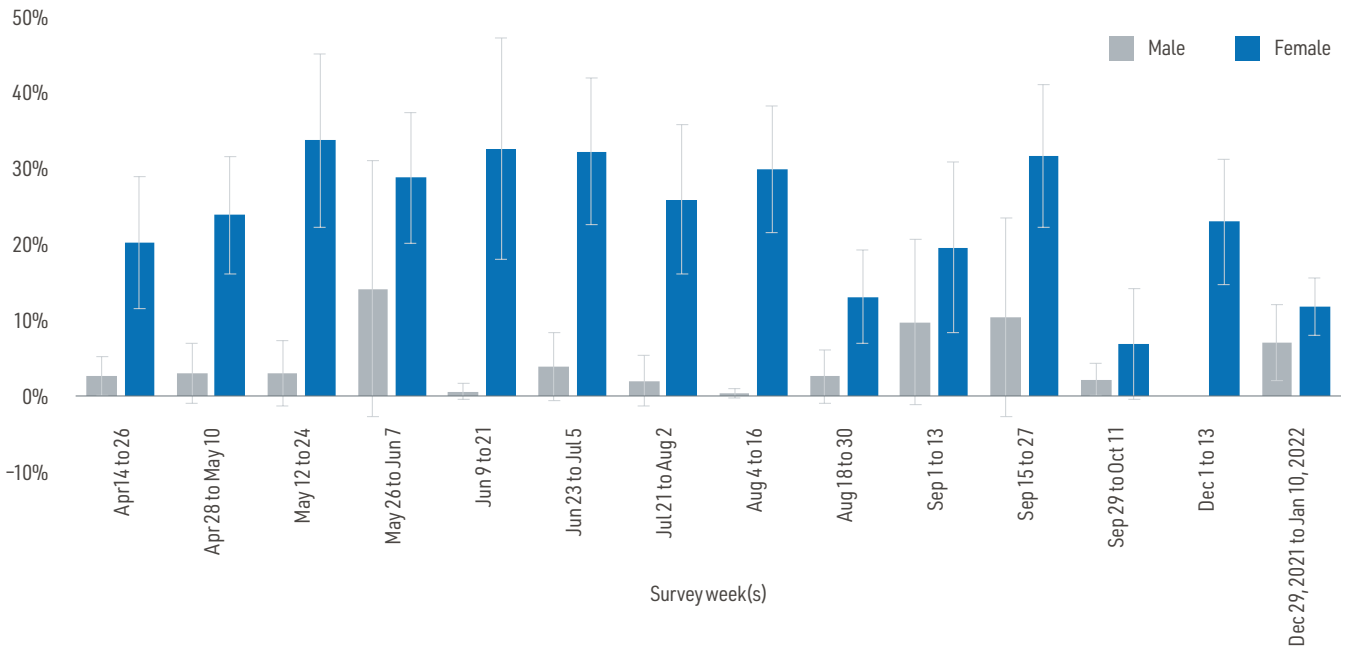
Source: Bureau of Labor Statistics, American Time Use Survey, 2019; income quartiles from weekly and hourly data from the Current Population Survey, 2019
Income quartiles are used from weekly and hourly earnings data from the Current Population Survey for 2019

Pandemic Parenting/Caregiving

Along with uncertainties in the labor market, the COVID-19 public health emergency caused school and childcare center closures, virtual instruction, and lockdowns for households. Households with children were faced with the difficult choice of leaving or cutting back on work to attend to the caregiving needs of children. Given the greater amount of time spent by women on household tasks and the earnings gap, it is likely that more women cut back work hours as compared to men for many households, leading many to term this recession a **she-cession**. Any inroads women made between COVID peaks in the labor force were hampered by subsequent COVID waves. Given the unavailability of vaccines for children under age five and a struggling childcare industry, it is likely that many women have not yet rejoined the labor market in their pre-COVID capacity.

The Household Pulse Survey is a weekly survey of households conducted by the U.S. Census Bureau that provides unique insights into how the pandemic affected households across the United States. Figure 6 shows New Jersey survey respondents by gender who indicated they did not work during survey week(s) because they were caring for children who were not in school or daycare as a share of respondents with children who did not work.

Figure 6: New Jersey Caregivers who Did Not Work and Indicated Child Care as Main Reason to Not Work as Share of Caregivers by Gender who Did Not Work, Survey Weeks from April 2021 to January 2022



Source: Household Pulse Survey Microdata analysis of New Jersey respondents

It shows that caring for children in the household was a key factor in not working for many parents throughout the pandemic. In general, a higher share of women caregivers who did not work indicated caring for household children not in daycare/school to be the main reason for not working as compared to men. Availability of child care has been a major barrier in reengaging women in the workforce and increasing the same would be a critical economic tool for an equitable recovery.

Unavailability of child care affected households across the state in multiple ways. The survey covered the topic of impacts due to changes in childcare options for households for selected weeks from April 14, 2021 to January 10, 2022. Table A-1 in the appendix shows the percentage of respondents who indicated selected impact due to unavailability of childcare arrangements. For parents with children under age five, Table A-2 in the appendix shows the impact of unavailable childcare options.

The data show that households had to make tough choices during the pandemic and, overall, the impact of those choices affected women's participation in the workforce. While the male unemployment rate has gone down by 2.7 percentage points between the last quarter of 2020 and the last quarter of 2021, the female unemployment rate has gone down by 2.4 percentage points. The difference is even greater for minority women, with black female unemployment reducing by 2.8 percentage points compared to a 3.6 percentage point reduction in the unemployment rate for black males (**Bureau of Labor Statistics, 2021**). If women's employment continues to lag, it could lead to potential widening of the gender pay gap.

Conclusion

Caregivers, particularly female caregivers, experienced the pandemic differently than those who were not caring for young children. A look at differential rates of labor force participation and time spent caring for children between men and women displays the precarious landscape prior to the pandemic. The effects of COVID-19, including the closures of schools and childcare centers, have been disproportionately felt by female caregivers in the labor market.

More flexible workplaces may offer support to working parents in the aftermath of the pandemic and workforce going forward. Women are **more likely** than men to indicate that they would like to work from home all of the time following the pandemic. Yana Rodgers of the Center for Women and Work at Rutgers, The State University of New Jersey **predicts** that an improving economy, more balanced responsibilities between partners, and workplace policies that support working parents will be beneficial to women caregivers in the long run, but that the recovery has not been even, with black women continuing to experience higher unemployment rates. Some women may be choosing to reduce their work hours to part time to balance childcare responsibilities, but a Bureau of Labor Statistics **analysis** using 2018 data found that mothers working part time, while working fewer hours, were less likely to have flexible jobs, including paid leave, the ability to work from home, and advanced schedule notice.

As COVID moves from pandemic to endemic, changes in the work culture such as work from home have become the norm. Proactive effort from policymakers and employers to ensure that these changes and more, such as flexible hours and paid family leave, would expedite women's participation in the workforce and ensure that another COVID peak would not have the same impact on the gender gap in workforce participation and wages.

Appendix

Table A-1: Childcare Arrangements for New Jersey Caregivers by Gender, 2021 to 2022

		Male		Female	
Impact of Unavailable Childcare	Survey Week(s)	Estimate Percent	Margin of Error	Estimate Percent	Margin of Error
Quit Job	April 14 to 26			3%	5%
	April 28 to May 10	16%	13%	2%	3%
	May 12 to 24	10%	17%		
	May 26 to June 7	8%	12%	17%	21%
	June 9 to 21	33%	35%		
	July 21 to August 2	45%	73%		
	August 4 to 16	20%	27%	17%	19%
	August 18 to 30			4%	7%
	September 1 to 13			3%	5%
	September 15 to 27	26%	25%	7%	11%
	December 1 to 13			14%	22%
	December 29, 2021 to January 10, 2022	24%	22%	9%	8%
Lost Job	April 28 to May 10	2%	4%	20%	29%
	May 12 to 24	10%	17%		
	June 9 to 21	18%	29%		
	August 18 to 30			1%	2%
	September 15 to 27	6%	7%	14%	21%
Cut Work Hours	April 14 to 26	19%	10%	44%	30%
	April 28 to May 10	36%	7%	28%	13%
	May 12 to 24	26%	19%	17%	10%
	May 26 to June 7	8%	8%	23%	23%
	June 9 to 21	46%	37%	12%	19%
	June 23 to July 5	17%	25%		
	July 21 to August 2			68%	40%
	August 4 to 16	13%	7%	45%	15%
	August 18 to 30	16%	24%	31%	19%
	September 1 to 13	58%	30%	36%	25%
	September 15 to 27	54%	27%	10%	10%
	September 29 to October 11	19%	26%	11%	18%
	December 1 to 13	26%	18%	68%	26%
	December 29, 2021 to January 10, 2022	52%	27%	41%	20%

Paid Leave	April 14 to 26	23%	14%	46%	36%
	April 28 to May 10	19%	10%	25%	17%
	May 12 to 24	21%	22%	20%	15%
	May 26 to June 7	18%	6%	23%	23%
	June 9 to 21	62%	32%	14%	17%
	June 23 to July 5	50%	25%	13%	21%
	July 21 to August 2			11%	5%
	August 4 to 16	14%	3%	16%	3%
	August 18 to 30	16%	24%	13%	9%
	September 1 to 13	38%	34%	31%	25%
	September 15 to 27	37%	23%	16%	11%
	September 29 to October 11	38%	21%	37%	40%
	December 1 to 13	41%	17%	61%	23%
	December 29, 2021 to January 10, 2022	55%	17%	24%	11%
Unpaid Leave	April 14 to 26	10%	13%	27%	28%
	April 28 to May 10	4%	5%	6%	11%
	May 12 to 24	10%	14%	7%	8%
	May 26 to June 7	26%	19%	11%	15%
	June 9 to 21	31%	33%	2%	4%
	July 21 to August 2			4%	5%
	August 4 to 16	8%	7%	11%	10%
	August 18 to 30			21%	18%
	September 1 to 13			22%	15%
	September 15 to 27	40%	21%	29%	24%
	September 29 to October 11	21%	32%		
	December 1 to 13	17%	18%	27%	21%
	December 29, 2021 to January 10, 2022	37%	24%	20%	12%
Child Supervision while Working	April 14 to 26	50%	22%	47%	21%
	April 28 to May 10	48%	22%	34%	20%
	May 12 to 24	42%	5%	34%	13%
	May 26 to June 7	2%	2%	48%	33%
	June 9 to 21	51%	31%	17%	12%
	June 23 to July 5	17%	25%	66%	31%
	July 21 to August 2	34%	44%	6%	5%
	August 4 to 16	18%	0%	56%	30%
	August 18 to 30	21%	32%	46%	21%
	September 1 to 13	33%	26%	49%	23%
	September 15 to 27	30%	19%	21%	17%
	September 29 to October 11	41%	38%	43%	49%
	December 1 to 13	60%	38%	43%	23%
	December 29, 2021 to January 10, 2022	43%	18%	45%	17%

Table A-2: Childcare Arrangements for New Jersey Caregivers with Children Under Age Five by Gender and Survey Week, 2021 to 2022

		Male		Female	
Impact of Unavailable Childcare	Survey Week(s)	Estimate Percent	Margin of Error	Percent	Margin of Error
Quit Job	July 21 to August 2	57%	84%		
	August 4 to 16	14%	21%		
	August 18 to 30			8%	13%
	September 1 to 13			3%	6%
	September 15 to 27	40%	38%		
	December 1 to 13			18%	28%
	December 29, 2021 to January 10, 2022	19%	27%	7%	9%
Lost Job	September 15 to 27	6%	10%	22%	32%
Cut Work Hours	July 21 to August 2			41%	49%
	August 4 to 16	20%	30%	31%	19%
	August 18 to 30	35%	38%	35%	26%
	September 1 to 13	68%	50%	34%	30%
	September 15 to 27	73%	35%	12%	15%
	September 29 to October 11	23%	30%	13%	20%
	December 1 to 13	29%	18%	65%	30%
	December 29, 2021 to January 10, 2022	73%	32%	33%	20%
Paid Leave	July 21 to August 2			7%	10%
	August 4 to 16	53%	28%	10%	7%
	August 18 to 30	35%	38%	12%	19%
	September 1 to 13	68%	50%	34%	28%
	September 15 to 27	29%	20%	13%	15%
	September 29 to October 11	23%	35%	41%	43%
	December 1 to 13	46%	14%	56%	27%
	December 29, 2021 to January 10, 2022	49%	20%	27%	12%
Unpaid Leave	July 21 to August 2			7%	9%
	August 4 to 16	36%	37%		
	August 18 to 30			10%	13%
	September 1 to 13			16%	17%
	September 15 to 27	15%	17%	33%	36%
	September 29 to October 11	26%	37%		
	December 1 to 13	12%	18%	13%	19%
	December 29, 2021 to January 10, 2022	55%	29%	26%	14%
Child Supervision while Working	July 21 to August 2	43%	46%	1%	1%
	August 4 to 16	44%	29%	86%	42%
	August 18 to 30			55%	30%
	September 1 to 13	28%	39%	53%	26%
	September 15 to 27	27%	20%	32%	22%
	September 29 to October 11	50%	39%	48%	52%
	December 1 to 13	67%	38%	52%	24%
	December 29, 2021 to January 10, 2022	44%	23%	52%	21%

Source: Household Pulse Survey, U.S. Census

Table A-3: American Time Use Activities Included in Analysis

List of Activities Classified as Child(ren) Related from American Time Use Survey Definitions

Activity Code	Activity Description
t030101	Physical care for household children
t030102	Reading to/with household children
t030103	Playing with household children, not sports
t030104	Arts and crafts with household children
t030105	Playing sports with household children
t030106	Talking with/listening to household children
t030108	Organization and planning for household children
t030109	Looking after household children (as a primary activity)
t030110	Attending household children's events
t030111	Waiting for/with household children
t030112	Picking up/dropping off household children
t030199	Caring for and helping household children, not elsewhere classified
t030201	Homework (household children)
t030202	Meetings and school conferences (household children)
t030203	Home schooling of household children
t030204	Waiting associated with household children's education
t030299	Activities related to household children's education, not elsewhere classified
t030301	Providing medical care to household children
t030302	Obtaining medical care for household children
t030303	Waiting associated with household children's health
t030399	Activities related to household children's health, not elsewhere classified

Source: https://www.bls.gov/tus/atusintcodebk19.pdf

Acknowledgments

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About the Wages and Wealth in the Context of COVID-19 Series

This series of research briefs focuses on the economic impact of COVID-19 on households across New Jersey, highlighting how the loss of employment affects some households more than others.

About the Heldrich Center

The John J. Heldrich Center for Workforce Development at Rutgers University is devoted to transforming the workforce development system at the local, state, and federal levels. The center, located within the Edward J. Bloustein School of Planning and Public Policy, provides an independent source of analysis for reform and innovation in policymaking and employs cutting-edge research and evaluation methods to identify best practices in workforce development, education, and employment policy. It is also engaged in significant partnerships with the private sector, workforce organizations, and educational institutions to design effective education and training programs. It is deeply committed to assisting job seekers and workers attain the information, education, and skills training they need to move up the economic ladder.

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