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ADULT MEN HARD HIT BY CURRENT ECONOMIC DOWNTURN

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Two questions get to the heart of the problem of trying to understand current macroeconomic affairs. Is the U.S. economy in a recession? Are Americans hurting?

As to the first question, the answer is no. Though it is clear that production has slowed down, GDP figures for the last two quarters are up slightly. And the stock market has improved substantially in recent weeks.

As to the second question, the answer is yes. Foreclosures and fuel and food prices are rising, while residential housing values and payroll employment are falling.

In looking further for answers to those two questions, some of the recent workforce data are downright confusing especially since the two principal labor force reports are prepared by the same federal agency – the Bureau of Labor Statistics. As widely reported by the media, according to the BLS *Current Employment Statistics* report payroll employment dropped by 20,000 between March and April. At the same time, the BLS *Current Population Survey* reported that the number of persons employed increased by 362,000. Both numbers are preliminary and therefore subject to revision. And each reports something different: the *CES* counts jobs, the *CPS* counts persons. A person holding two jobs is counted once in the *CPS* and twice in the *CES*. There were an estimated 7,630,000 multiple jobholders in April. On an annual basis, that number has not changed appreciably over the last ten years.

Lost in the media reporting of the latest payroll figures from the *CES* and unemployment rate from the *CPS* (5.0 percent) is what has been happening to men and women 20 years of age and older. According to the *CPS*, since last November the number of employed women has risen by 280,000 while the number of employed men has fallen by 686,000. The unemployment rate for adult women in April was 4.3 percent. The jobless rate for men was 4.6 percent. This is not a statistical anomaly. Going back to April 2007 there is not a single month in which the jobless rate for adult women was higher than for adult men.

The 686,000 decline in the number of employed men did not take place overnight. In every month since last November, that number has been dropping, largely unnoticed, little by little. At the same time, unemployment among adult men has climbed by 388,000. Unemployment has been rising among women as well, by 120,000 since November.

Two other sources of information confirm the heavier impact of the current economic slowdown on adult men. First, in terms of job losses over the past year the hardest hit sectors of the economy according to the *CES* – construction (-385,000) with losses in every sector and manufacturing (-325,000) with especially heavy losses in motor vehicles and parts -- employ large numbers of men. Women on the other hand are disproportionately represented in the fields of education and health services where over the year 549,000 jobs have been added. Moreover, by virtue of a skill mismatch, jobless construction and manufacturing workers are not likely to qualify for jobs in education or health services.

Second, Labor Department data for March compiled state by state for the entire United States indicate that 63.3 percent of all insured unemployed are men. This greater representation of men among the insured unemployed applies without exception in every state.

Last January Mayo Research Institute recommended redefining a recession in terms of two stages centering attention not on production but rather on work. A Stage I recession takes hold when employment falls and unemployment rises for three consecutive months. Stage II is entered when the fall in employment and the rise in unemployment continue into the fourth consecutive month. Employment for adult men has fallen for five consecutive months. While the same cannot be said for unemployment, month in and month out, and the jobless rate remains relatively low at 4.6 percent, the 388,000 increase in the number of men out of work in April compared to November speaks for itself. For all intents and purposes, adult men are experiencing a Stage II recession.

This kind of compelling information on the misfortunes of adult men in the presence of other data that are inconclusive or misleading argues strongly that the central question today is ‘are Americans hurting?’ The answer is yes, especially adult men.

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