

The Labour Force Post-Recession: A Woman's World?

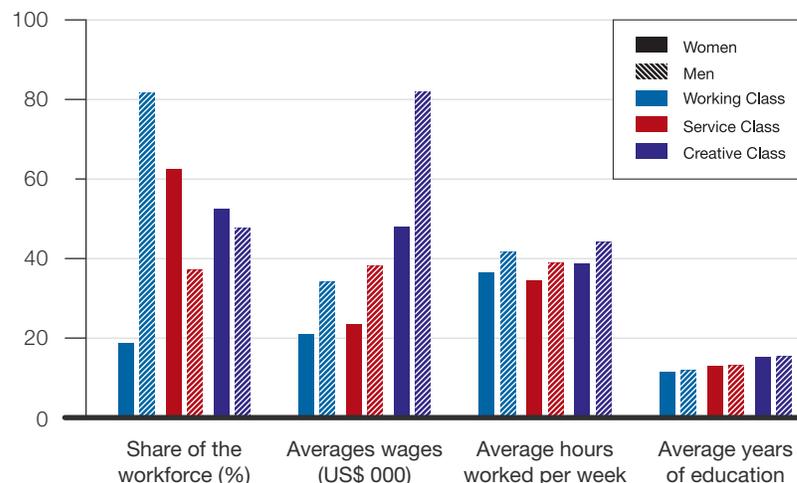
Discussion of the post-recession labour force has consistently emphasized that male workers—typically employed in ever-declining working class occupations—have been disproportionately disadvantaged in the economic recovery as their jobs ‘disappear.’ Indeed, some argue that the economic crisis has tilted the playing field away from men, who have borne the brunt of blue collar job losses, and towards women, who are more concentrated in knowledge and service work. In line with this position. Media outlets have gone so far as to informally refer to the recession as a “man-cession” (Benerjee 2010), and *The Atlantic* ran a cover story musing “The End of Men?” (Rosin July/August 2010). Did the recession inadvertently crack the ‘glass ceiling’?

The Martin Prosperity Institute felt that evaluating the success of women in the Creative Class was especially timely, lest the economic recovery be erroneously reframed as (perversely) beneficial to the female labour force. Using data (2006–2008) from the American Community Survey of the U.S. Census Bureau, our new report provides a numbers-driven look at the status of women in today’s job market, both nationally and state-by-state (plus the District of Columbia).

Capitalizing on the occupational typology employed by the Institute, we examined the dynamics of the working, service, and Creative classes by sex in terms of: share of the workforce, average wages (USD), average hours worked per week, and average years of education (Exhibit 1). The working class is comprised of occupations that depend on physical skills and repetitive tasks (such as the construction trades, mechanics, crane operators, and assembly line workers). The service class is comprised of relatively low autonomy occupations that are characterized by performing a service on behalf of others (such as food service workers, janitors, secretaries, and clerks). Finally, the Creative Class is comprised of high autonomy jobs where people are paid to think (such as artists, doctors, nurses, and architects).

Selected labour force characteristics by sex

Exhibit 1



Source: American Community Survey 2006–2008
Design by Michelle Hopgood, Martin Prosperity Institute

The findings are mixed

Working class occupations (blue), which make up 26 million jobs or 23 percent of the workforce, have been particularly vulnerable to the economic crisis. Women hold just 18.2% of these jobs and are out-earned by men by \$13,852 or 64 percent. Though the majority of service class workers (62.6 percent) are women, here again men out earn women with an average wage of \$38,188 versus \$23,406—a gap of \$14,782 dollars or 63 percent. A substantial earnings gap of \$7,500 remains when we control for education and hours. In the Creative Class, women hold more than half (52.3 percent) of all jobs, and their average education level is almost the same as men. But Creative Class men out-earn Creative Class women by a considerable margin. Creative Class men average \$82,009 versus \$48,077 for Creative Class women; a gap of \$33,932, or a staggering 70 percent. Even when we control for hours worked and education in a regression analysis, Creative Class men continue to out-earn Creative Class women by a sizeable \$23,700, or 49.2 percent.

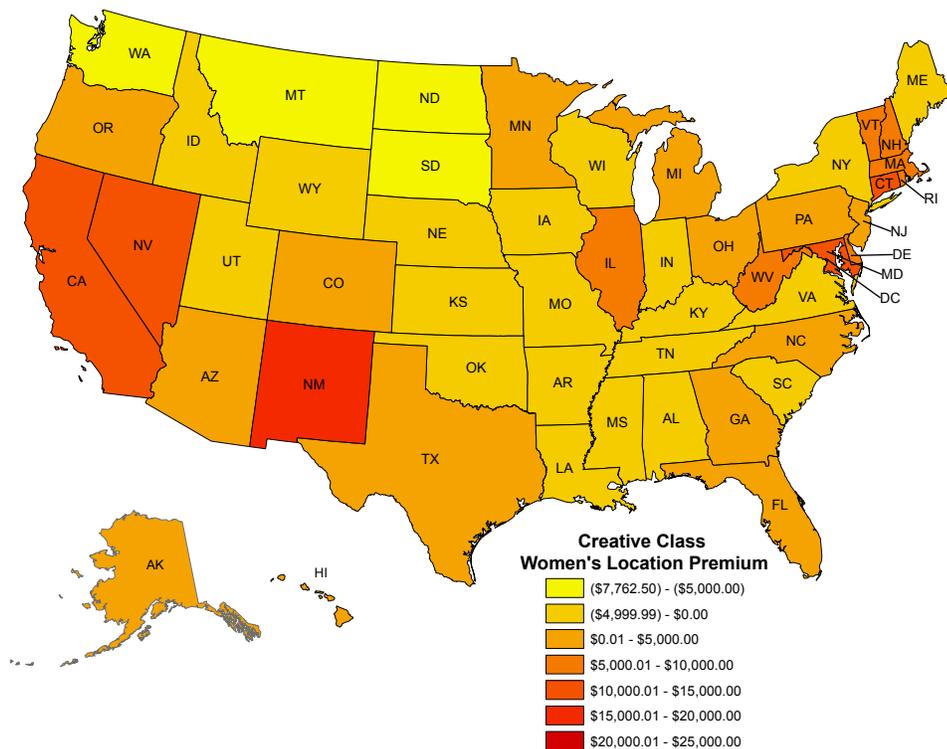
State findings

There are broad national patterns, but our research has also identified considerable variation at the state level. Women comprise more than half of the total workforce in the District of Columbia and four states—Washington, Rhode Island, Massachusetts, and South Dakota. In terms of earnings, the District of Columbia is the best place for women, the best states for women are Maryland, New Mexico, and Connecticut, Maryland and California offer the highest location premiums for women—in excess of \$6,000. Topping the list of best places for women in the workforce based upon our Women’s Earnings Index are the District of Columbia, Maryland, Nevada, Massachusetts, and Rhode Island.

So, where are the best places for Creative Class women?

Creative Class women’s location premium by state

Exhibit 2



Source: American Community Survey 2006–2008
Map by Zara Matheson, Martin Prosperity Institute

Exhibit 2 displays the *location premiums* for each state and the District of Columbia. A location premium expresses how much extra or less Creative Class women earn on average per year, by being in this specific state after we control for education, skill, and hours worked.

Women make up more than half of the Creative Class workforce in every state but one, Utah. The highest levels of pay and the highest location premiums for Creative Class women are found in the District of Columbia, New Mexico, Maryland, California, and Connecticut. In the District of Columbia, the premium is more than \$20,000 and it averages more than \$13,000 in the top states. At the opposite end of the spectrum, women sacrifice more than \$5,000 in Montana, North Dakota, South Dakota, and Washington. The location premium is also low in Virginia, Wyoming, Nebraska, Mississippi, and Oklahoma.

Women's worlds emerge at the state level

Women's gains are not evenly distributed geographically; they do much better in some states than others. While the economic playing field may be tilting toward women, it still has a long way to go before it is equal. Our findings are decidedly mixed. Women have been gaining ground, particularly in professional, knowledge, and creative jobs, where they make up the majority of the workforce. But substantial pay gaps remain, across all occupations and especially in higher skill Creative Class occupations. The gaps are widest in fields where women hold the largest majority of jobs—even when we control for education, skill, and effort.

A more detailed discussion of the *Rise of Women in the Creative Class* is available in the full [research report](#).

The Martin Prosperity Institute at the University of Toronto's Rotman School of Management is the world's leading think-tank on the role of sub-national factors—location, place and city-regions—in global economic prosperity. We take an integrated view of prosperity, looking beyond economic measures to include the importance of quality of place and the development of people's creative potential.