Recession Drives Women Back to the Work Force

By STEVEN GREENHOUSE

The Great Recession is pushing many highly educated women who had left work to stay at home with their children to dive back into the labor pool, according to several nationally recognized experts on women in the workplace.

Many of these women are sending out job applications for the first time in years because their husbands were laid off, fear being laid off or had their salaries cut or because their family’s investments plunged in value.

Last February Trudi Foutts Loh felt compelled to find full-time work, some 20 years after she quit her job to care for her two children. Her job back then as a lawyer and three hours of daily commuting made balancing everything impossible.

She occasionally worked as a political consultant and writer, but numerous economic worries made her conclude that that was not enough.

She pointed to investment losses “in the healthy six figures,” along with “some very high medical expenses for a family member and having two daughters in college. And then the value of our home and pension plan has taken a tumble.”

She feels lucky because a law school friend hired her at a prestigious firm in Pasadena, Calif.

For Lisa Hughes, a mother of two, it was an unexpected layoff that shoved her back into the labor pool.

A former corporate lawyer, she moved from Montclair, N.J., to California last year, after the World Poker Tour recruited her husband to be its chief operating officer. Then, squeezed by the recession, the tour laid him off, pushing Ms. Hughes to pursue full-time work for the first time in 16 years.

“Never in my wildest dreams did I imagine he would be unemployed a year later,” she said. She plans to start a solo practice because “it’s hard to find jobs after 16 years.”

According to some economists, these women, once part of a privileged minority that could afford not to work, are now collateral damage of the recession — not forced out of work, but back into it.

“What’s happened is 78 percent of the people who lost their jobs in the recession are men,” said Joan Williams, director of the Center for WorkLife Law at the University of California Hastings College of Law in San Francisco. “That has brought home to many families that having one income places you in a very vulnerable position. Some women who expected to take a long time out of the work force suddenly felt they...
needed to re-enter, in some cases much more quickly than they expected.”

The federal Bureau of Labor Statistics found preliminary evidence of affluent women returning to the labor force. When it comes to women with a college education who are 25 to 44 years old and living with a spouse, the proportion of those working or looking for work increased to 78.4 percent in the first half of 2009, from 76 percent in the first half of 2007. Economists say this is surprising because the percentage of people in the work force usually drops as unemployed workers grow discouraged and stop looking for work in a recession.

Over the same period, the proportion of men of the same age and circumstance inched down, falling from 97.4 percent to 97.1 percent.

It is too early to tell whether those numbers reflect an increase above and beyond the long-term growth of women’s participation in the work force.

Examining women’s work force participation — and especially women with children — has been one of the battlefields of economics.

In the last several years, some researchers have suggested that many affluent working mothers chose to leave the work force during the boom times of the 90’s and early this decade, saying there was a trend of women opting out of careers once they had children. The suggestion — highlighted in an Oct. 26, 2003 New York Times Magazine cover article — prompted a huge controversy.

Critics responded that most women had no choice but to work and that only a small affluent minority could chose not to. They said many working mothers left the labor force not because they were opting to, but because they were forced to by workplaces that made it too difficult to balance family and work. Separately, some economists argued that the decrease in women working was not caused by opting out, but by the 2001 recession that was followed by years of weak job growth.

Heather Boushey, a senior economist at the liberal Center for American Progress and a fierce critic of the notion of opting out, said her studies showed little difference in how often mothers and women without children left the labor force.

Ms. Boushey nonetheless agreed that the current recession was pushing women who had stopped working for whatever reason to re-enter the labor force.

She said this helped explain why the percentage of women aged 20 and above in the work force has remained relatively flat during the recession, while the percentage of men has fallen slightly. “This does indicate that some women are opting back in,” she said.

One of them is Patricia Smart. She quit her banking job 14 years ago when her son was born. But last April, her husband received a layoff notice. “It was a cosmic kick in the butt,” said Ms. Smart, who had toyed with returning to work for years. “It forced me to do something.”

After a quick job search, she landed a job in July as a full-time manager at Wachovia Bank in Charlotte, N.C.

Carolyn Bednarz was not as fortunate. The former lawyer at Milbank & Tweed spent nine years at home raising three children, but she became frightened for her family’s future after her banker-husband endured
four rounds of layoffs and reduced bonuses.

Ms. Bednarz started looking for work. After a 10-month search she couldn’t find a paying job.

“I probably applied for 30 jobs on Craigslist, and hardly anyone writes back,” she said, complaining that many employers aren’t interested in hiring someone who has not worked in years. “This is just the most humbling experience.”

In the end, she took a position as an unpaid intern at a law firm in Marin County, Calif., north of San Francisco.

Several studies have found that two different groups of women are likely not to return to work after giving birth: affluent ones and poor ones unable to afford child care.

Sylvia Ann Hewlett, founder of the Center for Work-Life Policy in New York, an independent research group, and several other economists and experts argue that there is an unmistakable trend toward women returning to the labor force — and not just professional women.

“Women are at a watershed moment,” Ms. Hewlett said, pointing to the recession’s squeeze on incomes.

Anna Bresnahan of Spokane, Wash., says she would not have returned to work if she and her husband had not started worrying that the bank where he worked might fail. “I decided I could start looking. He said, ‘That would be nice.’ ”

Ms. Bresnahan, who quit a marketing job in 2001 after her first child was born, found a position with an accounting firm in December, although at a lower salary. (Studies have found that for every two years a woman is out of the labor force, her earnings fall by 10 percent, a penalty that lasts throughout her career.)

Karen Boon felt pressured to return to working full time after staying home for five years to raise her two children. Her husband’s job for Boston Scientific, a manufacturer of medical devices, was shaky and the family’s investments had plunged.

Ms. Boon regularly visits the Opting Back In chat room, sponsored by the Hastings College of Law, where lawyers with new jobs trade stories, tips, hopes and complaints.

“If my husband had been laid off, it would have been a world of hurt,” she said.

In April, she found a temporary job as counsel for a Bay Area company that oversees surgery centers, replacing someone on maternity leave.

She said it was a pleasure to be working with adults again.

Still, she added, “It is really hard to do two jobs at once — the kids still need to be fed and the laundry still needs to get done.”

Ms. Bednarz, the former Milbank lawyer turned intern, also participates in the chat room. “The women who lead the chat room say, ‘Don’t jump into something until you find something that’s just right,’ ” she said. “That’s all well and fine, but some of us have to find something right now. It’s not like we have that luxury in
today's job market.”