

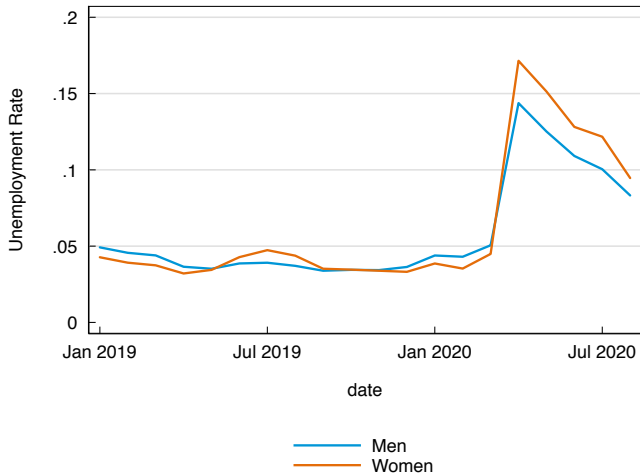
Discussion of
“*This Time It’s Different: The Role of Women’s
Employment in a Pandemic Recession*”
by
Titan Alon, Matthias Doepke, Jane
Olmstead-Rumsey and Michele Tertilt

Christina Patterson

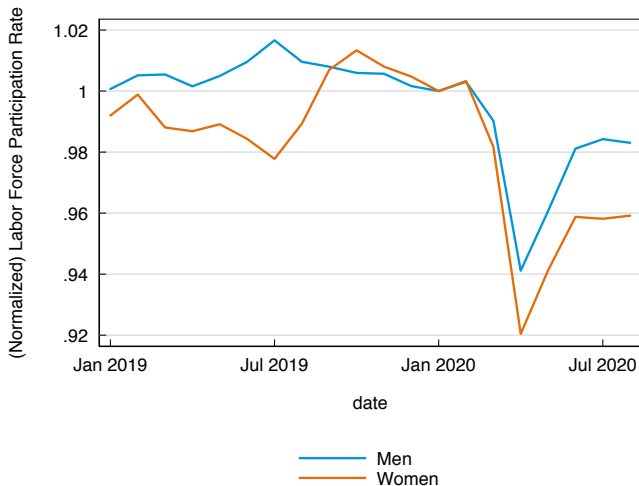
Pandemics and Inequality Conference

October 2, 2020

Motivating facts: Unemployment rose more for women



Motivating facts: Labor force participation fell more for women



Overview of the Paper

- Examines the implications of these cross-gender patterns for the macroeconomy
- Novel features of the model
 - 1 Childcare needs
 - 2 Occupation heterogeneity in ability to telecommute
 - 3 Social norms that partially determine division of childcare within household
- Pandemic recessions are different along 2 dimensions:
 - Incidence across genders
 - Rise childcare obligations

Overview of Model's Main Conclusions

- Key implications from model
 - Pandemic shocks have larger aggregate consequences for consumption and labor supply
 - Female labor supply drops more than men, leading to a widening of the gender wage gap
 - Potential long-run benefits to women if pandemic leads to societal changes in telecommuting and household norms

Outline for Discussion

- 1 Importance of heterogeneous incidence across genders
- 2 Margins of adjustment: intensive vs. extensive margin
- 3 Thoughts on effects of pandemic on gender norms

Comment 1: Importance of endogenous labor supply decision

- Key contribution of model: quantify endogenous labor supply response due to child care obligations
- Authors (intentionally) focus on gender differences stemming from endogenous decisions
- However, a salient feature of the data is heterogeneity in the incidence of the shock across genders

Unique feature of this recession: Occupational heterogeneity

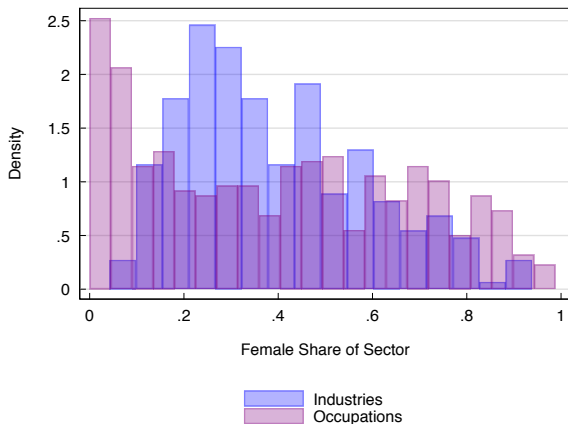
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How much of gender difference is explained by differential incidence?

- *Suggestive Fact 1*: Simple industry and occupation decomposition
 - Shift-share decomposition across sectors defines importance of initial sector shares – share component negligible

$$\Delta U_{g,t} = \underbrace{\sum_i \omega_{i,g} \Delta U_{i,g,t}}_{\text{Shift Component}} + \underbrace{\sum_i \Delta \omega_{i,g} U_{i,g}}_{\text{Share Component}}$$

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- Simple counterfactual: women have sectoral composition of men

$$\Delta U_{f,t}^{cf} = \sum_i \omega_{i,m} \Delta U_{i,f,t}$$

The role of industry and occupation differences in explaining the gender gap

	$\Delta U_{m,t}$	$\Delta U_{w,t}$	$\Delta U_{w,t}^{cf}$	Pct. of gender gap explained
Industry	8.3	11.5	9.33	70%
Occupation	8.3	11.5	9.43	66%

Source: Monthly Basic CPS. Initial period is the average of January, February and March. The second period is the average of April, May and June In row 1, industries are defined using 245 2017 Census Industry codes. In row 2, occupations are defined using 450 2018 Census occupation codes.

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- *Suggestive Fact 2*: Compare UI take-up by gender to overall employment
 - Workers eligible for regular UI benefits likely did not quit for childcare reasons

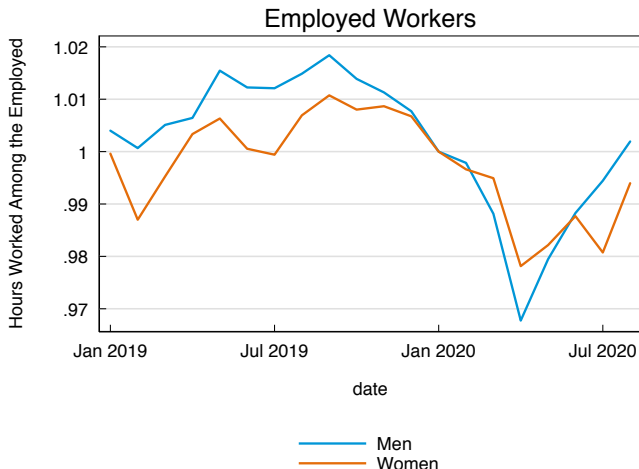
	% Change Employment	UI Claimants February	UI Claimants May	% Change UI Claimants
Men	-13.70 %	1.31	8.85	574%
Women	-18.75 %	0.71	9.87	1275%

Numbers in millions. Source: Department of labor, ETA 204, and monthly basic CPS.

- Female claimants increased **2.2** times more than male claimants

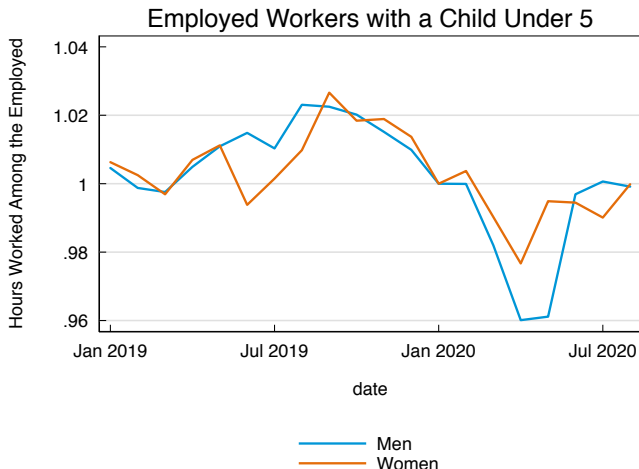
Comment 2: Intensive vs. Extensive Margin Response

- Recent data suggests that gender differences in intensive margin are small



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- Recent data suggests that gender differences in intensive margin of hours worked are small



Comment 2: Intensive vs. Extensive Margin Response

- Small differences only partially explained by selection into employment over course of pandemic
 - Use panel structure of CPS to look at changes within-individuals from February 2020 - May 2020

	Change in Hours	Percent moving to Part-Time	Percent leaving labor force
Men	-2.18	2.05	7.40
Women	-1.97	2.40	9.98

Source: Monthly Basic CPS. For columns 1 and 2, the change is defined from February 2020 to May 2020 for the set of workers who are observed to be employed in both surveys. For column 3, the sample is the set of workers employed in February 2020 and sampled again in May 2020.

Comment 3: Effect of Pandemic on Gender Norms

- Two facts supporting more gender-equal norms in future:
 - ① Men increase the amount of time spent on childcare
 - ② Increase in the share of couples where the man is the primary caretaker

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- Comparison to WWII evidence:
 - Increase in female labor force participation after WWII was persistent and large (Goldin and Olivetti 2013)
 - Increases persistent across generations due to changing social norms among men (Fernandez, Fogli and Olivetti 2004)
 - *Is the pandemic a similar but opposite shock to female labor supply?*

Conclusion

- Very interesting paper exploring the implications of pandemic for gender inequality
- Findings are important for informing the current policy debate
 - Opening schools and daycares
 - Extending benefit payments to those out of work for childcare reasons
- Will be exciting to see how these model predictions track the data as it comes out in the coming months!