Are Working Wives the New Social Safety Net?

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In the midst of what is being called the worst economy since the Great Depression, the U.S. Census Bureau just reported that, in 2008, the official poverty rate increased by only 0.7 percentage points, going from 12.5 percent to 13.2 percent. That represented an increase in the number of people living in poverty of about 2.5 million, rising from about 37.3 million to about 39.8 million.

No increase in poverty should be sloughed off, and the amount of suffering implied by these figures should be a matter of grave national concern. But given the terrible economy, many experts expected a much larger rise in reported poverty.

One reason why the increase is not larger is a technical characteristic of the official measure: It measures year-to-year changes, in this case, ending on December 31, 2008, and the first half of 2009 was much worse, with unemployment rising from 7.2 percent to 9.7 percent. (Those six-month job losses were greater than the losses for the entire previous year.) Thus, an equal and probably even larger rise in poverty is expected for 2009.

Nevertheless, the large differences in unemployment and poverty point to other forces at work. In 2008, job losses were about three times the increase in poverty. Total job losses were about 3.1 million, but the number of additional families and unrelated individuals in poverty rose by only about one million. The same was true for the first half of 2009. Another 3.4 million jobs were lost, but, based on the increase in food stamp recipients, only about 840,000 more families and unrelated individuals fell into poverty.

One explanation is the Stimulus Bill’s extension of unemployment benefits, which is acting as an important social safety net. Although unemployment benefits fall far short of replacing lost wages, they provide at least a temporary floor on income losses, and are counted as income by the Census Bureau. In the first quarter of 2009, the average weekly benefit in the United States was about $307, with average weekly state-determined benefits ranging from about $197 in Mississippi to about $411 in Massachusetts (and $423 in Hawaii). That’s enough to bring many families with a part-time worker above the poverty line.

But another, and little appreciated, safety net also kicked in: working wives. Compared to 1960, when only about 25 percent of all married mothers worked, now, about 70 percent work (about 48 percent full time). This is a seismic shift, socially but also economically. Husbands are no longer the sole source of family income. Far from it. In fact, about 33 percent of working wives earn more than their husbands.
And that brings us to the nature of recent job losses. As some commentators have noted, this is a “men’s recession” or a “man-cession.” Since the beginning of the recession in late 2007, about 75 percent of all job losses have been among men. The reason, of course, is that the recession has hit some predominantly male sectors of the economy particularly hard: About half of all lost jobs, for example, were in the manufacturing, construction, and transportation sectors. (These sectors are about 76 percent male.)

Hence, among married couples, wives were much more likely to have held on to their jobs—or gone back to work. In fact, from the start of the recession through mid-2009, among married male and female workers, men accounted for about 70 percent of all job losses. So there is much deep social truth in the comedian’s line that the “economy is so bad that my wife had to get a second job.”

This is not to say that people are not hurting. The economic suffering in this recession is already wide and deep. And the 2009 poverty figures will surely be worse. They could easily reach as high as 14.5 percent—something we have not seen since the early 1990s.

Up to now, working wives have softened the blow of the current recession. Small solace, perhaps, but for hundreds of thousands of families, they have made the difference between staying afloat or not.

Clearly, though, something must be done about the dim job prospects of their unemployed husbands. Many of those 3.5 million jobs in manufacturing, construction, and transportation may never return. Without the relevant skills, what kinds of jobs will the men who held them obtain when the economy eventually revives

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