Abstract. Since 1965, male labor force participation rates have decreased. Nick Eberstadt illustrates the magnitude of the decrease, proposes mostly supply-side explanations, and extends a research agenda into this vital policy issue.

Keywords. Unemployment, Employment, American economy, American social structure.

JEL. B10, L66, Q18.

1. Introduction

In 1930, the economist John Maynard Keynes posited that economic productivity in the lives of two generations may decrease to as low as 15 hours per week (Keynes, 1930). In 2000, Robert W. Fogel posed a related question. Can we afford longevity? According to Fogel, not only will we spend increasing amounts of our time in leisure and self-actualization, but with moderate growth and sound policy, we will live longer, and people will spend much of their “Golden Years” in comparatively good health (Fogel, 2000). For both Keynes and Fogel, technology and economic growth will make our future lifestyles unrecognizable by historical comparison. But, what is the trade off? Will the economy and labor markets harmoniously transition to a future of extended lives free of toil, or will there be disruptive transitions as we remake the future in a Marxian dialectic? Nicholas Eberstadt highlights this transition to greater productivity for males and processes behind it in his book Men without Work: America’s Invisible Crisis.

Although it has been known for some time, since 1965 there has been a sustained decrease in US male labor force participation rates that is not unique to any one recession. Multiple reasons are offered for this trend for prime age working men between the ages of 25 and 55 leaving the labor force. In general, factors associated with males exiting the labor force are broken into institutional, supply, and demand. Eberstadt focuses on supply-side factors, and most of these, though not always well identified, address a decreasing quality of the male work force. Men are consuming more leisure time and living off income earned by spouses, partners, and other family members. They are also more likely to apply for and receive assistance from Social Security and Supplemental Security Income disability programs compared to their historical counterparts. Today’s men entering their prime working years are less likely to marry and support families. An interesting and alarming chapter is that today’s males have increased their idleness, which robs them of self-worth and ambition. These trends portend of a catastrophic and irreversible deterioration in US male skill formation, decreased productivity, and distorted human capital. Today men are also more likely to be
homeless and imprisoned, which leaves them with a permanent occupational stain on their work records that they are unlikely to overcome. Cyclical variations are also noteworthy. The economic expansions between 1962-1970 and 2010-present had considerable decreases in labor force participation rates, whereas the economic expansions between 1970-1973, 1975-1979, 1983-1991, and 2003-2008 had only mild decreases in labor force participation rates. Casey Mulligan (2010) finds that major subsidies and regulations intended to relieve the hardships of the 2008 crisis by extending social safety-nets are yet to be withdrawn to pre-crisis levels. Eberstadt (2016) also illustrates that men in prime-ages currently consume more benefits from programs extended during the crisis.

As any comprehensive description of a complex economic matter written for the general public, *Men without Work* is inevitably laced with questionable conclusions. The book is effective in framing the decrease in male labor force participation rates into supply, demand, and institutional factors but strongly hedges supply factors. As the reviewers Henry Olsen and Jared Bernstein illustrate at the end of the book, there are also tremendous demand-side factors that while mentioned, do not receive sufficient attention to render the book comprehensive. While discussed, too little attention is devoted to demand-side skill based technological change. Automation continuously changes labor markets, yet recent advancements are more gender-neutral that favor women than any time in history. Changes in male-female labor market compositions due to technological innovation and institutional policy change likely explain much of the source of male flight from the labor market and raises the question of the magnitude of flight versus substitution. Whereas 1950s skills were more clearly distinct along gender lines, many of today’s occupations give unprecedented opportunity to women. A simple graph of female labor force participation addresses this concern. Between 1850 and 2000 at the same time that males exited the labor force, female labor force participation rates increased from 30 to 60 percent (Federal Reserve, 2017b). So, female labor force participation rates have increased as male labor decreased suggests some degree of substitution. However, since 2008, women have similarly exited the labor force.

An important extension not addressed in the study is the true magnitude in the decline associated with legal, social, and household factors, which are institutional factors. The chapter on ‘idle hands’ is necessary, but speculative and definitional. Do men consume more idle time than women? Possibly. But what is the quality and source of the differential? The book shows that men spend more time on the computer and Internet, but the study is unable to extend the hours spent between genders into productive and less productive computer engagement. Although well documented, what about the legal and institutional factors that diminish the roll of men in the household? For example, in divorce law, mothers have preferential status to fathers, and any brief perusal of the media illustrates radio and television ads from attorneys advertising to fathers who are willing to bear extra legal expenses to be able to spend more time with their children, time that mothers receive by legal default. So, not all prime working age men are disconnected from child-rearing voluntarily. Are these legal institutional effects large or small? This needs more study to identify that it is men becoming disengaged and fleeing the labor force or whether men are substituted from various sources.

Multiple noted modern economists and policy makers have also taken notice of this striking decrease in male labor force participation. Former Treasury secretary, Larry Summers, extends Eberstadt’s narrative and predicts that one third of men will be without work by mid-century (Summers, 2016). Former Federal Reserve Chair, Ben Bernanke, has likewise taken to national news channels and sounded Eberstadt’s alarm. So, there is no question policy makers are taking notice. Recent hysteria over complete job replacement with automation reinforces these concerns (Bessen, 2015). But, as Summers notes, such concerns have always been with us, and each prediction that workers will become superfluous have
similarly come to naught (Federal Reserve, 2017a). Yes, there is job displacement with each round of automation and technological innovation, and firms take advantage of economic crisis to shed inefficient workers to reform their labor forces to become more efficient under ever-changing economic environments. However, not all recessions and subsequent expansions have equal decreases in male labor force participation rates (Federal Reserve, 2017a). Moreover, since 2008, female labor force participation is now decreasing, indicating that Keynes was on to something. Both males and females are working less (Federal Reserve, 2017a and 2017b). Nonetheless, the human species is adaptive, and workers with the desire to work have found new niches with each round of technological innovation. A larger concern may be our legal and policy responses. By any measure, Eberstadt offers a unique and important perspective on this long-standing labor market decrease that will generate research and policy questions for some time to come, and much of the results in study establish fertile research grounds to decompose the larger effects of the decline into supply, demand, and institutional factors.

References

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