Age and Race Discrimination and Women's Labor Force Participation

by Joanna N. Lahey

Texas A&M University and NBER

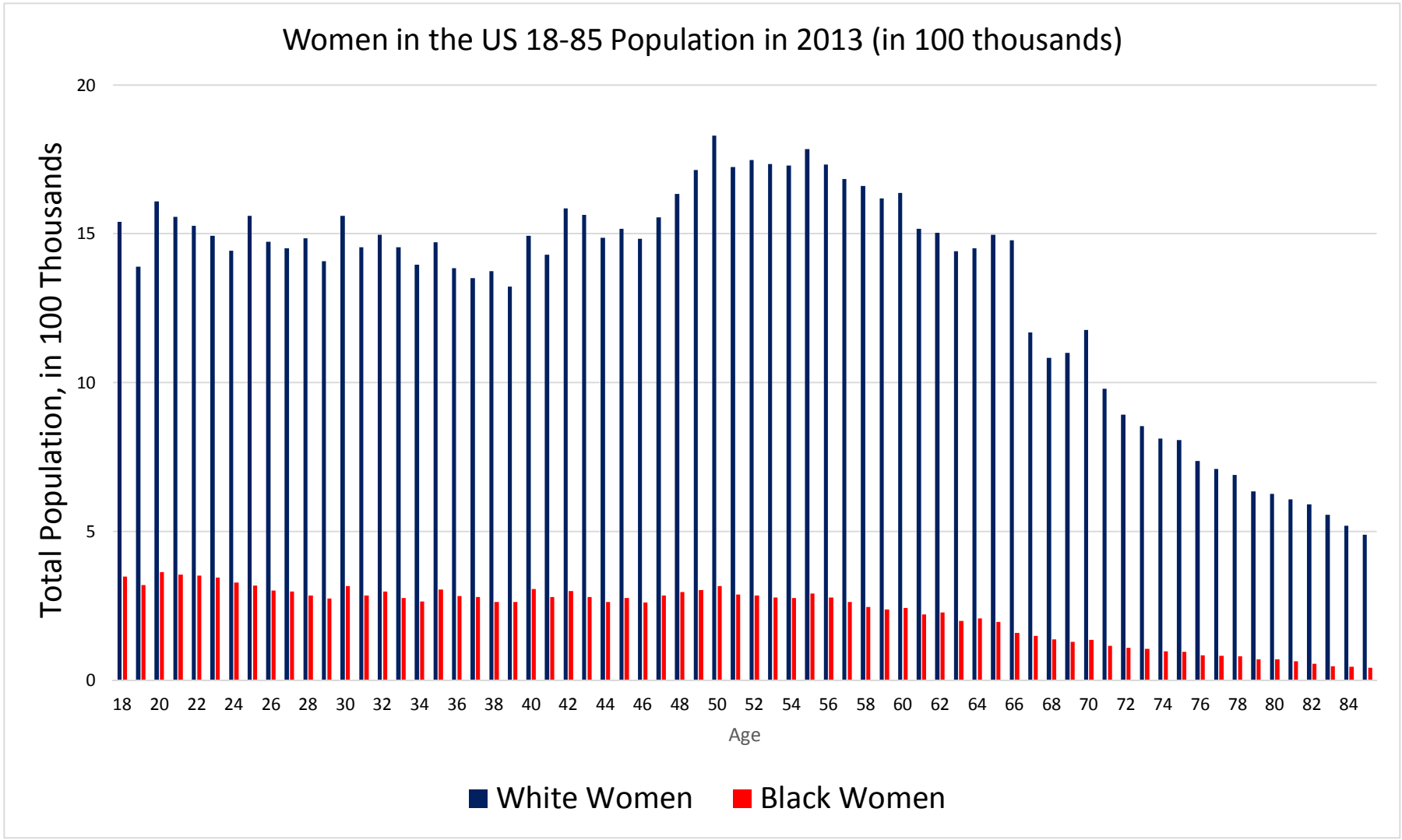
How does discrimination affect retirement age?

- People less likely to be hired
- People more likely to remain unemployed longer
- People more likely to be discouraged and NILF
- People stay in jobs longer than they otherwise would have (disc. happens on hiring margin)
- People are mismatched
  - People may leave the labor force rather than switch
  - If they prefer part-time jobs this may be less of an issue

Narrow the question

- Focus on high school graduates and those with some college (no associates degree)
  - Group we care about (vulnerable, 46% of women over age 25)
  - Need date of graduation to indicate age in experiments (can't do with no degree)
- Different experiences of black and white women by age
  - Age aspect for black women almost unexplored
  - Labor market outcomes for black women underexplored

Who are we talking about?

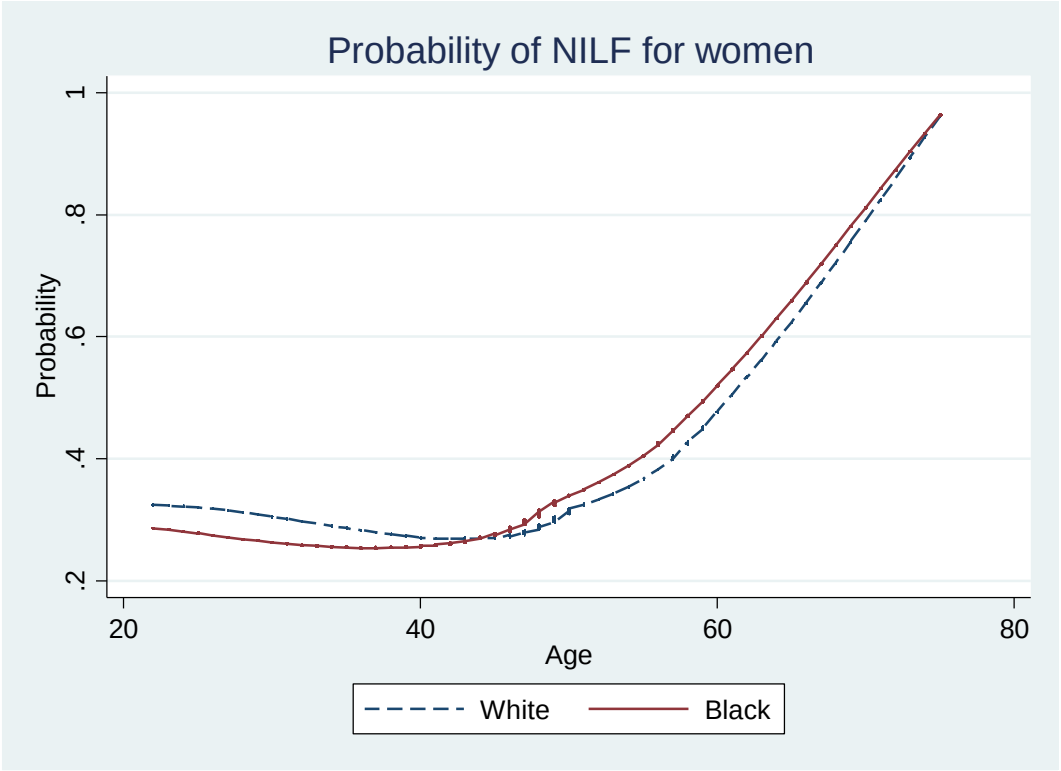


Basic Labor Force Outcomes

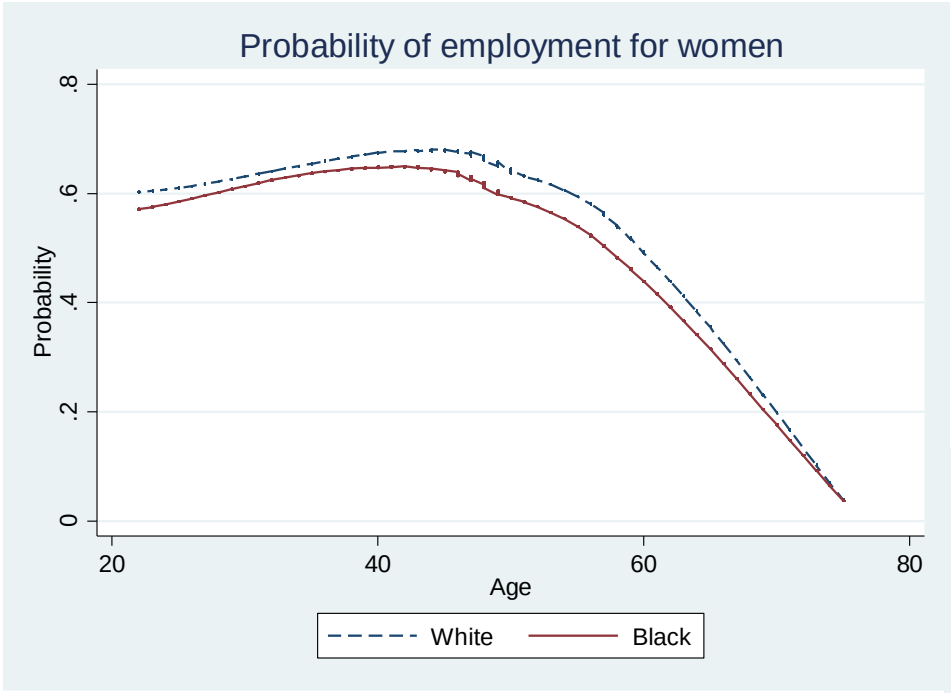
- Data: 2010-2014 CPS (ASEC)
- High school graduates and some college but no additional degree

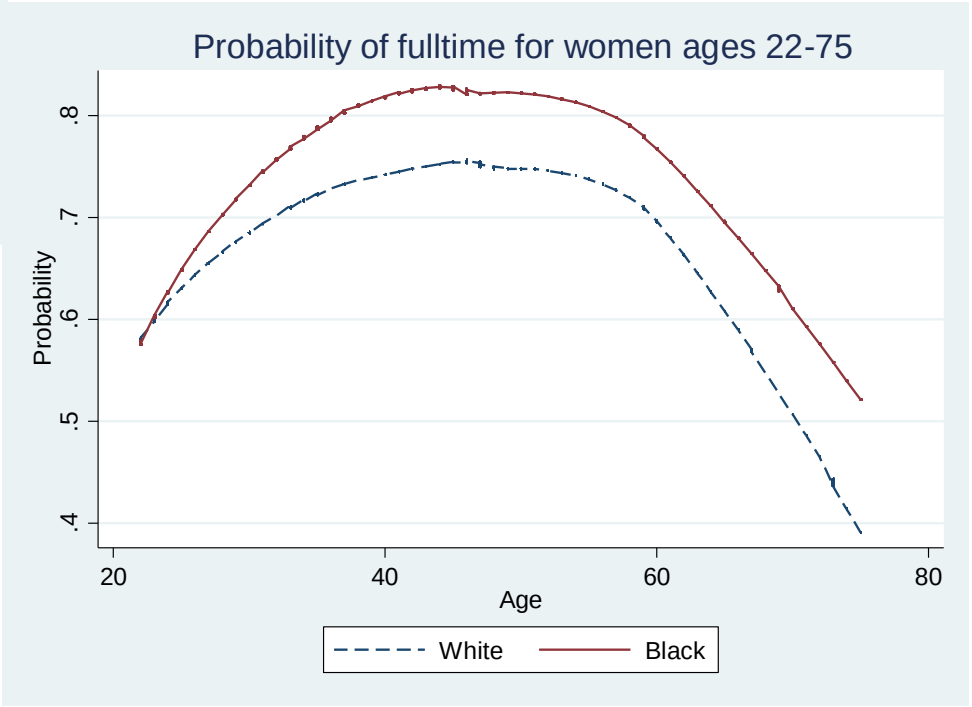
NILF

Å Important for aging– people retire

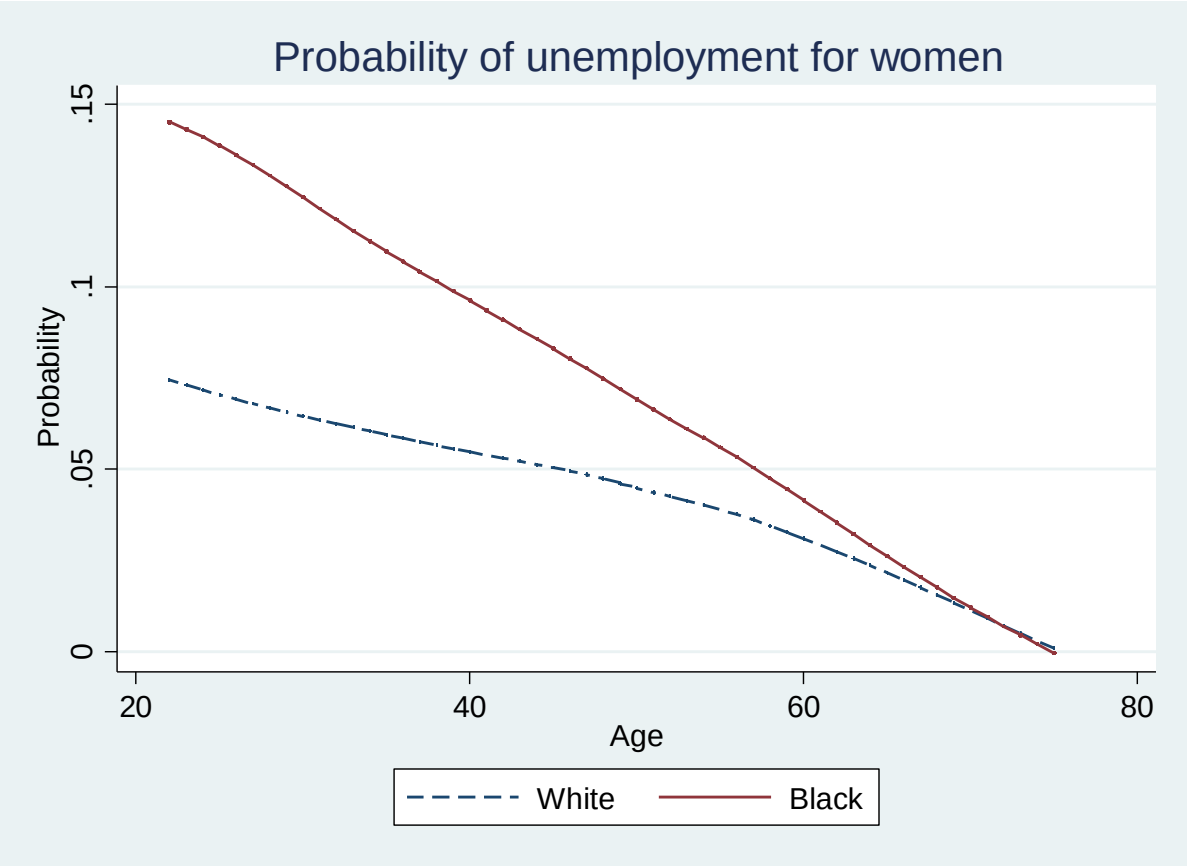


Employed


Probability of employment for women
Probability
0
.2
.4
.6
.8
20
40
60
80
Age
White
Black


Probability of fulltime for women ages 22-75
Probability
.4
.5
.6
.7
.8
20
40
60
80
Age
White
Black

Unemployed

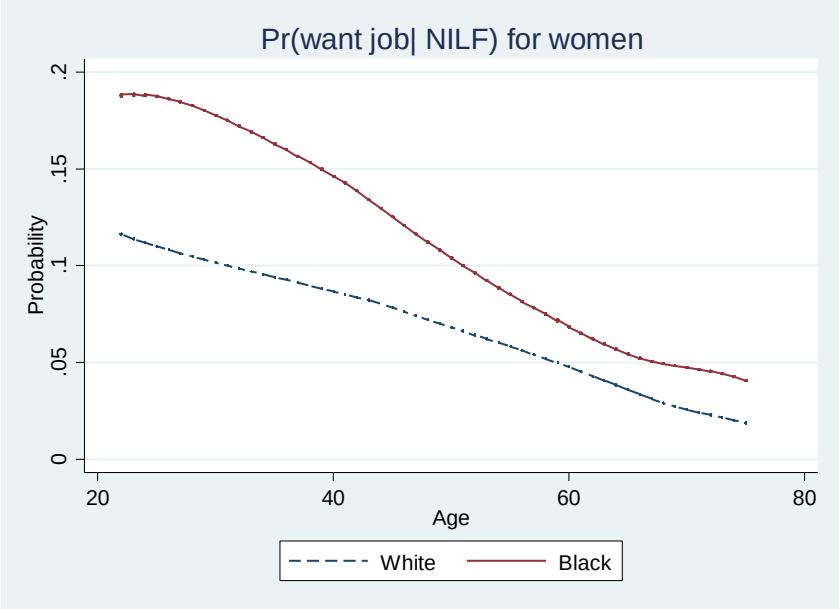

Probability of unemployment for women
Probability
0
.05
.1
.15
20
40
60
80
Age
White
Black

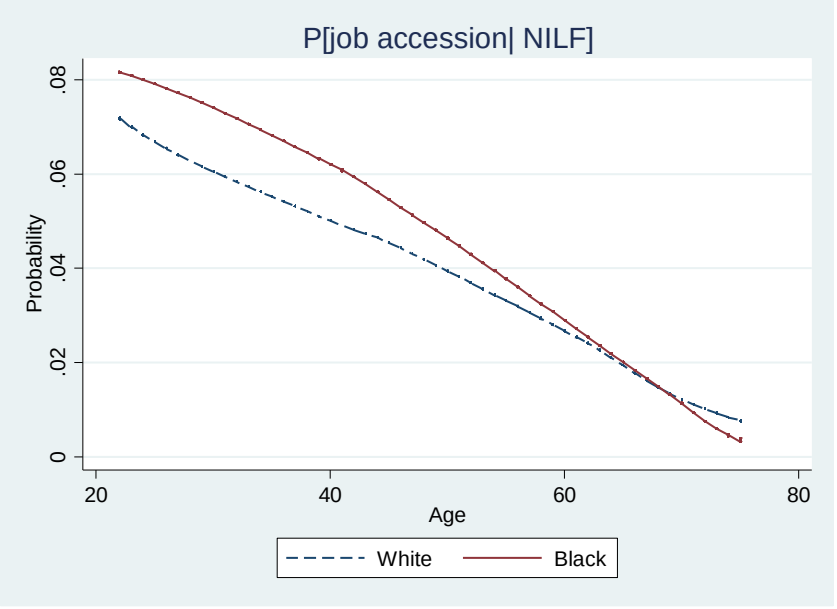
Basic Labor Force Outcomes

- NILF
  - younger white women ILF more than younger black women
  - Older black women ILF more than older (known cohort effects)
  - They converge
- Employment
  - White women more likely employed (historically not true)
  - Pr(fulltime) higher for black women | employment
- Unemployed: Younger black women much more likely unemployed (converges)

Narrow focus: Who wants a job?

- Unemployed want to be employed
- Some NILF want to be employed





How and why do people become unemployed?

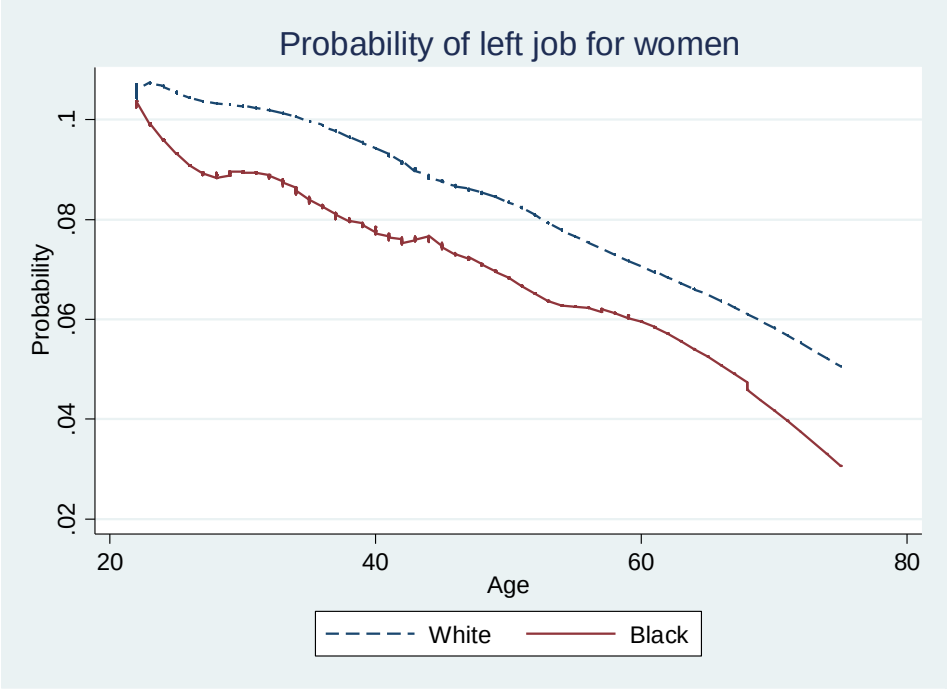
- Job Loss: P(separation)
  - P(leftjob)
  - P(layoff)
  - P(lostjob)
  - P(tempjobended)
- New entrants
- Re-Entrants

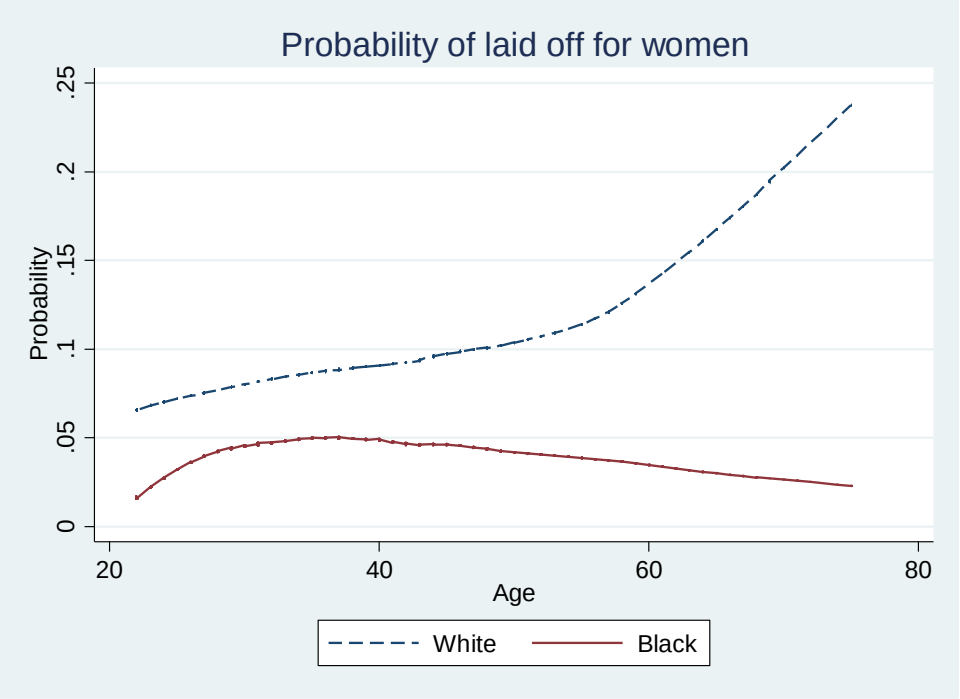
P(separation)

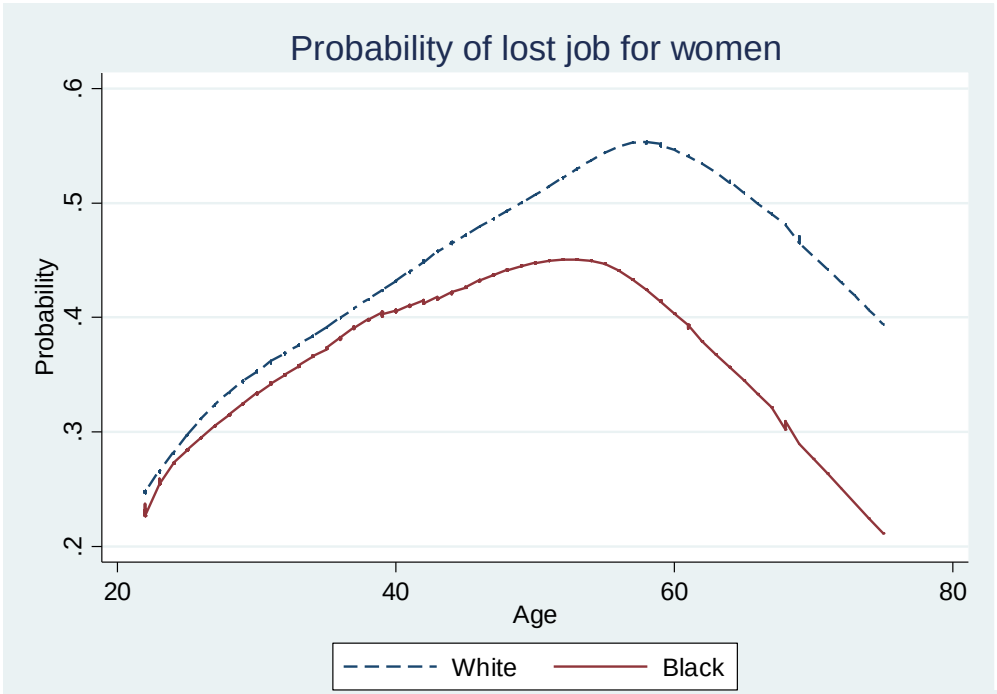


Data: 2013 matched monthly CPS

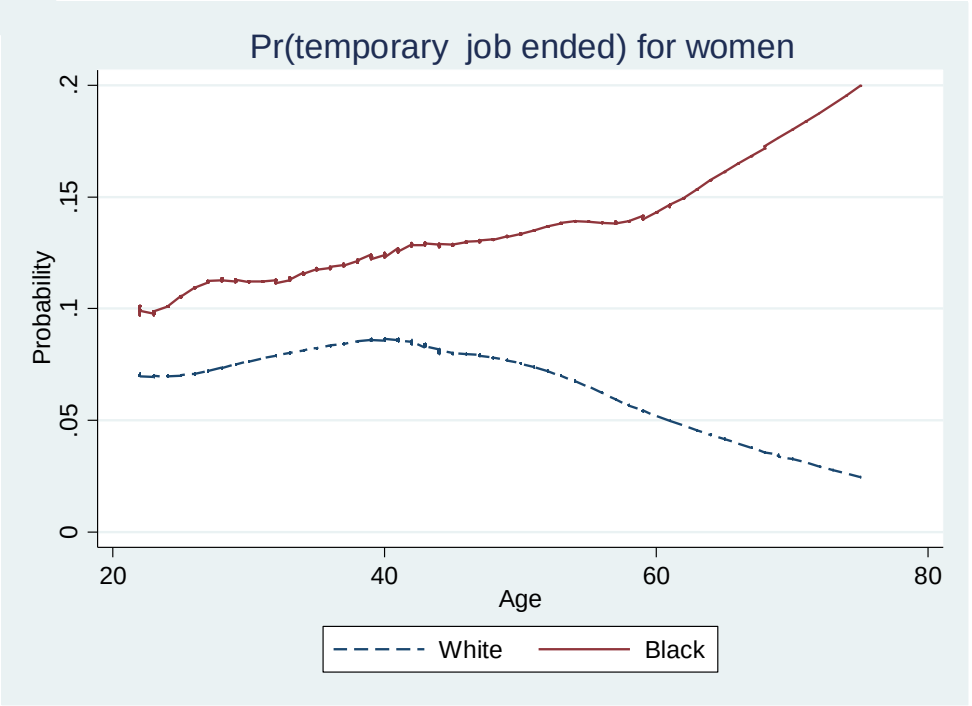
How did they get to be unemployed?

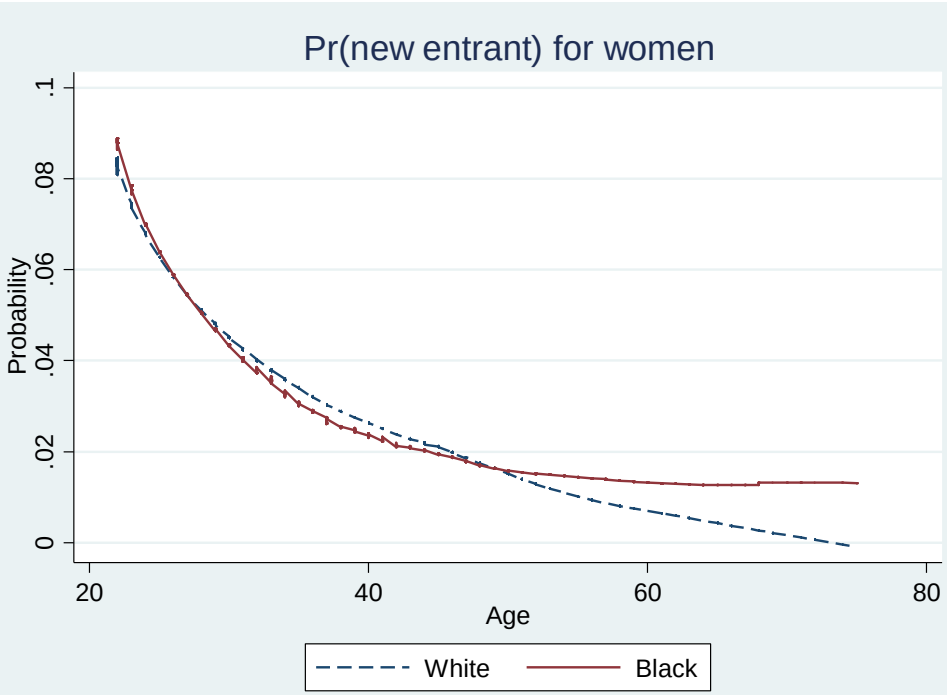




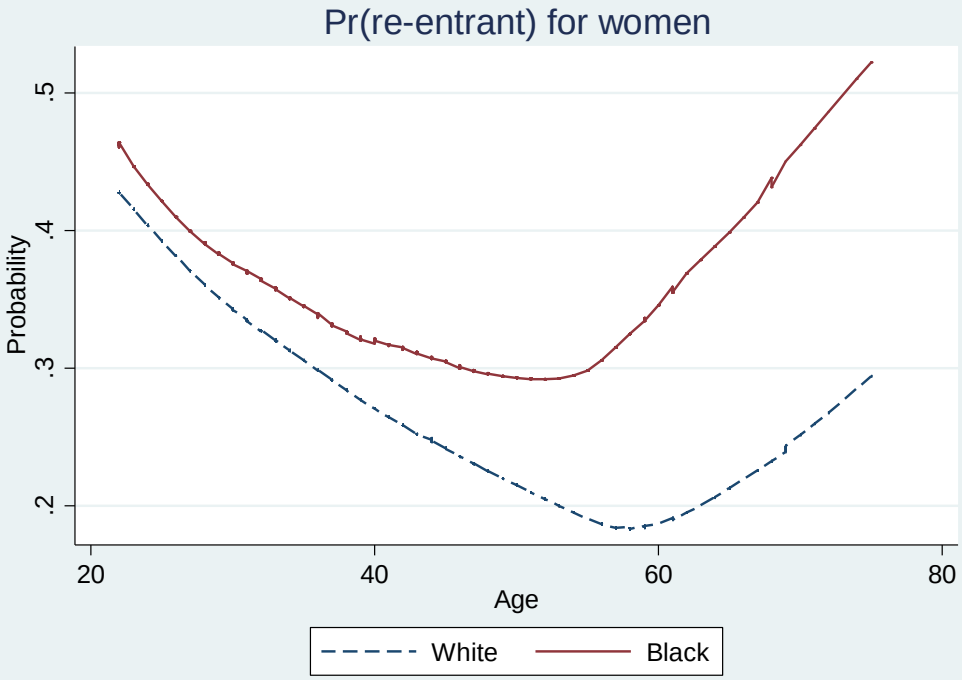


Conditional on unemployment in previous week, why are you unemployed?

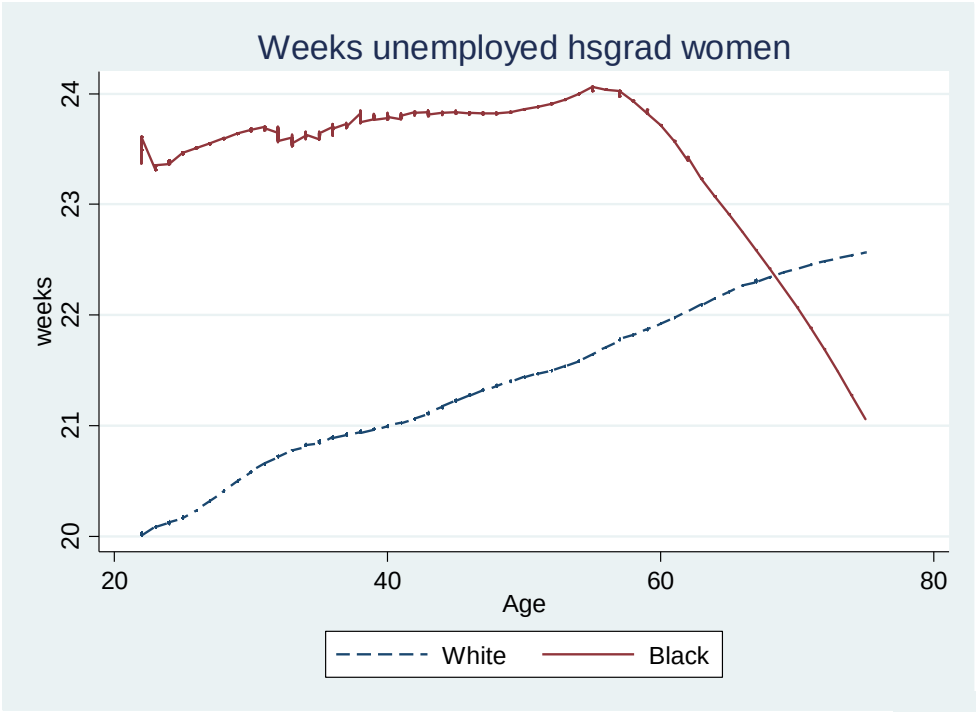


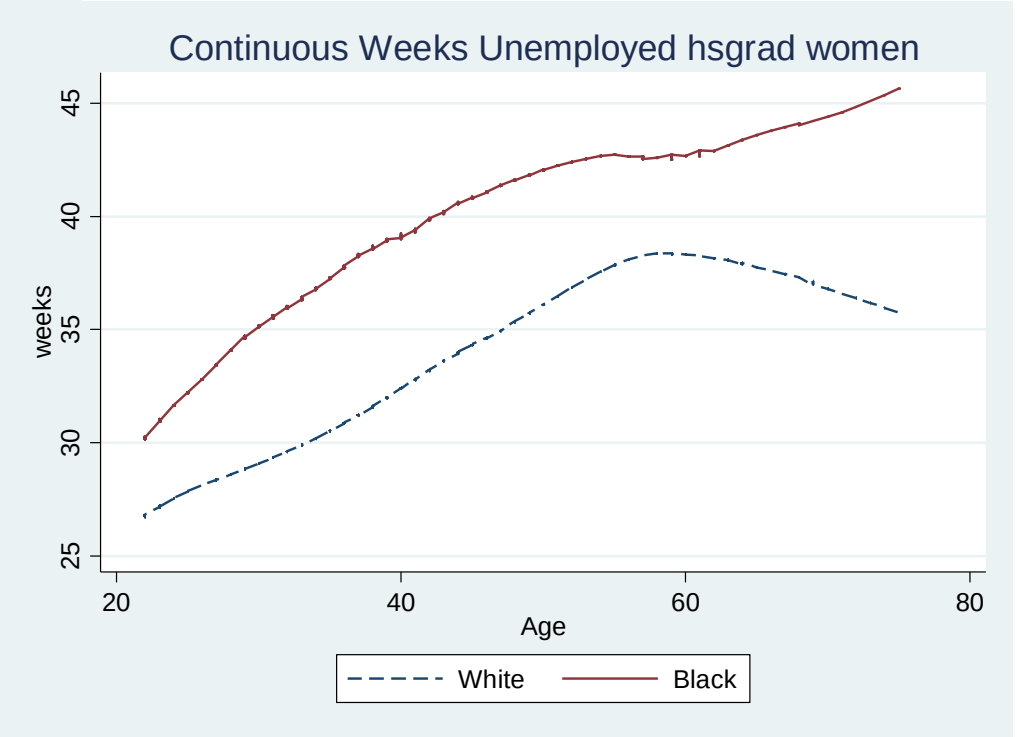


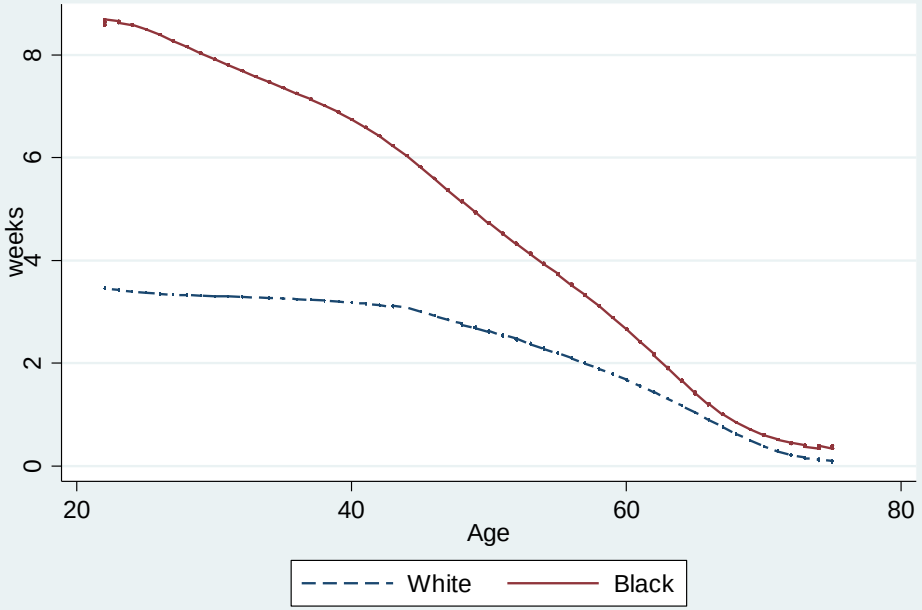
Conditional on unemployment in previous week, why are you unemployed?



Patterns in unemployment?


Weeks unemployed hsgrad women
weeks
20
21
22
23
24
20
40
60
80
Age
White
Black


Continuous Weeks Unemployed hsgrad women
weeks
25
30
35
40
45
20
40
60
80
Age
White
Black



Top includes women who were/are unemployed but may not have spent any weeks looking for work.

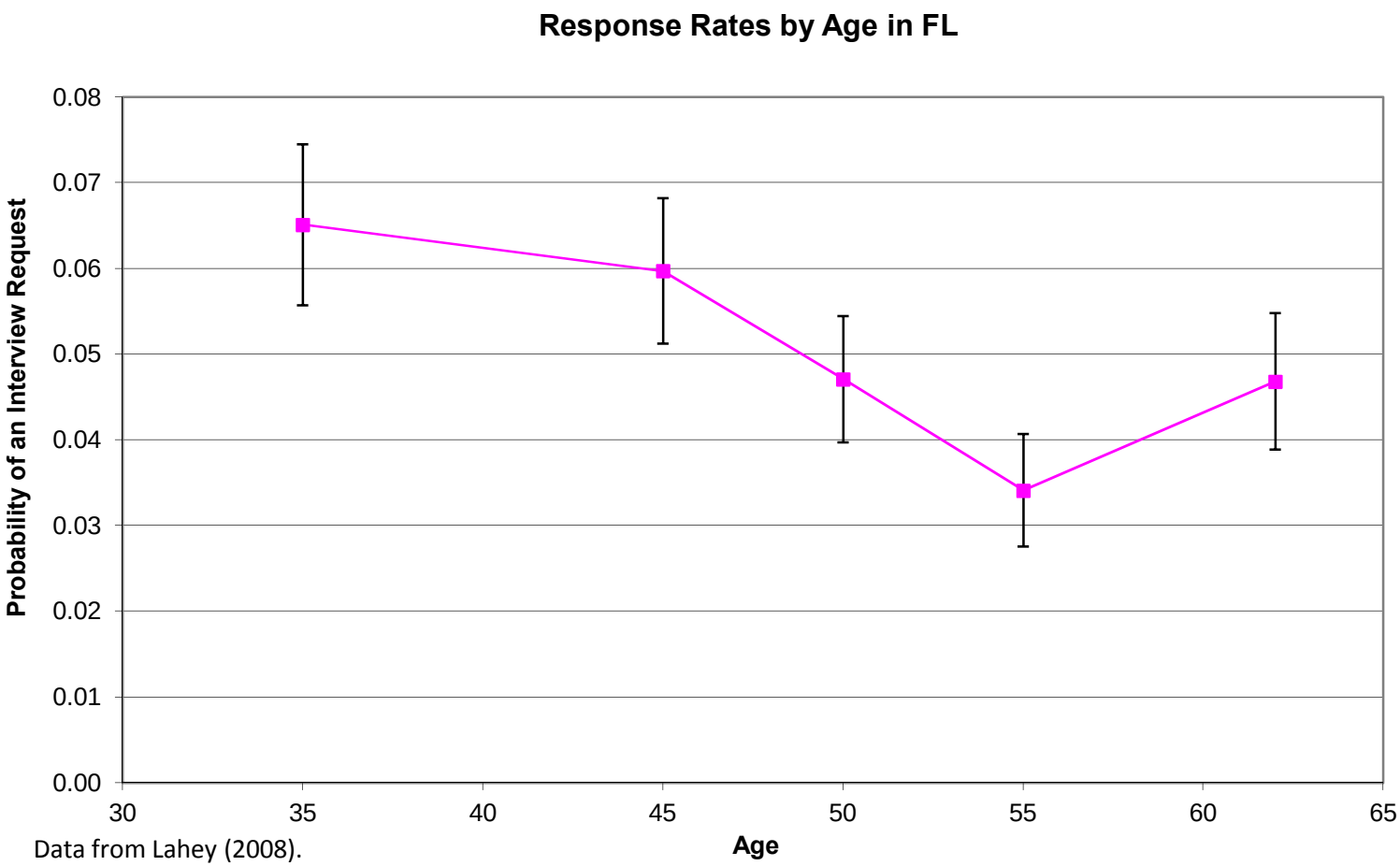
Bottom is unemployed women who were/are unemployed and spent at least one week looking for work.



How do we get to employed?

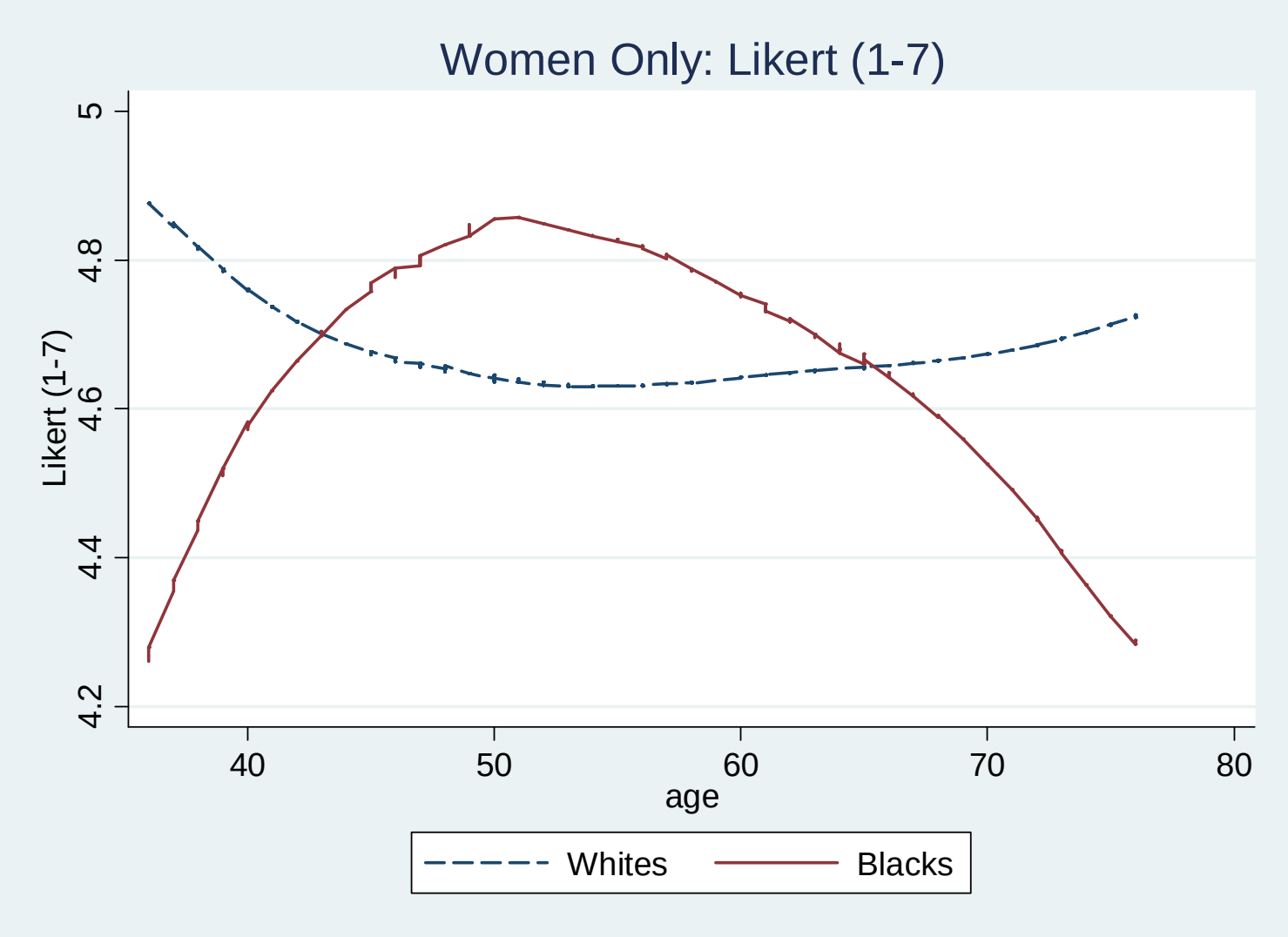
- Age Discrimination exists, may be non-linear for this group
- Effect of age on discrimination differs by race
- Age reduces race discrimination in interviewing

Audit Study: High School Grads



Data from Lahey (2008).

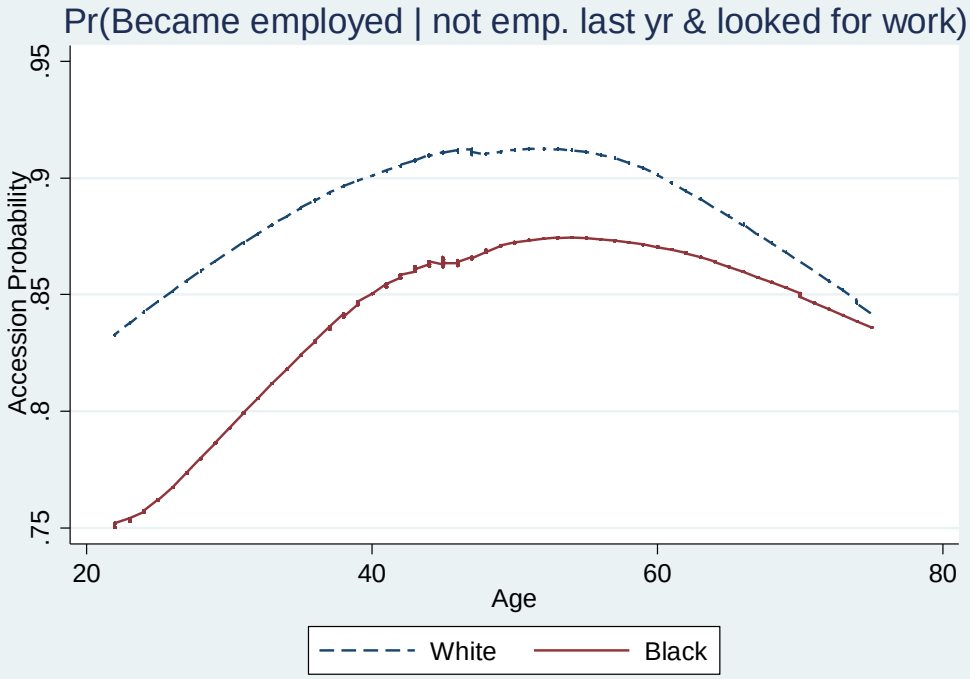
Lab Experiment: Resume Ratings



Data from Lahey (2015)

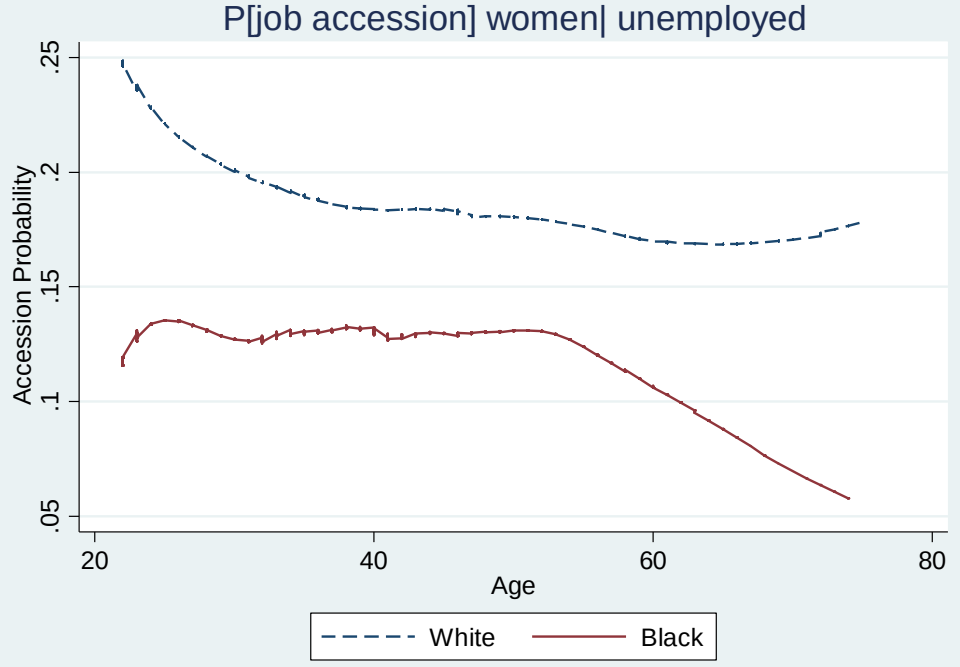
Going from Unemployed-> Employed

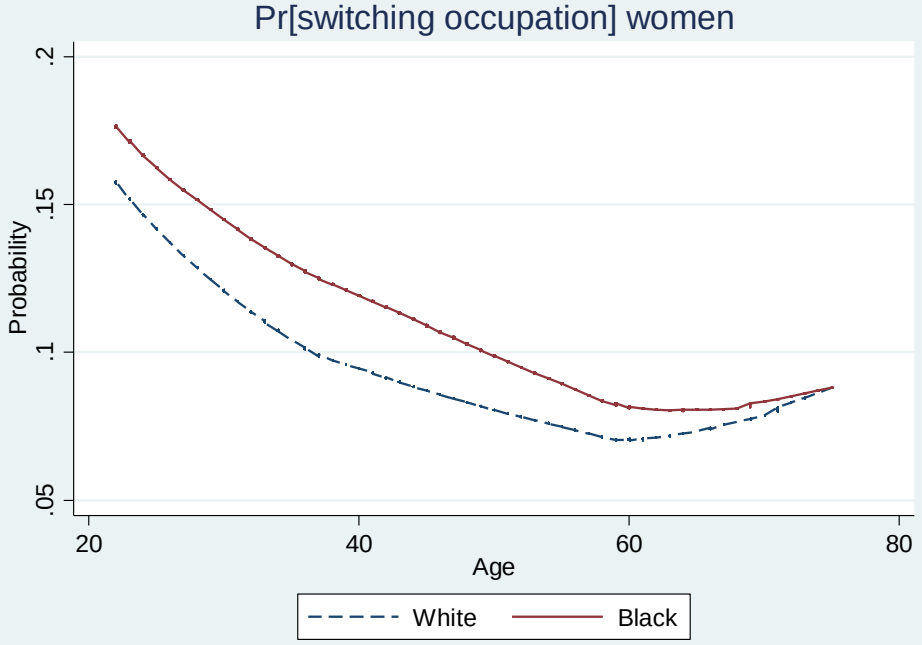
- Measuring job flows (accessions, separations, changes) is difficult so use a number of different methods.



Top: 2010-2013 CPS ASEC, Employed this year given you were not employed last year and spent at least one week looking for work. (Denominator: people not employed previous year and spent at least one week looking for work.)

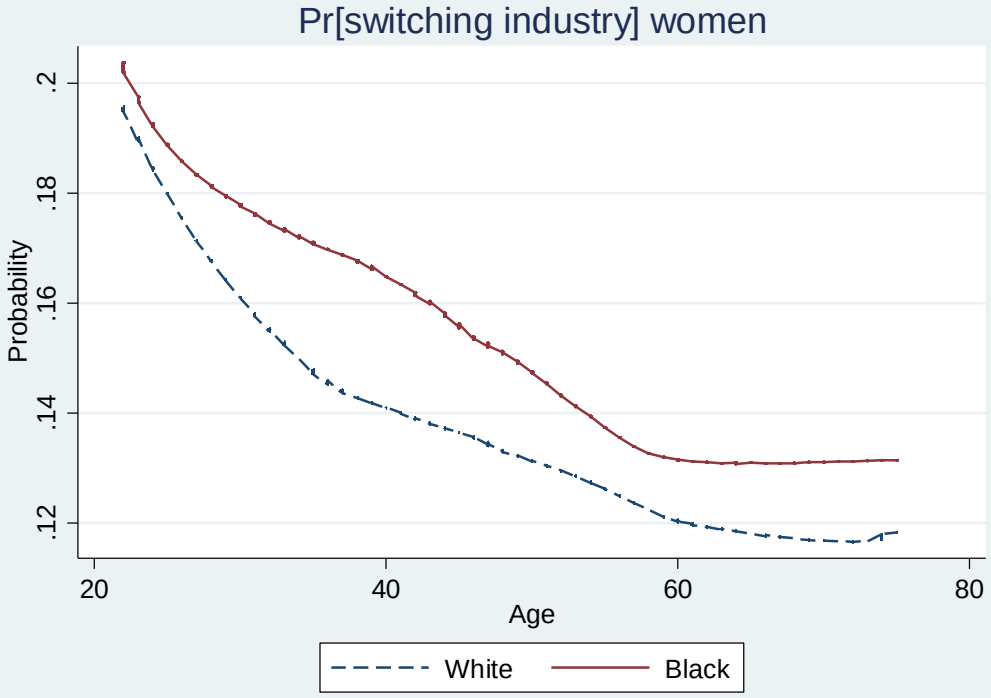
Bottom: 2013 Matched Monthly CPS: Unemployed in the previous month, employed this month. (Denominator: Unemployed last month.)





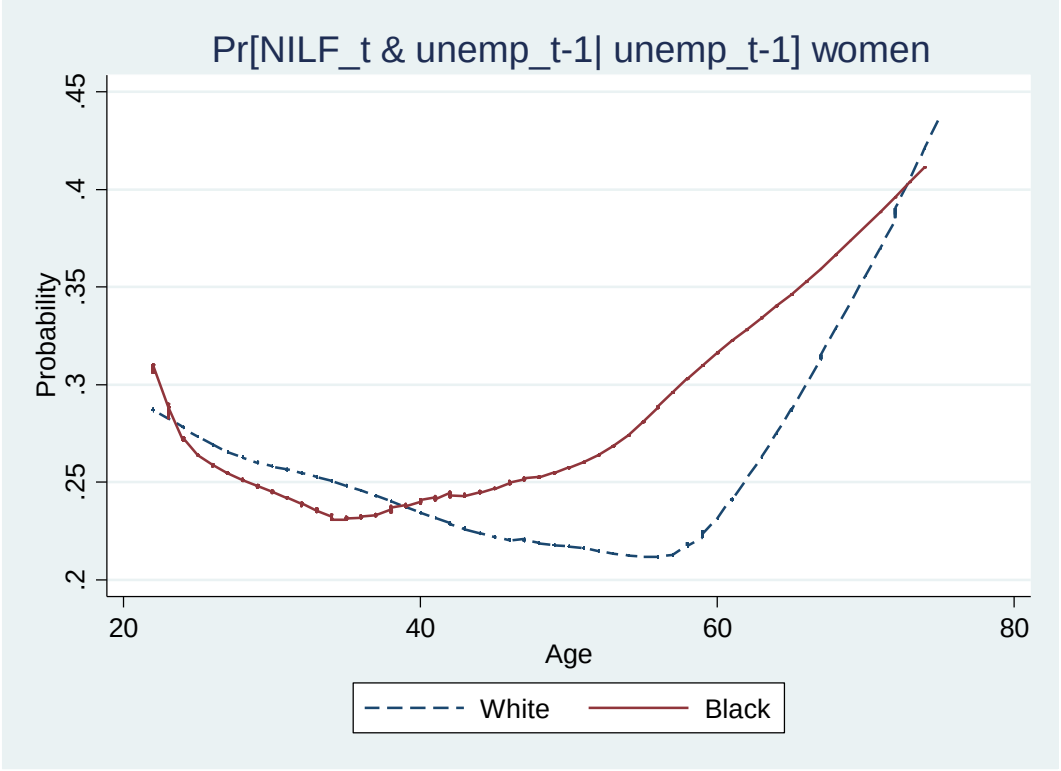
2011-2013 CPS ASEC (occupational coding changes in 2011): Occupation last year different from this year, conditional on having an occupation last year and this year.

2010-2013 CPS ASEC : Industry last year different from this year, conditional on having an occupation last year and this year.

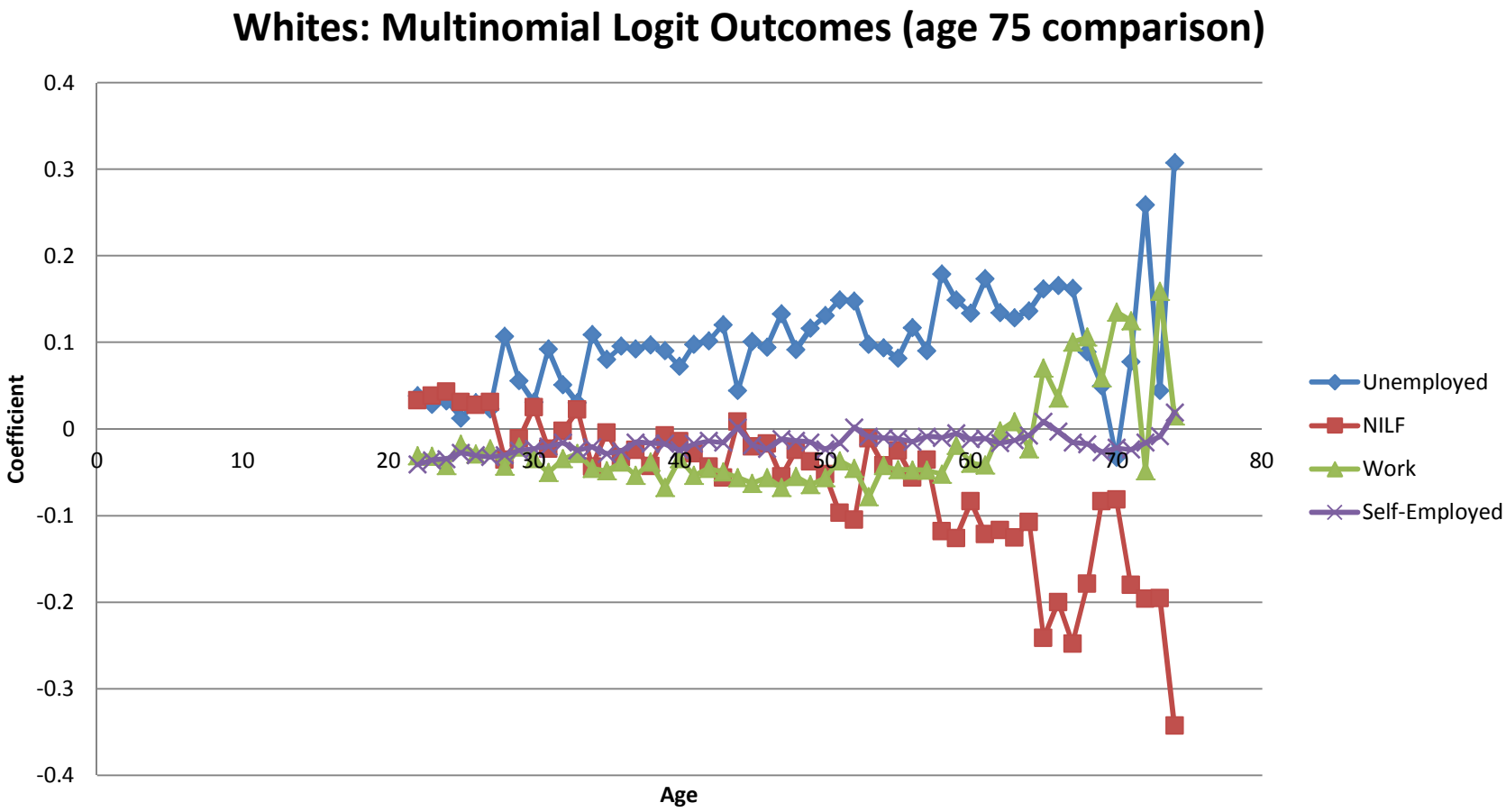


Discouraged

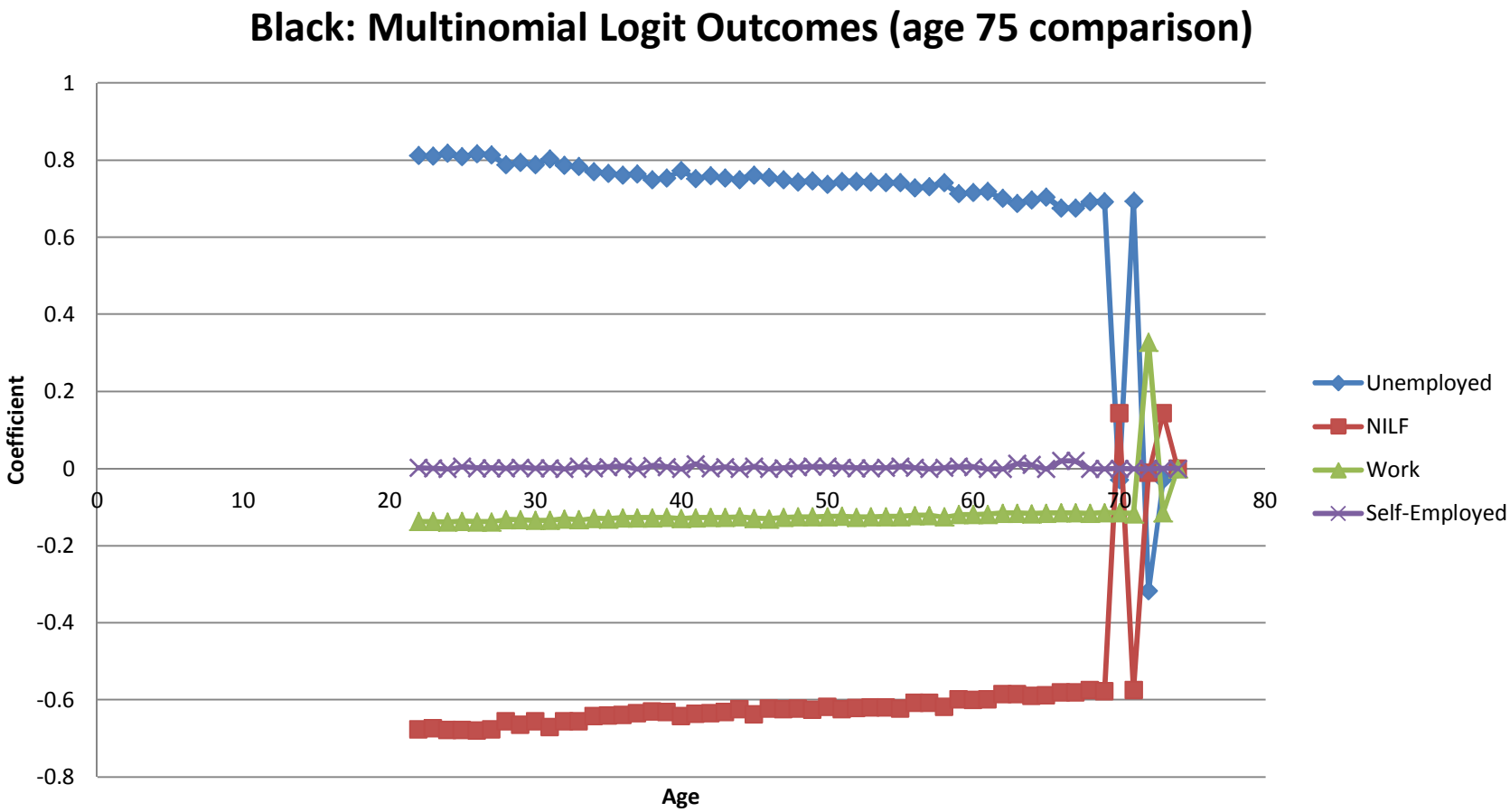
- Unemployed->NILF transition using the 2013 matched monthly CPS



Given unemployed previous year



Given unemployed previous year



Cohort vs. Age Effects

- Increasing labor market participation for white women
- Increasing use of higher education for all women
  - Selection of top workers out of high school graduate category

Timeline major events affecting race outcomes

- 1954 Brown vs. board of education
- Great migration
- 1964 CRA

Take-aways

- Age is an important moderator in discussions of race in the labor market
  - Differences by race change with age
  - Age vs. Cohort papers focus on black vs. white men
    - Black women always present in labor market, white women's participation now more similar to black's
- Effects by age on labor market outcomes vary by race