Chapter 4: Labor force participation: Analysis of trends

Trends in labor force participation
What has caused these trends?
Factors affecting labor demand
Factors affecting labor supply

Explanations of the rise in women’s labor force participation
Demand-side factors
the general rise in labor demand
the sectoral rise in labor demand
the rise in education of women
Supply-side factors
rises in unearned income
rising wages for women
changing technology of nonmarket production
family composition changes
falling male wages

Explanations of the fall in men’s labor force participation
Demand-side factors
the sectoral decline in labor demand
substitution of female for male labor
Supply-side factors
rising real wages
rises in unearned income

Trends in hours worked

Conclusions about economic factors affecting labor force participation
through 1970, real wage growth for women
after 1970, rising divorce rate, real wage growth,
and falling male real incomes for women
rise in nonearned income for men
recently, real wage declines for men