What's behind Declining Male Labor Force Participation: Fewer Good Jobs or Fewer Men Seeking Them?

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Scott Winship. "What's behind Declining Male Labor Force Participation: Fewer Good Jobs or Fewer Men Seeking Them?" Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, 2017.

ABSTRACT

The recent presidential campaign revived concerns about the state of the American job market. Many observers who are convinced that improving employment indicators mask pervasive hardship cite the increase in the number of prime-age men (those between the ages of 25 and 54) who are neither working nor looking for work; that is, men who are out of the labor force, or inactive. While this upward trend is routinely taken as a sign of the economy's weakness, other interpretations are possible. This paper attempts to clarify why inactivity in the labor force among prime-age men has grown so steadily for so long. It examines trends in a number of labor market indicators to assess the extent to which rising inactivity rates have reflected a worsening of the job market (lower demand) or reduced job-seeking (lower supply). Finally, it takes a detailed look at four different types of prime-age inactive men—the disabled, the retired, those who want a job, and those who do not. The evidence does not support the view that rising inactivity is the result of a weak labor market. Understanding why prime-age male inactivity has risen requires a focus on disability programs. Public policy should focus on helping the unemployed and inactive men who want jobs—the latter a small share of the inactive—and on reforming disability programs to promote independence. The unemployment rate provides a reliable indicator of changes in the labor market's strength, even if it understates the level of involuntary joblessness. Policymakers might consider adopting a new "U5b" rate that includes inactive people who want a job with those incorporated in the existing unemployment rate, in order to institutionalize a broader measure of joblessness and increase faith in jobless statistics.

JEL codes: J1, J2, J3, J6, I1, I3

Keywords: Labor force participation, employment, disability, unemployment, Council of Economic Advisers, deaths of despair, labor force dropout

"Don't believe those phony numbers when you hear 4.9 and 5 percent unemployment. The number's probably 28, 29, as high as 35. In fact, I even heard recently 42 percent."
—Donald Trump, February 9, 2016, after winning the New Hampshire primary

The political earthquakes that rocked the United States in 2016 have revived concerns about the state of the American economy. Observers across the political spectrum have attributed the surprising strength of Senator Bernie Sanders in the Democratic presidential primary and the extraordinary victories of President Donald Trump in the Republican primary and general election to the economic anxiety and hardship endured by voters.[1] In response, other analysts have pointed to the low unemployment rate—4.6 percent in the month when Trump won the presidency, the lowest rate since May 2007 and the same rate as in September 1998 during the late 1990s boom.

But President Trump speaks for many in declaring the unemployment rate a flawed indicator that conceals a much weaker job market. Those skeptics point to the large and growing number of Americans who not only are jobless but also are not even looking for work. The jobless are counted as unemployed only if

1. Jeffrey Bell, "Sanders, Trump Get Votes Because They Have Answers to Economic Stagnation," *Weekly Standard*, February 16, 2016, http://www.weeklystandard.com/sanders-trump-get-votes-because-they-have-answers-to-economic-stagnation/article/2001105; John B. Judis, "This Election Could Be the Birth of a Trump-Sanders Constituency," *Vox*, January 30, 2016, http://www.vox.com/2016/1/30/10869974/trump-sanders-economic-history; Robert Kuttner, "Sanders, Trump, and Economic Populism," *American Prospect*, January 12, 2016, http://prospect.org/article/sanders-trump-and-economic-populism; Jonathan Martin, "Stunned Democrats Split over How Hard to Push 'the Economy, Stupid,'" *New York Times*, November 15, 2016; Henry Olsen, "To Attract Disillusioned Voters, the GOP Must Understand Their Concerns," *National Review*, January 25, 2016, http://www.nationalreview.com/article/429744/republican-disillusioned-voters.

"Extreme claims of a 28 percent or 42 percent unemployment rate are misleading .... The fact that one-third of men over the age of 15 are not working tells us very little about the state of the economy."

they are searching for employment. By excluding those not looking, the argument goes, the unemployment rate misses millions of Americans who have lost hope of finding a job.[2]

Is the labor market sicker than the unemployment rate implies? Does the rising number of Americans who are not working or looking for work signal a breakdown in the economy's ability to produce decently paying jobs or a diminished willingness or interest on the part of workers to take jobs that pay decently?

Extreme claims of a 28 percent or 42 percent unemployment rate are misleading, because they count as "unemployed" senior citizens who have retired, profoundly disabled people who cannot work, full-time high school and college students, and other adults who either cannot work or do not want to do so. The fact that one-third of men over the age of 15 are not working tells us very little about the state of the economy.[3]

However, men between the ages of 25 and 54 are generally expected to work, and relatively few of them are in school or retired. In November 2016, 15 percent were not working. Moreover, that was up from 12 percent in May 2007 and 11 percent in September 1998.

Why was the unemployment rate the same in September 1998 and in November 2016 even though many more prime-age men were jobless? The primary reason was that the "labor force participation rate" fell over that time from 92 percent to 89 percent. Equivalently, the "inactivity rate" of prime-age men rose from 8 percent to 11 percent. More and more men between the ages of 25 and 54 are neither working nor looking for work. Their ranks are more than twice the size of the pool of unemployed workers who are actively looking for work.

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2. In January 2017, Binyamin Appelbaum, an economic correspondent for the *New York Times*, declared his own openness to the 42 percent number as an indicator of labor market weakness. See his tweets at https://storify.com/swinshi/42-percent-unemployment.
3. The estimates in this section are drawn from the Bureau of Labor Statistics website (http://www.bls.gov/cps/). All are seasonally adjusted.

In fact, inactivity has increased among younger men too since the 1970s, and among women since the 1990s.[4] But because of rising school enrollment among younger adults and the long-term rise in employment among married women, the prime-age male trend is the best place to look if we want to understand whether rising inactivity reflects a weakening job market that the unemployment rate misses.

Despite the common assumption that rising inactivity reflects worrisome economic trends, little understanding exists of who inactive prime-age men are, why they are not looking for work, or why their ranks have risen over time. A rise in inactivity could reflect positive trends, such as reduced financial pressure to work year-round, more equitably shared domestic responsibilities between husbands and wives, or greater investment in skills through education or job training. More troubling, it could signal that work disincentives in safety-net programs have altered the benefit-cost calculus of looking for and accepting work.

This paper aims to improve the picture of these men to assess whether the rising inactivity rate should be cause for concern and what policy implications should follow. In particular, it is important to understand whether rising inactivity reflects a lower propensity of men to seek work at a given level of compensation or a diminished availability of jobs that are compensated at a given level. The evidence suggests that the American economy generates well-paying employment for job seekers as well as it always has. For a variety of reasons, however, fewer prime-age men are interested in working than in the past.

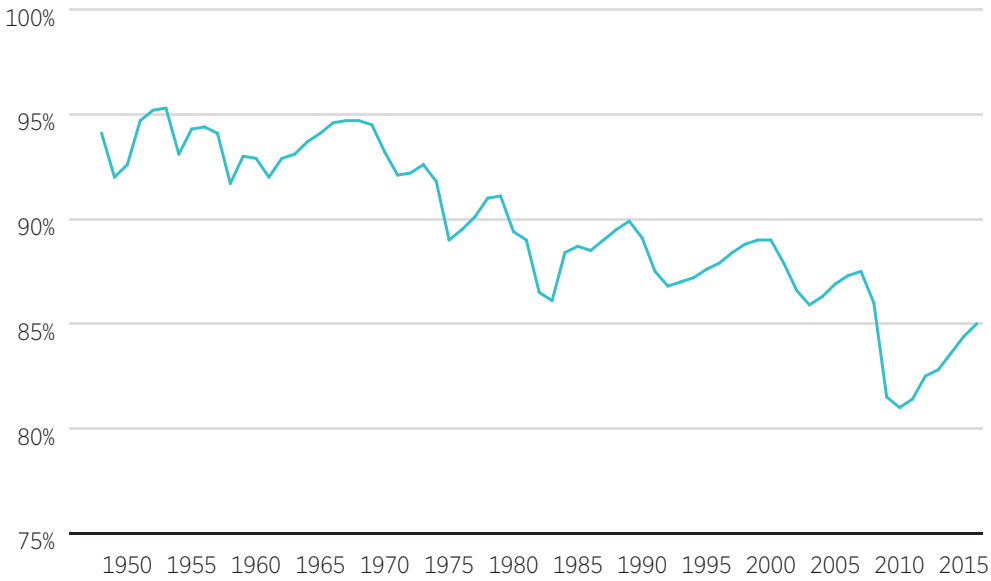
CONTEXT: TRENDS IN EMPLOYMENT AND UNEMPLOYMENT

Before exploring patterns in labor force inactivity, it is worth understanding trends in employment and unemployment for context. Figure 1 displays the decline since 1948 in the "employment-to-population ratio," or work rate, among men between the ages of 25 and 54 (henceforth, "prime-age men"). These data, like nearly all cited below, come from the Bureau of Labor Statistics' Current Population Survey (CPS), the source of federal unemployment statistics.[5] During the 1950s and 1960s, the work rate was fairly stable, with 92 to 95 percent of

4. Scott Winship, "Misunderstanding Declines in Labor Force Participation," RealClearMarkets.com, September 12, 2012, http://www.realclearmarkets.com/articles/2012/09/12/misunderstanding_declines_in_labor_force_participation_99874.html.

5. Estimates in figure 1 are annual averages of non-seasonally-adjusted monthly figures, obtained from the Labor Force Statistics database on the Bureau of Labor Statistics website (http://www.bls.gov/cps/). The first year available is 1948, and the most recent year available at the time this paper was written was 2015. Estimates are for the civilian, noninstitutional population of men ages 25 to 54.

FIGURE 1. WORK RATE AMONG PRIME-AGE MEN, 1948–2016



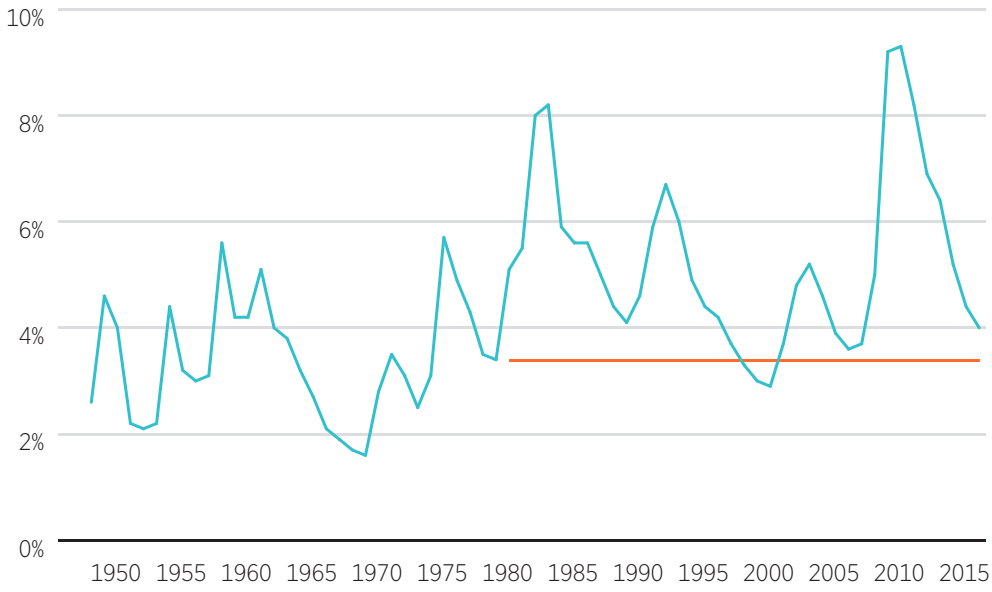
Source: Bureau of Labor Statistics, Current Population Survey. Annual averages of non-seasonally-adjusted monthly estimates obtained from the Labor Force Statistics database (http://www.bls.gov/cps/).

prime-age men employed in the average week of any given year. This "golden age" represented a postwar high, the culmination of an increase in work during the 1940s that mostly reversed a decline earlier in the 20th century.[6]

However, beginning in 1970, the work rate experienced the first of two steep declines, falling to 86 percent by 1983 (figure 1). The work rate partly recovered during the 1980s' expansion but then began to fall again. By 2008, according to the CPS, it was back to 86 percent. The onset of the financial crisis and the deepening of the Great Recession brought the second steep drop in employment, sending the work rate to new depths. At its all-time low, just 81 percent of prime-age men were working in 2010. By 2016, the work rate of 85 percent remained lower than any year before 2009.[7]

6. Author's estimates using Integrated Public Use Microdata Series (IPUMS) data from the decennial censuses in 1910 through 2000 (1 percent samples, including the 1970 1 percent Form 1 metro sample) and the single-year sample from the 2010 American Community Survey obtained from the IPUMS USA Online Data Analysis System (https://usa.ipums.org/usa/sda/). Consistently distinguishing between the employed and unemployed is difficult or impossible before 1910.
7. The work rate is conventionally estimated after excluding the institutionalized and members of the armed services. The decline in the work rate is much the same if those (prime-age) men are included,

FIGURE 2. UNEMPLOYMENT RATE AMONG PRIME-AGE MEN, 1948–2016



Source: Bureau of Labor Statistics, Current Population Survey. Annual averages of non-seasonally-adjusted monthly estimates obtained from the Labor Force Statistics database (http://www.bls.gov/cps/).

Note: The orange line shows, over the years 1980 to 2016, the average unemployment rate between 1948 and 1979.

One reason the employment-to-population ratio can fall is that fewer men without jobs search for work—because inactivity increases, indicated by a fall in the labor force participation rate. But employment can also decline, because fewer men who look for work find jobs. This second possible change corresponds to a rising unemployment rate. As shown in figure 2, unemployment rates have been higher over the past 35 years than they were in the 1950s and 1960s.

Cyclical fluctuations aside, job finding became more difficult primarily in the 1970s, remaining elevated thereafter. The flat line in figure 2 shows the aver-

with institutionalized men counted as being out of the labor force and members of the armed services counted as being in the labor force and employed. To the extent that the conventional work rate is distorted by trends in institutionalization or military service, the drop is probably somewhat understated after 1980, owing to rising institutionalization, itself primarily reflecting an increase in incarceration in the 1980s and 1990s. Changes in military service appear too small to matter at all, given the small share of prime-age men in the armed services. (Author's calculations from the Census Bureau, Integrated Public Use Microsample Series using decennial censuses and the American Community Survey obtained from the IPUMS USA Online Data Analysis System [https://usa.ipums.org/usa/sda/].)

age unemployment rate for men ages 25–54 between 1948 and 1979 (both business cycle peaks), 3.4 percent. Since then, the unemployment rate has been below this level only in 1998, 1999, and 2000. As of January 2017, the unemployment rate for prime-age men was 4.0 percent (seasonally adjusted), the same as in January 2016, which was lower than at any time since December 2007.

Notably, unemployment is not especially high today relative to other years since the 1970s. The 2007 unemployment rate for prime-age men on the eve of the recession was 3.7 percent, which was higher than in 2000 (2.9 percent) but lower than in 1990 (4.6 percent).

In contrast to the unemployment trend, inactivity has risen steadily. The increase in inactivity among prime-age men began in 1956, and its pace accelerated after 1967, rising from 3.4 percent in that year to 11.5 percent in 2016 (figure 3).[8] Since 1964, more prime-age men have been jobless and not looking for work than jobless and looking for work in every year except for 1982 and 1983.[9]

How important in reducing employment has the rise in the inactivity rate been relative to the elevated unemployment rates since the 1970s? Figure 4 provides a rough answer. The light blue line repeats the work rate trend from figure 1. The orange line indicates what the work rate would have been after 1969 if inactivity had not increased further after that year, whereas the unemployment rate followed its post-1969 trend. This result is what the decline in the work rate would have been if all the additional men who were inactive after 1969 had instead stayed in the labor force and had the same success finding jobs as other men.

Rather than falling to 85 percent, the work rate in 2016 would have been 92 percent. Instead of declining by 9.5 points from 1969 to 2016, the work rate would have fallen by just 2.3 points. This result is relatively insensitive to the assumption that the growth in inactivity comprised men who would have been as successful as others had they looked for work.[10]

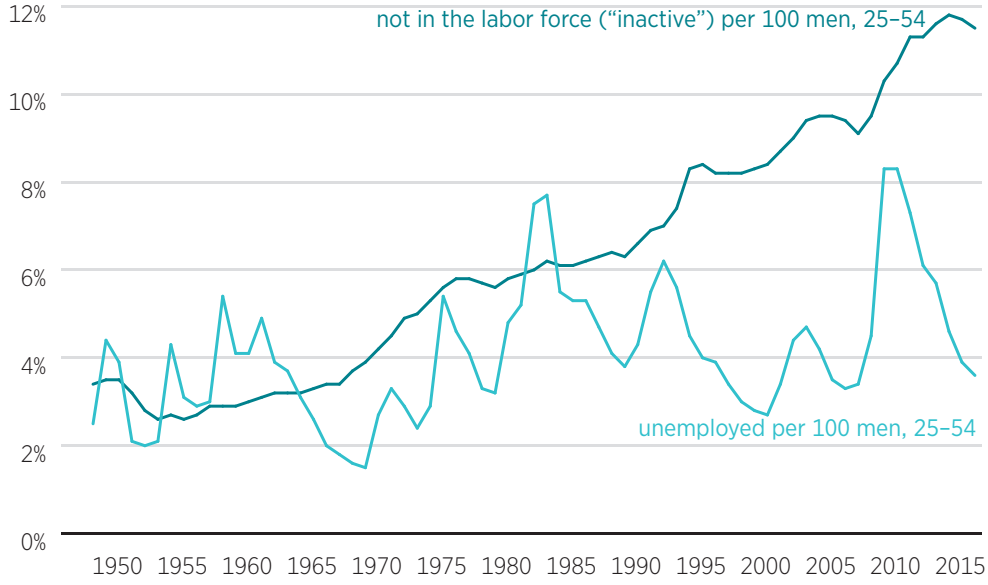
In contrast, the dark green line in figure 4 shows what would have happened to the work rate had unemployment remained at its 1969 level, while inac-

8. Figure 3 contrasts the number of men out of the labor force as a share of all men ages 25 to 54 with the number of unemployed men as a share of this same group. That is, unlike figure 2, the unemployment line gives the number of unemployed per 100 men rather than the number of unemployed per 100 men in the labor force.

9. Technically, a small share of men out of the labor force have looked for work in the previous four weeks but are unavailable to take a job, so "out of the labor force" describes a slightly larger group of men than those "not looking for work."

10. By assuming that their unemployment rates would have been five times higher than the actual unemployment rate in each year, the 1969-to-2016 decline in the work rate would have been just 3.5 points (not shown in figure 4).

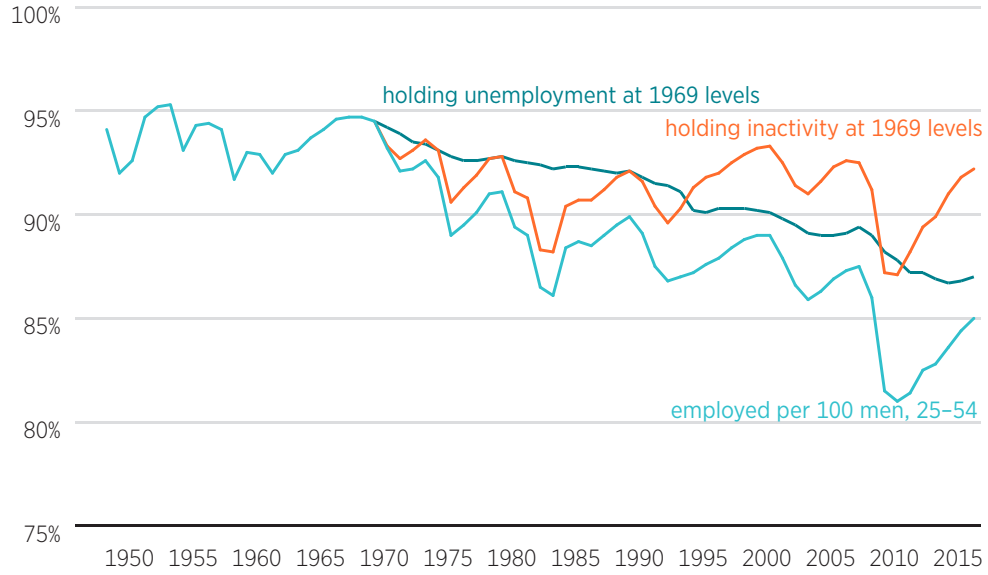
FIGURE 3. UNEMPLOYED VS. INACTIVE PRIME-AGE MEN, 1948–2016



Source: Bureau of Labor Statistics, Current Population Survey. Annual averages of non-seasonally-adjusted monthly estimates obtained from the Labor Force Statistics database (http://www.bls.gov/cps/).

Note: Here, the "unemployed" trend does not refer to the unemployment rate—which divides the unemployed by the labor force—but the share of all men (in or out of the labor force) who are unemployed.

FIGURE 4. DECLINING EMPLOYMENT IS PRIMARILY OWING TO RISING INACTIVITY, NOT RISING UNEMPLOYMENT



Source: Bureau of Labor Statistics, Current Population Survey. Annual averages of non-seasonally-adjusted monthly estimates obtained from the Labor Force Statistics database (http://www.bls.gov/cps/).

Note: Projections from 1969 were estimated by the author. Results available on request.

tivity increased as it actually did. Prime-age men would still have seen a 7.5-point decline—nearly 80 percent of the decline that actually occurred.[11]

The decline in work among prime-age men is thus mostly about an increase in inactivity in the labor force. Past research has emphasized that inactivity among working-age men has risen "for more than 60 years."[12] In fact, decennial census data indicate that the rise probably dates to the Great Depression (see figure 5).[13] The rest of this paper uses publicly available microdata from the CPS to further explore the increase in labor force inactivity since the 1960s.[14]

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11. The assumption here is that the additional men who were unemployed after 1969 would have had the same relative odds as other men of being employed or out of the labor force had they not been unemployed. This is a conservative assumption, since it is likely these workers were at least somewhat more marginally attached to the labor market than unemployed workers in 1969. Even assuming that the additional unemployed men after 1969 would have participated at twice the rate of other men—which means, given the assumption of fixed unemployment rates, that their odds of being employed relative to being out of the labor force would have been more than twice as high as for other men—the work rate would still have declined by 5.4 percentage points.

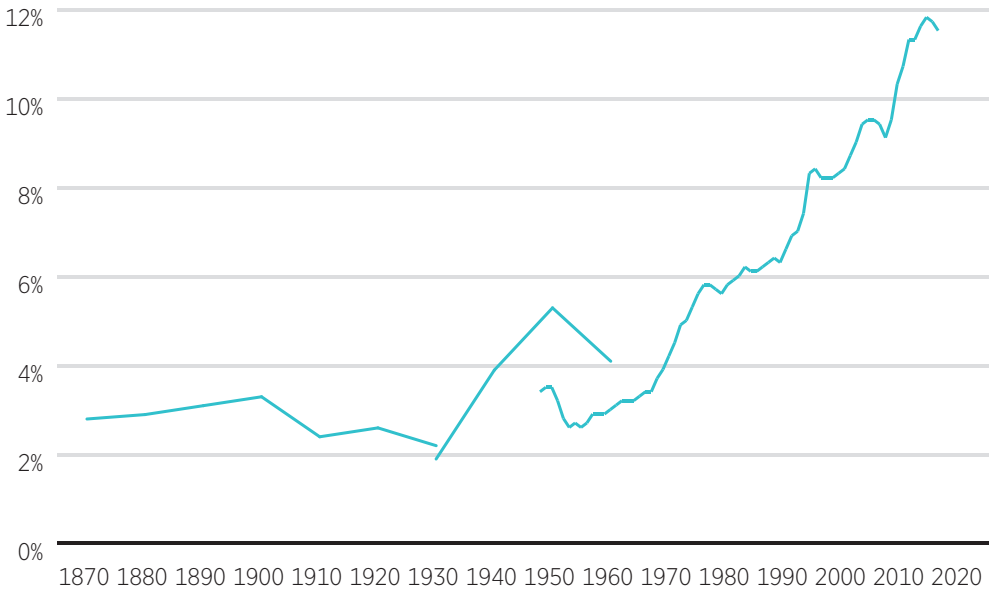
12. Council of Economic Advisers, "The Long-Term Decline in Prime-Age Male Labor Force Participation," June 2016, 7, https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160620_cea_primeage_male_lfp.pdf.

13. The censuses before 1870 did not include slaves, possibly producing a sizable drop in inactivity between 1860 and 1870 (not shown). Inactivity among men generally (not just prime-age men) apparently began to rise even earlier than the Great Depression—between 1900 and 1920 (also not shown). Although it is impossible to tell with the census data when the rise among prime-age men began—between 1920 and 1940—logic suggests that it rose with the end of the Roaring Twenties and the onset of the Depression. The unemployment rate for the entire civilian, noninstitutionalized population rose by nearly 6 points between 1929 and 1930 and by nearly 6 points again between 1930 and 1940. See US Bureau of the Census, *Bicentennial Edition: Historical Statistics of the United States, Colonial Times to 1970*, Part 1 (Washington, DC: Government Printing Office, 1975), Chapter D, series D9.

14. The analyses of microdata in this paper rely on several different sources of monthly CPS data. Most derive from the Annual Social and Economic (ASEC) Supplement, formerly the Annual Demographic File, or "March Supplement." The ASEC Supplement is administered primarily in March but also (since 2002) in February and April. It includes detailed questions about income sources and labor force status over the previous year and allows for the detailed demographic and economic analyses later in the report. The available data extend back to 1962, and I use the ASEC Supplement data files prepared by the Unicon Research Corporation. Unicon recently stopped producing the files, which is why 2014 is the most recent year available in the analyses using microdata. As of this writing, it was possible to obtain 2015 and 2016 ASEC Supplement data through other sources.

The ASEC Supplement data files include some, but not all, of the labor force variables that I need from the monthly CPS (the "Basic Monthly Survey," the survey to which the ASEC is a supplement), but going back only to 1976. To fill in the gaps, I rely on several other sources of CPS data. Data from the May Basic Monthly Survey going back to 1969 are publicly available though difficult to find. I use Unicon's "Workplace Topics II" data file, which includes May data from 1969 through 2005, to compute trends between 1969 and 1993. The only other publicly available CPS data from an earlier year, to my knowledge, is the October 1968 School Enrollment Supplement, which includes Basic Monthly Survey data and is available through the Interuniversity Consortium for Political and Social Research at the University of Michigan's Institute for Social Research. (That was also the earliest CPS data provided by Unicon, which no longer sells their files and may no longer exist.)

FIGURE 5. PERCENTAGE OF PRIME-AGE MEN INACTIVE IN THE LABOR FORCE, 1870–2016



Sources: Data for 1870–1960 are from the Census Bureau, Integrated Public Use Microsample Series, decennial censuses obtained from IPUMS USA Online Data Analysis System (https://usa.ipums.org/usa/sda/); data for 1948–2016 are from the Bureau of Labor Statistics, Current Population Survey; annual averages of non-seasonally-adjusted monthly estimates were obtained from the Labor Force Statistics database (http://www.bls.gov/cps/).

Note: Starting in 1930, the census ascertained labor force participation differently, which creates a break in the series. Estimates are unavailable for 1890. Figures for all years, 1870 to 2016, are for the civilian, noninstitutionalized population of men ages 25 to 54.

For other analyses, I merge February, March, and April Basic Monthly Survey data to the ASEC data to use labor force variables that are not available in the ASEC. I extracted the necessary variables from the Basic Monthly Survey using the Census Bureau's DataFerrett online utility, which provides data back to 1989. I only use the data from 1994 to 2014.

For still other analyses, I rely on the Outgoing Rotation Groups data file, which includes one month of CPS data for 80 percent of the scheduled interviews in any given calendar year (with half of those also having data in the previous calendar year and the other half in the subsequent calendar year). These data have been available since 1979, and I again use the Unicon data file. I sometimes use the Outgoing Rotation Groups data by itself, whereas for other analyses I merge it with the ASEC data, which restricts the sample to one-fourth the size of the full ASEC sample.

Finally, to construct my measure of disability, I relied, in part, on a question asking about work-limiting disabilities in the ASEC Supplement. This question was asked beginning in 1981, but it is publicly available in the ASEC data only beginning in 1988. I obtained the variable for the 1981-to-1987 ASEC Supplements from Sean Lyons of the Congressional Budget Office, who in turn had obtained it from a research team headed by Richard Burkhauser of Cornell University. Originally, Andrew Houtenville—now at the University of New Hampshire—procured the data from the Census Bureau. I thank Lyons, Houtenville, and Burkhauser for assisting me and providing the data.

OPT OUT OR DROP OUT?

To understand the increase in labor force inactivity, we must distinguish between (a) the extent to which it reflects voluntary decisions on the part of men unrelated to the state of the labor market and (b) "labor force dropout" induced by weak demand and an inability to find work. Of course, this distinction is ambiguous on some level; some men who are voluntarily out of the labor force and could find work if they tried are uninterested in trying at the wages on offer. A tighter labor market would raise wages and induce some of them to return to the labor force. But it is nevertheless worth seeing how many inactive men say that they want work but cannot find it and how many say they are inactive for other reasons.

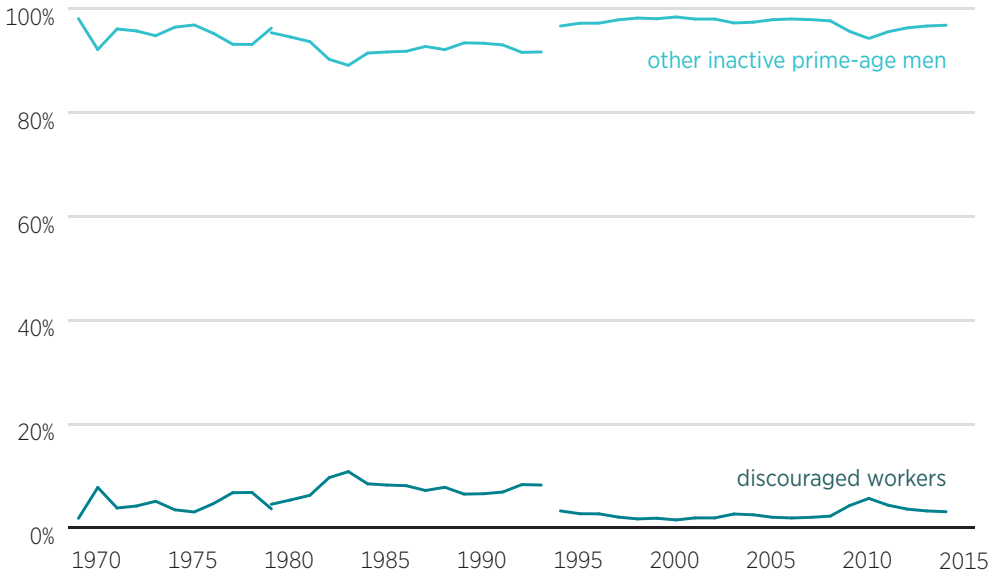
Discouraged Workers

Although many commentators treat inactivity as equivalent to labor force dropout, in reality there are many reasons other than discouragement for someone to be inactive in the labor force. Younger adults may be enrolled in college, and older workers may take time off from working to take classes or participate in job training. Some would-be workers may be taking care of children or sick or aged family members. Older adults may be well-off enough to have retired early. Adults of all ages may have a physical or mental disability that prevents them from working; alternatively, government safety-net programs might lure some able-bodied adults out of the labor force. Obviously, the extent to which we should be concerned about rising inactivity depends on the reasons behind it.

Since 1994, the Bureau of Labor Statistics has defined "discouraged workers" as people who are not in the labor force, who want a job, who are available for work, and who have looked for work in the past 12 months but who have not looked for work in the past four weeks because of economic reasons. Those reasons include believing that no work is available in one's area of expertise, being unable to find any work, lacking the necessary schooling or training, and being a victim of discrimination. (Before 1994, discouraged workers were adults who were outside the labor force and wanted a job, but were not looking for work owing to one of five reasons. They did not have to be available for work and did not need to have searched for a job in the previous 12 months.)[15]

15. Specifically, they were not looking for work because they (a) believed no work was available, (b) could not find work, (c) lacked the necessary schooling, (d) believed employers thought them too young or too old, or (e) had some "personal handicap in finding a job." Adults who wanted a job but were not looking were not "discouraged" if they indicated they were unavailable for work because

FIGURE 6. DISCOURAGED WORKERS AS A SHARE OF PRIME-AGE MEN INACTIVE IN THE LABOR FORCE



Sources: Author's tabulations from the Current Population Survey (May Basic Monthly Survey and Outgoing Rotation Groups) data; estimates for 1969–1979 are from the May survey, and estimates for 1979–2014 are from the ORG data, which feature a larger sample.

Note: There is a break in the data between 1993 and 1994 because the CPS questionnaire changed, along with the definition of a discouraged worker. The data are not comparable before and after this break.

Figure 6 shows that although the ranks of discouraged workers grew during the 1970s and 1980s, very few prime-age men not in the labor force in a typical week of the year are discouraged workers. Since the definition changed in 1994, discouraged workers have constituted fewer than 6 percent of these men—that is, fewer than 6 percent of the 8 to 12 percent of prime-age men who are inactive. More typically, 2 to 3 percent of them are discouraged. Because so few such men exist and because their numbers rise and fall with the business cycle, incorporating them into the unemployment rate does not alter trends in joblessness. That is, conclusions about the strength of the labor market are not altered by taking these men into account.[16]

they were unable to arrange childcare, had family responsibilities, were in school or training, were ill or had a disability, or had some other reason.

16. The unemployment rate after adding discouraged workers to the numerator and denominator is the official U4 rate put out by the Bureau of Labor Statistics every month.

What Reasons Do Men Give for Being Inactive?

Most men between the ages of 25 and 54 who are not in the labor force during a typical week of the year report that they are disabled. In 2014, they made up 56 percent of all inactive men (figure 7).[17] That number was down from roughly 65 percent during the 1990s (a period of stability that extends back to the 1980s, as shown in figure 14 below). Another one-third of inactive men are accounted for by retirees, men enrolled in school or in training, and those taking care of home or family, with all of these groups accounting for a somewhat larger share of the inactive than 20 years earlier.[18] That leaves just 1 in 10 men out of the labor force who falls outside one of these categories.

Because men reporting they are disabled constitute such a large fraction of prime-age men out of the labor force, even though they are a smaller fraction over time, they account for an outsized share of the *rise* in inactivity (figure 8). Of the 3.8-point rise in inactivity between 1994 and 2014, disabled men account for 41 percent. Students and homemakers/caregivers each account for another

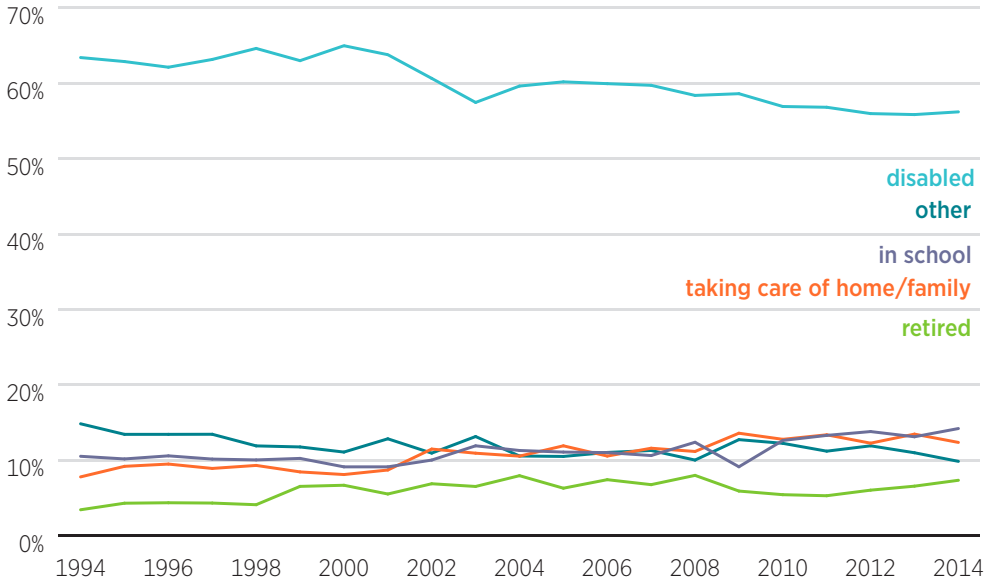
17. "Disabled" here means the person either (a) was out of the labor force and reported a disability that prevented any work for the next six months; (b) was retired and either (1) had a disability that prevented any work for the next six months, (2) had a health problem or disability that prevented work or limited the kind or amount of work that could be done, or (3) had retired or left a job in the past for health reasons; or (c) was out of the labor force but not with a disability that prevented any work for the next six months and not retired and (1) had a health problem or disability that prevented work or limited the kind or amount of work that could be done or (2) said his situation could best be described as being ill or disabled.

These estimates were produced by merging ASEC data with March Basic Monthly Survey data and relying on sampling weights from the latter. Since 2001, the ASEC includes supplement interviews from February and April in addition to March. It is not possible to match these February and April ASEC records to the corresponding Basic Monthly Survey records. Therefore, my estimates are only for a portion of the ASEC sample, and they are weighted to the civilian, noninstitutionalized population (excluding all members of the armed forces, not just those living in military barracks). See Jose Pacas and Sarah Flood, "Using the Annual Social and Economic Supplement with Current Population Survey Panels" (Paper presented at the Annual Meeting of the Population Association of America, April 30, 2015, San Diego, CA), http://paa2015.princeton.edu/uploads/152624.

I chose not to use a series of six questions about whether adults had specific disabilities because the series was introduced only in 2008, and I wanted to keep definitions consistent over time to the extent possible. Incorporating these questions would produce higher estimates of disability. See Richard V. Burkhauser, Andrew J. Houtenville, and Jennifer R. Tennant, "Capturing the Elusive Working-Age Population with Disabilities: Reconciling Conflicting Social Success Estimates from the Current Population Survey and the American Community Survey," *Journal of Disability Policy Studies* 24, no. 4 (2014): 195–205.

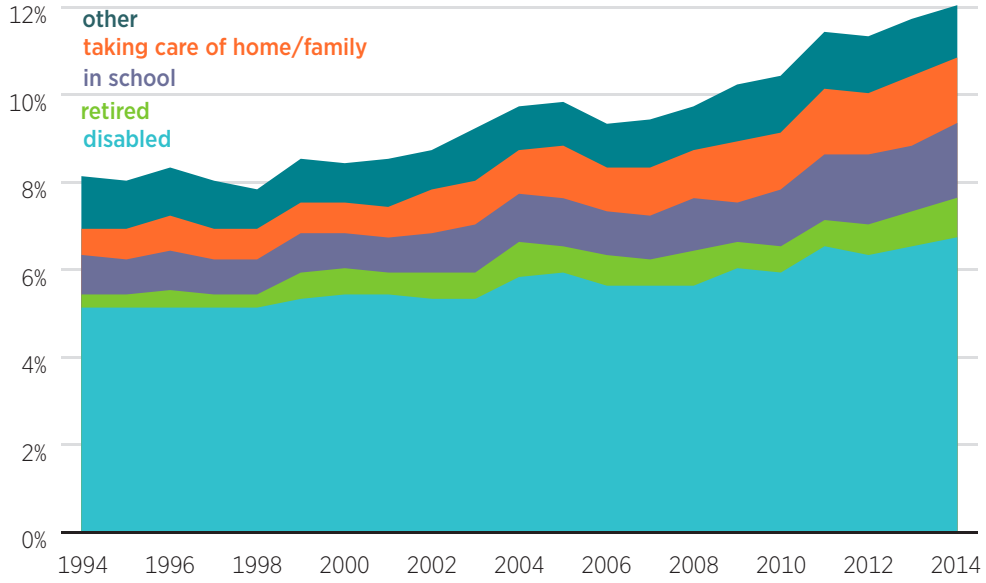
18. "Retired" means the person was out of the labor force and reported being retired and was not "disabled" as described in note 17. "In school" means the person was out of the labor force, was not "disabled" or "retired" as just described, and said his situation was best described as being in school. "Taking care of home/family" is similarly defined; such persons said their situation was best described as "taking care of house or family."

FIGURE 7. PRIME-AGE MEN INACTIVE IN THE LABOR FORCE, BY SITUATION, 1994–2014



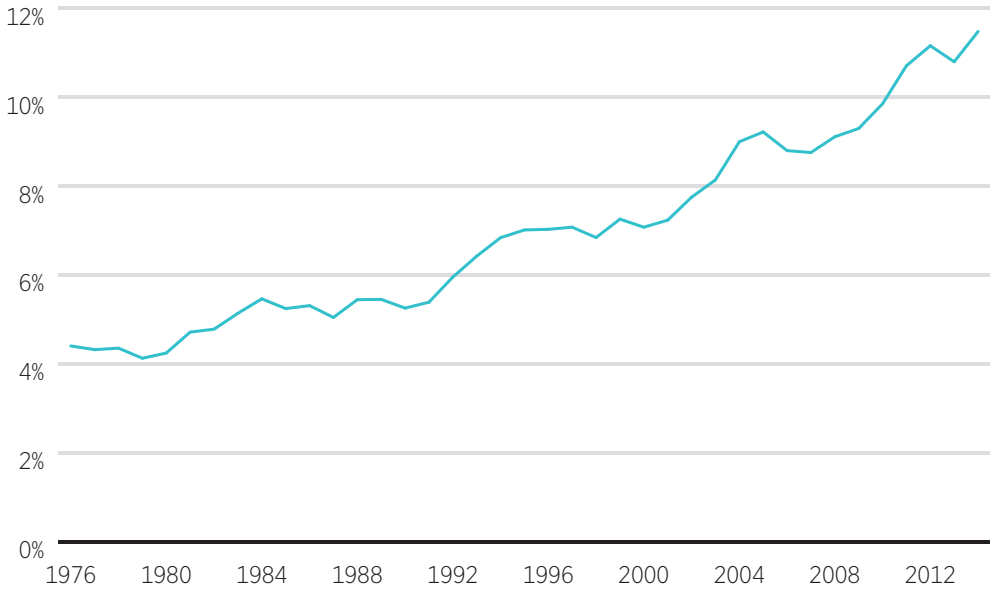
Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement and March Basic Monthly Survey data.

FIGURE 8. RISE IN MALE LABOR FORCE INACTIVITY, BY SITUATION, 1994–2014



Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement and March Basic Monthly Survey data.

FIGURE 9. SHARE OF PRIME-AGE MEN INACTIVE IN THE LABOR FORCE THE ENTIRE PREVIOUS YEAR, 1976–2014



Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement data.

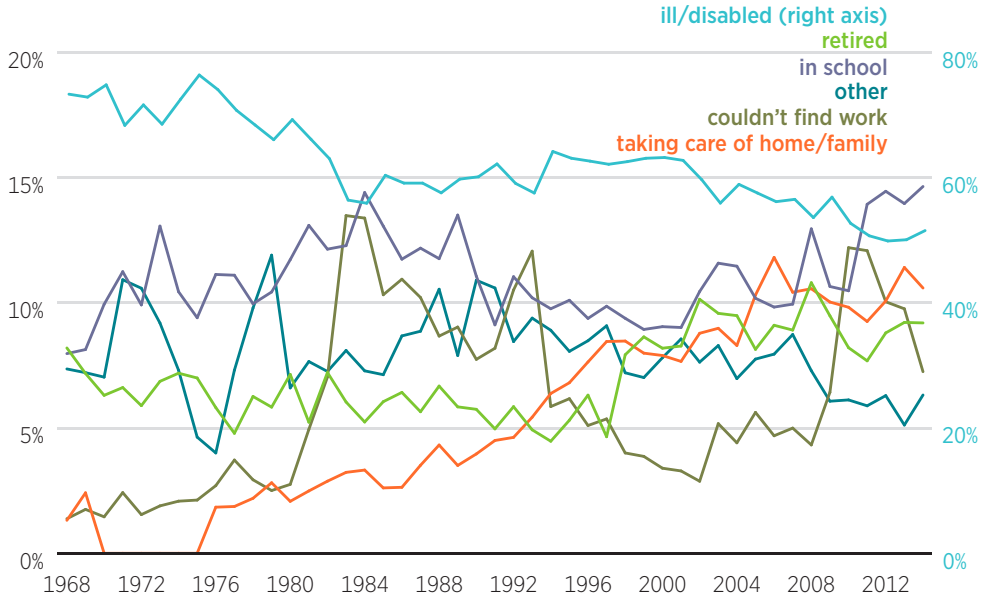
22 percent of the rise, with retirees accounting for 16 percent. The residual "other" group pulls slightly in the direction of *reducing* inactivity.

However, even some men outside this residual group would actually like a job. We cannot assume that the state of the labor market is unimportant to the disabled, retirees, caregivers, homemakers, and students in the ranks of men out of the labor force. Some presumably would not be doing what they are doing if the economy were stronger. At the same time, some men in the residual category do not want a job.

The CPS offers two alternative ways of distinguishing between voluntary and involuntary inactivity. The first is to analyze a question that goes back to 1976, which asks everyone who went the previous year without work—regardless of whether or not they looked—why they did so. Among all prime-age men, the share who neither worked nor looked for work during the previous year increased steadily over time (figure 9). Note that these estimates are different from those in figure 7, which show the rise in the share of prime-age men who were inactive during the single week to which the CPS survey referred.

Figure 10 shows the share of these men by the "main reason" they gave for not working the previous year. The question is useful because it pits the response

FIGURE 10. PRIME-AGE MEN INACTIVE IN THE LABOR FORCE THE ENTIRE PREVIOUS YEAR, BY SITUATION, 1968–2014



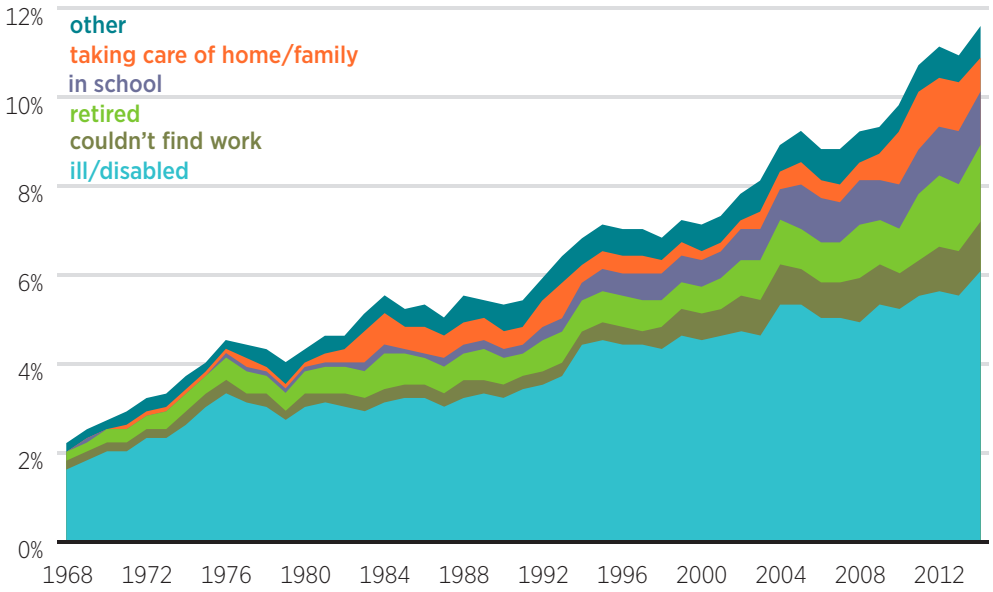
Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement data.

Note: The "taking care of home/family" series may suffer from a data problem from 1970 to 1975, when zero cases appear in the data. However, since this category is a small share of cases in neighboring years, I leave the 1970-to-1975 segment in the chart, and the distortion to the other series is likely minimal. Right vertical axis is for ill/disabled only.

"could not find work" against the other options in figure 7. Once again, most inactive men were disabled or ill—see the right axis of figure 10—constituting 52 percent of them in 2014. As in figure 7, this share declined after the 1990s, and an earlier decline occurred between 1975 and 1984. This long-term drop was accompanied by a steady increase in the share of prime-age men who were taking care of home or family, a post-1997 rise in the share who were retired, and a post-2001 increase in the share who were in school. The share who could not find work also rose over time, largely following a cyclical pattern in which increases tend to lag the onset of recessions.

But this increase was small—from 1 percent to only 7 percent from 1968 to 2014 and from 3 percent to only 4 percent from 1979 to 2008. Overall, the increase in men who could not find work accounted for 9 percent of the rise in the inactive over the prior year, compared with 47 percent for disability and illness, 16 percent for school enrollment, 13 percent for homemaking and caregiving, and 9 percent for retirement. Only the "other" response accounted for a smaller share of the increase (6 percent). Figure 11 depicts the relative contributions over time.

FIGURE 11. RISE IN MALE INACTIVITY IN THE LABOR FORCE THE ENTIRE PREVIOUS YEAR, BY SITUATION, 1968–2014



Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement data.

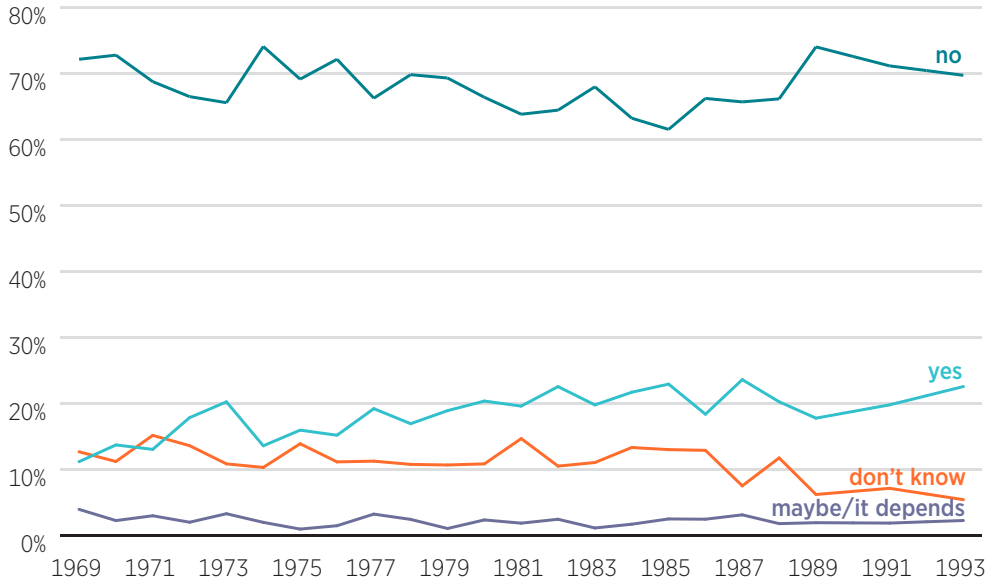
Note: The "taking care of home/family" series may suffer from a data problem from 1970 to 1975, when zero cases appear in the data. However, since this category is a small share of cases in neighboring years, I leave the 1970-to-1975 segment in the chart, and the distortion to the other series is likely minimal.

How Many Inactive Men Want a Job?

Another way to assess the trend in the inactivity rate is to examine changes according to whether men want a job during the week in which they are inactive, though that cannot be done as consistently over time as would be ideal. Note that a man can still be out of the labor force even if he wants a job so long as he has not looked for one in the previous four weeks or is not available to take one. From 1969 to 1993, the CPS asked all inactive respondents whether they wanted a job. Figure 12 shows that as of 1993, just 23 percent of prime-age men out of the labor force said they definitely wanted a job, and another 2 percent said that they might. In contrast, 70 percent said they definitely did not want a job. Over time, the share saying they wanted a job more than doubled, rising from 11 percent in 1969, balanced primarily by a fall in the share saying they did not know whether they wanted a job.

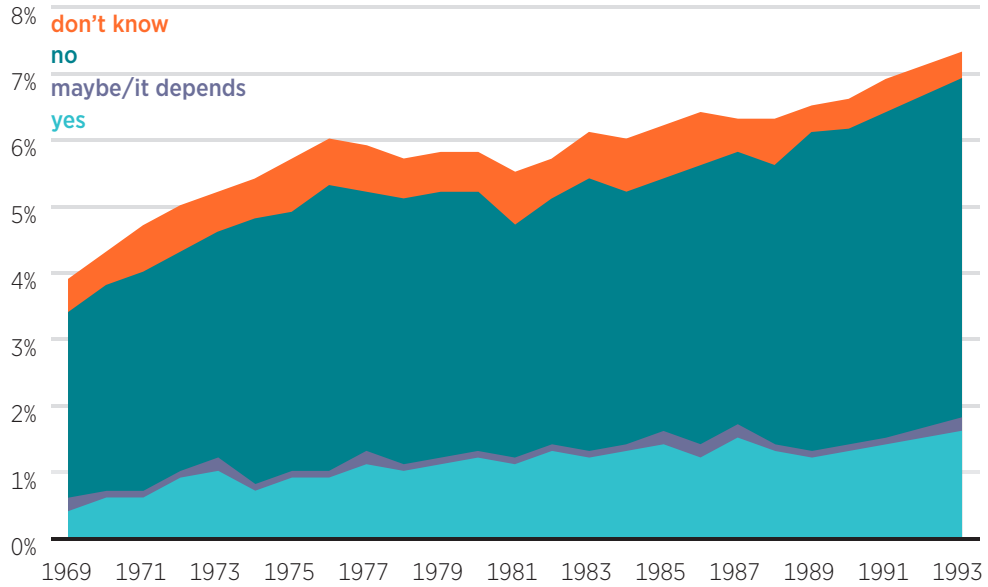
As with the prevalence of disability, the dominance of men who do not want a job means that even though their share of men outside the labor force was relatively flat over the period, they accounted for two-thirds of the growth in inactivity. The remaining third was accounted for by men who want a job (figure 13).

FIGURE 12. PRIME-AGE MEN INACTIVE IN THE LABOR FORCE, BY DESIRE FOR A JOB, 1969–1993



Source: Author's tabulations from the Current Population Survey, May supplement.

FIGURE 13. RISE IN MALE INACTIVITY, BY DESIRE FOR A JOB, 1969–93



Source: Author's tabulations from the Current Population Survey, May supplement.

After 1993, the CPS only asked the inactive whether they wanted a job so long as they did not indicate they had a disability that would keep them from working for the next six months. Using other information in the CPS, it is possible to create a consistent disability measure going back to 1981.[19] Figure 14 shows the post-1980 trend in prime-age male inactivity by four groups of men: (a) the disabled (whether or not they want a job), (b) retirees who do not want a job, (c) other nondisabled men who do not want a job, and (d) nondisabled men who do want a job.

Disabled men were a declining share of the inactive after 2000 but still constituted 54 percent of the group in 2014. The decline was matched by a rise in retired men who were uninterested in a job from 1981 to 2014, though they were just 7 percent of the inactive by 2014. Meanwhile, the share of nondisabled men who wanted a job and the share of nondisabled, nonretired men who did not want a job were relatively stable over the period. In 2014, just 12 percent of prime-age men out of the labor force suffered no disability and said they definitely wanted a job or might, depending on the circumstances. That share was less than half the number of nondisabled, nonretired men who definitely did not want a job or said they did not know.

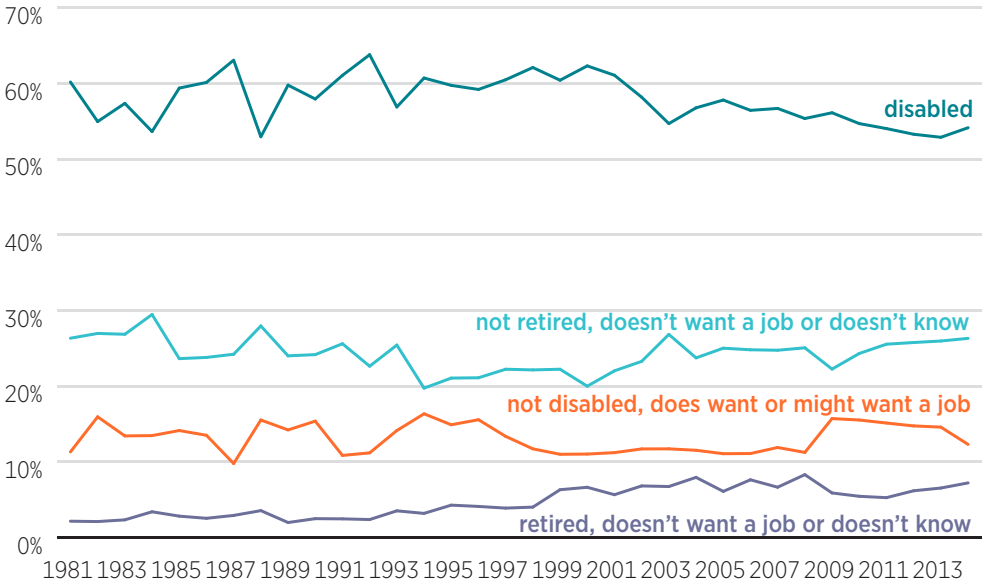
As displayed in figure 15, the increase in disabled men accounted for almost half (48 percent) of the rise in inactivity between 1981 and 2014, and nondisabled men who did not want a job made up another 26 percent of the rise. The remaining growth in inactivity was split evenly between retirees who did not want a job

19. This disability measure begins by coding as disabled everyone who, before 1994, indicated they were "unable to work" when asked which of several options described what they were doing "most of last week." Similarly, I code as disabled from 1994 forward those who the Bureau of Labor Statistics indicated in its PEMLR variable were out of the labor force and disabled. This variable summarizes responses to a number of questions, primarily one asking whether any work was done in the previous week. It categorizes people as disabled only if their disability prevented them from working in the next six months.

I then use responses to a CPS Annual Social and Economic (ASEC) Supplement question asked since 1981 about whether someone has a "health problem or a disability which prevents work or which limits the kind or amount of work." Affirmative answers to this question also make someone disabled by my measure. (Negative responses do not alter the designation by the PEMLR variable.) I thank Sean Lyons, Andrew Houtenville, and Richard Burkhauser for their help in obtaining these data (see note 14).

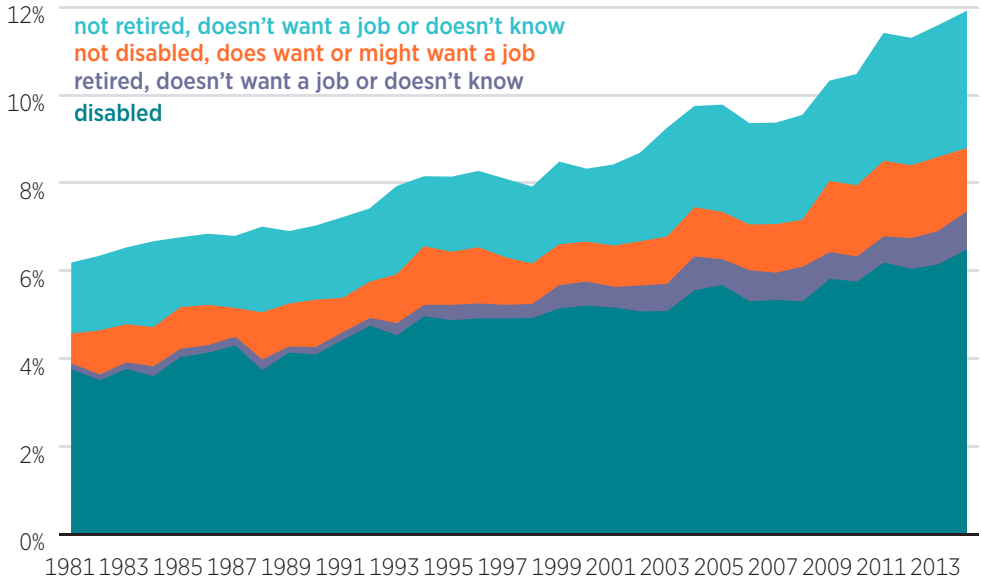
I tested several alternatives to this measure, determining how the levels and trends were affected. In general, levels shifted modestly depending on the measure, and trends were similar except where the introduction of a new variable created a discontinuity (such as in 1981). My primary goals were to create a measure entirely from the ASEC that displayed a reasonably smooth trend through the 1993-to-1994 seam in the CPS data and that avoided the risk of creating discontinuities in the trend arising simply from the introduction of new variables in the CPS. I confirmed that my created series follows a trend very similar to that for the share of men out of the labor force the entire previous year who reported disability as the reason for not working.

FIGURE 14. PRIME-AGE MEN INACTIVE IN THE LABOR FORCE, BY DESIRE FOR A JOB, 1981–2014



Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement and March Basic Monthly Survey data.
Note: It is not possible to disaggregate "wants job" from "maybe, it depends" or "doesn't want job" from "don't know" after 1993, so they are combined for 1981 to 1993.

FIGURE 15. RISE IN PRIME-AGE MALE INACTIVITY IN THE LABOR FORCE, BY DESIRE FOR A JOB, 1981–2014



Source: Author's tabulations from the Current Population Survey, Annual Social and Economic Supplement and March Basic Monthly Survey data.
Note: It is not possible to disaggregate "wants job" from "maybe, it depends" or "doesn't want job" from "don't know" after 1993, so they are combined for 1981 to 1993.

and nondisabled men who wanted a job (both accounting for 13 percent of the growth).

Putting together all this information on openness to work, how much of the rise from 1969 to 2014 in prime-age-male inactivity was owing to an increase in men who did and did not want a job? Determining that requires an assumption about how the share of disabled men who wanted a job changed between 1994 and 2014, when men with disabilities that were expected to prevent them from working for at least six months were not asked about their interest in employment.

Among the subset of inactive men I identify as disabled who *were* asked about their interest in a job after 1993 (14 percent of inactive disabled men—primarily those whose disability was not expected to prevent them from working in the next six months), the share wanting work fell from 1994 to 2014 (from 32 percent to 28 percent). That was also true among retired inactive men, inactive men in school, inactive men who were homemakers or caregivers, and other inactive men: within each group, a declining share said they wanted a job. It seems reasonable to assume that wanting a job grew no more likely over time among disabled men who were not asked because of the severity of their disability.

In 1993, the last year that all disabled men were asked whether they wanted a job, 21 percent said that they did (or might want one). That was a high point between 1981 and 1993. (The low was 12 percent.) If we assume that 21 percent of disabled men in 2014 wanted a job (which means assuming that 20 percent of disabled men not asked wanted a job), then 24 percent of *all* prime-age men out of the labor force wanted a job in 2014. That share was down from 26 percent in 1993. Combining these 1993-to-2014 estimates with the 1969-to-1993 ones in figure 12, only 27 percent of the rise in the inactive between 1969 and 2014 was owing to an increase in men who wanted a job, and 73 percent of the rise was owing to an increase in men who did not want a job.

If the share of disabled men who want a job actually rose between 1993 and 2014, then this calculation understates the share of the increase in inactivity owing to men interested in work. But even if we assume that the share of disabled men who wanted a job rose from 21 percent to 30 percent (bucking the trend among the least severely disabled men and among nondisabled men), the increase in the ranks of all men who wanted a job would still explain just one-third of the rise in inactivity from 1969 to 2014. Under that scenario, nearly two-thirds of the increase in the ranks of inactive men who want a job would have come from disabled men, which seems implausible taken at face value.

SUPPLY SIDE OR DEMAND SIDE?

The fact that most of the rise in prime-age male inactivity is owing to an increase in the share of such men who do not want a job does not tell us whether labor supply has shifted—fewer men willing or able to work at a given level of compensation—or whether labor demand has done so—fewer employers willing to pay those men a given compensation level. Lower demand for prime-age male workers pushes employment and worker compensation down—all else equal—whereas reduced labor supply pushes compensation up.

Contrary to popular perception—and to a variety of analyses with faulty methodological choices—the inflation-adjusted hourly compensation of middle- and working-class men has not fallen over time. In fact, median hourly compensation (including the employer's share of payroll taxes but no fringe benefits) is 23 percent higher among men (of all ages) today than it was in 1967 (figure 16).[20] Even at the 20th percentile—corresponding to the male worker who has lower pay than 80 percent of the male workforce—hourly compensation is 10 percent higher than in 1967.[21] Adding the value of fringe benefits to compensation improves the increase in the median to 31 percent.[22]

However, estimates such as those in figure 16 reflect only the compensation of workers observed in the data. It is not known what pay would have been offered to men who were not working, nor what pay they received when or if they previously worked. Under the assumption that men out of the labor force have lower productivity than those who are employed, then their hourly compensation would be relatively low if they were in the labor force, reducing pay at the median and the 20th percentile. More important, their greater numbers today than in the past would cause hourly pay to rise less over time than the estimates in figure 16—or to fall.

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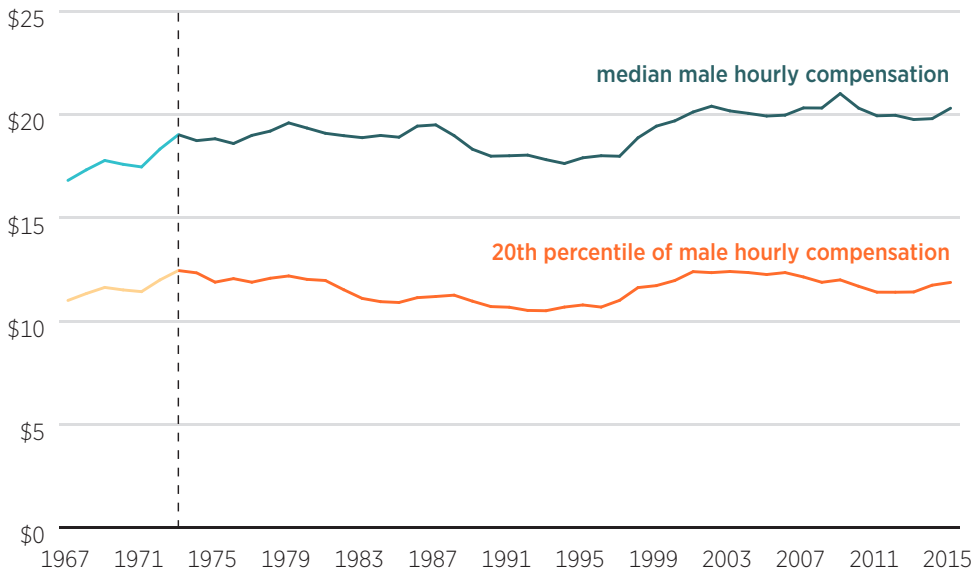
20. Author's calculations using published tables from the Economic Policy Institute (EPI), Census Bureau, and Bureau of Economic Analysis. See the note to figure 16. I increase the 1967-to-2015 estimates by 1.7 percent to reflect the real wage growth that has occurred since 2015. (This 1.7 percent estimate divides the September-to-September growth in average hourly earnings among private workers from 2015 to 2016 by the Q3-to-Q3 increase in the PCE deflator.) The 1973-to-2015 change in median compensation was a 7 percent increase, while the change at the 20th percentile was a decline of 5 percent.

21. This calculation assumes that the increase at the 20th percentile of male compensation was the same as the increase in median annual male compensation, and it assumes 1.7 percent real growth at the 20th percentile since 2015. Because inequality was not rising during the late 1960s, it is likely to be a safe assumption that the 20th percentile and median grew at the same rate. The 2015-to-2016 assumption is less consequential.

22. Computing the corresponding estimate for the 20th percentile would require the assumption that the 20th percentile's wages are the same share of compensation as for other workers, which is probably not tenable, though the increase under this assumption is 18 percent.

FIGURE 16. HOURLY COMPENSATION OF LESS- AND MIDDLE-SKILLED MEN, 1967–2015



Source: Author's calculations using published tables from the Economic Policy Institute, Census Bureau, and Bureau of Economic Analysis.

Note: The estimates begin with the Economic Policy Institute tables (http://www.epi.org/data/#?preset=wage-percentiles). I convert the 1973-through-2015 hourly wage estimates to nominal dollars, using the table on page 22 of the Census Bureau report (http://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-256.pdf). I then convert them to real dollars using the PCE deflator, from NIPA table 1.1.9 (http://www.bea.gov/iTable/index_nipa.cfm). On the superiority of the PCE deflator as a price index, see Scott Winship, "Poverty after Welfare Reform" (report, Manhattan Institute, New York, 2016), appendix 1, https://www.manhattan-institute.org/download/9172/article.pdf. The EPI hourly pay estimates go back only to 1973. To estimate wage growth from 1967 to 1973, I begin with median male annual earnings from Census Bureau Historical Table P-41 (http://www2.census.gov/programs-surveys/cps/tables/time-series/historical-income-people/p41ar.xls). I apply the PCE estimates to the nominal earnings from this table. Using NIPA Table 2.1, I compute the ratio of (wages plus employer contributions for social insurance) to wages for each year. I multiply the hourly wage (and, for 1967-1973, annual earnings) estimates by this ratio.

It is very unlikely that the inclusion in the data of inactive men who could be reasonably expected to work would prevent median pay among men from rising, but it is possible that the 20th percentile of pay would fall. (The reader should also keep in mind the caveat that figure 16 is for all male workers, not just prime-age men.) At the same time, it is possible that men's wage trends look worse than they might have because men became less interested in work over time and reduced investment in their human capital.[23] That could have happened, for instance, if the increase in single-parent families and the availability of safety-net benefits for such families reduced the responsibilities and expecta-

23. I thank an anonymous reviewer for raising this point and for appropriately complicating the question of what constitutes a demand-side or a supply-side explanation.

tions of fathers. Or perhaps rising work and pay among wives reduced the incentives for men to invest in themselves.

Wanting a Job, Revisited

The evidence summarized earlier indicates that men who want a job are a small share of inactive men, and their increasing ranks play only a small role in the rise in inactivity. With falling pay, these facts would offer only weak support for a supply-side explanation for the rise in inactivity. If the pay on offer to prime-age men were dropping owing to shrinking demand, it might not be surprising that fewer of them want a job. However, if the pay on offer today is better or no worse than in the past, then the small share of inactive men who want a job and the small role they play in the rise in inactivity are relevant for the supply-versus-demand question. These facts support the idea that the increase in inactivity has much more to do with workers' willingness or ability to take a job than with employers' willingness to offer jobs that are as good as in the past.

To reiterate: most inactive men do not want a job (not even maybe). Men who want a job (or might) are roughly one-quarter of prime-age inactive men (25 percent in 1993, the last time all disabled men were asked whether they wanted a job, and 24 percent in 2014 by the assumption that the desire for a job among the disabled did not change after 1993). Men who want a job (or might) are no more than one-third of *nondisabled* inactive men (28 percent in 1981, 33 percent in 1993, and 31 percent in 2014). Nondisabled men who want a job are only 14 percent of all inactive men.

The increase in inactive men who want a job accounted for just 36 percent of the rise in the prime-age male inactivity rate from 1969 to 1993. Excluding the most disabled men, who were not asked about their interest in work, the entire increase in prime-age male inactivity from 1994 to 2014 was owing to men who did not want a job (or did not know). And under my assumption about the desire for work among disabled men after 1993, only 27 percent of the rise in prime-age male inactivity from 1969 to 2014 was owing to an increase in men who wanted a job. The remaining 73 percent is accounted for by greater numbers of inactive men who do not want a job (or do not know).

Evidence from Other Employment Trends

The contention that demand-side forces are responsible for most of the increase in prime-age male inactivity also has difficulty addressing the long-term nature of the increase (beginning 85 years ago, as noted above). Another problem for

demand-side explanations is that the trend in the unemployment rate is the same after including discouraged workers (the U4 rate published by the Bureau of Labor Statistics), after including "marginally attached" workers (the U5 rate), and after including part-time workers who want to work full time but are prevented by economic factors (the U6 rate). None of these measures has increased more than the official unemployment rate since they were introduced in 1994. Moreover, the cyclical component of the rise in inactivity is not large relative to the long-term component, as we saw in figure 4. The long-term rise in the unemployment rate is small relative to the cyclical component.

Finally, other indicators fail to support the notion that the labor market is ailing. The share of prime-age male workers who are employed only part time has risen, but among these part-time workers, no increase has occurred in the fraction who indicate they are part time owing to economic reasons (that is, who would like to work full time).[24] Nor have unemployed prime-age men who involuntarily lost their previous job become more prevalent relative to unemployed prime-age men who voluntarily left their previous job, apart from cyclical swings.[25] Prime-age unemployed men who have been out of work for more than six months have become a larger share of all prime-age unemployed men, but the long-term unemployment trend tracks closely with the unemployment rate, and as we have seen, the rise in unemployment cannot explain much of the decline in work rates over time.[26]

In short, evidence from a variety of angles supports the view that most of the rise in prime-age male inactivity is owing to supply-side factors. A companion essay to this paper critiques a recent paper by the Council of Economic Advisers arguing the opposite.[27]

Unwilling to Work or Unable to Work?

Even accepting the supply-side explanation, another question is important for policy: Are men less willing to work, or are men less able to work? On first

24. Author's calculations using the 1962–2014 ASEC Supplements to the CPS. Men working part time for economic reasons include those who (a) worked fewer than 35 hours during the survey week, (b) either usually work full time or both want a job and are available to work full time, and (c) are working part time because of slack work or business conditions, seasonal work, being able to find only a part-time job, or starting or ending a job.
25. Author's calculations using the 1968–2014 ASEC Supplements to the CPS. This ratio excludes men who are on temporary layoff.
26. Author's calculations using the 1962–2014 ASEC Supplements to the CPS.
27. Scott Winship, "Declining Prime-Age Male Labor Force Participation: Why Demand- and Health-Based Explanations Are Inadequate" (Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, 2017); Council of Economic Advisers, "The Long-Term Decline."

consideration, it appears that male workers are increasingly unable to work. A large share of men added to the ranks of the inactive over time report that they are disabled. The rising number of disabled men accounts for 48 percent of the increase in prime-age male inactivity from 1981 to 2014. The increase in ill and disabled men accounts for 47 percent of the 1968-to-2014 increase in the number of prime-age men inactive in the labor force the entire previous year. Analyzing receipt of government disability benefits leads to a similar conclusion. The growth in the number of prime-age men receiving federal or state disability benefits accounts for 40 percent of the increase in inactive men from 1970 to 2013 in the CPS.[28] Adding private disability benefits might raise this estimate. Obviously, it is difficult to put a precise number on the importance of rising disability over time, but these estimates are all consistent with its explaining 40 to 50 percent of the rise in prime-age male inactivity.

However, there are strong reasons to think that the increase in self-reported disability reflects considerations other than changes in health status. It is true that the aging of the baby boomers has increased the incidence of disability, but it has done so primarily by pushing more men out of the prime-age group analyzed in this paper.[29] Rather than deteriorating, the health status of prime-age men has generally improved over time.

According to the National Center for Health Statistics, mortality rates among men ages 25–34, 35–44, and 45–54 were lower in 2014 than in 1970, 1980, 1990, and 2000. The one exception was the 2014 rate for 25- to 34-year-old men, which was above the 2000 rate. This age group contributes little to the disability rolls.

Despite much recent attention to rising death rates among middle-age non-Hispanic whites, mortality among 35- to 44-year-olds and 45- to 54-year-olds in this group remained below their 1990 levels in 2014, which were lower than in earlier decades.[30] (The same was true for non-Hispanic white men 25 to 34 years old.)

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28. The rise in the share of prime-age men both inactive and receiving Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), workers' compensation, or black lung benefits rose by 3.27 points between 1970 and 2013, the first and last years where consistent comparisons are possible. Over the same period, prime-age male inactivity rose by 8.1 percentage points.
29. See Mark Duggan, "Understanding and Projecting the Rise in SSDI Enrollment" (slide presentation, American Enterprise Institute/Brookings Institution/Secretary's Innovation Group conference "Disability Insurance: Inherent Problems, Practical Solutions, and Action for Reform," Washington, DC, April 12, 2013), slide 14, http://www.aei.org/wp-content/uploads/2013/04/-mark-duggan-presentation-41213_153901116574.pdf; and Scott Winship, "How to Fix Disability Insurance," *National Affairs*, no. 32, Summer 2015, http://www.nationalaffairs.com/publications/detail/how-to-fix-disability-insurance.
30. National Center for Health Statistics, *Health, United States, 2015: With Special Feature on Racial and Ethnic Health Disparities* (Washington, DC: Government Printing Office, 2016), table 21. Non-Hispanic and Hispanic whites are separated only from 1990 forward. On the increase in mortality and morbidity since the early 1990s, see Anne Case and Angus Deaton, "Rising Morbidity and Mortality

Age-adjusted years of potential life lost by age 75 declined among men from 1980 to 2014.[31] The decline occurred across a range of causes of death: heart disease, strokes, cancers, respiratory diseases, pneumonia and influenza, HIV, kidney and liver diseases, homicides, and motor vehicle accidents.

Nonelderly men had similar levels of head, neck, and back pain in 1997 and 2014 and were no more likely in 2014 to have disability-related difficulties with basic activities or limitations on complex activities.[32] Nutritional intake has not worsened, and exercise has increased.[33]

This picture of improving health has two main exceptions. First, obesity and the conditions that tend to accompany it have become more prevalent. However, these conditions have not meaningfully contributed to the rise in receipt of disability benefits.[34] Second, an increase has occurred in the age-adjusted years of potential life lost owing to diabetes (related to obesity), poisoning (including drug overdoses), and suicide. Mental health problems *have* contributed disproportionately to the growth of disability benefits, but it is unlikely that any true deterioration in mental health can explain much of the rise.[35]

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in Midlife among White Non-Hispanic Americans in the 21st Century," *Proceedings of the National Academy of Sciences* 112, no. 49 (2015): 15078–83; and Anne Case, "Morbidity and Mortality in Midlife Americans" (paper presented at the American Enterprise Institute event "Improving Opportunity for People with Disabilities: Understanding Trends and Effective Return-to-Work Strategies," Washington, DC, February 7, 2017), http://www.aei.org/events/improving-opportunity-for-people-with-disabilities-understanding-trends-and-effective-return-to-work-strategies/. The National Center for Health Statistics shows mortality among non-Hispanic white men ages 45–54 falling from 1990 to 2000 then rising between 2000 and 2013, remaining below the 1990 level in 2013 and 2014. The same pattern holds for non-Hispanic white women ages 45–54, but the 2013 and 2014 levels are above the 1990 level. Averaging the rates for non-Hispanic white men and women ages 45–54 indicates lower mortality in 2014 than in 1990. It is unclear why Case and Deaton find an increase.

31. National Center for Health Statistics, *Health, United States, 2015*, table 18. The earliest year shown in the table is 1980.

32. Ibid., tables 41 and 42. The earliest year shown in the tables is 1997.

33. Ibid., tables 56 and 57. Nutritional intake is measured as the percentage of calories that come from carbohydrates, protein, total fat, and saturated fat. The trend runs from 1988–1994 (pooled) to 2009–2012. Exercise is measured as the percentage meeting aerobic exercise and muscle-strengthening guidelines, starting in 1998 and ending in 2014.

34. Ibid., table 53; David Autor and Mark Duggan, "The Rise in the Disability Rolls and the Decline in Unemployment," *Quarterly Journal of Economics* 118, no. 1 (2003): 157–206.

35. National Center for Health Statistics, *Health, United States, 2015*, table 18; Winship, "How to Fix Disability Insurance." Even if SSDI beneficiaries qualifying on the basis of mental health had grown at the same rate as other beneficiaries, most of the rise in the SSDI rolls would still have occurred.

Serious psychological distress was no higher in 2004–2005 than in 1997–1998 (the first years available) among men, women, non-Hispanic whites, non-Hispanic blacks, Hispanics, persons 25–44 years old, and persons 45–54 years old (see National Center for Health Statistics, *Health, United States, 2015*, table 46). By 2010–2011, the prevalence of serious psychological distress exceeded the 1997–1998 levels for non-Hispanic whites, men, persons 25–44 years old, and persons 45–54 years old, probably reflect-

Not only has health improved, but the occupational distribution of the workforce also has changed such that jobs are less physically exerting and dangerous than in the past, with more service jobs and fewer in manufacturing, agriculture, and mining.[36] Occupational injury rates have declined, and worker impairments are less severe thanks to medical advances.[37] Finally, workplaces have been more likely to accommodate the disabled than they were before the Americans with Disabilities Act of 1990 was signed into law.

In the CPS, among prime-age men who were employed but absent from work during the survey week, the share who gave health problems as a reason fell from 50 percent in 1962 to 24 percent by 2014 (largely balanced out by a rise in the number of people who gave vacation and personal days as their reason).[38] Prime-age men who were absent from work because of health problems also declined as a share of working prime-age men. The share of prime-age men and of *employed* prime-age men who were working part time because of health issues fell from 1962 to 2014.[39] Economists Mary Daly and Richard Burkhauser have shown that employment among the disabled has fallen since 1981. [40] Similarly, Alan Krueger's research reveals that in the past eight years, labor force participation among the disabled has fallen.[41]

If health conditions are unlikely to have worsened over time—at least enough to have substantially increased the ranks of the disabled—perhaps cultural change is the culprit. One possibility is that thresholds for pain have

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ing the Great Recession. In 2013–2014, it was higher still among men, persons 25–44 years old, and persons 45–54 years old. This evidence, however, hardly demonstrates a secular decline in mental health.

36. Richard W. Johnson, Gordon B. T. Mermin, and Matthew Resseger, "Employment at Older Ages and the Changing Nature of Work" (AARP Public Policy Institute Paper No. 2007-20, AARP, Washington, DC, November 2007); C. Eugene Steuerle, Christopher Spiro, and Richard W. Johnson, "Can Americans Work Longer?" (Policy Brief No. 5, Urban Institute, Washington, DC, August 1999), http://www.urban.org/url.cfm?ID=309228.

37. Jagadeesh Gokhale, "SSDI Reform: Promoting Gainful Employment while Preserving Economic Security" (Cato Institute Policy Analysis No. 762, Cato Institute, Washington, DC, October 2014); William J. Wiatrowski, "Occupational Injury and Illness: New Recordkeeping Requirements," *Monthly Labor Review* 127, no. 12 (2004): 10–24.

38. Author's calculations using the ASEC Supplement to the CPS.

39. Even among prime-age men who were working part time for noneconomic reasons, the share citing their health fell.

40. Richard V., Burkhauser and Mary C. Daly, *The Declining Work and Welfare of People with Disabilities: What Went Wrong and a Strategy for Change* (Washington, DC: American Enterprise Institute, 2011). See also Richard V. Burkhauser, Mary C. Daly, Andrew J. Houtenville, and Nigar Nargis, "Self-Reported Work-Limitation Data: What They Can and Cannot Tell Us," *Demography* 39, no. 3 (2002): 541–55.

41. Alan B. Krueger, "Where Have All the Workers Gone?" (paper presented at the Federal Reserve Bank of Boston, 60th Economic Conference, October 14, 2016), https://www.bostonfed.org/-/media/Documents/economic/conf/great-recovery-2016/Alan-B-Krueger.pdf.

declined over time, so that people with the same symptoms as those in the past perceive them as being worse today. However, much of the evidence just cited is based on self-reporting.

It is also possible that healthcare providers have become more likely to diagnose people with disabilities given the same levels of patient-reported physical or mental pain as in the past. It seems likely, for instance, that mental health issues are better recognized than they used to be and are treated as medical problems. Over time, perhaps more patients have become convinced by their physicians that they are disabled. Alternatively, patients may have become more willing to report complaints to physicians, holding fixed health status.

More likely, though, self-reported disability has risen because government disability programs have become more accessible and generous, owing to legal and policy changes and the way they have interacted with economic trends.[42] Legislation in 1984 created major reforms to the Social Security Disability Insurance (SSDI) program. One of the most consequential changes was that it liberalized screening and eligibility for mental health conditions. Other legislative changes and legal decisions during the 1980s increased the authority of the assessment of an SSDI claimant's physician. Burkhauser and Daly review the impact of legislation and legal challenges on eligibility for the Supplemental Security Insurance (SSI) program.[43]

Over the past 30 years, more and more SSDI beneficiaries have qualified for the program not on the basis of having a specific identifiable qualifying condition, but on the basis of their employability given their physical or mental complaint, age, education, and work experience.[44] Relatedly, more and more SSDI beneficiaries have

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42. Autor and Duggan, "The Rise in the Disability Rolls"; David Autor and Mark Duggan, "The Growth in the Social Security Disability Rolls: A Fiscal Crisis Unfolding" (NBER Working Paper No. 12436, National Bureau of Economic Research, Cambridge, MA, August 2006); Burkhauser and Daly, *Declining Work and Welfare of People with Disabilities*; Mark Duggan, "The Urgency of Reforming Entitlement Programs: The Case of Social Security Disability Insurance" (Issue Brief, vol. 1, no. 8, Penn Wharton Public Policy Initiative, Philadelphia, 2013); Jason J. Fichtner and Jason S. Seligman, "Beyond All or Nothing: Reforming Social Security Disability Insurance to Encourage Work and Wealth," in *SSDI Solutions: Ideas to Strengthen the Social Security Disability Insurance Program*, eds. Jim McCrery and Earl Pomeroy (West Conshohocken, PA: Infinity Publishing, 2016), 357–88; Gokhale, "SSDI Reform"; Mark Warshawsky and Ross Marchand, "Modernizing the SSDI Eligibility Criteria: A Reform Proposal That Eliminates the Outdated Medical-Vocational Grid" (Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, 2015), https://www.mercatus.org/publication/modernizing-ssdi-eligibility-criteria-eliminates-medical-vocational-grid; Mark Warshawsky and Ross Marchand, "Reforming Administrative Legal Review in Disability Insurance," *Tax Notes* 149, no. 1 (2015): 139–47; Winship, "How to Fix Disability Insurance."
43. Burkhauser and Daly, *Declining Work and Welfare of People with Disabilities*.
44. Ibid., figure 3-7; Social Security Advisory Board, "Disability Chartbook Chapter 7: Variation in DDS Decision Making" (2017), chart 3, http://www.ssab.gov/Details-Page/ArticleID/1119/Disability

qualified on the basis of one of two categories of difficult-to-assess conditions—muscle or joint pain or mental health issues.

As less-skilled workers have seen relative stagnation in their pay, disability programs have become more and more attractive relative to work. The average person on SSDI makes about the same as a full-time minimum-wage worker after taxes and receives Medicare benefits. And because claimants' attorneys—if successful—can be paid from the retroactive benefits they win for their clients, more and more claimants initially denied benefits resort to administrative hearings to try to have their earlier denials overturned. The judges at these hearings generally defer to claimants' physicians and reverse most of the denials on which they rule.

It should also be said that the expansion of other safety-net programs has also likely caused many men to be less interested in working.[45] Although relatively few such benefits are available to men—food stamps (the Supplemental Nutrition Assistance Program, or SNAP) being an important exception—government benefits are fungible and benefit men living in recipient households even if they are not the beneficiary.[46] My analyses of the CPS indicate that 76 percent of inactive men were in households that received federal or state cash or noncash transfers in 2013.[47]

The bulk of the evidence, then, suggests that although the Great Recession introduced severe cyclical dislocations,

"As less-skilled workers have seen relative stagnation in their pay, disability programs have become more and more attractive relative to work."

-Chartbook-Chapter-7-Variation-in-DDS-Decision-Making; US Senate Special Committee on Aging, "Social Security Disability: Past, Present, and Future" (Washington, DC, 1982), chart 5.

45. Casey B. Mulligan, *The Redistribution Recession: How Labor Market Distortions Contracted the Economy* (Oxford: Oxford University Press, 2012); Casey B. Mulligan, "The Rise of Employment Taxation," in *The US Labor Market: Questions and Challenges for Public Policy*, ed. Michael R. Strain (Washington DC: AEI Press, 2016), 138–50.

46. Nicholas Eberstadt, *Men without Work: America's Invisible Crisis* (West Conshohocken, PA: Templeton Press, 2016).

47. This calculation uses the 2014 ASEC Supplement to the CPS. Included in transfers are all major social insurance and safety-net programs providing cash benefits, as well as Medicaid, Medicare, food stamps, subsidized school lunches and breakfasts, housing subsidies, and energy assistance. I do not count as transfer recipients any household that did not receive at least $500 in either cash transfers, nonhealth noncash transfers, or health transfers.

structurally the American labor market is no less healthy than in the past. It also suggests that rising inactivity by prime-age men primarily reflects supply-side factors—the changing decisions of workers and nonworkers. The final section of this paper examines the characteristics of inactive men to better understand who they are and how they live. Specifically, it analyzes the four groups emphasized in this section that make up prime-age men inactive in the labor force: (a) the disabled, (b) nondisabled retirees who do not want a job, (c) nondisabled nonretirees who do not want a job, and (d) nondisabled men who do want a job.

WHO IS INACTIVE IN THE LABOR FORCE?

One way to make sense of the group of prime-age men who are outside the labor force is to compare their demographic, social, and economic characteristics with men ages 25 to 54 generally. The analyses presented in this section focus on such comparisons and contrast the four groups of inactive men with each other and with inactive men generally. The analyses pool men from the 2012, 2013, and 2014 Annual Social and Economic (ASEC) Supplements to the CPS, matched to the March CPS Basic Monthly Surveys from the same years.

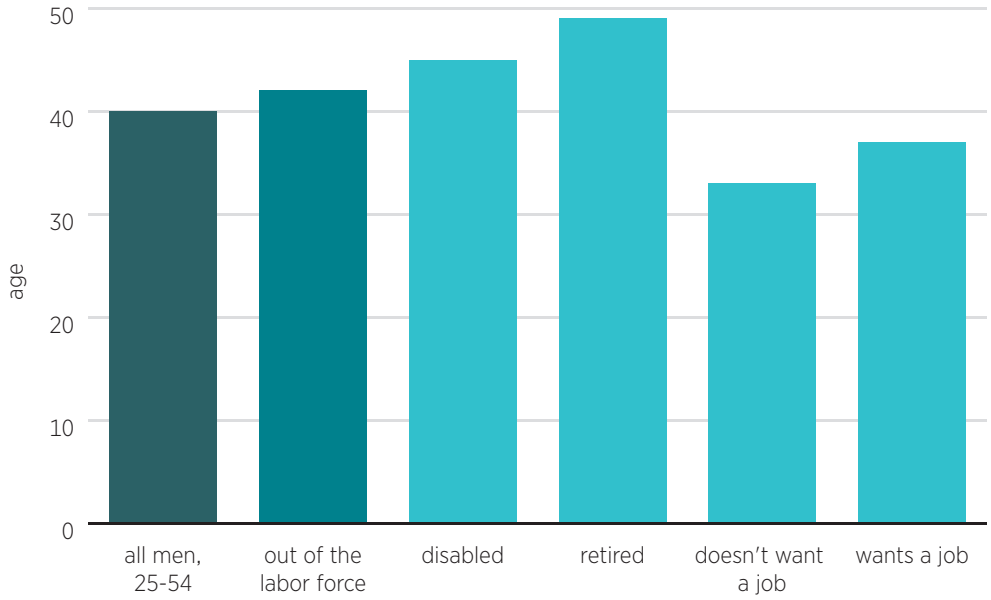
Age

Figure 17 presents the first of a series of bar charts that all take the same form. On the left side of the chart, the first bar shows that the median age of inactive prime-age men is 40. The second bar indicates that working-age men who are out of the labor force are somewhat older—42 years old at the median.

The four bars on the right side of the chart display the same figures for four groups of men outside the labor force: (a) the disabled, (b) nondisabled retirees who do not want a job, (c) other nondisabled men who do not want a job, and (d) nondisabled men who do want a job. (See note 19 for my approach to identifying the disabled, and recall that men who want a job can be inactive if they are not looking for work or are unavailable to take a job.) These four groups together include all inactive men.

Disabled men and nondisabled retirees who do not want a job (henceforth, "the retired" or "retirees") are significantly older than other men out of the labor force, with median ages of 45 and 49, respectively. The median age of nondisabled, nonretired men who do not want a job (henceforth, "men who do not want a job") was 33, and it was 37 for nondisabled men who do want a job (henceforth, "men who want a job").

FIGURE 17. MEDIAN AGE OF INACTIVE MEN



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled, retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

Although it is unsurprising that retired men are older than the other three groups, some of these retirees are quite young. Twenty-five percent of them are no older than 40, and 10 percent are 31 or younger. Two-thirds (64 percent) of inactive prime-age retirees report having received retirement income in the previous year. Retirees under 40 were actually more likely than older ones to report that they had received retirement income. Another 8 percent of retirees worked at least part of the previous year and received no retirement income. If they were newly retired at the time of the March survey, then the share of prime-age retirees with retirement or pension income *when they were interviewed* might approach 75 percent. Worth keeping in mind, too, is that the CPS badly undercounts retirement income).[48]

48. Andrew Biggs, "Good News: Retirement Income Still Being Undercounted," *Forbes*, July 9, 2015, https://www.forbes.com/sites/andrewbiggs/2015/07/09/good-news-retirement-income-still-being-undercounted/#359fa6d397ff; Billie Jean Miller and Sylvester J. Scheiber, "Contribution of Pension and Retirement Savings to Retirement Income Security: More Than Meets the Eye," *Journal of Retirement* 1, no. 3 (2014): 14–29.

How these men are able to retire so early is unclear. Only about 15 percent of them are veterans, many of whom receive relatively generous retirement compensation and are able to retire early. In general, heavy penalties are imposed for withdrawing retirement savings from tax-favored accounts for prime-age adults. Traditional "defined benefit" pensions are inaccessible during the prime-age years. In the end, it is perhaps best to think of these men as highly unusual people. Retirees compose fewer than 1 percent of prime-age men and only 7 percent of prime-age inactive men.

We would also expect the disabled to be a relatively older group, since younger men are healthier. In the CPS, age is more strongly correlated with self-assessed health status among inactive men than it is among prime-age men generally. The fact that men who do not want a job are younger than men who do partly reflects greater school enrollment among the former. No less than 43 percent of prime-age inactive men who do not want a job are in school, compared with 12 percent of those who do want a job. Older men might also be expected to be more likely to have family responsibilities, which might put additional pressure on them to work. However, inactive men who wanted a job were no more likely to be married or to have children in their family than those who did not want a job, as we will see below.

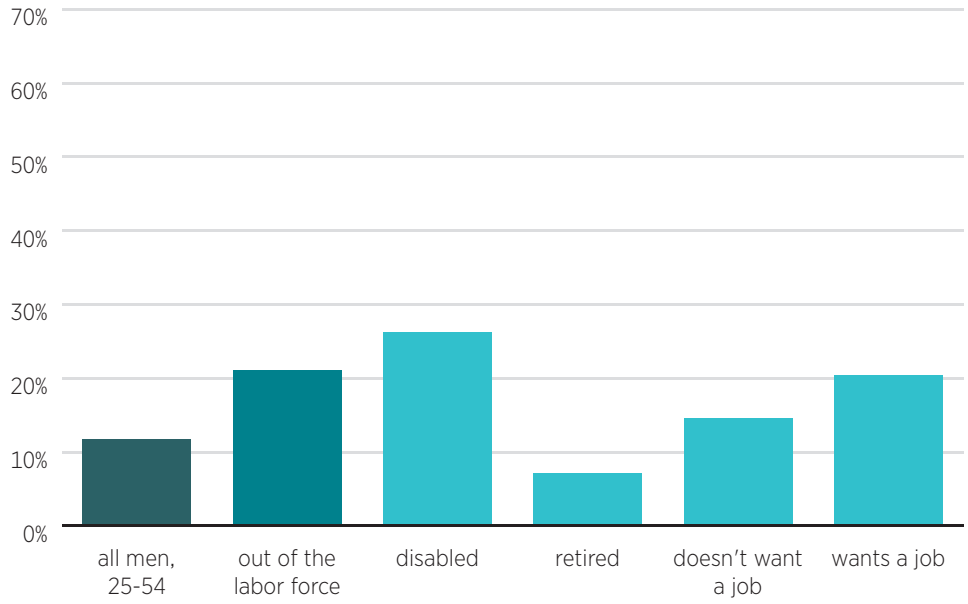
Educational Attainment

As noted at the start of this paper, in 2016 and since, much attention has been directed at the white working class, including its economic struggles, cultural resentments, and failing health. Various maps have correlated a number of indicators with the presidential vote, and accumulated evidence—correlational and anecdotal as it is—depicts a populist base that is outside the large metropolitan areas of the East and West Coasts and disproportionately white and downscale. Do those features characterize the population of inactive men?

The most common explanations for rising male inactivity in the labor force focus on less-skilled men. From the left, analysts argue that weak demand for low-skilled labor has meant that jobs are in short supply for these men. Analysts on the right tend to focus on the relative attractiveness of federal safety-net benefits to less-skilled men versus the wages on offer. The left side of figure 18 confirms that prime-age men who are out of the labor force are more likely to be high school dropouts (21 percent) than working-age men generally (12 percent).

Disabled men are over twice as likely as prime-age men in the aggregate to lack a high school diploma or general equivalency diploma, with 26 percent

FIGURE 18. PERCENTAGE OF INACTIVE MEN WHO HAVE LESS THAN A HIGH SCHOOL EDUCATION



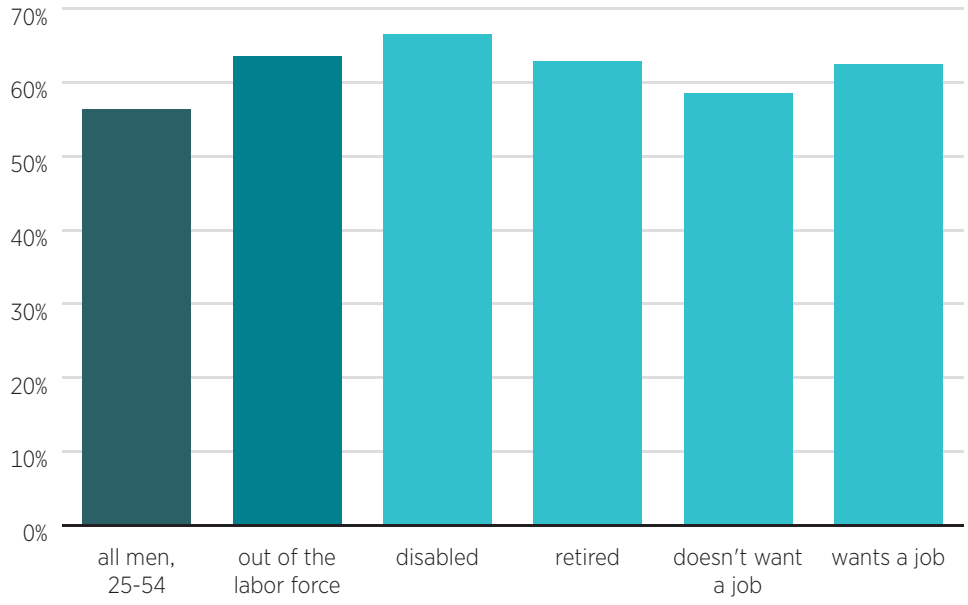
Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

falling into this lowest educational grouping. This evidence is consistent with the view that many less-skilled men have resorted to disability benefits because they could not find work (or could not find work that paid well enough). However, there are several other possible explanations. Because the disabled are older than the other two nonretiree groups and older than working-age men generally, they may have less education simply because of their coming from an older cohort. However, even among 25- to 40-year-olds, their educational distribution is worse than for the other three groups (not shown), and among prime-age men generally, the educational distribution differs little between older and younger cohorts.

Another explanation might be that a sizable share of working-age disabled men have cognitive or physical handicaps that led them to drop out of school. The CPS asks respondents whether they suffer from any of six impairments. Among inactive disabled men without a high school diploma, the single impairment related to cognitive skills mentioned in the CPS—"serious difficulty concentrating, remembering, or making decisions"—was one of the two problems

FIGURE 19. PERCENTAGE OF INACTIVE MEN WHO HAVE A HIGH SCHOOL EDUCATION BUT NOT A BACHELOR'S DEGREE



Source: Current Population Survey, Annual Social and Economic Supplement.

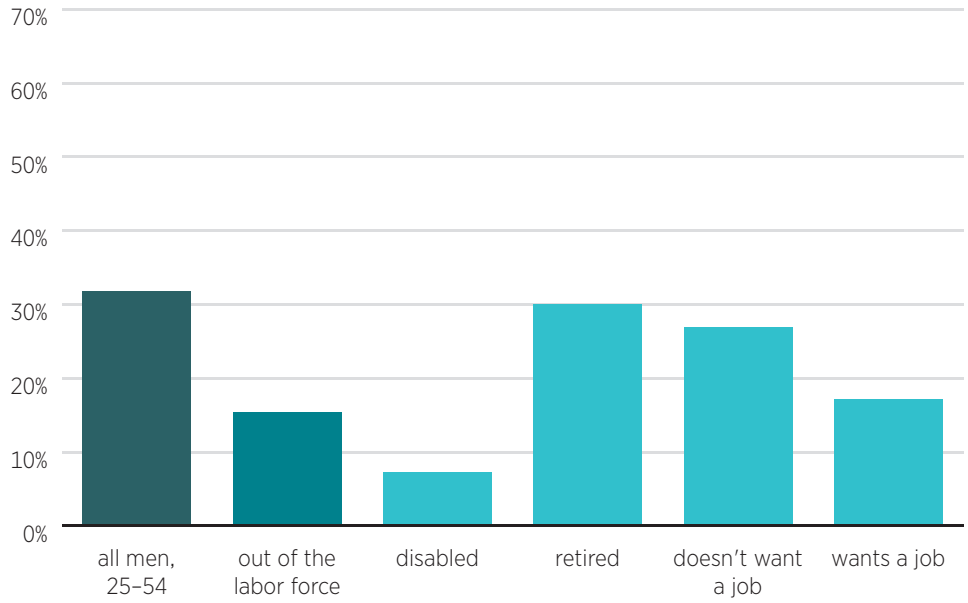
Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

most commonly cited (with 32 percent doing so, tied with "difficulty walking or climbing stairs"). It was also the one that showed the clearest gradient across education levels, being notably more common among high school dropouts than among disabled inactive men with a high school diploma but no bachelor's degree and especially than among college graduates.

Men who do not want a job are only a bit more likely than prime-age men as a whole to be high school dropouts. In fact, their schooling levels resemble those of prime-age men generally. Figure 19 shows the share of prime-age men with a high school diploma but no bachelor's degree, and figure 20, the share who have a bachelor's degree or advanced degree. Among prime-age men generally, 12 percent lack a high school diploma, 56 percent are in the middle category, and 32 percent have a college degree. Among inactive men who do not want a job, the percentages are 15, 58, and 27, respectively.

Retirees are the best educated of the four groups of inactive men, as shown in figures 18–20, and they actually have a slightly better educational distribution than working-age men generally. This advantage is likely to reflect selection into

FIGURE 20. PERCENTAGE OF INACTIVE MEN WHO HAVE A BACHELOR'S DEGREE



Source: Current Population Survey, Annual Social and Economic Supplement.

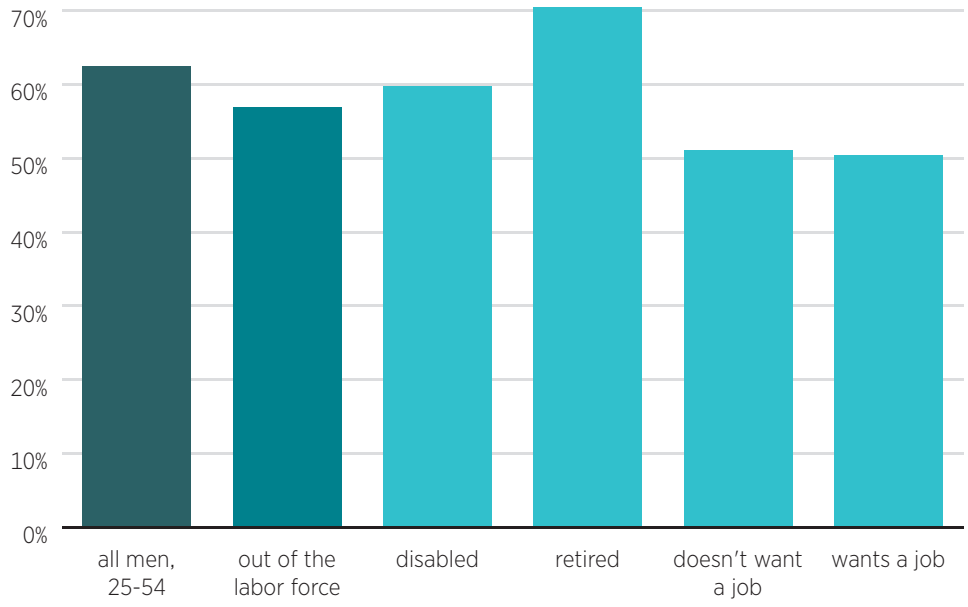
Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

who is able to retire before age 55: better-educated men will tend to have more economic success than other men, setting them up for early retirement.

In contrast, inactive men who want a job are much less likely to have a college degree than prime-age men as a whole (17 percent, just over half the 32 percent rate in the general population of prime-age men), and disabled men are far less likely still (7 percent).

Overall, the educational distribution of men out of the labor force differs less from that of the general population than might be expected. The subgroup of men who want a job (a relatively small share of inactive men, at 14 percent from 2012 to 2014) fits the popular depiction of the inactive as being socioeconomically disadvantaged. Inactive men who are disabled appear especially disadvantaged, and they are a sizable share of inactive men (53 percent). Much remains to discern about the disabled. Indeed, what constitutes a cognitive disability is itself a complex question.

FIGURE 21. PERCENTAGE OF INACTIVE MEN WHO ARE NON-HISPANIC WHITE



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

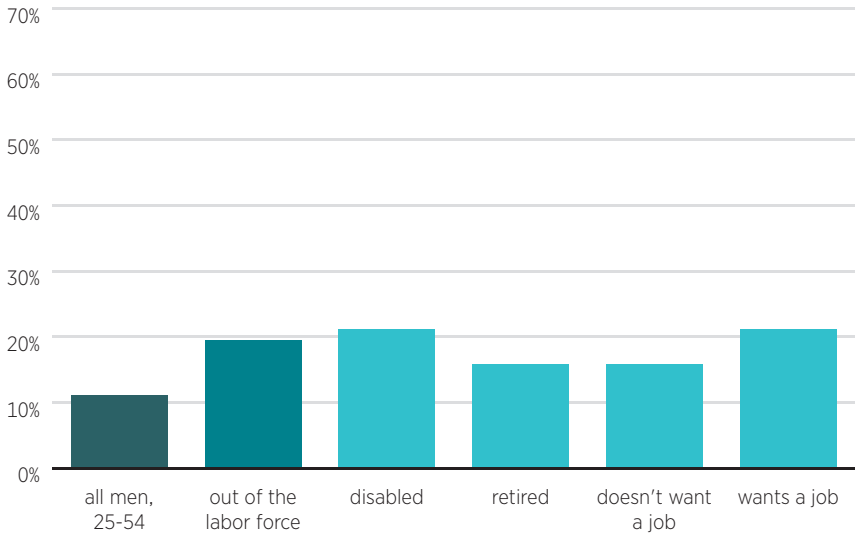
Race

Figures 21 through 24 examine the distribution of inactive men across four racial categories. Non-Hispanic whites are overrepresented among the inactive only as retired men (figure 21). Their share of inactive disabled men is close to that in the general population of prime-age men, and they are underrepresented among men who do or do not want a job.

Figure 22 shows that African American men are overrepresented in each of the four categories of inactive men. That fact is most apparent among the disabled and men who want a job (21 percent black each versus 11 percent of prime-age men generally being black). In the CPS, prime-age African American men rate their health as being somewhat worse than nonblacks do, and they are more likely to report having one of the six impairments mentioned in the CPS. It is not clear, however, that this disadvantage is large enough to explain their overrepresentation among the disabled.

Hispanic men are underrepresented among disabled and especially retired men who are inactive in the labor force (figure 23). Their scarcity among inactive

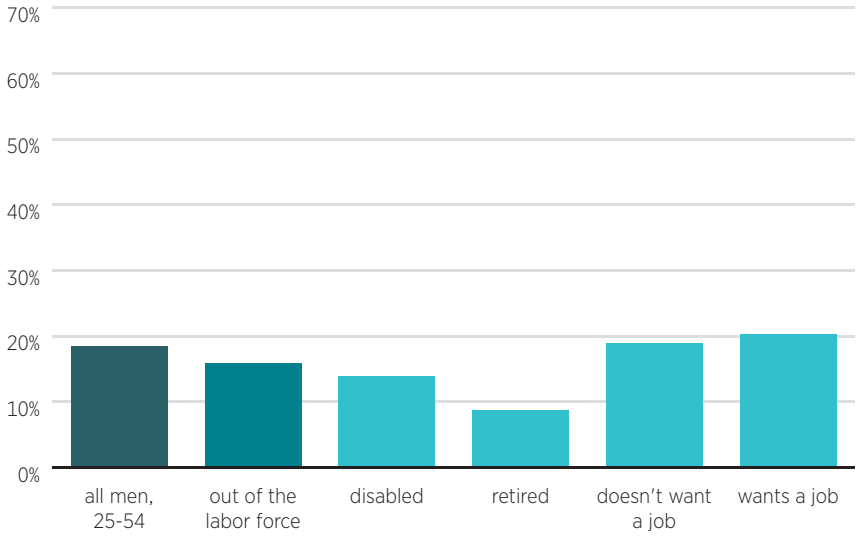
FIGURE 22. PERCENTAGE OF INACTIVE MEN WHO ARE AFRICAN AMERICAN



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

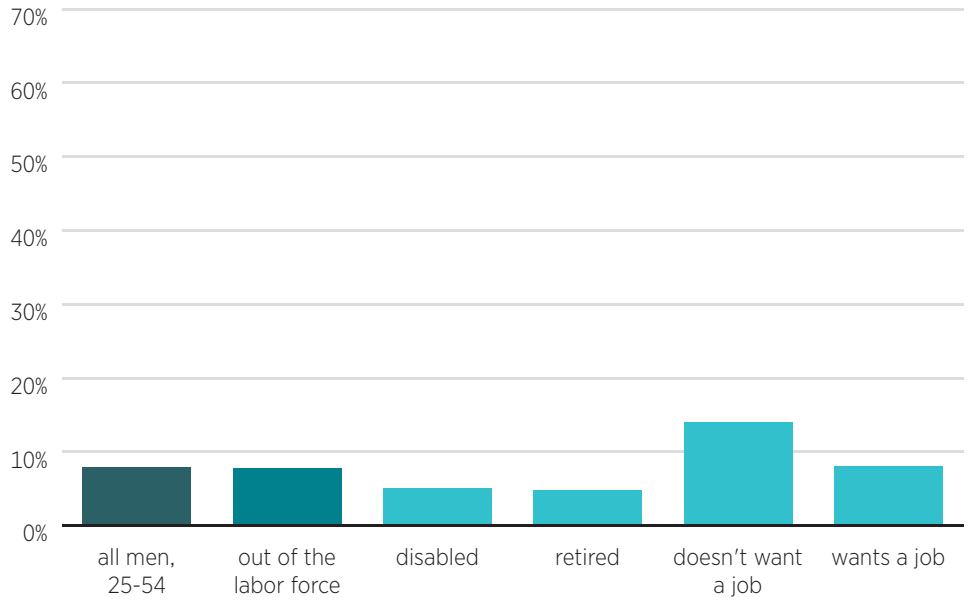
FIGURE 23. PERCENTAGE OF INACTIVE MEN WHO ARE NONBLACK HISPANIC



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

FIGURE 24. PERCENTAGE OF INACTIVE MEN WHO ARE "OTHER RACE"



Source: Current Population Survey, Annual Social and Economic Supplement.

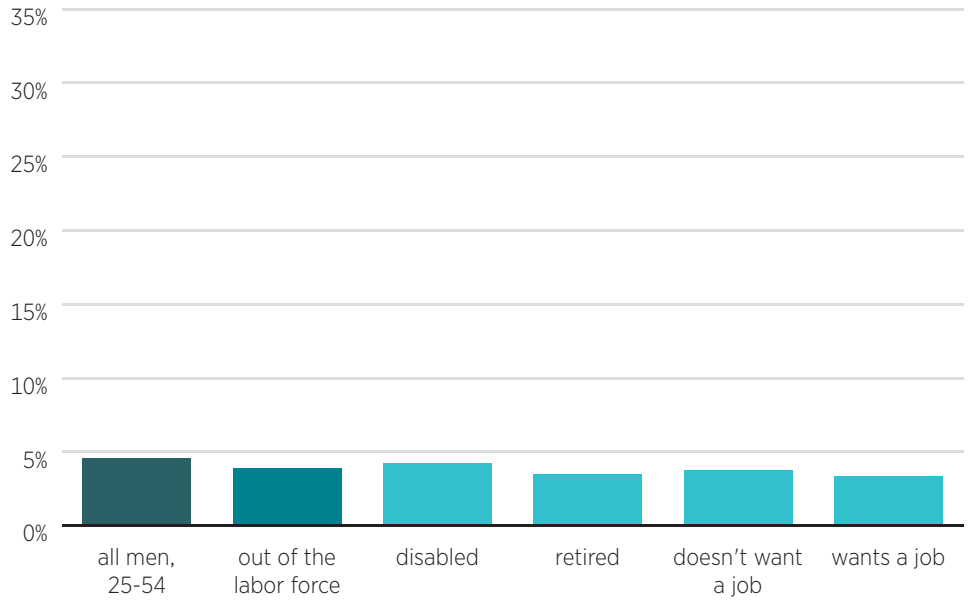
Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

disabled men likely reflects the smaller share of Hispanics who are native-born. Hispanics born in the United States were no less prevalent among inactive disabled men than among prime-age men generally. This factor could reflect lower rates of eligibility for disability benefits among immigrants. Among non-Hispanic and native-born Hispanic prime-age men who indicated having one of the six impairments mentioned in the CPS, half received government disability benefits the previous year. Among Hispanic immigrants, just 39 percent did. Correspondingly, Hispanic immigrants with one of the six impairments were more likely than other prime-age men so disabled to work or to look for work. Furthermore, immigrant Hispanics actually rated their health worse than did other prime-age men.

Hispanic underrepresentation among inactive retirees does not appear related to the fact that they are slightly younger than prime-age men generally. They are as underrepresented among retirees ages 25 to 39 as among those ages 40 to 54. Hispanics are represented in proportion to their numbers in the general population of prime-age men among men who do and do not want a job.

Figure 24 looks at inactive men who are not white, black, or Hispanic. This group includes Asian Americans, Native Americans, multiracial men, and others

FIGURE 25. PERCENTAGE OF INACTIVE MEN WHO LIVE IN NEW ENGLAND



Source: Current Population Survey, Annual Social and Economic Supplement.

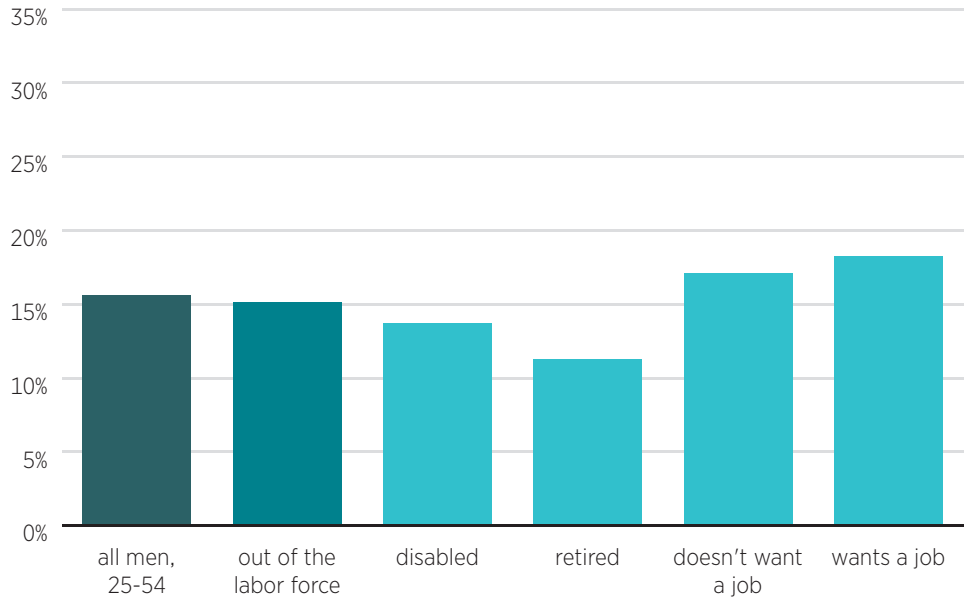
Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. New England includes Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island.

who did not declare themselves as "white only," "black only," or Hispanic. These men may be underrepresented among the disabled and retirees, and they may be overrepresented among inactive men who do not want a job. However, the diverse nature of this group and the relatively small sample size makes strong conclusions unwarranted.

Region

Turning to the regional distribution of inactive men, figures 25 through 32 look at the eight regions designated by the Bureau of Economic Analysis in the US Commerce Department. (Notes under each chart indicate the states in that region.) A few fairly simple patterns emerge from these eight charts. First, inactive men who do and do not want a job are underrepresented throughout most of the northern United States. This is true for New England, the Great Lakes

FIGURE 26. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE MIDEAST REGION



Source: Current Population Survey, Annual Social and Economic Supplement.

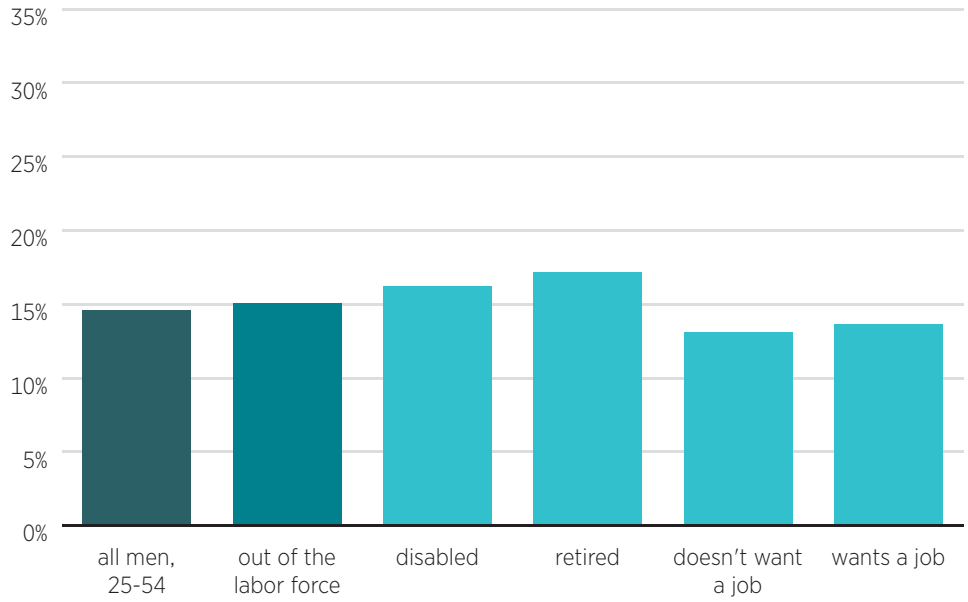
Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Mideast region includes New York, Pennsylvania, New Jersey, Delaware, Maryland, and Washington, DC.

states, the Great Plains, and the Rocky Mountain states. These states include most of the "Rust Belt," including Indiana, Ohio, Michigan, Wisconsin, Illinois, and Missouri.[49]

Inactive disabled men are also underrepresented in these regions, except in the Great Lakes states. But even in those states, combining disabled men with men who do or do not want a job, inactivity is no higher than would be expected based on the region's share of the population. Nor do these results appear to obscure Rust Belt–specific differences. Combining the states of Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin, and Missouri, inactive men who want a job are only slightly overrepresented, but inactive men in the other three categories (and in the four categories together) are not. No obvious evidence

49. Combining the CPS surveys from 2000 to 2014, overall inactivity rates in these regions were relatively high (in relation to a state's share of the national prime-age male population) in Maine, Michigan, and Montana.

FIGURE 27. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE GREAT LAKES REGION



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Great Lakes region includes Ohio, Indiana, Michigan, Wisconsin, and Illinois.

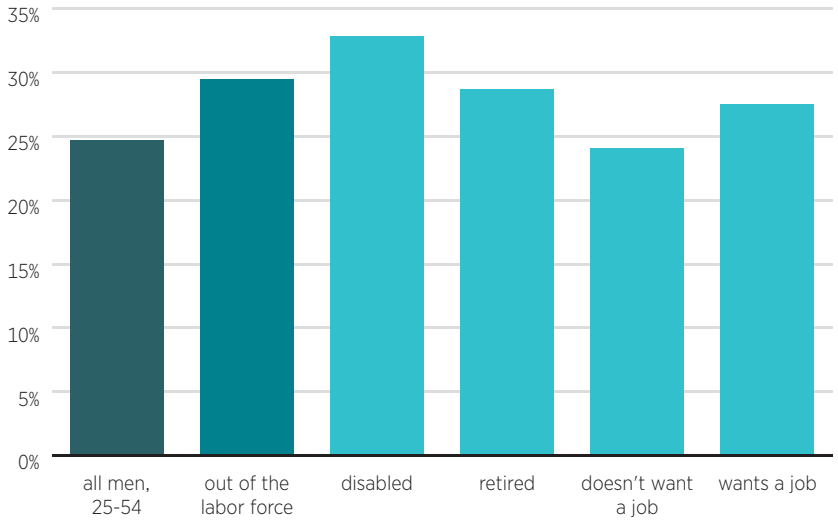
indicates that the long-term decline in manufacturing, by leading men to drop out of the labor force, was a large factor raising male inactivity rates.

Second, the Southeast emerges as the central location for disabled and retired men inactive in the labor force.[50] Bordered by the Ohio and Mississippi Rivers (and including Virginia but not Maryland or Washington, DC), with Arkansas and Louisiana added as well, it is home to one-third of the inactive disabled and 29 percent of retirees, significantly more than its 25 percent of the US population of prime-age men would predict (figure 28). Prime-age men in the Southeast report worse health and greater receipt of government disability benefits than their counterparts in other regions, but the differences are small.

Men who want a job are also overrepresented in the Southeast but otherwise are overrepresented only in the Mideast region (states from New York

50. From 2000 to 2014, overall inactivity rates in the Southeast were relatively high in the chain of contiguous states from West Virginia through Kentucky and Tennessee and into Alabama and Mississippi and laterally to South Carolina and Georgia and to Arkansas and Louisiana.

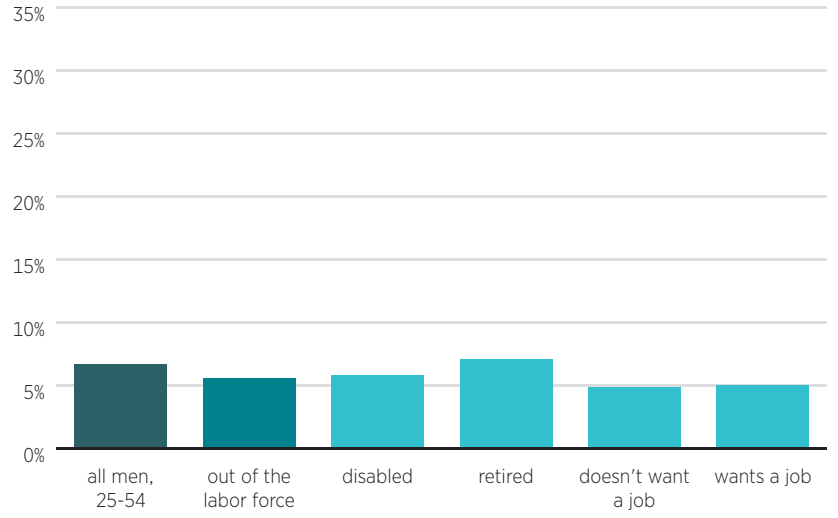
FIGURE 28. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE SOUTHEAST REGION



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Southeast region includes West Virginia, Virginia, Kentucky, Tennessee, Arkansas, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, and Louisiana.

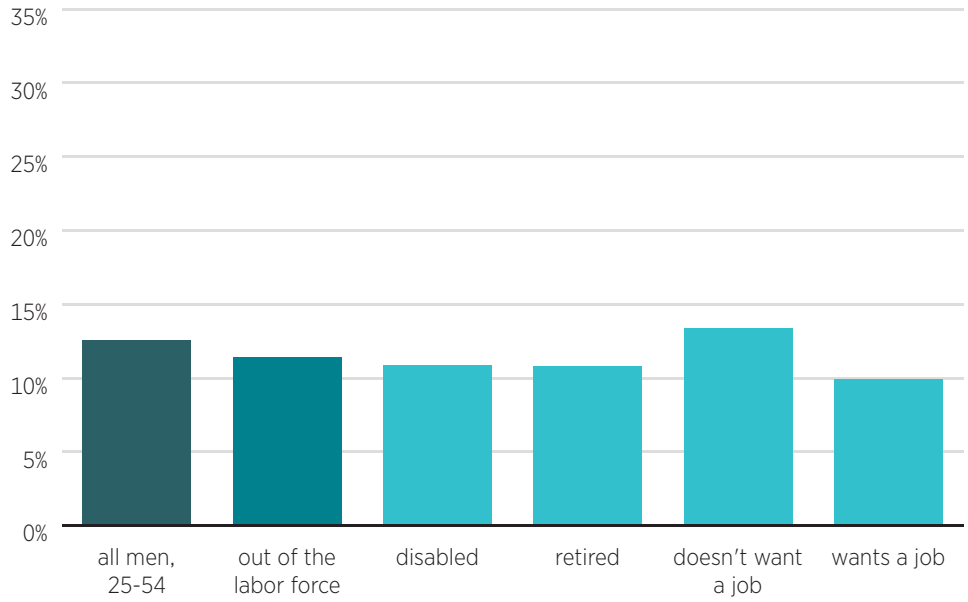
FIGURE 29. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE GREAT PLAINS REGION



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Great Plains region includes Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.

FIGURE 30. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE SOUTHWEST



Source: Current Population Survey, Annual Social and Economic Supplement.

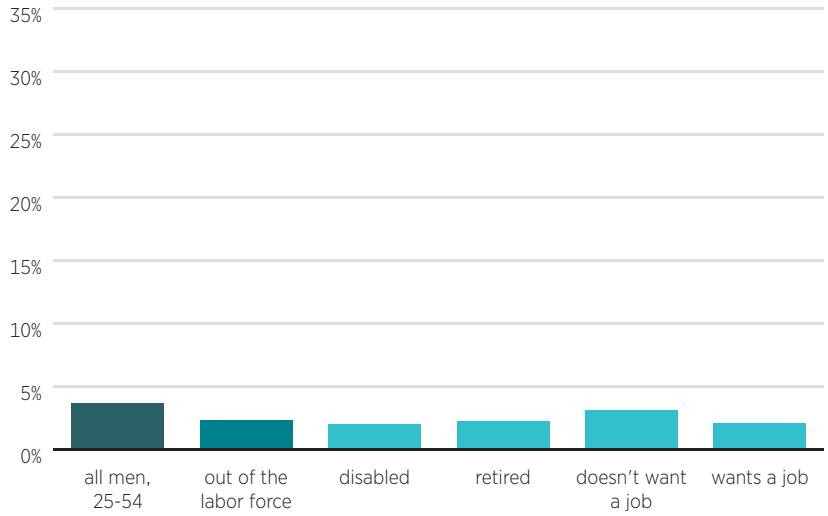
Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Southwest region includes Oklahoma, Texas, New Mexico, and Arizona.

through Maryland and Washington, DC) and the Pacific region (including Alaska and Hawaii, as well as Nevada).[51] Men who do not want a job are also overrepresented in the Mideast and Pacific regions. The "coastal elite" that earned the scorn of 2016's populist revolt are heavily concentrated in these two areas, though the Mideast region does include Pennsylvania, with its steel- and coal-centric history, and Appalachia may be said to extend through the state into western New York. However, given that the same pattern occurs in the Pacific region and given the dominance of the Eastern Seaboard cities in the Mideast's population, it is difficult to think that the "white working class" story is operative here.

The relative prominence of the Southeast, Mideast, and Pacific states within the pool of inactive men complicates simple hypotheses about the causes

51. Overall inactivity rates from 2000 to 2014 were relatively high in New York, Hawaii, and Washington, DC. The remaining states with relatively high inactivity rates were in the Southwest: Oklahoma, New Mexico, and Arizona.

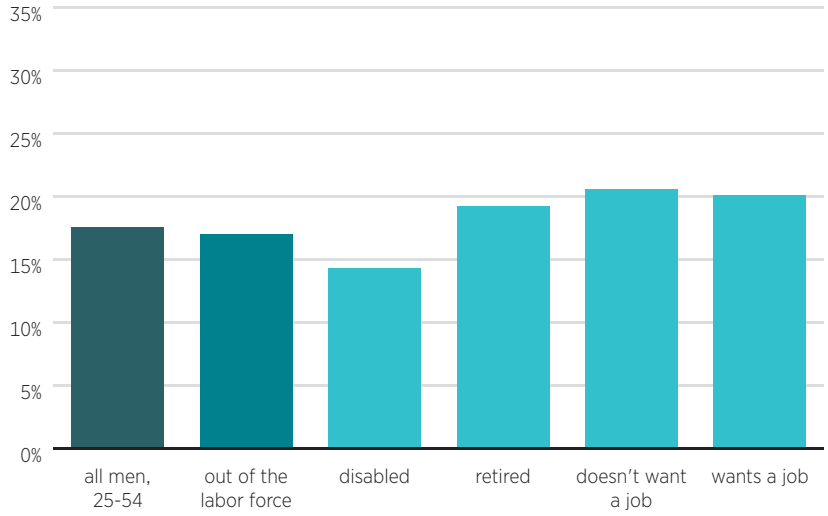
FIGURE 31. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE ROCKY MOUNTAIN REGION



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Rocky Mountain region includes Montana, Idaho, Wyoming, Colorado, and Utah.

FIGURE 32. PERCENTAGE OF INACTIVE MEN WHO LIVE IN THE PACIFIC REGION



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. The Pacific region includes Washington, Oregon, Nevada, California, Alaska, and Hawaii.

of rising inactivity. The Southeast—and to some extent the Mideast—has been especially exposed to trade with China, but the Pacific states have not.[52] Further, the Great Plains and New England have also faced such job market pressure, without high rates of inactivity. Southern states are home to a relatively unhealthy population, but western and northeastern states are relatively healthy.[53] Donald Trump won all of the Southeast (save Virginia), lost all of the Mideast (save Pennsylvania), and lost all of the Pacific states (save Alaska).

Prime-age unemployment rates from 2000 to 2014 are correlated with prime-age male inactivity rates across states over the same period. But the strongest correlation is between unemployment rates and the share of prime-age men who are inactive and want a job (0.56). The correlations with the share of prime-age men in the other three inactive groups are smaller: 0.42 for retired men, 0.31 for disabled men, and 0.21 for men who do not want a job.

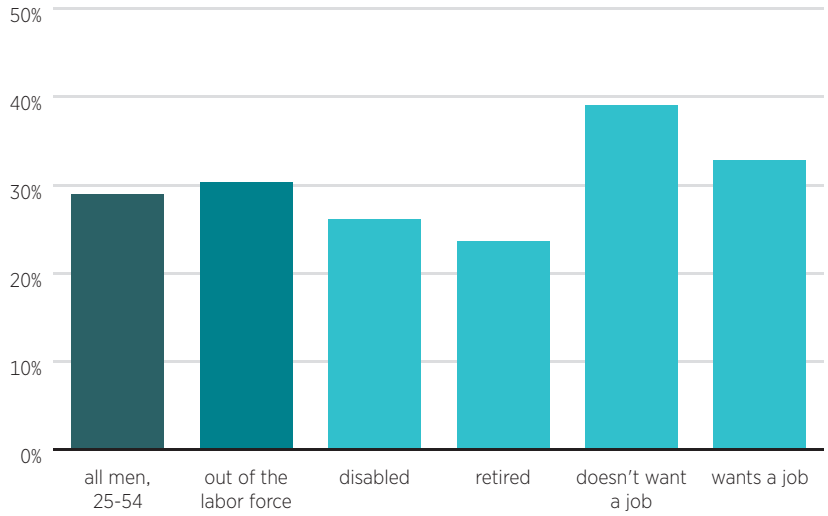
"City-ness"

As shown in figure 33, inactive men who want a job—and to a lesser extent, those who do not—are overrepresented in central cities relative to all prime-age men. That could help explain why the Mideast and Pacific states have a disproportionate share of men who want and who do not want a job, as they are the third-most and most urban regions, respectively. (Further, the Mideast has a disproportionate share of *urban* men who want a job or do not want a job.) Alternatively, the causality could work in the other direction—cities might be home to more inactive men who want or do not want a job because they are disproportionately found in the Mideast and Pacific regions.

In contrast, suburban areas are relatively unlikely to include inactive men who are disabled, who want a job, or who do not want a job (figure 34). Retired inactive men, however, are overrepresented. The disabled are overrepresented in rural areas, as shown in figure 35. That is consistent with the Southeast region's having the biggest overrepresentation of inactive disabled men, since it is the second most rural region (behind the Great Plains). Finally, figure 36 shows the share of inactive men living in places where the "city-ness" is "not identified."

52. David H. Autor, David Dorn, and Gordon H. Hanson, "The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade," *Annual Review of Economics* 8, no. 1 (2016): 205–40.
53. "Illness as an Indicator," *Economist*, November 19, 2016; David Squires and David Blumenthal, "Mortality Trends among Working-Age Whites: The Untold Story" (issue brief, Commonwealth Fund, New York, January 29, 2016).

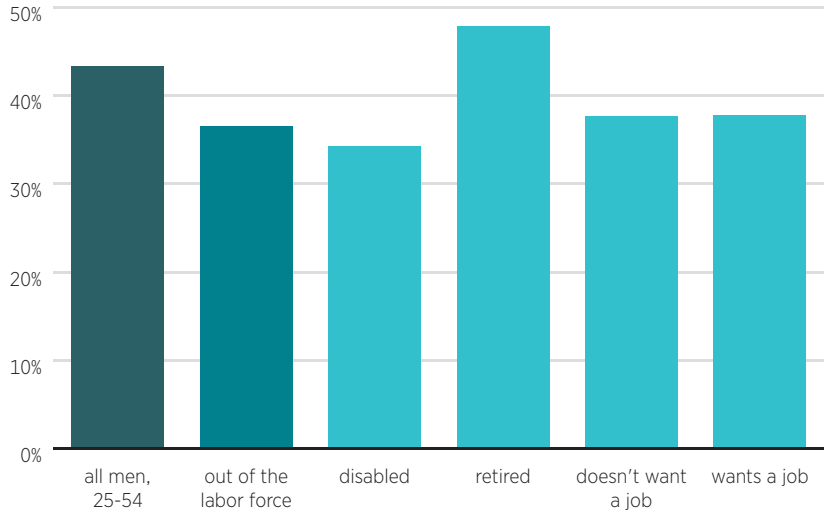
FIGURE 33. PERCENTAGE OF INACTIVE MEN WHO LIVE IN CENTRAL CITIES



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

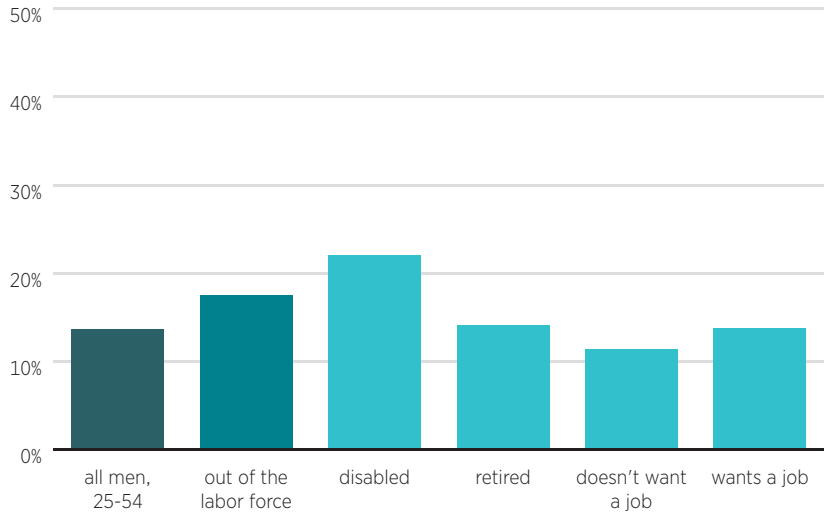
FIGURE 34. PERCENTAGE OF INACTIVE MEN WHO LIVE IN SUBURBS



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

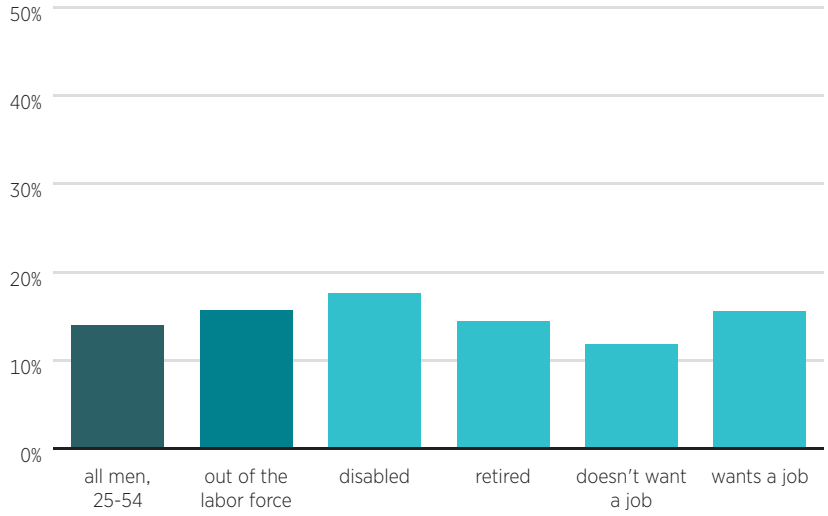
FIGURE 35. PERCENTAGE OF INACTIVE MEN WHO LIVE IN RURAL AREAS



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

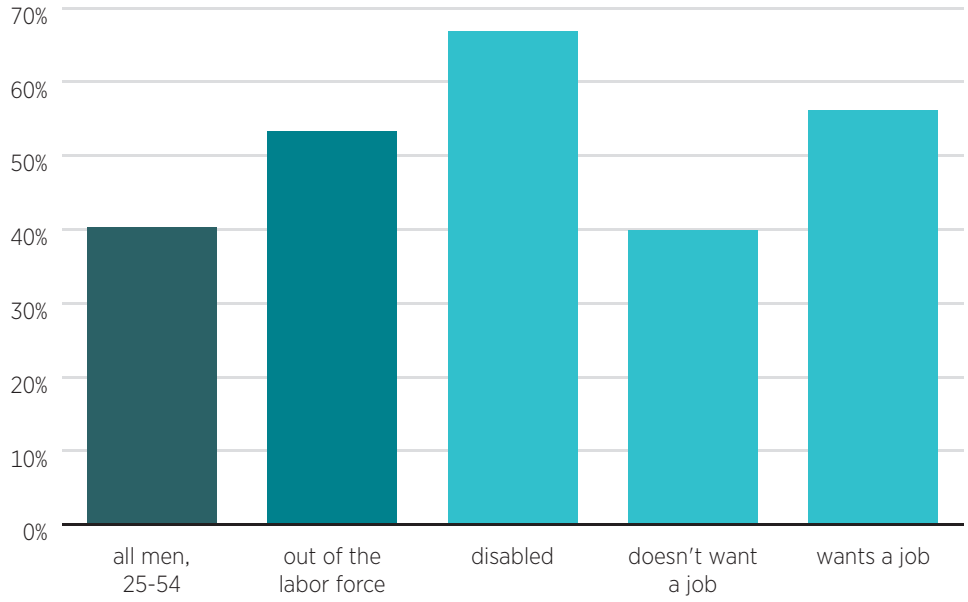
FIGURE 36. PERCENTAGE OF INACTIVE MEN WHO LIVE IN "NOT IDENTIFIED" AREAS



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March CPS Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

FIGURE 37. PERCENTAGE OF INACTIVE MEN WHO LAST WORKED IN A PHYSICAL, BLUE-COLLAR JOB



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. For all prime-age men, the sample is restricted to men who are employed or who worked in the previous 12 months. For inactive men, the sample is restricted to men who worked in the previous 12 months.

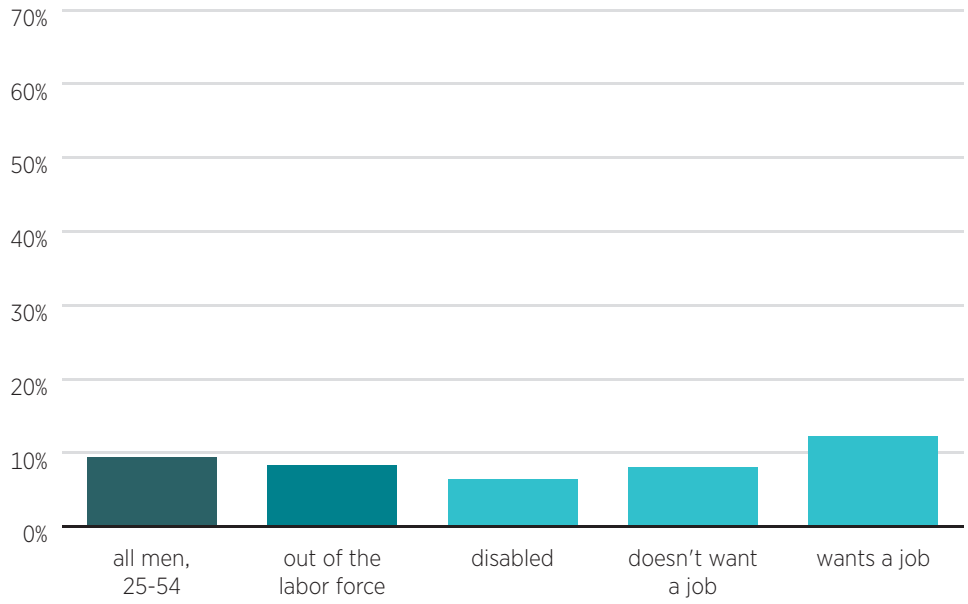
Those appear to consist primarily of parts of metropolitan areas that cross state lines, such as Kansas City. Disabled men are overrepresented in these areas too.

Last Occupation

In the CPS, one-quarter of inactive adults who have worked in the previous 12 months are asked about the last job that they held. Figures 37 through 40 show the occupational distribution for each group of inactive men. Retirees are excluded from these charts owing to the small number who have worked in the previous year, which creates small sample sizes.

Figure 37 indicates that 40 percent of prime-age men who were employed or who worked in the past year were in what I call "physical, blue-collar occupations." These occupations include farming, fishing, and forestry; construction and extraction; installation, maintenance, and repair; building and grounds maintenance; production; and transportation and material moving occupations.

FIGURE 38. PERCENTAGE OF INACTIVE MEN WHO LAST WORKED IN A SALES JOB



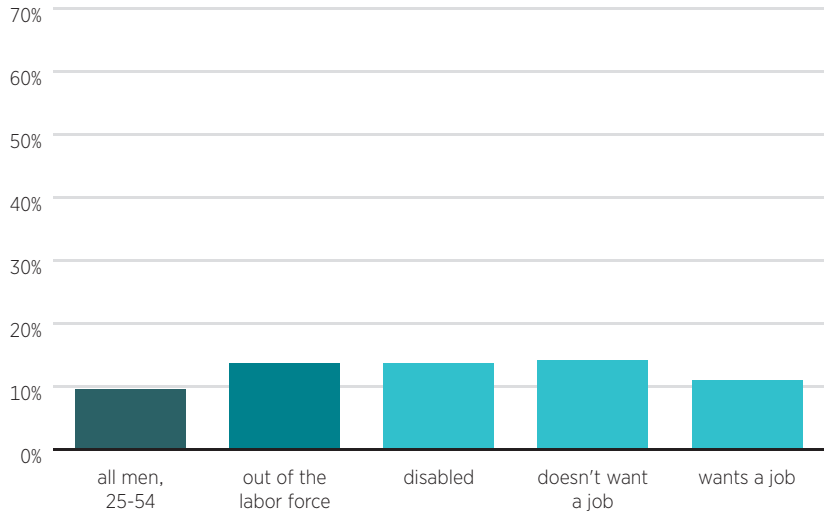
Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. For all prime-age men, the sample is restricted to men who are employed or who worked in the previous 12 months. For inactive men, the sample is restricted to men who worked in the previous 12 months.

Over half of inactive men who had worked in the past 12 months—53 percent—were employed in one of these occupations. The disabled and men who want a job are strongly overrepresented in physical, blue-collar occupations. Two-thirds of disabled men had last worked in one of these jobs, and over half of men who want a job had done so. Men who do not want a job, however, are not over-represented among physical, blue-collar jobs.

Figure 38 focuses on sales occupations. These occupations overrepresent men who want a job. In figure 39, disabled men and those who do not want a job are somewhat overrepresented in "service occupations," including healthcare support, protective services, food preparation and serving, and personal care and personal service jobs. Finally, figure 40 shows again the uniqueness of inactive men who do not want a job. In contrast to disabled men and those who want a job, who are underrepresented in "white-collar occupations," men who do not want a job are almost proportionally represented. These jobs include management; business and financial operations; computer and mathematical sciences; archi-

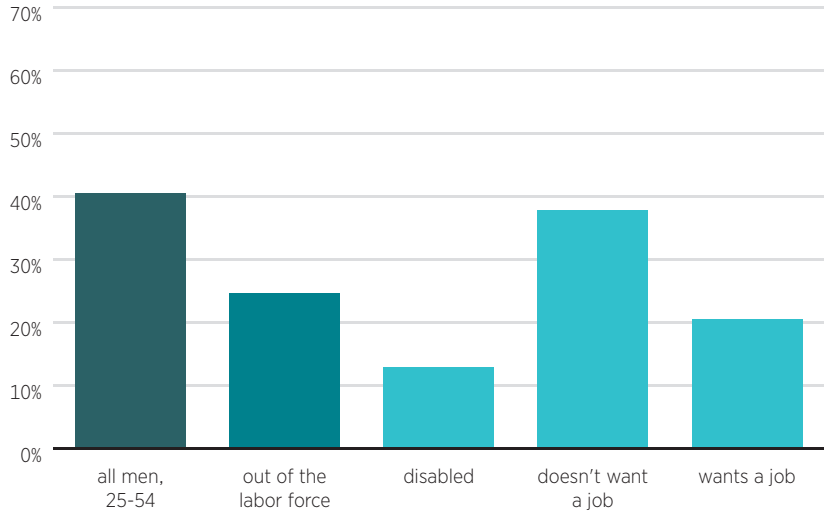
FIGURE 39. PERCENTAGE OF INACTIVE MEN WHO LAST WORKED IN A SERVICE JOB



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. For all prime-age men, the sample is restricted to men who are employed or who worked in the previous 12 months. For inactive men, the sample is restricted to men who worked in the previous 12 months.

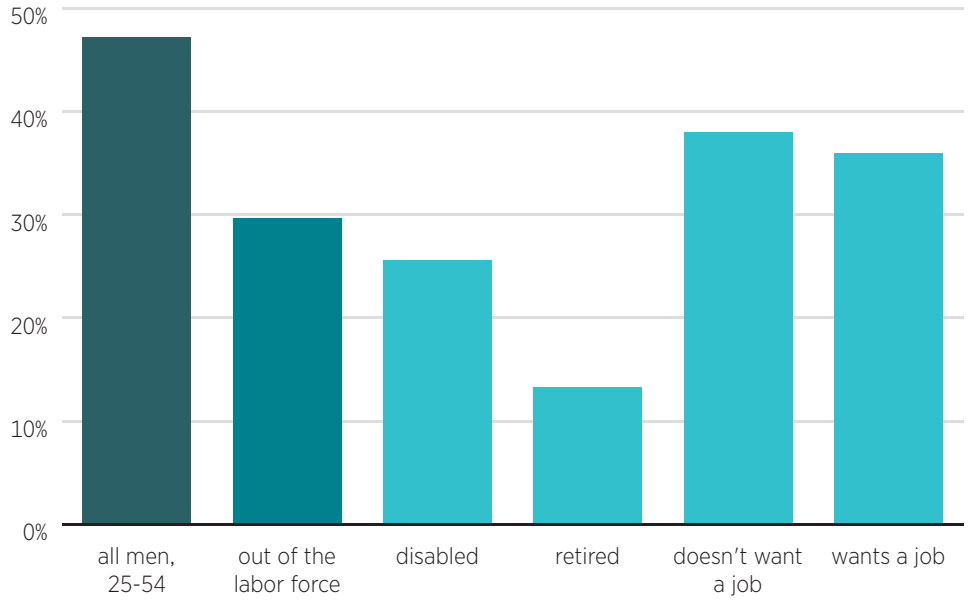
FIGURE 40. PERCENTAGE OF INACTIVE MEN WHO LAST WORKED IN A WHITE-COLLAR JOB



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. For all prime-age men, the sample is restricted to men who are employed or who worked in the previous 12 months. For inactive men, the sample is restricted to men who worked in the previous 12 months.

FIGURE 41. PERCENTAGE OF INACTIVE MEN WHO HAVE A CHILD IN THEIR FAMILY



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

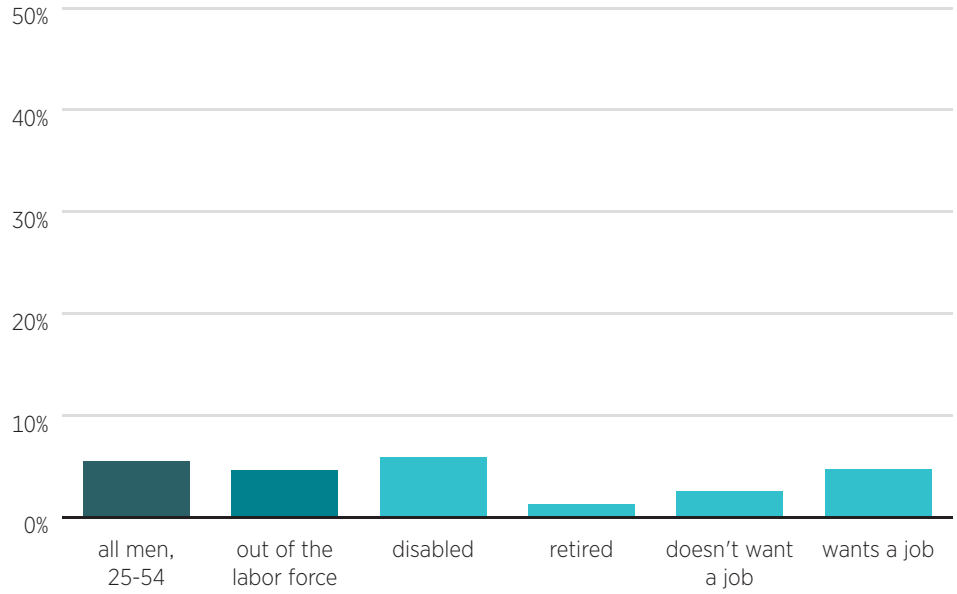
tecture and engineering; life, physical, and social sciences; community and social services; law; education, training, and library positions; arts and design; sports and entertainment; media; healthcare practitioner and technical positions; and office and administrative support positions.

Family Arrangements

The rest of this section will focus on the ways in which inactive men support themselves. There are three primary possibilities: (a) men support themselves partly or fully through earnings that go unreported to household surveyors, and potentially to federal and state tax collectors; (b) they rely on government assistance, or (c) they rely on the income of family members or others who share household expenses with them.

Consider, first, family arrangements. Figure 41 shows that about half (47 percent) of working-age men generally have a child present in the family, where "family" includes cohabiters and their children so long as one of the

FIGURE 42. PERCENTAGE OF INACTIVE MEN WHO HAVE A CHILD LIVING OUTSIDE THE HOUSEHOLD



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

cohabiters is the household head. Despite having a similar age distribution compared with prime-age men generally, far fewer working-age men who are out of the labor force have a child—30 percent. It is not clear whether this difference reflects the lesser ability of men with employment problems to support children, whether having children encourages men to look for and keep jobs, or whether some other explanation exists.

Demographics likely play some role. The age differences back in figure 17, unsurprisingly, translate into differences in family arrangements between the four groups of inactive men. Disabled and retired inactive men are older than other men out of the workforce, and they are far less likely to have children present. However, having children around is rarer even among inactive men who do and do not want a job compared with prime-age men generally.

One potentially important factor that might discourage labor force participation would be a child support order. Such an obligation could effectively serve as a tax on (formal) employment. Figure 42 indicates that inactive men are no more likely than prime-age men generally to have children outside their house-

hold. However, because disabled men are relatively unlikely to have children living with them, having children outside the home is twice as common among the disabled relative to having children in the home than it is among prime-age men generally.[54]

Unfortunately, the estimates in figure 42 are too low, because the CPS undercounts nonresident fathers by something like a factor of three.[55] Multiplying the figure 42 estimates by three and combining them with those in figure 41 would indicate that roughly one-quarter of prime-age *fathers* (not of prime-age men), one-third of inactive fathers, and 40 percent of disabled fathers have a child outside their household.[56] It is, however, possible that the count of nonresident children of inactive disabled men is off by less (or more) than a factor of three.

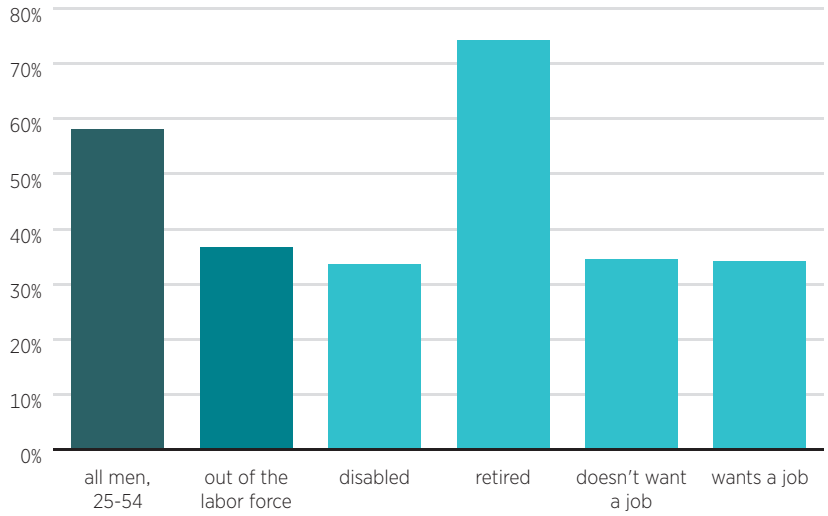
One potential explanation for the relatively low likelihood of nondisabled, nonretired, inactive men to live with children is that fewer of them are married. Figure 43 shows that although 58 percent of men ages 25 to 54 are married, just 37 percent of inactive men are. That figure would be 34 percent if not for the higher-than-average marriage rates of the retired. One study found that the decline in marriage could explain half the rise in inactivity among men ages 45 to 54 from 1976 to 2015.[57]

The relative scarcity of marriage among inactive men primarily involves fewer marriages that include children. In figure 44, far fewer inactive men are married with children than in the general population of working-age men. However, figure 45 shows that nonretired inactive men and working-age men generally are more alike in the share married without children (though men who do and do not want a job are still underrepresented in this group).

A disproportionate share of inactive men are also divorced, separated, or widowed, and they are also more likely than men generally to have never been married (figures 46 and 47). The overrepresentation of inactive men among

54. That is to say, the ratio of the share of disabled men with children outside the home to the share of disabled men with children inside the home is twice the ratio for prime-age men generally.
55. J. Bart Stykes, Wendy D. Manning, and Susan L. Brown, "Nonresident Fathers and Formal Child Support: Evidence from the CPS, the NSFG, and the SIPP," *Demographic Research* 29 (2013):1299–1330.
56. These estimates multiply the share of men with a nonresident child by three and then divide by the sum of the share of men with a resident child and the inflated share with a nonresident child. Because some men have both resident and nonresident children, the denominator in this calculation is slightly larger than it should be.
57. Adam Ozimek, "The Widespread Decline of U.S. Labor Force Participation," website of Moody's Analytics, *DataPoints*, March 2, 2016, https://www.economy.com/dismal/analysis/datapoints/280953/The-Widespread-Decline-of-US-Labor-Force-Participation/.

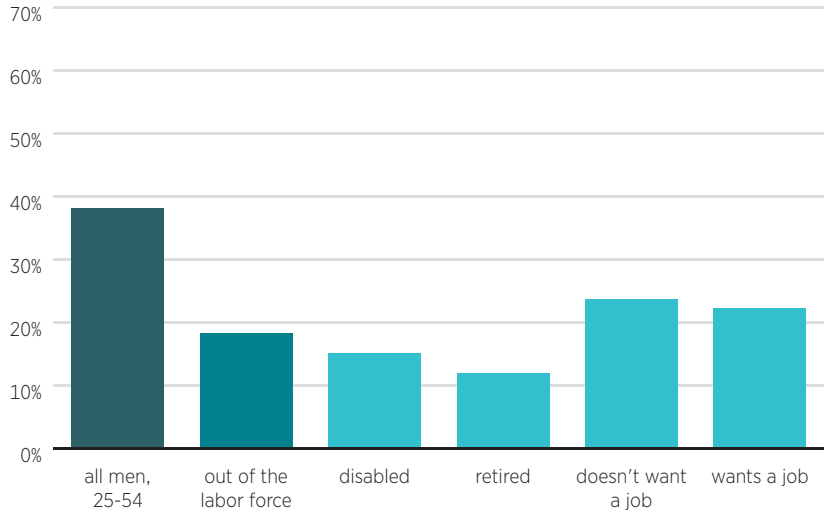
FIGURE 43. PERCENTAGE OF INACTIVE MEN WHO ARE MARRIED



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

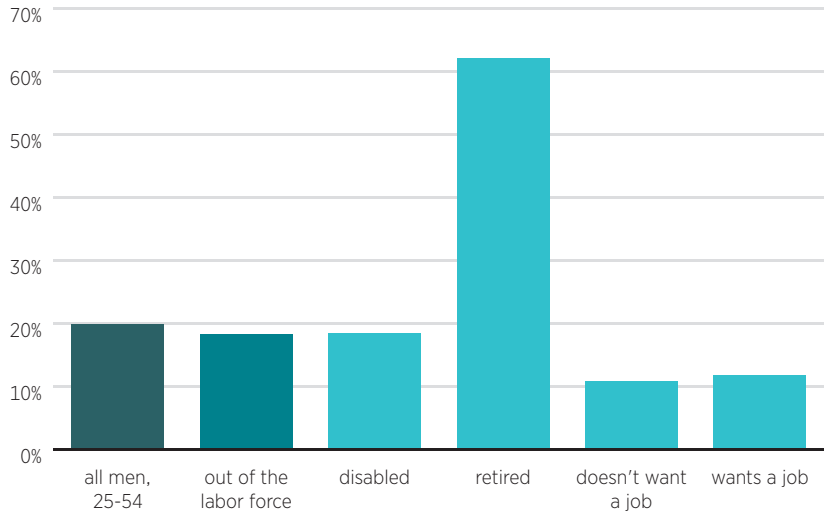
FIGURE 44. PERCENTAGE OF INACTIVE MEN WHO ARE MARRIED WITH CHILDREN



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

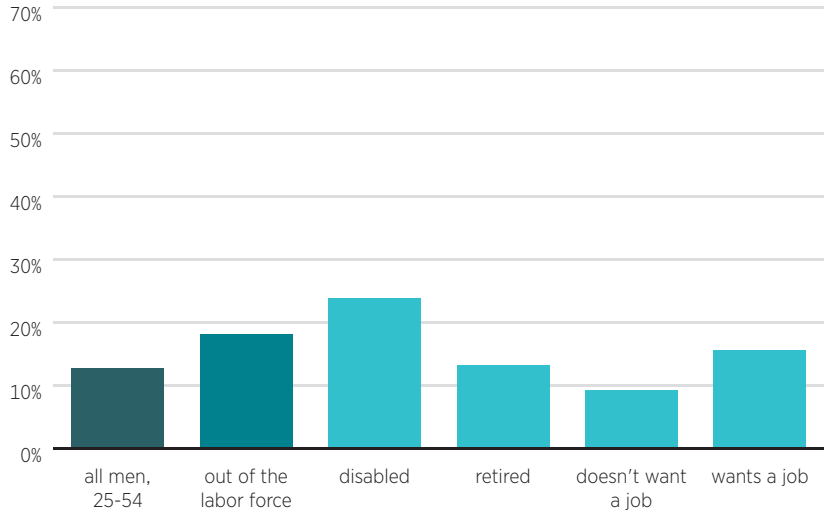
FIGURE 45. PERCENTAGE OF INACTIVE MEN WHO ARE MARRIED WITHOUT CHILDREN



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

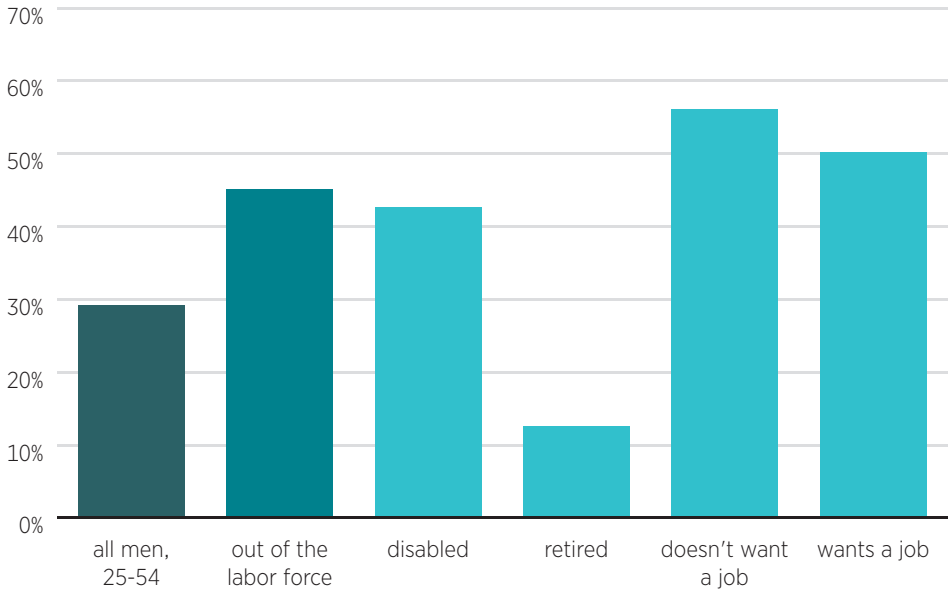
FIGURE 46. PERCENTAGE OF INACTIVE MEN WHO ARE SEPARATED, DIVORCED, OR WIDOWED



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

FIGURE 47. PERCENTAGE OF INACTIVE MEN WHO HAVE NEVER MARRIED



Source: Current Population Survey, Annual Social and Economic Supplement.

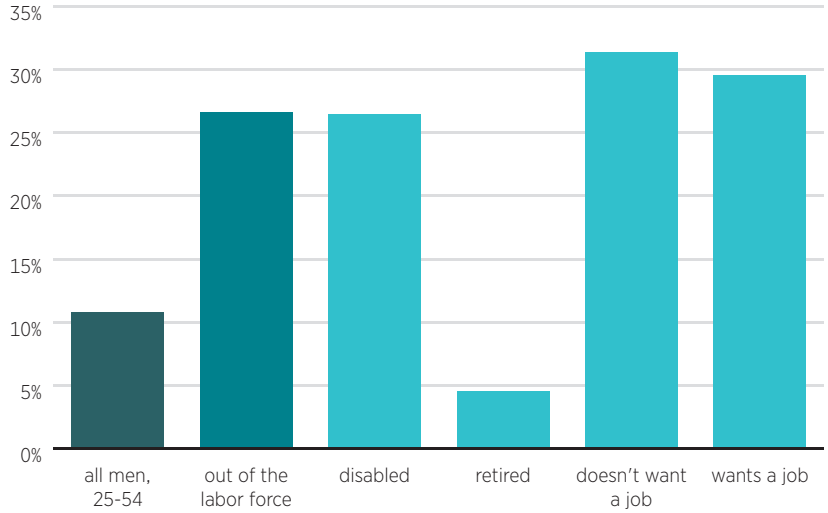
Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

the divorced, separated, and widowed is largely owing to disabled men, but all three nonretired groups of inactive men are overrepresented among the never married. Men who do not want a job are relatively unlikely to be divorced, separated, or widowed (even compared with working-age men generally) and are more likely to be never married. Half of men who want a job have never married.

Another way to consider family arrangements is to divide single men into adults living with a relative who heads the household ("dependents"), cohabiting (with the household head or as head of the household with someone else), living with no other adults ("living alone"), and living with a roommate or (as the household head) with an adult relative ("others"). This breakdown is shown in figures 48 through 51.

The striking result here is that so many inactive men are dependents (figure 48). Although 11 percent of prime-age men lived with a head who was related to them (and not a spouse), that was true of 27 percent of men out of the labor force. This was, in fact, the most common living arrangement for single inactive

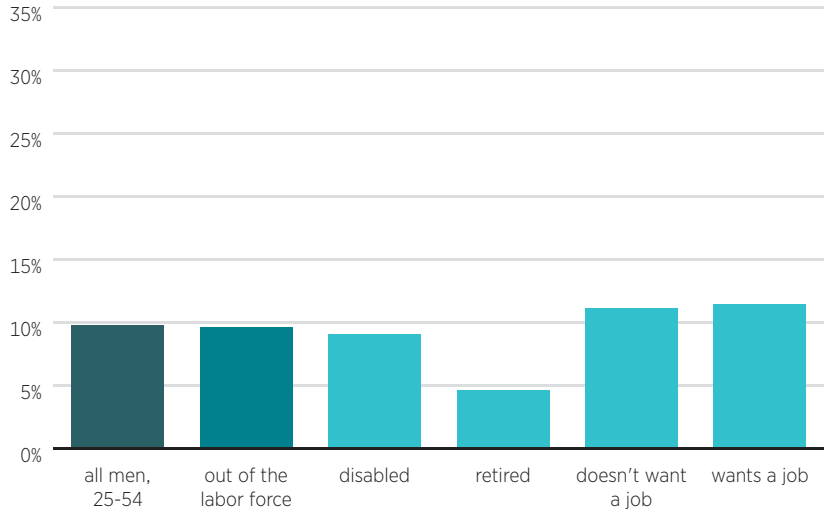
FIGURE 48. PERCENTAGE OF INACTIVE MEN WHO ARE SINGLE AND LIVING WITH A RELATIVE WHO HEADS THE HOUSEHOLD



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

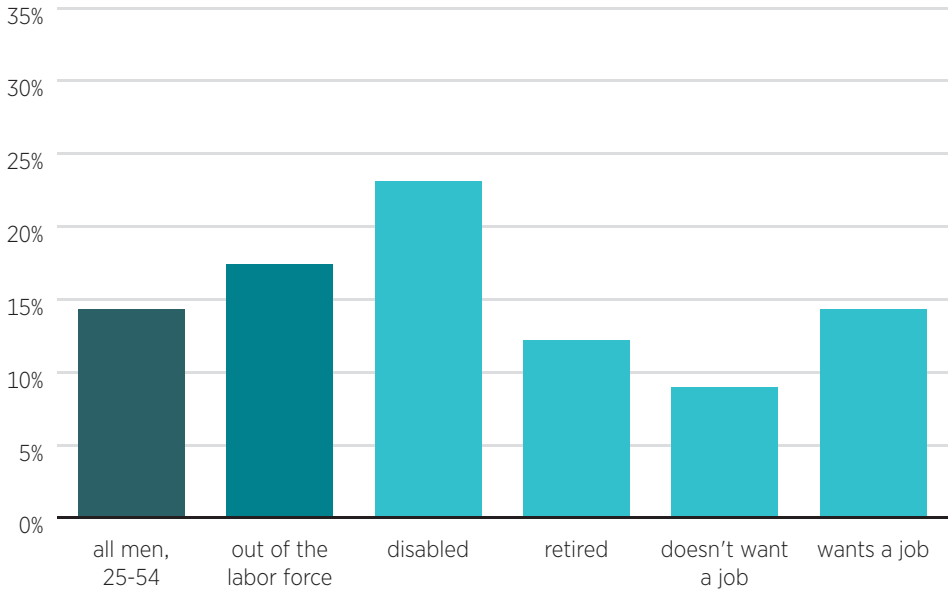
FIGURE 49. PERCENTAGE OF INACTIVE MEN WHO ARE COHABITING AND IN A RELATIONSHIP INVOLVING THE HOUSEHOLD HEAD



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

FIGURE 50. PERCENTAGE OF INACTIVE MEN WHO ARE LIVING WITHOUT ANOTHER ADULT



Source: Current Population Survey, Annual Social and Economic Supplement.

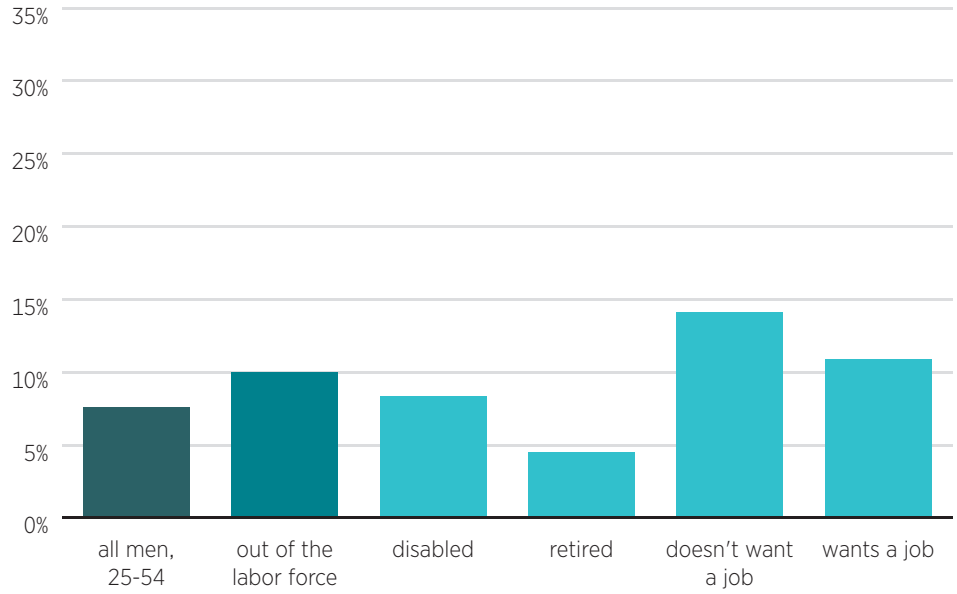
Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

men, excepting retirees, and among these three groups of inactive men it was nearly as common as living with a wife. These men were younger than inactive men generally, but the median age among them was 34, and 75 percent were age 28 or older. It would appear that many inactive men rely heavily on family support (whether or not they want a job or are disabled).

Cohabitation is only a bit more common among inactive men than among prime-age men generally (figure 49). Living alone is the second most common living arrangement for single inactive men (figure 50). This is the most common arrangement for single retirees, even though the disabled and men who want a job were more likely to live alone than retirees. Only 9 percent of men who did not want a job lived alone, suggesting that it is difficult to support oneself without working unless one has help from another coresident adult.

Finally, the residual group of single men—living with a roommate or as the household head with an adult relative—overrepresents men who do and do not want a job (figure 51). Most of them were living with an unrelated roommate and no children.

FIGURE 51. PERCENTAGE OF INACTIVE MEN WHO ARE LIVING WITH A ROOMMATE OR ARE HOUSEHOLD HEADS LIVING WITH AN ADULT RELATIVE



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job.

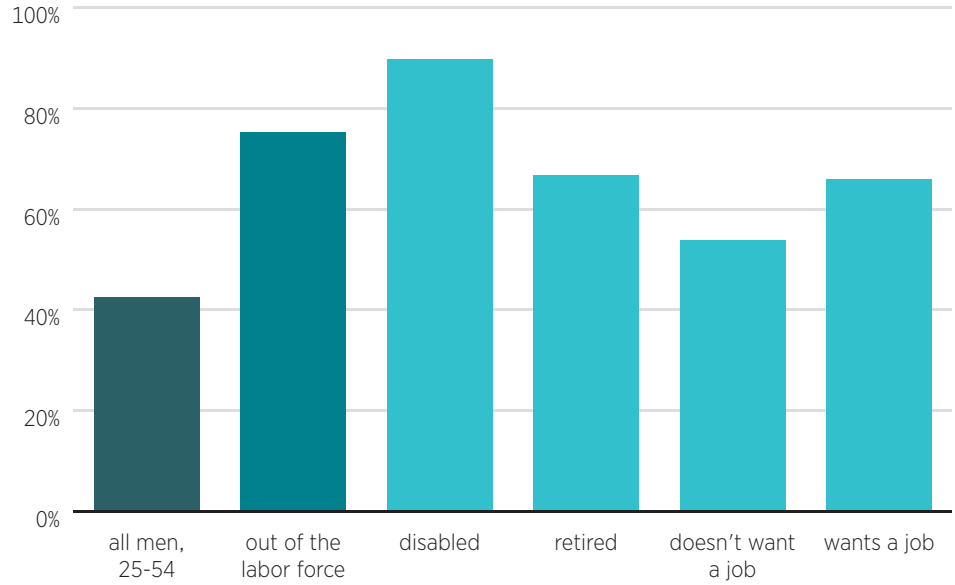
In short, most inactive men are single, many of them living with an adult relative. Married men with children are underrepresented among the inactive. Retirees, uniquely, are likely to be married but have few children living in the home (perhaps because they have aged out of the household). Roughly three in four inactive men are living with a wife, a cohabiting partner, or a family member, and adding in men with roommates puts the share of inactive men with another adult in the household above 80 percent.

Income from Government Transfers

It should be noted that although inactive men rely on the support of other household members, they tend to live in families with low "market" income (income before taking government transfers into account).[58] Two-thirds (64 percent) have market family incomes that put them in the bottom quarter of the market-

58. These market income figures do not include employer-provided health benefits as income.

FIGURE 52. PERCENTAGE OF INACTIVE MEN WHO LIVED IN A HOUSEHOLD RECEIVING GOVERNMENT TRANSFER PAYMENTS



Source: Current Population Survey, Annual Social and Economic Supplement.

Note: The 2012–2014 ASEC Supplement data are matched to the March Basic Monthly Survey data. "Retired" refers to nondisabled retired men who do not want a job. "Doesn't Want a Job" refers to nondisabled, nonretired men who do not want a job. "Wants a Job" refers to nondisabled men who want a job. Transfers include cash and noncash benefits, including health benefits.

income distribution for all prime-age men in their region, and 83 percent are in the bottom half. Only 7 percent are in the top quarter. The shares with little market income are largest for disabled men (73 percent in the bottom fourth and 88 percent in the bottom half). But 63 percent of retired men, 59 percent of men who want a job, and 51 percent of men who do not are in the bottom quarter.

Most inactive men live in households with market income, a fact that attests to the importance of the financial help received from other household members. Four in 10 inactive prime-age men live in a household with at least some market income in the previous year. (It could have been their own market income, including their own earnings if they were employed part of the year.) That includes 74 percent of disabled inactive men and 83 to 89 percent of inactive men in the other three categories.

A second way that men inactive in the labor force can make do is by relying on government transfer payments. As can be seen in figure 52, 75 percent of inactive men are in a household that received transfer income during the previous year, whether from social insurance programs like unemployment insurance or

means-tested programs like SSI, whether in cash or noncash form.[59] This figure is an astonishing 90 percent for inactive disabled men, but it is also 54 to 67 percent for the other three groups of inactive men.

Disability benefits loom large in the finances of inactive disabled men. Among the disabled, 75 percent personally receive some form of government disability benefit, either from SSDI, SSI, veterans' payments, workers' compensation, railroad retirement, or federal black lung benefits. (Adding private disability benefits only raises this figure to 78 percent.) Unsurprisingly, only 3 to 8 percent of inactive men in the other three groups received disability benefits in the previous year. Among inactive men as a whole, 43 percent received disability payments. These estimates are, if anything, too low.[60]

Transfer payments—and the progressivity of the tax system—make the disabled and retired inactive men look a little better off than their family market incomes would indicate. Three in five disabled men (62 percent) are in the bottom quarter of regional post-tax and post-transfer income, as are 55 percent of

59. Specifically, I count benefits from Temporary Assistance for Needy Families and related public assistance programs, SSI, state and federal unemployment compensation, workers' compensation (including survivor pensions), Social Security (including, but not limited to, SSDI), veterans' pay, railroad retirement benefits (including disability payments and survivor pensions), black lung benefits (including disability payments and survivor pensions), state temporary sickness benefits, government educational assistance (including Pell Grants), food stamps (SNAP), subsidized school breakfasts and lunches, subsidized public housing and housing vouchers, federal energy assistance, Medicare, Medicaid, and the State Children's Health Insurance Program.

I do not count refundable tax credits (such as the Earned Income Tax Credit or the Additional Child Tax Credit), Affordable Care Act (ACA) premium assistance administered through the tax code, or ACA cost-sharing subsidies. Nor do I count fringe benefits (such as retirement benefits) for current or former government employees or military personnel or veterans. (These fringe benefits are counted in "market" income.)

A household is not counted as having received any transfers if it received $500 or less in cash transfers, received $500 or less in noncash, nonhealth transfers, and did not receive Medicare or Medicaid benefits.

Using a different dataset, Eberstadt reports that in 2014, 63 percent of inactive men 25–54 years old were in households ("consumer units") that received some form of means-tested benefits. Means-tested benefits do not include social insurance programs like SSDI, Medicare, and unemployment insurance. See Eberstadt, *Men without Work* (note 46).

60. Eberstadt—again, using a different dataset from mine—reports that in 2013, 56.5 percent of inactive prime-age men received government disability benefits. The truth is probably in between. Meyer, Mok, and Sullivan found that SSDI benefits are reported equally well in the CPS and the Survey of Income and Program Participation (SIPP, the source of Eberstadt's figures). But although the CPS undercounts recipients of SSI, the SIPP overcounts them. Workers' compensation benefits, though reported at similar rates in the CPS and SIPP, are strongly undercounted in both surveys. See Eberstadt, *Men without Work*; Bruce D. Meyer, Wallace K. C. Mok, and James X. Sullivan, "The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences" (working paper, June 2015), https://harris.uchicago.edu/files/underreporting.pdf.

Note that if my estimates of disability receipt are too low, then they are too low mainly for inactive disabled men, meaning that a 75 percent rate of disability receipt is a lower bound.

retired men.[61] Over half of men who do and do not want a job are in the bottom quarter too. Across the four groups, between 71 and 83 percent of inactive men are in the bottom half of post-tax and post-transfer income.

Correspondingly, poverty rates are high among inactive men. Although 6 percent of prime-age men generally live below the improved poverty line that I use, 22 percent of inactive men do (ranging from 19 to 27 percent across the four groups).[62] Half (53 percent) of inactive men live below twice the poverty line, compared with 21 percent of prime-age men generally.

Underreported Income

Those poverty rates do not include health benefits as income. Doing so would reduce measured poverty further, but a potentially bigger way in which these income and poverty figures are too dour is their being subject to underreporting of earnings and government benefits. Comparisons against administrative data indicate that between 5 and 10 percent of SSDI benefits are unreported in the CPS, and the same is true of 10 to 20 percent of SSI benefits. About one-third of unemployment benefits are unreported, whereas 60 percent of workers' compensation benefits are.[63]

Earnings are also underreported, especially among low earners. Fully 17 to 26 percent of men in the bottom fifth of the wage distribution, according to Social Security data, are missing from the CPS.[64] Less-skilled men hold an impressive variety of off-the-books jobs, some on the black market, many on just the gray.[65] Underreporting of other kinds of market income appears even worse, at least in

61. These estimates do not include health benefits.

62. These estimates improve on the official poverty numbers by grouping cohabiters and their families, by including noncash benefits—but not health benefits—as income and taking taxes into account, and by adjusting the poverty line for the cost of living with the best available measure of inflation. The poverty lines are based on the 1969 thresholds and updated with the PCE deflator. On the superiority of the PCE deflator as a price index, see Scott Winship, "Poverty after Welfare Reform" (report, Manhattan Institute, New York, 2016), appendix 1, https://www.manhattan-institute.org/download/9172/article.pdf.

63. See Meyer, Mok, and Sullivan, "Under-Reporting of Transfers in Household Surveys"; and John Ruser, Adrienne Pilot, and Charles Nelson, "Alternative Measures of Household Income: BEA Personal Income, CPS Money Income, and Beyond" (paper prepared for the Federal Economic Statistics Advisory Committee, December 14, 2004).

64. Christopher R. Bollinger, Barry T. Hirsch, Charles M. Hokayem, and James P. Ziliak, "Trouble in the Tails? Earnings Non-Response and Response Bias across the Distribution" (working paper, February 2015), http://bae.uncg.edu/econ/files/2015/03/BollingerSeminar2015.pdf.

65. Kathryn Edin and Maria Kefalas, *Promises I Can Keep: Why Poor Women Put Motherhood before Marriage* (Berkeley: University of California Press, 2011); Sudhir Venkatesh, *Off the Books: The Underground Economy of the Urban Poor* (Cambridge, MA: Harvard University Press, 2006).

the general population. In the 2001 CPS, only half of self-employment income was reported (compared with administrative data), and only 70 percent of retirement and disability benefits outside of SSDI, SSI, and workers' compensation.[66]

Underreporting of income by other household members is also likely to bias downward our view of how inactive men are doing. For instance, about one-third of food stamp and housing subsidy recipients fail to report any benefits in the CPS.[67]

The bottom line is that although inactive men are concentrated among relatively poor households, they are able to sustain themselves with a mix of support from wives, other relatives, and government transfers. Three in four disabled men out of the labor force receive disability benefits (mostly federal transfer payments). As noted earlier, a large share of retirees receive retirement income. Two-thirds of men who want a job are in a home that receives government assistance of some sort, as are nearly 55 percent of men who do not want a job. And nearly half the inactive men who do not want a job are students, which makes their economic situation appear worse than it is.

WHAT'S MISSING FROM THIS PICTURE?

The CPS allows for a moderately rich picture to be drawn of inactive men, but it does not include all the information that would be ideal. Perhaps the biggest absence is any detail on the criminal backgrounds of inactive men. As noted earlier, the fact that incarcerated men are absent from CPS estimates of inactive men does not affect the trend in inactivity all that much. It is possible that the relative shares of the four groups of inactive men analyzed here would look different if American incarceration rates were lower.

But this issue aside, a large number of nonincarcerated prime-age men are inactive in the labor force because they have criminal records. Because of background checks and occupational licensing restrictions, as well as federal student aid policies, having a criminal record is a severe barrier to obtaining work in the formal economy. And probation and parole policies, Nicholas Eberstadt notes, may prevent men from moving to areas with more opportunities.[68] Currently, little information exists, however, on how many inactive men are affected by their past in this way.[69]

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66. Ruser, Pilot, and Nelson, "Alternative Measures of Household Income."
67. Meyer, Mok, and Sullivan, "Under-Reporting of Transfers in Household Surveys."
68. Eberstadt, *Men without Work*.
69. For a review of the effects of incarceration on wages and employment, see Harry J. Holzer, "Collateral Costs: The Effects of Incarceration on the Employment and Earnings of Young Workers" (IZA Discussion Paper No. 3118, Institute for the Study of Labor, Bonn, 2007).

"A criminal background appears to be less a barrier to inactive men who want to work than it is a characteristic of men who say they are disabled or do not want to work."

Eberstadt's recent analysis of how criminal backgrounds affect inactive men begins to fill this crucial gap. Eberstadt cites research suggesting that 12 percent of men in the civilian, noninstitutionalized population are current or former felons. He notes that since the incarceration boom is fairly recent, the share of *prime-age* men who are current or former felons is larger than this estimate. The correlation that Eberstadt reports across states between male inactivity rates and the share of people with a felony conviction is on the same order of magnitude as the correlation found in this paper between prime-age unemployment rates and inactivity.

Further, he provides original analyses using two Bureau of Labor Statistics surveys that have followed adults since they were adolescents in either the late 1970s or mid-1990s. In the earlier survey, while 7 percent of men between the ages of 30 and 34 reported no weeks working in 1992, over 20 percent of men in this age group who had an arrest in his past did no work, and over one-third of men who had been incarcerated before did no work. Men in the same age group in the second survey reported in 2013 lower levels of nonwork, but the same pattern emerged: men with a past incarceration or arrest were much more likely to report no weeks worked during the year than men who had no such history. These relationships hold up within racial groups and for men at each level of education. Economist Harry Holzer has estimated that among black men between the ages of 25 and 34 without a high school diploma, past incarceration, in combination with child support enforcement, accounts for most of the rise in inactivity between the early 1980s and 2000.[70]

Some purchase on this question can be gained by analyzing a 2014 survey sponsored by the Kaiser Family Foun-

70. Harry J. Holzer, Paul Offner, and Elaine Sorensen, "Declining Employment among Young Black Less-Educated Men: The Role of Incarceration and Child Support" (Urban Institute, Washington, DC, April 2004), http://www.urban.org/sites/default/files/publication/58036/411035-Declining-Employment-among-Young-Black-Less-Educated-Men.PDF.

dation, CBS News, and the *New York Times*.[71] That survey included nonworking prime-age adults, male or female, inactive or unemployed. It asked respondents whether they had ever been convicted of a crime. My best attempt to produce estimates consistent with the CPS found that one-third of inactive prime-age men were ex-convicts. That included 39 percent of disabled men, 18 percent of nondisabled retired men who did not want a job, 21 percent of nondisabled men who wanted a job, and 33 percent of nondisabled, nonretired men who did not want a job.[72] A criminal background appears to be less a barrier to inactive men who want to work than it is a characteristic of men who say they are disabled or do not want to work.

As Eberstadt notes, the increase in male inactivity predates by many years the incarceration boom, so criminal background issues are only part of the story. It is also the case that many inactive men with criminal backgrounds would likely be inactive even without a criminal background, based on their disadvantageous socioeconomic status.

Eberstadt and others have also looked at how inactive men use their time. Citing another Bureau of Labor Statistics survey (on time use), Eberstadt notes that the biggest difference between the typical days of inactive men as compared with other men—apart from the obvious difference in time spent working—is that inactive men spend nearly eight hours a day socializing, relaxing, and engaging in leisure. That compares with fewer than four hours a day for employed men and about six hours a day for unemployed men. Five-and-a-half hours of this time is spent watching television and movies.

University of Chicago economist Erik Hurst is one of the more prominent experts on time use. He reports a substantial four-hour-per-week increase in leisure time from 2000 to 2015 among men in their 20s without a college degree.[73] He also finds that 75 percent of this increase is accounted for by more time spent playing video games. In addition, Hurst notes that the self-reported happiness of these men rose over this period, despite—Hurst might argue because of—rising inactivity rates. He speculates that technology has increased the "reservation

71. The poll was conducted by SSRS from November 11, 2014, to November 25, 2014. It included 1,002 respondents. I thank Jamie Firth of the Kaiser Family Foundation for providing the microdata to me.
72. My best attempt to produce estimates consistent with the CPS found 61 percent of inactive prime-age men disabled, 4 percent retired and not disabled and not wanting a job, 21 percent not disabled and wanting a job, and 14 percent not disabled or retired and not wanting a job. (In the CPS, my estimates for 2014 were 54 percent, 7 percent, 12 percent, and 27 percent, respectively.)
73. Erik Hurst, "Video Killed the Radio Star: How Games, Phones, and Other Tech Innovations Are Changing the Labor Force," *Chicago Booth Review*, September 1, 2016, http://review.chicagobooth.edu/economics/2016/article/video-killed-radio-star.

wages" of young men. That is, because they are often able to rely on parents for housing, food, and other needs, leisure time has become so attractive that it takes higher wages to get them to look for work.

In contrast to Hurst's depiction of satisfied younger inactive men, Alan Krueger (2016) paints a darker picture of prime-age inactive men.[74] He cites CPS evidence that many of these men say they are in poor health. Time-use data indicate that 44 percent of inactive prime-age men took pain medication the previous day, as did 58 percent of disabled inactive men. Krueger also cites an internet survey he commissioned that found that in two-thirds of the cases, they are taking prescription painkillers.

Unfortunately, no good trend data exist for these results on pain, so we do not know whether the levels reported are higher or lower than in the past. Certainly, the evidence cited earlier in this paper regarding general improvement in physical health is inconsistent with an increase in physical pain. Krueger finds that the likelihood that someone with one of six physical or cognitive impairments is in the labor force has decreased, suggesting that the issue is not greater pain but less attachment to work among those reporting pain. It is possible that a lot of men in the past worked under considerable pain but do not have to do so today, but Krueger's trend analyses on this point run from 2008 to 2016, making it unlikely that changes in society or healthcare have been large enough to be an explanation.

We cannot dismiss the possibility that what has changed is not the incidence of pain but dependence on pain medication. Opioid use—legal and illegal—has taken off in recent years.[75] Indeed, it may be that higher addiction to opioids has increased inactivity. Nor can we reject the possibility that some wary able-bodied men who are receiving disability benefits are giving surveyors the responses that they believe are consistent with their continuing to get those benefits. Regardless, the decades-old rise in prime-age male inactivity requires explanations that predate the past 10 years.

CONCLUSION

The Great Recession inspired a wave of economic anxiety that persists today. A number of frightening cyclical developments were mistakenly declared to be fundamental structural defects of the American economy. Long-standing con-

74. Krueger, "Where Have All the Workers Gone?"
75. Sam Quinones, *Dreamland: The True Tale of America's Opiate Epidemic* (New York: Bloomsbury Press, 2015).

cerns about technological unemployment and global competition metamorphosed into a perception of accelerating crisis. Deep-seated cultural polarization fanned during the 2016 presidential campaign was misinterpreted as reflecting the desperation of men and women enduring a hidden economic depression. Talk of a universal income became widespread among progressives and even many libertarians.

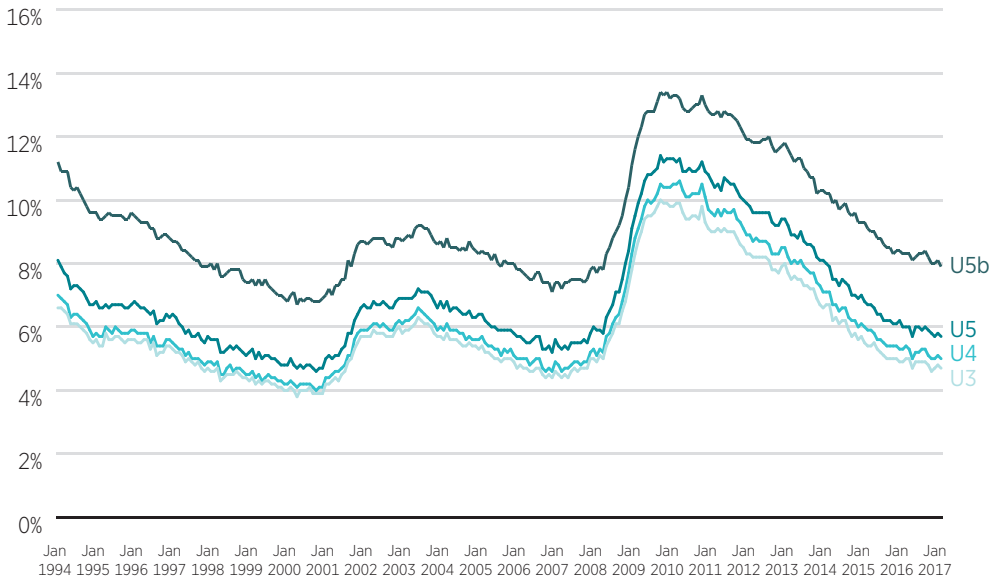
The evidence in this paper suggests that America should take a deep breath before declaring our labor market broken. The nation has important economic problems, none more critical than how to bring back robust and enduring economic growth. But rather than focus on this issue, we seem forever distracted by a phantom illness that we cannot see but somehow feel. The unfortunate irony is that by misunderstanding the rise in inactivity as primarily a problem with the job market, we are steered toward protective safety-net policies that are likely to slow growth by encouraging more inactivity.

If the question is whether or not the headline unemployment rate understates the extent of involuntary joblessness—the extent to which people who want jobs cannot find ones acceptable to them—the answer is yes, but lower than it would appear. In January 2017, the official unemployment rate, which the Bureau of Labor Statistics calls the U3 rate, was 4.8 percent on a seasonally adjusted basis. That rate divides the number of jobless people actively looking for work and available to take a job by the labor force (the number looking and available plus the number of employed).

Discouraged workers are people who are not in the labor force, want a job, are available to work, and have looked in the past year, but who have not looked in the past four weeks because they have given up. Adding them to the numerator and denominator of the U3 rate produces the U4 rate. That stood at 5.1 percent—barely any higher than the U3 rate. The U5 rate adds to the numerator and denominator everyone else who resembles discouraged workers, except that they are no longer looking for *noneconomic* reasons. The U5 rate in January was 5.8 percent, one point higher than the U3 rate.

Although there is a U6 rate that incorporates part-time workers who want to work full time, this unnecessarily complicates the question of what the "true" rate of involuntary joblessness is. But a measure that would be more inclusive than the U5 rate while not counting employed workers as jobless would add all workers who want a job and do not report a long-term disability to the U5 numerator and denominator. Call it the "U5b" rate. It was 8.1 percent in January 2017—3.3 points higher than the official U3 rate. Needless to say, that is lower than what might be called the "Trump rate," which counts everyone without a

FIGURE 53. INDICATORS OF INVOLUNTARY JOBLESSNESS, JANUARY 1994 TO JANUARY 2017



Source: Bureau of Labor Statistics website. The U3, U4, and U5 rates are from the Labor Force Statistics database (https://www.bls.gov/cps/cpsatabs.htm). The author computed the U5b rate using Series LNS13000000, LNS11000000, and LNS15026639 (https://download.bls.gov/pub/time.series/ln/ln.series).

Note: Estimates include women and persons younger than 25 and older than 54.

job—retirees, students, homemakers, and the disabled—as jobless. In January, that was 40.1 percent.

If, however, the question is whether involuntary joblessness has increased more than the official unemployment rate implies, the answer is no. Figure 53 displays the U3, U4, U5, and U5b rates of involuntary joblessness, from January 1994 (the first month in which all four rates may be calculated) to January 2017. These estimates are not confined to men or to people between the ages of 25 and 54. The 8.1 percent U5b rate in January 2017 was lower than in any month going back to 1994, except from late 1997 through mid-2001 and from late 2005 through early 2008. If we think the labor market was doing well in late 1997, it is doing no worse today. The unemployment rate was 4.8 percent in August 1997 and in January 2017. The U5b rate was 8.1 percent in both months.

In fact, the U5b rate tracks the U3 rate very closely. Although not obviously apparent in figure 53, the gap between the two measures narrowed during the 1990s and then was unchanged until the Great Recession. In other words, if the U5b rate is better than the official unemployment rate at capturing involuntary

joblessness, the official rate was a better, not a worse, measure at the end of 2007 than it was at the beginning of 1994. The gap between the two rates widened during the recession and has narrowed during the recovery, but it never returned to 1994 levels.

Indeed, not only the U5b rate, but the U4 and U5 rates (and the U6 rate, not shown) track the official unemployment rate very well. The same was true of the set of alternate joblessness measures used before 1994.[76]

The fact that the U5b rate is higher than the U3 rate implies that monetary policy might be failing to reduce joblessness as much as it could before raising interest rates. However, it might just mean that the U5b rate below which inflation begins to accelerate is correspondingly higher than the U3 rate associated with the "nonaccelerating inflation rate of unemployment" that the Federal Reserve monitors.

To the extent that we are concerned about whether involuntary joblessness is higher than in the past, we should trust our headline unemployment statistics. As we saw in figure 2, involuntary joblessness appears to have risen during the 1970s, but thereafter, it has largely followed a cyclical path. No evidence indicates that the unemployment rate has deteriorated as a measure of joblessness.

What the U3, U4, U5, and U5b rates all miss is the increase in the number of inactive men who report long-term disabilities. This paper has argued that the rise in labor force inactivity is primarily a supply-side issue, a reflection of changed incentives for workers on the margin to work less or not at all. How much we ought to worry about decreased labor supply is an open question. But a cause for concern ought to be the rising receipt of disability benefits at a time when a variety of trends point to improved health and greater access to employment among the disabled.

Much of the rest of the increase in prime-age male inactivity is accounted for by nondisabled, nonretired men

"This paper has argued that the rise in labor force inactivity is primarily a supply-side issue, a reflection of changed incentives for workers on the margin to work less or not at all."

76. John E. Bregger and Steven E. Haugen, "BLS Introduces New Range of Alternative Unemployment Measures," *Monthly Labor Review*, October 1, 1995.

who do not want a job. Many of these men are enrolled in school. Taken as a whole, inactive men who do not want a job have relatively low incomes, but their disinterest in work suggests that we should hesitate before crafting policies to push them into the workforce.

Demand is not absolved from responsibility in this account. About a quarter of the increase in inactivity is accounted for by nondisabled men who want a job. This estimate is consistent with other research suggesting that "diminished market opportunities explain only about 20–30 percent of the decline in [labor force] participation [since 1950] and the rest could be due to changes in labor supply holding market opportunities constant."[77] The demographics of this group suggest that many of them are struggling and that it is worth thinking of them as involuntarily jobless like the unemployed. To the extent that inactive men want a job, policy should find ways to help them find work or become more employable.

Beyond this group, stronger demand for less-skilled labor would change the marginal incentives of men who say they do not want a job and would potentially reverse the steady movement of men out of the labor force. To the extent that more men are choosing not to work and are finding ways to support themselves that make no demands on their working neighbors, the task is to increase demand so that wages rise enough to change the calculus of self-sufficiently inactive men.

But to the extent that some able-bodied men have increasingly chosen disability benefits over self-reliance, imposing an obligation on members of their communities to support their decision not to work, we should reform our safety-net policies to promote personal responsibility. Such policies would ideally result in a reversal of the cultural tide away from work and independence—the opposite of the result that might follow if we subsidize nonwork further through a universal basic income program. Universal basic income is a solution for a labor market problem that has been exaggerated or has yet to materialize.

A modest first step in the direction of focusing on the right problems would be to institutionalize a new "U5b" alternative jobless rate to supplement the existing U4, U5, and U6 rates. The new rate would draw attention to changes in the share of people who say they want to work—whether or not they are looking. This rate would move in the same way that the official unemployment rate does, and that would potentially reassure observers and policymakers that no hidden

77. John Coglianese, "Shrinkouts versus Dropouts: Explaining Declines in Labor Force Participation" (unpublished paper, June 2016), 1, http://scholar.harvard.edu/files/coglianese/files/Coglianese_2016.pdf.

problem is being missed. The U5b *level* would be higher than the current unemployment rate, but that, too, would provide a better depiction of our economic challenges.

And if the U5b rate remained controversial because of ambiguity about the nature of the inactive disabled men and women not included in it, that might lead to more research to better understand that subset of the inactive. Ultimately, we need to increase our reliance on data—not reject the data in favor of what we would like to believe, or fear, or think we should believe.

ACKNOWLEDGMENTS

This paper benefited from comments from Charles Blahous, Richard Burkhauser, Salim Furth, Christopher Jencks, Larry Mead, Adam Michel, and six anonymous reviewers. Karen Kosanovich of the Bureau of Labor Statistics assisted me with questions about the Current Population Survey (CPS) questionnaire. Jamie Firth, formerly of the Kaiser Family Foundation, provided me with microdata from a poll the organization sponsored with the *New York Times* and CBS News. Eanswythe Grabowski of Unicon Research Corporation provided assistance with CPS microdata. Sean Lyons, Andrew Houtenville, and Richard Burkhauser assisted me in obtaining nonpublic CPS data on disability. I am grateful to all of them. Any errors are my own.

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