

RESEARCH SUMMARY

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

Many are concerned about the state of the American job market, convinced that improving employment indicators mask pervasive hardship. In particular, some are concerned about the increase in the number of prime-age men who are neither working nor looking for work—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.

In “[What's behind Declining Male Labor Force Participation: Fewer Good Jobs or Fewer Men Seeking Them?](#),” Scott Winship considers why inactivity in the labor force among prime-age men—those between the ages of 25 and 54—has grown so steadily for so long. The study examines trends in a number of labor market indicators to assess the extent to which rising inactivity rates reflect a worsening of the job market (lower demand) or reduced job-seeking (lower supply). 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.

Policymakers should focus on helping the unemployed and inactive men who want jobs 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. The Bureau of Labor Statistics should consider adopting a new “U5b” rate that includes inactive people who want a job along with those counted by the existing unemployment rate, in order to institutionalize a broader measure of joblessness and increase faith in our jobless statistics.

KEY HIGHLIGHTS

- **The inactive, not the unemployed, are behind falling male work rates.** While it became more difficult for job seekers to find work starting in the 1970s, the decline in work was primarily a consequence of more men not looking for work; that is, of rising inactivity. The inactivity rate for prime-age men rose from under 2 percent in 1930 to 4 percent in 1970 and to 11.5 percent by 2016.
- **While many observers assume that increasing inactivity rates reflect more men “dropping out” of the labor force out of frustration with the job market, relatively few prime-age inactive men fit the picture.** Just 3 percent meet the official federal definition of a “discouraged worker,” and in 2014 just 7 percent of prime-age men inactive the entire preceding year said their reason for not working was that they could not find a job. The increase in their ranks accounted for just 9 percent of the rise in full-year inactivity from 1968 to 2014.
- **Few inactive men say they want a job in a typical week, and most of the increase in inactivity has involved men who do not want a job.** This study estimates that only about one in four inactive men in 2014 wanted

a job, and only about 25 percent of the increase in inactivity in a typical week from 1969 to 2014 involved men who wanted a job. Less than one-third of non-disabled inactive men want a job.

- **Increasing male inactivity has been accompanied by rising, not falling, pay.** After accounting for inflation, median pay among all men was higher by 23 to 31 percent in 2016 than in 1967, and the pay of less-skilled workers was 10 percent higher.
- **Understanding why prime-age male inactivity has risen requires focusing on disability.** No fewer than 58 percent of prime-age inactive men report being disabled. While they make up a smaller share of inactive men than in the past, they still play a major role in rising inactivity.