Despite End of Recession, Family Reliance on Wives’ Income Remains at Record Level

Kristin Smith
Carsey Institute at UNH
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DURHAM, N.H. – Despite the end of the Great Recession, American families still rely on the income of wives at record levels, with employed wives’ contribution to total family income holding steady at 47 percent, which is its highest level in decades, according to new research from the Carsey Institute at the University of New Hampshire.

“If history is a good guide, it is likely that wives’ share of total family earnings will not return to pre-recession levels, but rather, the Great Recession will serve to propel wives’ contributions higher. It is likely that wives will remain in the labor force even after their husbands return to work, as many families have lost ground due to diminished savings, housing values, and retirement accounts. Thus, it is critical to pay attention to the implications of wives as breadwinners for families and the workplace,” said Kristin Smith, family demographer with the Carsey Institute and research assistant professor of sociology at the University of New Hampshire.

Smith’s new research is presented in the Carsey Institute brief “Recessions Accelerate Trend of Wives as Breadwinners.”

From 2008 to 2009, employed wives’ contributions to total family earnings jumped from 45 percent to 47 percent – the largest single-year increase during the past 23 years – where it held steady in 2010 and 2011, Smith said.

“The massive job losses during the 18 months of the Great Recession, primarily in male-dominated industries such as manufacturing and construction, coupled with sluggish job growth during the recovery, have left many families with lower earnings and have placed an unprecedented importance on wives’ earnings to keep families afloat. The Great Recession, in particular, substantially accelerated the trend of an increased reliance on employed wives’ earnings,” Smith said.

Smith also looked at previous recessions and found that they substantially accelerate the trend of increased reliance on wives’ earnings. In all three recessions since 1988, annual increases in employed wives’ share of total family earnings rose substantially.

This reliance on wives’ earnings is particularly important when the husband’s education level is taken into consideration. Smith found that employed wives’ share of total family earnings is higher and more responsive to economic downturns when the husband has a high school degree or less compared with a college degree.
According to Smith, working families were already under stress before the recession from increased time spent working, inflexible workplaces that have not kept pace with changing families, and the lack of policy supports.

“Policies to support working families, such as paid sick leave and paid family medical leave, affordable quality child care, livable wages, and measures that increase workplace flexibility, could help reduce the work and family conflict that many men and women experience. In addition, there is an obvious need for continued job creation, continued support for long-term unemployment, and expanded public assistance and food stamps to help families during this economic recovery,” she said.

The complete Carsey Institute report about this research is available at http://carseyinstitute.unh.edu/publication/recessions-accelerate-trend-wives-breadwinners.

This analysis is based on data from the U.S. Census Bureau’s Current Population Survey (CPS) March Supplements and Annual Social and Economic Supplements Integrated Public Use Microdata Series files compiled by the Minnesota Population Center from 1989 to 2012.

The Carsey Institute conducts policy research on vulnerable children, youth, and families and on sustainable community development. The institute gives policy makers and practitioners the timely, independent resources they need to effect change in their communities. For more information about the Carsey Institute, go to www.carseyinstitute.unh.edu.

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GRAPHICS
Employed Wives’ Percent Contribution to Total Family Earnings, 1988-2011
http://www.unh.edu/news/img/wives_fig1.jpg
Credit: The Carsey Institute

Employed Wives’ Percent Contribution to Total Family Earnings by Husband’s Education, 1988-2011
http://www.unh.edu/news/img/wives_fig2.jpg
Credit: The Carsey Institute

Media Contact: Kristin Smith | 603-862-1290 | Carsey Institute at UNH

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