


**GENERAL DISCUSSION**

Robert Hall noted that the people who accounted for the huge reduction of work in April 2020 did not all lose their jobs. He pointed out that the snap back from the pandemic recession was vastly faster than any other recession because workers were recalled to existing jobs. He explained that until it dissipated around early fall 2021, all other dynamics were dominated by the temporary layoffs. He stated that focusing on participation is appropriate because it includes unemployment, so even when people temporarily lost their jobs they were counted as part of the labor force.

Betsey Stevenson noted that people may have made accommodations and reduced work that does not show up as employment in the data. This is related to Claudia Goldin’s points about childcare and to what Stevenson has seen in her own survey work, as well, that workers may be turning down
promotions, saying no to training, or putting in slightly fewer hours.¹ She explained that the resulting long-term effects on the career paths and earnings of these individuals cannot be seen yet. Stevenson noted that, surprisingly, her data show that men and women were equally affected, reflecting the fact that men were not satisfied with the time they got to spend with their children going into the pandemic and were able to change that to some extent. This may represent a shock to preferences and, related to what Jane Olmstead-Rumsey said in her discussion, opens up the question of whether men will take advantage of opportunities to work from home more—something which would be an important mark for gender equality.

Steven Davis explained that, in addition to the increase in unemployment resulting from temporary layoffs, there was a sizable atypical exit from the labor force during the pandemic. Those people were not on temporary layoff and will have a much longer path back to the labor force. Commenting on the concern in much of the discussion about what higher rates of working from home might mean for women in their career prospects, Davis mentioned his own work and a survey of working arrangements and attitudes.² He said that the data showed that many would prefer to work from home part of the week, and that when asked how much they value the option to work from home two or three days a week compared to an equivalent pay increase, the mean ranged from about 5 to 8 percent of earnings—a big number, he noted. He also found that 43 percent of respondents said they would look for another job that offers the ability to work remotely if their current employer mandated a five-day, in-person workweek.³ Davis suggested that despite misgivings or concerns many—maybe most—people have a strong desire to work from home or to have the flexibility to do so part of the time. In response to Stevenson’s point, Davis considered the gap between what people want and what they will get. Referring again to the survey, Davis and coauthors found that men, as part of their long-term arrangements at work, will be doing more remote work than women. So in terms of what workers want and what they will get when it comes to remote work, the gap

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is greater for women than for men. He closed by encouraging more thinking about the upside of the flexibility that comes with working from home.

Olmstead-Rumsey noted that, just as Davis mentioned, surveys have shown that workers prefer jobs with more flexibility and may even quit their current job in pursuit of it. At the same time, she noted, there is sometimes a difference between what people say and what they do. For example, some of the headlines that Goldin cited about women expressing their intention to scale back or not come back to the workforce at all have not come to fruition. She brought up the “Great Resignation” and then wondered whether the desire for flexible work arrangements had anything to do with it but noted the lack of data in this regard. In sum, she said, we should be mindful of the fact that while people express dissatisfaction in these surveys, their behavior may look quite different.

Stevenson considered what the right counterfactual might be and pointed to the steep job growth between 2015 and 2019 in the service sector, in the types of jobs that women tend to hold. Stevenson noted that in February 2020 there were almost a million fewer jobs in the goods-producing sector compared to prior to the Great Recession. However, Stevenson was worried that we hadn’t seen a full recovery in demand for services yet. She pondered to what extent we would be able to receive services similar to before the recession if workers did not return. She emphasized that this hinges on the choice of women to come back. She returned to her question about the right counterfactual and wondered whether looking at seasonally adjusted data for the end of 2019 or looking at growth rate projections between 2017 and 2019 was preferable.

Stefania Albanesi responded to Stevenson’s remarks relative to automation across different industries and noted that in past recessions manufacturing may have been more susceptible to the adoption of labor-saving technologies than services, notably because of care services. Her own research on the susceptibility of automation across industries that were hardest hit by the pandemic recession, however, shows that about 33 percent of workers, mainly in service occupations, were highly susceptible to automation. Albanesi explained that this number is very similar to that of manufacturing and construction


industries during past recessions, suggesting that these dynamics from previous recessions may start to affect the service industry going forward.

Caroline Hoxby thought it was great to look at labor force participation, employment, and caregiving during the pandemic, but as much of Goldin’s work has shown, especially for college-educated women, there are career concerns associated with continuous employment and the degree of engagement in work. Hoxby was interested in whether women were more likely to be distracted workers during the pandemic as a result of multitasking, having to focus also on caring for their children and supervising their schooling, for example. She asked whether women were more likely than men to be disturbed during work by being the person who was primarily responsible for children, de facto if not de jure. Hoxby wondered if, despite their continuous employment and presence, women were ultimately less productive than men because of multitasking. She pondered the long-term effects on women’s careers.

Austan Goolsbee responded and said that, interestingly, productivity in most of these sectors went up during the pandemic. He referred to restaurant productivity in the national income accounts where it can be seen that restaurant productivity went up during this period. Goolsbee stated that overall, with real GDP having recovered and the labor force not being back to where it was before the recession, labor productivity for the whole economy is up 4–5 percent, just as much of the service sector. He found it interesting that wages have not yet been reflecting this. Goolsbee also commented that Goldin’s results seem to emphasize the difference between the aggregate and the cross section. He referred to work by Furman, Kearney, and Powell, showing the effect of childcare on labor force participation but indicating that it doesn’t contribute to the aggregate nearly as much as one may think from looking at the numbers, because one group seemed to be replacing the other group. He wondered, against the backdrop of extreme labor scarcity, if employers substitute by hiring women without children ahead of women with childcare responsibilities. Similarly, he pondered to what extent employers in industries with equal shares of women and men prepandemic were now preferring to hire men and suggested it would be fascinating to look at the issue of the child penalty.

In response to Hoxby, Goldin suggested that working papers in general are leading indicators of where we are headed going forward and predicted

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that there is going to be a lot of interesting research on the long-term consequences of these experiences, noting that, unfortunately, terrible times lead to more research.

Olivier Blanchard stated that differences across countries might help in identifying some of these issues. He considered France, which has free childcare, and noted that this is likely to make a difference, observing that France kept schools open throughout the pandemic and had an explicit partial employment system in which people could decrease their work hours. He argued that each of these factors is likely to have implications for what happens to the participation rate of women.

Robert Gordon compared Europe to the United States—the United States lost a lot of jobs and the federal government expenditures were centered on unemployment compensation, whereas in Europe there were central government subsidies for people to keep their jobs and work less. He concluded that this suggests that there was greater job loss in the United States. Turning to the issue of productivity, Gordon drew attention to the huge differences between service sector jobs, which make up about two-thirds of the economy, as indicated by a data set, not yet available online, on productivity differences across industries. He noted that services which involve close contact saw productivity decrease while service jobs which could be done remotely experienced an increase in productivity. He related this to the work of Barrero, Bloom, and Davis, which has shown that increased productivity related to remote work can be partly accounted for by people’s commuting time being substituted for work hours rather than leisure time. Gordon noted that—assuming the Bureau of Labor Statistics is not measuring this increase in hours per job—this suggests that some of the increase in productivity of remote work may be a measurement issue. Gordon admitted that none of this relates to men versus women.

Goldin responded to the comments on employment measurements and noted that her paper includes those who had jobs but were not currently at work. Goldin continued, addressing the issue of productivity changes and highlighting the ongoing increase in automation across the service sector, including ordering at restaurants, checking out at the store, and in visits to doctors’ offices. Those places have not seen the greatest increases in productivity, she noted, but suggested this may change in the future.