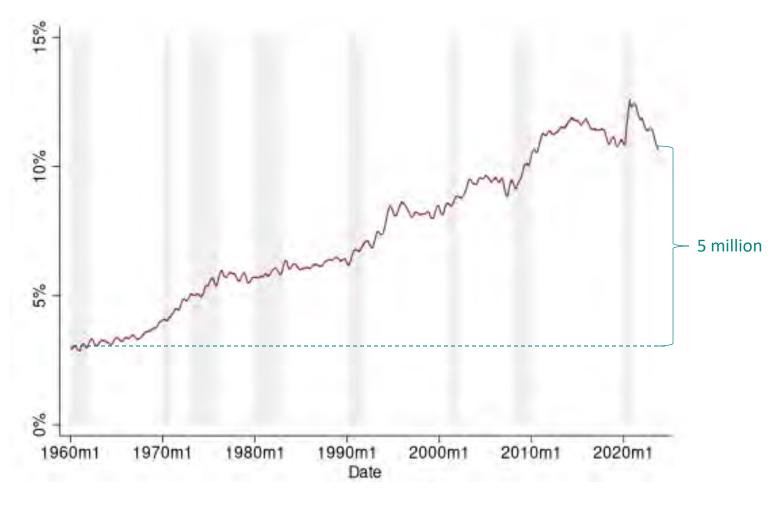
Federal Reserve Bank of San Francisco

Pulled Out or Pushed Out? Why So Many Men No Longer Work

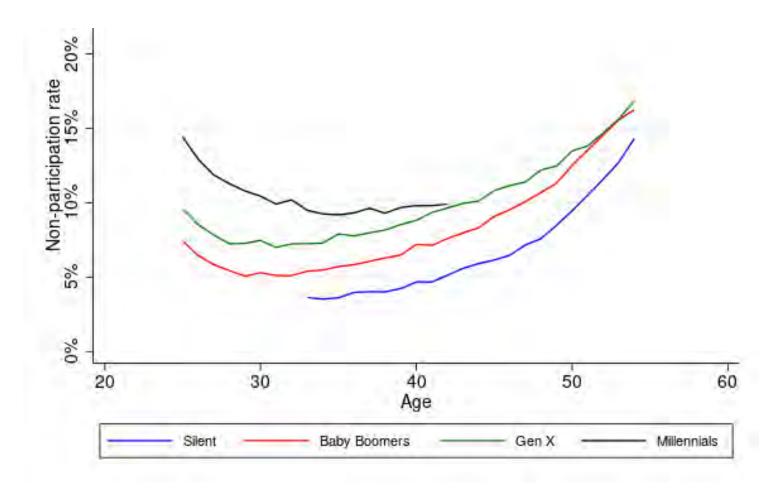
Leila Bengali, Mary C. Daly, Evgeniya A. Duzhak, Cindy Zhao

Prime-age men labor force non-participation

General trend



Life cycle non-participation rate for prime-age men by generation



Pull and Push factors

Pull factors:

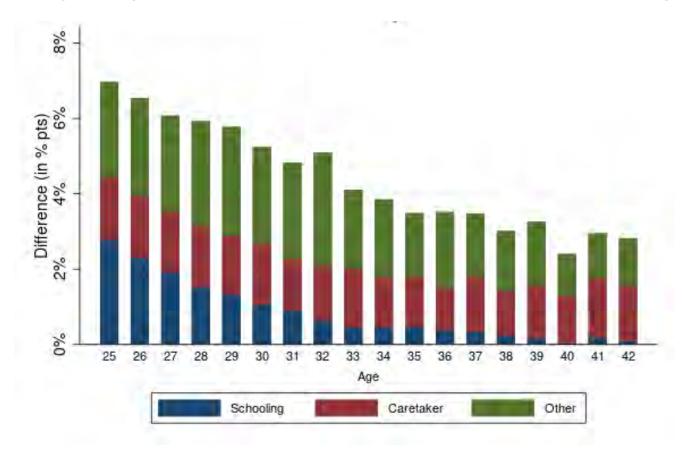
- Additional years of schooling
- Caretaking and family obligations

Push factors:

- Disability
- Skill mismatch

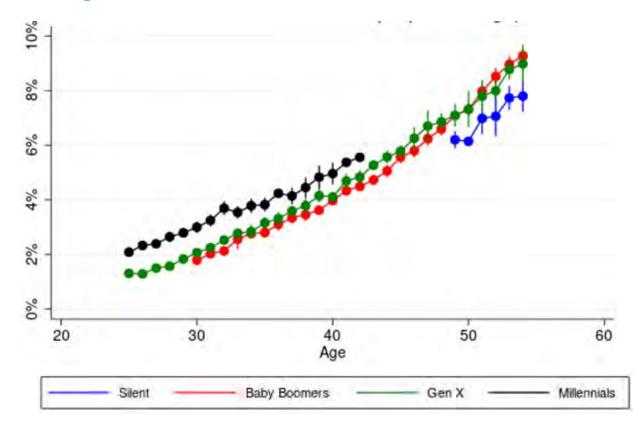
Pull factors: Additional years of schooling/Caretaking

Difference in non-participation rate between Millennial and Baby Boomer prime-age men by reason



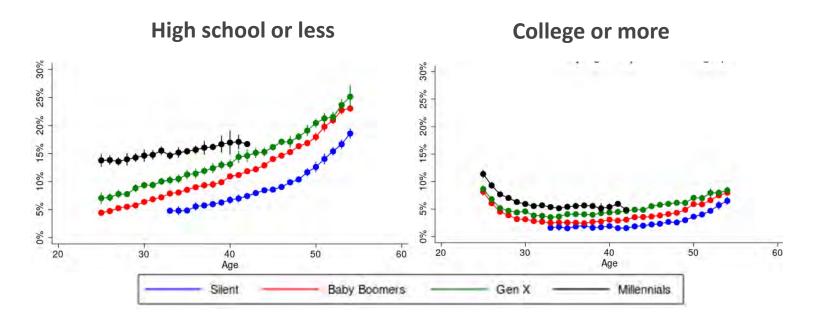
Push factors: Disability

Percent of prime-age men out of the labor force due to disability by generation



Push factors: Skill mismatch

Life cycle non-participation rate for prime-age men by generation and education



Proxies for mismatch:

- Employment share in goods producing industries
- Minimum wage gap

Conclusions

- Both pull and push factors contribute to increasing non-participation rates among prime-age men
- Higher non-participation rates resulted in a labor force shortage of 1.6 million 25–42-year-old Millennial men relative to Baby Boomers
 - ~ 50% (~ 790,000) of this due to disability, illness, or other reasons (push factor)
 - ~ 20% (~ 320,000) due to schooling (pull factor)
 - ~ 30% (~ 530,000) due to caretaking (pull factor)
- Non-participation rates are most sensitive to changes in skill mismatch and caretaking needs and not the generosity of disability insurance.

