



From the office of Texas Workforce Commission

Chairman Tom Pauken

Opinion/Editorial

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Men are Big Losers in Economic Downturn **By Tom Pauken**

Long-term trends in the labor market have been particularly brutal for men, but our Washington policymakers appear to be either unaware of such trends, or to have ignored them for the most part. Over the past decade, the total number of jobs for women went up by close to a million. Meanwhile, men lost more than 3 million jobs. From 1960 to 2008, the average unemployment rate for men 25 years and older was 4.2 percent. In the last two years, it has more than doubled, shooting up to 8.9 percent. By contrast, unemployment for women of the same age and for the same period of time went from 4.7 percent to 7.2 percent, an increase of 52 percent. The disparity is more striking if one considers that women's rate of participation in the workforce has risen sharply since 1960 while the percentage of men in the job market has been shrinking.

One reason that men's employment rate lags behind is that there has been negative growth in the types of jobs men historically have occupied. In the last ten years, 5.5 million manufacturing jobs were lost. That's one-third of our U.S. manufacturing base in an industry where men make up 70 percent of the workforce. In construction, where 87 percent of positions are filled by men, more than 1.4 million jobs went away during that timeframe. Approximately 4.4 million jobs have been added in the education and healthcare sector, but women dominate this growing field as they make up 77 percent of the workforce.

It's working-class men, not those who occupy elite positions in finance and government, who are suffering. The hemorrhaging of manufacturing and other good paying jobs in America means that a rising number of young American men face dwindling prospects for earning a middle-class wage in the future. Young male unemployment is at 19 percent. More than 15 percent of Iraq and Afghanistan war veterans (most of whom are male) were unemployed in January 2011. African-American males also have been hit hard. Ten years ago, both African-American men and women had the same unemployment rate of 8.2 percent. Since then, the men's rate has more than doubled and now is almost four points higher than the unemployment rate for women. Similarly, Hispanic men now have a 1.7 percent higher unemployment rate than Hispanic women, whom they historically have outperformed.

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With growing numbers of out-of-work young men comes a volatile mix of negative social outcomes: they are less likely to marry, less likely to be a stable parental force for the children they father, and more likely to engage in violent behavior.

One would think that Washington policymakers would see these developments as a cause for concern. Nonetheless for more than a decade, they have looked the other way as good American jobs have been shipped overseas, outsourced, or simply gone away. Ironically, our business tax system incentivizes our companies to export jobs and prosperity overseas. Also, our government welfare system all but discourages an intact family of a father and mother by the way it distributes the money.

All levels of government now have special programs designed to make sure that women and minority-owned businesses receive preferences in landing government contracts. Under our own Historically Underutilized Business program here in Texas, a Pakistani-owned business or a Sri Lankan-owned business have a built-in advantage over white male-owned businesses in competing for government contracts.

Virtually every group seems to qualify for a preference in these set-aside programs except for white males. This is the case even with white males who have had their own educational and class barriers to overcome.

Pointing this out has long been off limits in polite company, but Sen. Jim Webb recently broke the taboo. In an [opinion piece published in the *Wall Street Journal*](#), the Virginia Democrat called for an end to the government's preferential treatment programs with the exception of those programs designed to assist African-Americans. Sen. Webb noted the especially galling practice of making recent immigrants the beneficiaries of these diversity programs. In other words, not only are we shipping good jobs overseas but we giving preferential treatment to those moving here from overseas.

I agree with Sen. Webb's conclusion: "Our government should be in the business of enabling opportunity for all, not in picking winners. It can do so by ensuring that artificial distinctions such as race do not determine outcomes."

As for the loss of male-driven manufacturing jobs, there is a common-sense solution to this problem. It is known as the Hartman Plan and it replaces our onerous corporate tax system, with its 35 percent tax rate and its 6.2 percent employer portion of the payroll tax, with a revenue-neutral, 8 percent business-consumption tax that would be border adjusted.

This new approach to taxing business would raise just as much in revenues, if not more, than the current

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system of taxation. All goods and services coming into the U.S. would pay the 8 percent tax while all exports would receive a comparable tax credit or tax abatement as an offset to its company's business consumption tax. Suddenly, the U.S. would become competitive again with our trading partners. And we would bring jobs home to America, particularly in industries where male unemployment is so high.

The disparity in job opportunities for men in America has both economic and societal consequences. It is a lot more difficult to be a responsible head of a household and help in the creation of a stable family environment if the father has lost his job or finds himself unable to make a living wage for the support of his family. That is why economic policies to help rebuild our hollowed-out manufacturing sector and the phase out of government preference programs that put men at a disadvantage in finding jobs or starting businesses need to be part of an overall strategy to put America back to work.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in coordination with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.