

# Baby boom women – then and now

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Have baby boom women had an easier path through the labour market than women a generation older or younger? This article studies the labour market “success” of baby boom women by looking at their situation in 1977 and 1997 and comparing it with that of the preceding and succeeding generations. Four indicators are used in this study: labour force participation; full-time employment; unemployment; and full-year full-time earnings. (All earnings are in 1997 dollars; see *Data sources and definitions*.)

The women studied were born between 1948 and 1952, during the first wave of the postwar baby boom.<sup>1</sup> Aged 25 to 29 in 1977, these women are compared with women aged 45 to 49 in that year – that is, women born between 1928 and 1932, who went through their early childhood at the beginning of the Depression. The older group would have been 25 to 29 during the 1950s, when the idea of a conventional single-earner family held sway in North America.<sup>2</sup> Those who had been part of the paid workforce would not have been encouraged to continue their careers after childbirth.

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Women born between 1968 and 1972,<sup>3</sup> often labelled “Generation Xers,” are also thought to have entered the labour market on a rockier road than the path travelled by baby boomers (Betcherman and Morissette, 1994; Osberg, Erksoy and Phipps, 1998). These women formed the 25-to-29 age group in 1997.

## Labour market changes

Between 1977 and 1997, the Canadian economy changed considerably. The period experienced two recessions, the second of which was followed by a recovery with slightly higher unemployment rates. Self-employment and service-sector employment, both of which tend to offer lower average earnings, increased over the two decades as well.

Many studies have shown that the labour market of today has not been easy on youths. High unemployment has led to a lowering of entry-level wages (Betcherman and Morissette, 1994; Osberg, Erksoy and Phipps, 1998) and a higher proportion of young adults working part time. The 1980s and 1990s also recorded increases in the proportion of dual-income families, highlighting women’s increased attachment to the labour force and the need for more than one income to support a family.<sup>4</sup>

## Labour market success of baby boom women in 1977

University-educated baby boomers poured into a welcoming labour market during a time of economic expansion. In 1977, almost 6 of every 10 baby boom women were in the labour force (Table 1).<sup>5</sup> In contrast, only 53% of women aged 45 to 49 were in the labour force that year. Furthermore, a far higher proportion of employed 25-to-29 year-old women worked full time – 83%, compared with 74% of 45-to-49 year-olds – suggesting that baby boomers may have been less likely to have family-related responsibilities.<sup>6</sup>

Unemployment rates show that baby boom women, although faring well, were not as successful as middle-aged women in 1977. Their unemployment stood at 9.0% – more than 2 percentage points higher than for women aged 45 to 49. (New entrants to the labour market do, however, tend to have higher unemployment rates.) But education played a key role. Women aged 25 to 29 with university degrees had a significantly lower unemployment rate, 5.3% in 1977, and their 45-to-49 year-old counterparts registered just 3.7%.

In 1977, baby boom women working full year full time earned \$28,100 (1997\$), just slightly more than the \$27,000 earned by women

### Data sources and definitions

Earnings data are from the Survey of Consumer Finances, and labour force characteristics, from the Labour Force Survey.

**Earnings** consist of annual wages and salaries and/or net income from self-employment, for full-year full-time work. The full-year full-time measure minimizes differences in the amount of paid work done over the course of a year. A more accurate measurement would be hourly wages, but these were not available for 1977 and are not calculated for the self-employed.

**Full-year full-time** work is mostly 30 hours or more per week for 49 to 52 weeks in the year.

The **participation rate** for a particular group is the labour force expressed as a percentage of the population for that group.

**Unemployed** persons are those who, during the reference week,

- were without work, had actively looked for work in the past four weeks and were available for work;
- had not actively looked for work in the past four weeks but had been on layoff and were available for work;
- had not actively looked for work in the past four weeks but had a new job to start in four weeks or less and were available for work.

The **unemployment rate** for a particular group (for instance, women aged 25 to 29) is the number unemployed expressed as a percentage of the labour force for that group.

aged 45 to 49, even though they worked fewer hours: 1,967 hours annually, compared with 2,059. This suggests that young women's skills may have been in greater demand.<sup>7</sup> Indeed, a larger proportion had more formal education than the preceding generation

of women. Over 15% of baby boomers in the 1977 labour force held university degrees, compared with only 6% of women aged 45 to 49. The converse held true for the proportion with less than high school: only 6%, compared with 24%.

**Table 1: Indicators of labour market success, 1977 and 1997**

	1977				1997			
	Baby boom women, 25-29	Baby boom men, 25-29	Women, 45-49	Men, 45-49	"Generation X" women, 25-29	"Generation X" men, 25-29	Baby boom women, 45-49	Baby boom men, 45-49
	%							
<b>Labour force characteristics</b>								
Participation rate	59.0	94.3	52.7	93.6	77.9	90.5	76.8	90.6
Less than Grade 9	6.0	8.6	23.6	32.7	1.1	2.0	5.2	5.6
University degree	15.5	17.5	6.0	9.5	27.1	20.3	19.0	23.1
Unemployment rate	9.0	7.0	6.6	4.4	8.7	10.5	6.5	6.6
With less than Grade 9	17.3	13.0	8.9	7.1	20.9	32.2	10.6	14.2
With university degree	5.3	3.6	3.7	1.6	5.8	6.3	3.5	4.3
<b>Employed labour force</b>								
Employed full time	83.4	97.3	74.0	98.5	78.1	92.5	77.4	96.1
<b>Average annual earnings</b> 1997\$								
Full-year full-time paid workers and self-employed	28,100	38,900	27,000	47,200	27,700	34,800	33,200	46,700

Sources: Labour Force Survey; Survey of Consumer Finances

Baby boom women with degrees earned an average \$37,100 in 1977, compared with \$26,300 for those with less than university. However, compared with graduates in the older group, they earned 85 cents for every dollar (Table 2), perhaps reflecting their lack of work experience.

Based on the intergenerational earnings gap measure – comparisons of labour force participation rates and full-time employment – baby boom women were more successful than women a generation older in 1977. The only measure of labour market success in which they did not do as well as women aged 45 to 49 was in finding employment. However, this is not unexpected, since breaking into the labour market presents unique difficulties.

### Baby boom women in 1997

In 1997, baby boomers were aged 45 to 49. For the most part their childbearing years had passed, but family-related responsibilities continued. This “sandwich generation” may have had to look after older relatives while continuing to raise children. Despite these non-labour market duties, these women had increased their labour force participation since 1977, from 59% to 77%. Their unemployment

rate had declined over the two decades to 6.5% – matching the rate for women aged 45 to 49 in 1977.

A lower proportion of employed baby boom women worked full time in 1997: 77%, compared with 83% in 1977. However, those who did work full year full time averaged more hours: 2,033, compared with 1,967. And a greater proportion had university degrees by 1997 (19% versus 15%).

Based on average job tenure, women aged 45 to 49 in 1997 had more work experience than similarly aged women in 1977: almost 12 years, compared with just over 8, which may explain in part their higher annual earnings (\$33,200 versus \$27,000).

### Baby boomers and “Generation X”

In 1997, some 78% of Generation X women (aged 25 to 29) and almost the same proportion of baby boom women (aged 45 to 49) participated in the labour force (77%). This shows an intergenerational levelling of women’s labour force attachment in the late 1990s.

Full-time employment was not as plentiful as it had been in 1977. Even so, similar proportions of baby boom (77%) and Generation X women (78%) worked full time in 1997. (Many women choose to work part time, citing personal preference or family responsibilities as the reason.) As expected, baby boom women had a lower unemployment rate than the younger group, reflecting the latter’s relatively brief work experience.

Educational attainment may have some bearing on the similarities between these two generations. Only a negligible proportion of the younger group had less than high school, while 27% were university-educated. This compares with 5% and 19% of baby boom women.

### Baby boom women out-earn “Gen Xers”

In 1997, Generation X women earned 83 cents for every dollar earned by baby boom women. The latter worked longer paid hours: an average 2,033 hours in 1997, about a week more than Generation X’s 2,001. But the gap was 60 hours narrower than it had been between the groups compared in 1977.

The work experience of Generation X women (46 months) was similar to that of baby boom women in their early careers (50 months) (Table 3).

**Table 2: Annual average earnings ratios**

	1977	1997
<b>Overall</b>		
Women 25-29 to women 45-49	1.04	.83
Women 25-29 to men 25-29	.72	.80
Women 45-49 to men 45-49	.57	.71
Men 25-29 to men 45-49	.82	.74
<b>With university degree</b>		
Women 25-29 to women 45-49	.85	.66
Women 25-29 to men 25-29	.86	.82
Women 45-49 to men 45-49	.59	.79
Men 25-29 to men 45-49	.58	.64
<b>With less than university education</b>		
Women 25-29 to women 45-49	1.04	.86
Women 25-29 to men 25-29	.69	.76
Women 45-49 to men 45-49	.58	.69
Men 25-29 to men 45-49	.87	.79

*Source: Survey of Consumer Finances*

**Table 3: Job tenure and annual average hours of work for full-year full-time paid workers and self-employed**

	1977	1997
<b>Women 25-29</b>		
Job tenure (months)	50	46
Annual hours	1,967	2,001
<b>Women 45-49</b>		
Job tenure (months)	98	142
Annual hours	2,059	2,033
<b>Men 25-29</b>		
Job tenure (months)	49	46
Annual hours	2,180	2,197
<b>Men 45-49</b>		
Job tenure (months)	168	160
Annual hours	2,285	2,253

Source: *Survey of Consumer Finances*  
 \* Annual average hours are calculated by multiplying the average number of actual weekly hours by the number of weeks worked for each full-year full-time paid worker and self-employed person.

Both groups had similar participation and full-time employment rates in 1997. However, the younger women had greater problems finding employment. This could reflect young people's difficulties in entering the labour market of the 1990s (Betcherman and Morissette, 1994).

### Conclusion

Compared with women 20 years older and 20 years younger, baby boom women have done well in the labour market over the years. These women aged 25 to 29 in 1977 began their careers by out-earning women 20 years older. Twenty years later they out-earned female Generation Xers aged 25 to 29. Though their full-time employment rate has declined as they have aged, baby boom women have increased their participation in the labour force over two decades and experienced a reduction in their age-specific unemployment rate. Taken together, these indicators point to the continued relative success of this group.

### Perspectives

### Notes

- 1 See Galarneau (1994b) for a definition of first-wave baby boom women.
- 2 This belief was so entrenched in the economy that it was not until 1968 that 50% of a wife's "salaried income" could be considered as income in a couple's application for a mortgage (CMHC, 1988).
- 3 In Galarneau (1994a), women born between 1966 and 1975 are identified as part of the "post-baby boom."
- 4 See Statistics Canada (1994) for further information.
- 5 To provide context and balance, labour market information on men is available in the tables. For a discussion of the wage difference between the sexes, see Gunderson (1998).
- 6 Baby boom women delayed pregnancy and marriage (Galarneau, 1994a).
- 7 Baby boom women were concentrated in clerical occupations; however, members of the first wave were moving into professional occupations, including health and education (Galarneau, 1994a).

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