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# Measuring Underemployment Among Military Spouses

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Prepared for the Office of the Secretary of Defense

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## Summary

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One of the many aspects of military family quality of life that DoD seeks to monitor and improve is the degree of employment opportunity available to spouses of military members (whom we refer to as *military spouses*). In advising DoD on how best to measure underemployment among military spouses, we argued in previous work (Lim and Golinelli, 2006) that the Labor Utilization Framework (LUF) is superior to traditional Bureau of Labor Statistics (BLS) measures of underemployment, such as the unemployment rate. In that work, we also proposed a set of additional survey questions that would provide enough information to construct the LUF measures of underemployment.

In response to that research, in 2006 DoD implemented enough survey questions to allow for the construction of some LUF measures (in particular, the measures of labor force position at a given point in time). Thus, this report builds on previous work and applies the LUF measures of labor force position to 2006 data on military wives.

### **Applying the LUF Labor Force Position Categories to Military Spouse Employment**

The LUF groups people into eight different labor force position categories. These categories are analogous to such BLS categories as “not in the labor force” (NILF), “unemployed,” etc., except that the LUF categories are more specific. Among people who are not looking for work (NILF according to the BLS), the LUF differentiates between those who do not look because they are not interested in working,

and those who do not look because they are discouraged about their continuous lack of opportunity (subunemployed). “Unemployed” in the LUF is equivalent to the traditional BLS definition—actively looking for work and jobless. With part-time employees, the LUF distinguishes between those who want part-time employment (voluntarily part-time employed) and those who work part-time because full-time work is unavailable (involuntarily part-time employed). Finally, the LUF groups full-time employees into three categories: those who are underemployed because of low income, those who have relatively high levels of education for their jobs (indicating a possible mismatch), and those who are adequately full-time employed.

As a technical side note, we borrow the term “underemployed” from the LUF literature as a sort of shorthand to refer to those who are not in the “adequately full-time employed” category. We do not mean to imply anything about what their employment level should be. For example, we describe those who are NILF as underemployed, but we do not intend by this reference to automatically suggest that they ought to work more.

This report analyzes data from the 2006 Defense Manpower Data Center (DMDC) Survey of Active-Duty Spouses to assess the prevalence and patterns of underemployment among military wives, how underemployment among military wives compares to underemployment among similar civilian wives (that is, wives of men who are not in the military), and whether underemployment affects life satisfaction.

We excluded male spouses because there were too few of them in the dataset.

## **NILF and Educational Mismatch Are Prevalent Among Military Wives**

A simple examination of the distribution of military wives by LUF labor force position category reveals that 43 percent of military wives are NILF (not looking for work and not conditionally interested in work). Furthermore, the subunemployed category is not at all prevalent among military wives (in fact, there are so few people in this category

that it was omitted from most of the analysis). Among those who are actively looking for work, most are employed in some capacity (only 12 percent are unemployed), but 38 percent have relatively high levels of education for their current jobs. Finally, patterns of employment are similar (though not identical) across different services and pay grades.

## **Statistical Models Reveal Several Key Patterns in Underemployment**

Several individual and contextual characteristics, including race, education, citizenship status, having children under the age of 6, and husbands' pay grade are associated with large and statistically significant changes in the probability that a military wife will be in certain LUF labor force position categories. In particular, several variables are significantly associated with the probability of being NILF. The probability of a wife's being NILF increases with her husband's pay grade and with having children. African American wives are much more likely than white wives to look for work (i.e., less likely to be NILF) and more likely to be adequately full-time employed, whereas Hispanic wives are less likely than white wives to look for work. U.S. citizens are also much more likely to look for work. Finally, highly educated wives are more likely to look for work but also more likely to be underemployed by mismatch.

Notably, having moved in the past year and having a husband who deployed in the past year (oft-cited difficulties of military life) had no measurable effect on a wife's employment, conditional on other characteristics.

## **Differences Exist Between Military Wives and "Look-Alike" Civilian Wives**

Following previous RAND research on military spouse employment, we weight a sample of civilian wives from the March 2006 Current Population Survey (CPS) to create a comparison group of "look-alike"

civilian wives who are similar to the military wives in their distribution of age, citizenship, race, education, parental status, potential experience, region of residence, and whether or not they have moved in the past year. Comparisons of military wives with their look-alikes—a group of weighted civilian wives, show that military wives have a much greater tendency to be underemployed. Military wives are much more likely than their look-alikes to be NILF. Military wives are more likely to involuntarily work part-time and to have relatively high education for their jobs than their civilian counterparts. Finally, military wives are substantially less likely to be adequately full-time employed compared with similar civilian wives. Thus, there does appear to be a significant level of underemployment among military wives, even after controlling for relevant labor market characteristics.

### **There Is Little Difference in Life Satisfaction Across LUF Labor Force Position Categories**

Prior scientific research on the civilian population has established a link between employment and individual well-being, and this relationship is part of what motivated this report. While the DMDC survey does not directly measure well-being, it does ask military wives to indicate their level of agreement with the statement, “Generally, on a day-to-day basis, I am happy with my life as a military spouse.” An ordered logistic regression analysis on military wives’ level of satisfaction with the military lifestyle reveals small and insignificant differences between wives who are adequately full-time employed and those who are in most other LUF labor force categories. Only the small group of sub-unemployed wives are less likely than adequately full-time employed wives to agree with the survey statement. Thus, despite widespread underemployment among military wives, this underemployment does not necessarily translate into dissatisfaction with the military lifestyle.

## Conclusion and Policy Implications

This analysis illustrates the utility of applying the LUF to military wives in order to inform DoD policy on their employment conditions. In this analysis, the LUF highlights two major realities for military wives in the labor market. First, a plurality of military wives are not in the labor force. The probability of not being in the labor force is strongly associated with husband's pay grade and family responsibility. Thus, if DoD desires to increase the level of employment for these wives, improving child care might be a policy option. Second, while many wives are able to find full-time employment, they usually have higher levels of education than their peers in the workforce. This could be because they could not find more challenging work, because they compensate for a lack of experience with additional training, or because they generally prefer less demanding work.

We cannot conclude from these results that the military lifestyle causes underemployment among military wives. Military wives who are NILF may have less of a tendency to work, regardless of their husband's occupation, so the desirability of programs encouraging them to work is not settled. Still, the higher proportions of military wives who are involuntarily part-time employed or underemployed by mismatch may be indicative of friction in the military lifestyle. Further research and additional survey questions could probe more deeply into the nature of underemployment, so that DoD can be certain that the limited resources available for military families are used efficiently in the most beneficial way possible.