



Season1-Episode: Gender Equality in 2023 with Titan Alon

Journey into the future

The Miller Family is invited to celebrate Daniel's Birthday, the doctor of the family and a good friend of Xenia and Thomas, at his favorite restaurant. After the family checked the air-conditioning rating and the menu online, the Millers are having a great time on the spot.

While Xenia is waiting for her cocktail at the bar, she realizes that her old school friend Monica is one of the waitresses at the restaurant. Both haven't met for years and were really happy to see each other again after such a long time. "Monica, I knew you went to work in the gastronomy after we left school. But I really did not expect to meet you here today. How are you?", Xenia asks.

Monica starts telling her about her love for her job, and how happy she is that she got the position here. Things were very different for her during and after the corona pandemic in 2020. She had lost her job back then. When schools and kindergartens closed to stop the virus from spreading, she had to take care of her kids at home. The restaurant she was working for in 2020 still delivered food to customers, but she could not help to deliver or prepare the food. As a single mom, she had no choice but to stay at home with the kids. So, she was one of the first staff members who got fired as the corona pandemic started.

Xenia tells her friend how glad she was that Thomas mainly home schooled the kids during the lockdown, as he had a lot of fun with Christie and Melanie. "But let me tell you one thing", Xenia sighs, "I am not sure, if the kids learnt much. Melanie was asked by her teacher to write a paper on the topic: "Do pirates still exist. And how do you know". Can you imagine what Thomas told our daughter to write?" she says, still in disbelief: "No. Because I have never seen one"

Agnes Kunkel: Hello, I'm Agnes Kunkel, your host in 2023, your window to the world beyond covid-19. We have now over 26 million confirmed cases worldwide and over 860000 people have confirmed to have died. Today, it's third of September 2020. Today we will talk about a brilliant piece of research that generated great media echo all over the world. Our guest today is Titan Alon. Titan Alon is assistant professor of economics at the University of California, San Diego. He was Lewis A. Simpson postdoc in macroeconomics at Princeton University. He worked as a research associate in the Macroeconomics Group at the Federal Reserve Bank of San Francisco. He received The Bachelor of Economics from Harvard University. He earned a Master's in economics from London School of Economics and a PhD in economics from



Northwestern University. His actual research focuses on macroeconomics, labor and growth. He earned the Robert Eisner Fellowship for Distinguished Work in both teaching and research, the Northwestern Doctoral Fellowship and the Northwestern University Teaching Award.

Welcome, Professor Alon. Welcome, Titan.

Titan Alon: Thank you, Agnes. Thank you for having me. And thank you for that very flattering introduction.

Agnes Kunkel: No no, you are really a star.

Titan Alon: I won't argue.

Agnes Kunkel: We saw your paper, the impact of covid-19 on gender equality. And we were really electrified and I guess we were not the only ones.

Titan Alon: I'm glad to hear that.

Agnes Kunkel: Many articles made references all over the world. Why do you think were the media echoes outside of the scientific world so big?

Titan Alon: Yeah, that's a very good question. I think it's kind of rare for academic economic research to make the jump into the public dialogue quite often. But I think the reason this paper did so effortlessly is because it really resonated with many people. It's very rare as an academic economist to write a paper and to receive emails from people around the country saying "Oh, I read your paper. It really touched my heart. It really describes how I'm living these days". It never happened to us before. But for this paper, we received many emails from people in the United States and outside of the country saying: "I saw your paper in the newspaper; I saw it on the news. And I just have to say, you're really speaking about my life. And I really feel very much day to day what you're writing about". And I think that's the reason it's caught fire. It's just that it's true. And it's really describing what many people are going through.



Agnes Kunkel: Yeah. And it's very practical. We will come to this later, but it's very, very practical. How did you decide to do research on this topic?

Titan Alon: There are sort of two dimensions to that. Is it why did we study gender equality during the Covid crisis or why did we study gender equality more generally? I think more generally, the answer is that as a macro economist, I'm really interested in trying to understand why some countries are rich and other countries are poor. And if you look around the world, one thing that's very stark with really big difference between wealthy economies and developing economies is the extent to which they use their female workforce or are able to exploit the talents of their female population. And so that's kind of the broad motivation I've had to think about these issues.

Why we chose to focus on this in the era of Covid is that we have decades of research and economics looking at these kind of dynamics between men and women and why women and men perform differently in the labor market. A lot of this research has focused on things like the way childcare is split, the way husbands and wives bargain. And it was all very theoretical, of course, until the most recent crisis, where suddenly all kind of issues that we've been talking about, that we've been thinking about, that economists have been theorizing about suddenly was right there in the news, right there in the data. Thus, it became kind of the moment in history where all of this thinking kind of met the pavement. And there was really a question of can we now take all this theory, all this thinking and translate it into policy that can actually help people, particularly in these challenging times.

And that's really been the big driver.

Agnes Kunkel: Like global field study or a laboratory for your theory.

Titan Alon: That's exactly right. The Covid crisis has been the Large Hadron Collider of gender economics, if I may say so.

Agnes Kunkel: And I guess families came closer together in the crisis when everyone was at home, so like Xenia and Thomas, these two parents in our little story. How did families or do families handle the situation?



Titan Alon: So I can say two things. We can talk about how the families are handling the current situation and how it- maybe- differs from what has happened in the past. I think the current crisis is sort of unprecedented in two dimensions. One is that; relative to past recessions, it's really women that are being hammered very hard in this recession and the second unique characteristic of this recession is the unusual childcare demands that have accompanied the economic downturn.

That's what we really try to focus on; the economic implications of things like school closures, the absence of childcare and stuff like that. And looking at the data, one thing we've really seen is that the response from households has not been kind of this individualistic response, but rather a sort of joint family unit responding to the crisis. So this is typical in recessions. In most recessions, it's typically men who lose the job. And we have something in economics called the added worker effect, where in a normal recession, the husband will lose the job, the wife will join the labor force and sort of stabilize the financial situation of the family. One thing that's changed in this current crisis is that, this has not been an option, mainly because of the childcare demands. And so what we've seen instead is that husbands have been stepping up more in part to kind of deal with childcare demands. But really, you know, it's more of the same in the sense that women have been burdened by much of the childcare. And as a result, they're suffering from the labor market consequences, the loss of employment that sort of accompanies that.

And that's sort of the defining characteristic.

Agnes Kunkel: In the last chapter of your research paper, you have some figures about child care provided by single parents and married parents. How many hours they invested in the childcare before the pandemic, how much they had to invest during the pandemic with closed schools and stay at home orders and maybe how it will be afterwards.

What I found really jaw dropping is that married fathers in a normal week invested maybe two point seven hours per week. And this jumped to nearly the four fold or so, 12 hours.



That's a huge change. That's a game changer.

Titan Alon: Yes, yes. That is a game changer. I think that's one of the most lasting consequences of this current recession that we've seen. It's really an inversion in the norms about who is supposed to take care of the children. Historically the data, which you refer to, shows that it is wives or mothers who take on something like 70 percent of childcare demands in normal times. And one thing we're seeing in this crisis that's quite unusual is that, for the first time out of necessity, many husbands are stepping up and doing more childcare than they've ever done before. And so, yes, I think what you point out is certainly shocking. It's also certainly what's driving the unique characteristics of this recession.

Agnes Kunkel: Why did this shift so dramatically, that married men or fathers did much more childcare as usual? What was the structure behind this?

Titan Alon: It really is a shift of necessity, if I could describe it in a single word. I want you to imagine prototypical couples in the United States or the kind we're talking about, I should say, where the wife may be working in some essential jobs, say health care, as a doctor or as a nurse and the husband is working as an office worker. This is a kind of representative couple in the United States. And so when the recession hit, it is much, much more likely that the husband would have been able to telecommute than his wife. And so just out of the necessities of childcare, as you now have a child at home for eight to 10 hours a day, you have a husband who's telecommuting. You have a wife who can't work in a hospital remotely. And so out of necessity, someone has to watch the kids. And as a result, it's been the husbands. And we really think that this necessity, this lack of other options, this inability to appeal to traditional social norms in the way childcare has been split is really driving the really big change.

Question for us is to what extent this will last or actually outlast the current situation.

Agnes Kunkel: And therefore, you built a very sophisticated economic model, if I understood correctly one of the novelties of your model is that you use a dual gender model. What does this mean?



Titan Alon: Yes. So one thing we try to take very seriously in our models is this idea that particularly when households make decisions, it's not a unitary person, it's not an individual making a decision. But it's oftentimes the typical example of being a husband or wife and kids and the husband and wife typically negotiate or bargain over outcomes and how to deal with negative shocks to the family's finances and things like that. And so the extent to which a husband or a wife is able to influence the decisions of the family depend on many sorts of factors and on what the labor market earnings of these two couples are, and the cultural backgrounds that they come from. And so when we think about the macro economy and the way different shocks will hit a family and cause the family to change the way they are working, to change the way they're taking care of their children, to kind of understand these channels, we really need an economic model of it. And that had been lacking, I think, for a very long time in economics. And so that has really been what we've been pushing on. That's what my co-authors and I have been developing. And I think this current crisis shows first hand why such a model is necessary, that there really is different kinds of economic recessions on this dimension. Economic expansions don't affect the genders equally. They don't affect the way men and women make collective decisions the same way. And so trying to understand those forces, how policy can affect them and what the long term implications of them are for things like gender equity and even economic growth. How we raise children and fertility are all linked to that. And that's kind of what we are we're focusing on and trying to study with these models.

Agnes Kunkel: So you have a built a formula where you represent the decisions of men and women when impacted by shocks, as genders are impacted in a different way. So this shock impact is not equal to typical two earners in one household.

Titan Alon: That's exactly right. We take into account not only that, the shocks hit the two earners in the household differently. For instance, as this current recession, most of the job losses were concentrated among industries that are female dominated versus male dominated. So we take things like that into account when we build these models. But even more importantly, what we're actually modeling is the joint decision making process of the household. So, for instance, thinking about the current recession, we have the closure of schools. We have the shutting down of daycare. Suddenly there's 20, 30 extra hours of childcare that need to be performed by the household. And so the



question is, how does your typical couple, your typical household, decide who's going to stay home and take care of the kids, who's going to continue to work, if in a more normal recession where there isn't a childcare demand, you know, and a recession hits the husband loses the job, how does the household decide?

Should the wife be working, should the husband look for a new job? How do they make these collective decisions? And often what you find out when you write down these models is that the things that dictate the collective decisions are things like: what are the earnings of the husband relative to the wife, how many children are there? What sort of cultural norms does the couple appeal to in terms of what is normal, in terms of who should take care of the kids and who should be working? All these kind of factors affect the way families will respond to the crisis. And at the end of the day, it is families that are making decisions. You know, something like 50 percent of our workforce is married couples. And so we think taking these channels into account is a first order consideration in understanding how all this works.

Agnes Kunkel: What's the telecom mutable workplace?

Titan Alon: Sure. So I guess that the definition of a telecommutable workplace is literally any job or business for which your work could be performed remotely and at home, kind of over the computer. And it became very clear when this recession hit that a big determinant of who is going to lose their job and who was going to keep their job really came down to who was able to work from home during the lockdown, and who wasn't.

And so that's kind of what we mean when we say telecommuting.

Agnes Kunkel: So in our capital Xenia and Thomas, they have both commutable office jobs. She is working in the office. He as well is working in an office. So but as you say, it's not typical for everyone.

You said women are more hit from the lockdown, but is that the same around the world in different countries? Do you see differences for maybe hospitality or so? It seems to be dominated work in the US, is it everywhere the same?



Titan Alon: It's certainly mostly the same in the developed world. We've looked at other countries, for instance, the U.K., Germany, France, and elsewhere in the developed world, it's broadly the same. Most of the industries that tend to be female dominated, things like education, hospitality, restaurants, these are industries that in a typical recession are not hit that badly, but in the current recession, due to social distancing and things like that have been hit really, really much worse than, say, manufacturing, construction. And so, yes, it's kind of exactly as you say, this idea that telecommuting dimension is what drives the added losses of jobs and earnings among women. It's kind of is a critical distinction here.

Agnes Kunkel: We talked about this huge increase of child care for fathers, especially for married fathers. What do you think is the effect on the longer run? We are here talking about 2023, so in three years from now, do you think we will see changes in the norms? I have talked to many guests here in the podcast and everyone says, I won't go back to the office or I will take Fridays off. So this will stay, remote work will stick. I guess you wrote it in your paper, too.

Titan Alon: Yes. Right.

Agnes Kunkel: What does this mean for men and women in two to three years?

Titan Alon: So I think it's clear, even from the discussion we've had so far, that in the short run, in the immediate aftermath of the pandemic, it's certainly women who are suffering more, particularly mothers who are suffering the most in the economy. When we look forward to 2023 or even beyond, there are kind of two big changes that we see happening during the crisis that we think paint a very optimistic picture of what the long run impact of the global crisis will be on gender equity. And so one of the dimensions we think about is the working from home revolution that you describe. The fact that many businesses have made very big investments in the ability of their workforce to work remotely from home. We think many of them will stick around. And this in the long run will benefit working moms, because we've seen in the past when a couple has a child and one of the spouses then has to kind of take a backseat professionally in order to help care for the child. It has been for decades the woman



who's been forced to do that, the wife, the mother. And so and as far as work becomes more flexible, balancing childcare demands and professional demands becomes easier.

This is certainly going to benefit women and their professional progress going forward. The other dimension that you mentioned is sort of cultural norms, as we sort of just discussed earlier, a big change that we've seen in this current crisis is out of necessity. Many households have men now doing unprecedented levels of childcare relative to what they've done in the past. And just as your anecdotal individual refuses to go back to working on Fridays in the office, I'm sure there are many working mothers in this country who now see their husbands doing 50 percent or maybe even the majority of childcare. And I would find it very hard to believe that any of them are willing to go back to the previous status quo either. And really to say this in another way, we really think that a lot of the reason that women have had to bear the majority of childcare in the past has really been cultural, has really been these kind of slow moving changes to social and cultural norms. And this crisis has been like a gut punch to this idea. It's kind of showed us all that there's no reason that women should do all the care.

Men are totally capable, totally able, and they should split more equitably. And we really think that this is something that will have long lasting implications for the way men and women take care and raise their children and also the professional status of women going forward. This is kind of the silver lining, I should say, that we emphasize for women in the long run.

Agnes Kunkel: Only when I was reading through your paper, I saw in the end of that, shockingly, your model predicted, that it will take 20 to 30 years just to bring back the pay gap to the level of pre-covid.

Why does it take so long? And I guess that's not a silver lining.

Titan Alon: Yes, that's true. So I should say the particular exercise is, if we don't do anything, you know, if we keep the schools closed, if we keep this kind of childcare burden affecting mothers for the duration of the pandemic, then we think the outlook looks quite poor. And it will take, as you say, 20 or 30 years to recover. The question was, why does it take so long? One thing that we know in economics is people who



tend to lose their jobs, particularly in recessions, tend to face a very long uphill battle to find a new job of a similar level of responsibility, a similar level of earnings. This is true historically for everybody, for all genders and in almost all time.

And what we've seen in this current crisis is that the recessionary impact on women is far greater than it's been in almost any recession in the last 70, 80 years. And so it's just the way the economic machine works is that basically the mothers will voluntarily leave the labor market now in order to take care of children out of necessity.

But then they will miss the opportunity to acquire the skills to build the business networks that then would foster career growth later in life. And it turns out from many, many studies that it's just very, very hard to make up for this lost time. Once you've sort of exited the market, it's very hard to ever come back.

Agnes Kunkel: Now, I have a tricky question. You have explained very understandably, that in normal recessions, typically jobs in the industry are hit. We have seen in the past recessions some sort of automation, of optimization. And therefore, of course, people will have problem to come back and to work again.

Now, you explained that women in the hospitality and caring industries are particularly hit. Is this pre-assumption, that it's difficult to start to work again after the recession, the same for the different branches of the economy? Or maybe, if you are looking at a waitress in a restaurant or someone at the reception of a hotel, it might be different?

Titan Alon: I think the fact that the industries that are being hit now maybe are ones where the long term consequences are not as bad. It's certainly possible.

I think time will tell whether or not that that dimension actually affects the female gender gap or women's kind of labor market performance in the future. But I would point out that there are sort of more subtle mechanisms here at work as well. For instance, you might think of the woman being a waitress. As you say, the waitress job perhaps is not that important, but she works as a waitress with the notion that someday, if she works hard, she may become a manager and eventually a restaurant owner. And that entire process, that entire career process is going to be delayed and maybe just never returned. The other channel that I want us to come back to is, again, this family channel. Imagine you have a husband and wife where both are working and for some reason, the



mother, because of, say, the childcare demands of the recent pandemic, had to leave the economy, leave the workforce for, say, for six months. If schools remain closed six, seven months, causing a mother to leave the workforce, her husband may say, look, your labor market prospects look quite poor now. You've been out of work for six months. Your job hasn't come back. If it has come back, it may be paying much less. Me on the other hand, I've been promoted. In the meantime, I have new responsibilities. I'm making more money. Why don't we just continue this arrangement where you stay home and I continue to work more hours because I make more money than you. I have more professional opportunities than you do. And this is the economic which reinforces the lack of opportunities for women. And so this is really what we're concerned about. It's not so much that the industry is there. It's that the labor market dynamics following the crisis may reinforce a division of labor in the household which will continue to hold women back in the future.

This is really what we think about.

Agnes Kunkel: That's what you hear from many women and activists in gender equality activists, that this is a push back on the woman to the kitchen.

Titan Alon: In some sense, that's true. Twenty nineteen was a very unusual year or I should say a very celebratory year in the United States in the sense that it was the first time in history where women made up the majority of the labor force. And many people have pointed out that, it is a bit unfortunate that almost immediately after we get hit with the current crisis which reversed it. In some sense, this is a metaphor for what you are describing.

On what I think the big debate today is: it's whether the current crisis and the unique effect it's having on women is going to ultimately lead to cultural and economic change, that benefits gender equity, that benefits families and the economy, or whether it's going to become regressive and kind of weaken, as you say, pushing women back into the kitchen, taking them out of the labor force.

I should add that, I think a lot is going to depend on how policymakers react, how businesses react. And that is really why we're pushing this message.



Agnes Kunkel: And how the women react.

Titan Alon: And how the women react, that is the most important of all, of course.

Agnes Kunkel: But this might be a push back away from the labor force, push back to the home, to the kitchen. But, of course, we can see leadership going remote as typically we have a picture of leadership happening in the office. You stay on Fridays. You stay late to be in the small circles where decisions are made and to hear what's going on and all that stuff. But what I realize here that it might happen, is that leadership now goes remote or even leadership goes to the kitchen.

You find now remote leadership. Our leaders were flying from A to C and from UK to the West Coast and the East Coast. But now you can do leadership from your living room.

Titan Alon: This, again, I think, goes back to this idea of the work from home or the telecommuting revolution that has accompanied this current crisis, this idea that it was very easy to work from home or even better, as you put it, to lead from home was not something that we were really thinking about in the past.

You have many surveys talking to professional women who were doing very well in their careers and left the workforce early. Very often when asked why that was the case, why did they leave the labor force? A very common answer is an inability to balance home care with these professional demands. And so I think what you're describing, this sort of cultural and technological shift to being able to lead from home or to remove the barriers, or the friction between being a caregiver, taking care of a household, taking care of a family and taking care of a business, removing the distinction or the friction between those two is something transformative that I think we're witnessing right now and something that in the long run, I think, you know, for the reasons we've discussed, will ultimately really benefit, again, professional women. And so what you describe is very salient. And also, I think one of the most = beautiful silver linings in the long run for women. Or so we hope.

Agnes Kunkel: We hope so. We hope. .

If we try to make a little package for our listeners, what you gathered from your research, from your papers and the broad discussions around, from BBC to Australia



and to Germany and all over. How would you summarize these findings for our listeners? Could this summary be of the actual discussion maybe even going further than you put it in your paper?

Titan Alon: It's a great and very difficult question. If I could summarize it briefly, I would say there are two messages. I think one message is technocratic, and that's to say that this time is different. This pandemic recession is very different from past recessions. It poses a unique set of risks, particularly to families, families with children, and especially to working mothers. And if policymakers don't recognize that, if we don't do anything specific to ameliorate the childcare demands or related challenges that working parents are facing, the long term consequences will be very dire, much more dire than in a normal recession.

The silver lining to that statement is that if the correct actions are taken, if the moves toward working from home and changing cultural norms around caregiving are changed or reinforced by the media, by policymakers, then actually in the long run, things can turn out much better even. And so this is kind of the main message that we have. This is a moment, for policymakers especially, to act in a way that can lead to a transformative effect on the labor force status of women, on gender equity, and on caregiving in the United States. But if they don't, things will look very bad. And this is kind of really the main message we want to drive home.

I think the philosophical message we'd like your listeners to come away with is that, we, me and my co-authors and those working in a similar area to us, really want to emphasize is that we view child rearing or child raising, not just as one of the most important social functions that a society engages in, but also as one of the most important economic ones, both in terms of the cost--who bears the costs of raising children--but also in terms of the benefits that accrue to society of well raised kids that spend time with their mothers and their fathers. And so I think economists have maybe fallen slightly victim, particularly macro economists, to not acknowledging this fact as much as we think they should. But we think the current crisis has brought this into relief. And everyone now understands that raising children, both in terms of the investment and the way they grow up, is sort of a key economic and social phenomenon and one that really we could do better.



That's really what we're hoping, what we're trying to change the discussion around. That's kind of a long one.

Agnes Kunkel: That's very, very touchy. I am a mother and I raised my son. I was very much supported by my former husband. So I wasn't really a single mother. And I had my mother support me very much. But I know what it means to raise a child. And that it's so important for society that it's done in a meaningful way. And so, yeah, that would be a very great step for macroeconomics to include these ideas into the model.

In the end of the interview, I always have a personal question to our guests. You in San Diego also had been hit by restrictions in contact and maybe you are still in some restrictions, as I understand, California is not the best place in the world to be. So what is your personal change you think you will stick to after pandemic times?

Titan Alon: That's a really fantastic question. I think the boring answer is my hygiene habits are now probably rivaling those of a surgeon pre-pandemic. So that's probably been a big change. But I think kind of more generally, and this is probably true for many people in society. You know, I myself, even as someone who studied a lot of the issues around child care, how they affect labor markets, how they affect individual career paths, you know, it was always an academic subject to me until the recent recession. And it's not just that I see what's going on for parents with children--particularly young children who are suffering--in the data. But I also see it in my friends, in my extended family and my work colleagues. And really more than ever, I really have the feeling that this kind of line of research and the sort of real welfare considerations of people living normal lives every day has never been closer. And I think that this sort of added motivation or added enthusiasm for these issues and the idea that we can somehow do better and improve the lives of people has never been stronger. And I think that's really the big thing that I'm coming away with, sort of renewed enthusiasm and optimism for what we can achieve. So it's an optimistic note.

Agnes Kunkel: Yeah, making society a better place for children, women and fathers and single parents.



Titan Alon: That's exactly right.

Agnes Kunkel: But you are young, you can do this.

Titan Alon: I have time to try. Yeah.

Agnes Kunkel: Titan, it was very, very great to have you with us. Thank you very much

Titan Alon: Thanks for having me, Agnes. It was fantastic.