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Accumulation of Human and Market Capital in the United States: A Long View, 1948-2013

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Over the 1948-2013 period, many factors significantly impacted on human capital. In 1948, the post-World War II baby boom was well underway. The G.I. bill, which provided stipends for tuition and expenses for veterans attending colleges and trade schools, facilitated matriculation. The average educational attainment by both men and women increased by over 55 percent between 1950 and 2010. By 2010 women were on average slightly more educated than men and were seven percentage points more likely than men to complete tertiary education. Most of the labor force changes came from increasing participation by women. Labor force participation for prime age (35-44 year old) women, rose from about 35 percent in 1950 to 77 percent in 2000, before declining slightly to 75 percent in 2010. Only about 23 percent of married women were part of the labor force in 1948, by 1970 this number had climbed to 41 percent. By 1980, the “V” drop in female labor force participation during child-bearing ages had disappeared. Male prime age labor force participation by decade peaked in 1970 at about 97 percent, then declined over the subsequent decades to less than 92 percent in 2010. Just over halfway through the covered period in the mid-eighties, the so-called “Great Moderation” began. In this “moderation,” business cycles were less volatile and average rates of GDP growth slowed. Towards the end of the period, the 2007-9 “Great Recession” affected the rate of growth of the economy and human capital and ended this moderation.

In this “long view” paper the focus will be on human capital using aggregate population trends as the 1989 paper by Jorgenson and Fraumeni did not include any gender breakdowns. In the style of the three previous papers, accounting tables and others will be presented which will allow analyzing both market and human capital trends.

Dale W. Jorgenson and Barbara M. Fraumeni, "The Accumulation of Human and Non-Human Capital, 1948-1984," in R. Lipsey and H. Tice, *The Measurement of Saving, Investment and Wealth*, Chicago, University of Chicago Press, NBER, 1989, pp. 227-282.

Barbara M. Fraumeni, Michael S. Christian and Jon D. Samuels "Accumulation of Human and Nonhuman Capital, Revisited," *Review of Income and Wealth*, series 63, supplement 2, December 2017, pp. S381-S410.

Barbara M. Fraumeni, Michael S. Christian and Jon D. Samuels "Accumulation of Human and Market Capital in the United States, 1975-2012: An Analysis by Gender," in Fraumeni, Barbara M. (ed.) *Measuring Economic Growth and Productivity, Foundations, KLEM Production Models, and Extensions*, Academic Press, Cambridge, MA, forthcoming Fall 2019.