

*Family Report*

-862-0427

**FAMILIES AND THE LABOR MARKET, 1969-1999:**

**ANALYZING THE "TIME CRUNCH"**

MAY 1999 .

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**A Report by the  
Council of Economic Advisers**

Moylan report showed family under  
This report shows family under month  
siege from a financial crunch

## EXECUTIVE SUMMARY

The American family has experienced dramatic changes over the last three decades – changes in the amount of time parents work for pay; changes in income and who earns it; changes in family size; and changes in how child care and household tasks are accomplished. This report assesses some of these changes and the challenges they create. The report seeks to further our national discussion concerning balancing work and family and to encourage a discussion of policies that could help strengthen American families. The major conclusions of the report include:

- **Increase in Hours Worked.** The hours American parents work in paid jobs have increased enormously since 1969 due to a dramatic shift of mothers' time from the household to the labor market. In 1969, 38 percent of married mothers worked for pay; in 1996, 68 percent did so. Both married mothers and single parents are working more for pay today than 30 years ago.
- **Reductions in Time Available for Children.** Although the evidence on time use within families is limited and needs further study, the increase in work from 1969 to 1996 has produced a reduction in the time available for parents to spend with children. The increase in hours mothers spend in paid work, combined with the shift toward single-parent families, resulted in families on average experiencing a decrease of 22 hours a week (14 percent) in parental time available outside of paid work that they could spend with children.
- **Burdens on Women.** Virtually all of the increase in total families' hours spent on paid work has come from increases in women's hours. While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. The "time crunch" falls heavily on employed women who spend over one-third less time on child care and household tasks than women without paid jobs, but still have 25 to 30 percent less free time.
- **Changes in Family Income.** The average American family is better off economically today than in 1969. Not everyone has gained by working harder, however. Since 1969, the top quarter of families gained, while the lower quarter lost and the middle has remained nearly constant in per capita income, adjusted for inflation. The situation of lower-income families has been improving, however, in the strong economic expansion of the 1990s.
- **Rise of the Single Parent.** At the same time, the share of families with a single parent has expanded greatly since 1969. The typical single parent has less than half as much potential income and only half as much total time as two parents have. The rising number of single parents has increased the proportion of families who are "cash-strapped" and "time-poor."

FICA expansions  
Flextime  
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- **Need for Policies to Help Families.** Increased time in market work among parents raises a key set of challenges to policy-makers seeking to help promote strong families, including the need for flexibility in paid work hours, the need for available and affordable child care, the need for effective ways to support the earnings of families with low-wage earning parents; and the need to encourage two-parent families to form and stay together.

## I. INTRODUCTION

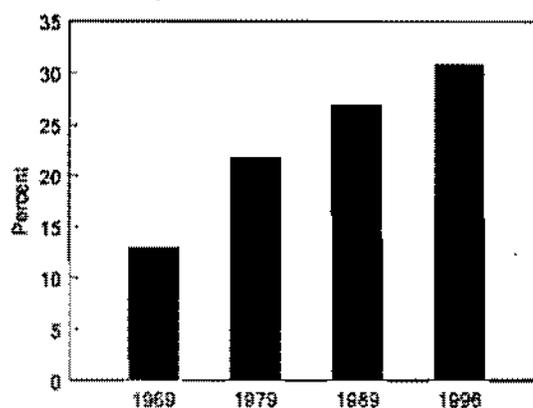
Dramatic changes have occurred over the last thirty years in how families combine work and family life. Clearly one of the most significant changes in the last three decades is the increasing amount of time women have devoted to market work, work that is performed for wages. Combined with hourly earnings increases among women, this means women's earnings have gone up substantially, while their time available in the home has declined. In contrast, men's average hours of paid work and earnings have remained relatively stable. As a result, families have higher incomes, but they have less time for other activities. In short, American families have been in the midst of change – changes in time worked for pay; changes in income and by whom it is earned; changes in family size; and changes in how child care and household tasks are accomplished. This report assesses these changes since 1969 for families with children under age 18.

Two other important trends in family life are also likely to affect the well-being of families with children, occurring along with changes in their income and time allocations. First, the share of families with children that are headed by a single parent has increased significantly (see figure 1). Since single parents typically have both lower incomes *and* less total adult time available for work in the home than married-couple families, this trend tends to increase the proportion of families who are “cash-strapped” and “time poor.” Second, families have decreased in size as the average number of children in families with children has declined (see figure 2).

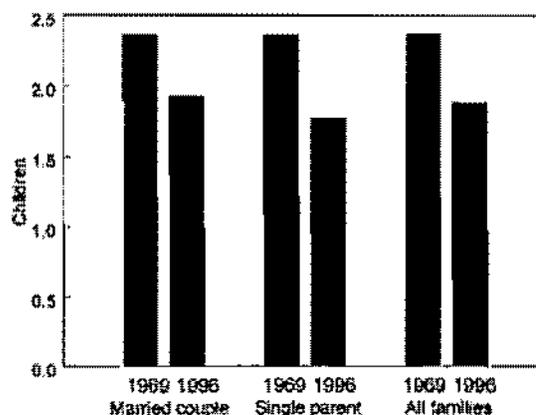
This paper will examine how families with children are faring in the face of all these changes. Key questions to be addressed include:

- How much have hours of market work increased for families?
- How have the extra hours worked by families affected family incomes? How have these trends differentially affected families that differ in skill level, minority status, and number of parents in the household?
- How have these changes in market work and income affected how families use their time in the home? In particular, how have these changes affected parental time available for children?

1. Single Parent Families as Share of All Families



2. Average Number of Children per Family



Some have argued that Americans are facing more and more of a "time bind" as they work longer and longer hours in order to attain an increasing standard of living.<sup>1</sup> Others have argued that, even with increases in hours of paid work, families are not realizing significant income gains, or that families are working harder and harder "just to stay in the same place."<sup>2</sup> No such "one size fits all" characterization adequately captures the variety of experience in different segments of the population. Different types of families have experienced different changes in paid work time and income.

## ECONOMIC OVERVIEW

In general, we find that parents today are spending more time in paid work and have increased resources available to them. For most groups, family income has increased and family size is smaller. The average American child -- particularly if he or she is living in a family headed by a married couple -- is better off economically today than in 1969.

There are some groups for whom the economic picture is not as rosy. The continuing increase in the share of children living in single-parent families has substantially diminished the economic progress that families with children would otherwise have made, limiting both their income and their time. Less educated parents, who have not experienced the wage gains of other families, are working more hours without a commensurate increase in income. It is encouraging to note, however, that most of these families have experienced income gains in recent years during the strong economic expansion of the 1990s, making it somewhat easier for them to effectively combine work and family life.

Underlying and reinforcing the trends toward more paid work time and smaller families has been the long-term growth of women's wages. Rising wages pull women into the labor market by making it more expensive for them to stay at home, in terms of foregone income. Higher wage levels for women in the labor market, combined with other changes in social attitudes toward market work among women, have dramatically changed participation rates among women in the labor force since 1969. There is little indication that this pattern will be substantially reversed in the near future.

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<sup>1</sup> Hochschild (1997); Schor (1991).

<sup>2</sup> Bluestone and Rose (1997).

## II. TRENDS IN HOURS OF MARKET WORK

The most dramatic change in the time allocation of families has been in time spent at work for pay. Since 1969, both married-couple and single-parent families have substantially increased their annual hours of paid work. These increases have come almost entirely from the women in these families, who are working more outside the home – more weeks in the year and more hours in the week – than they did thirty years ago. However, while the increase in paid work time has been widespread, the size of the increase has varied considerably across families, depending on the number of parents, their education, whether they have a preschool-age child, and their race or ethnicity.

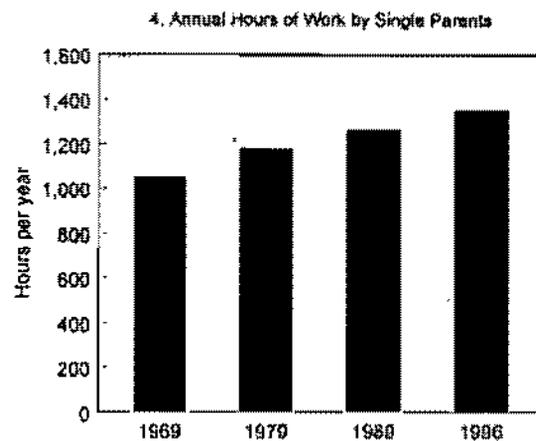
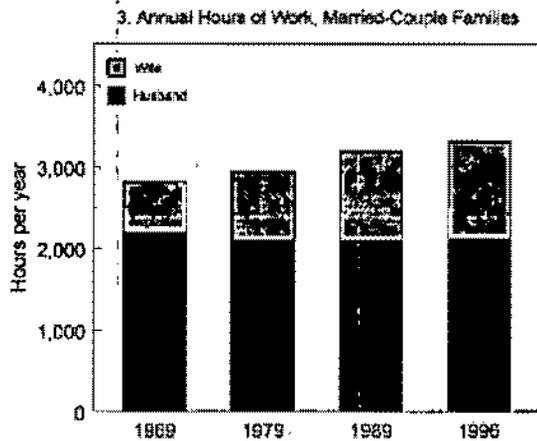
The estimates of annual hours of work presented in this section are based on the March Current Population Survey (CPS), a large representative survey of about 50,000 households each year.<sup>3</sup> While the CPS is the only large-scale representative sample which consistently measures hours of work and family incomes on an annual basis and is therefore the standard data set used for labor market analyses, some have argued that the CPS may be inaccurate because individuals may not be able to recall accurately their usual hours of work during the last year.<sup>4</sup> In section IV of this report we discuss alternative estimates of paid work time based upon “time diaries,” which require individuals to maintain detailed accounts of how they spent their time during a day.

For purposes of this analysis, we use the same definition of a “family” as the Census Bureau: all related individuals living together in the same household. We restrict the analysis to families whose head is at least eighteen years old and where there is a child under age 18. A mother (or couple) and her (their) children living in a household headed by another family member are part of the head’s family, and an unmarried parent co-habiting with a domestic partner is classified as a single parent. Throughout this paper, unless otherwise specified, the terms “wives” and “married women” refer only to those with children.

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<sup>3</sup> We are using the March 1970, 1980, 1990, and 1997 CPS data sets. The data collected each March refer to the previous calendar year. Thus we refer to data for 1969, 1979, 1989, and 1996. We chose those years because they represent peak years (or upswing, in 1996) in the business cycle and thus permit valid historical comparisons. For 1979, 1989, and 1996, information on annual hours of work was derived from two questions which ask how many weeks each individual worked in the previous year and how many hours they “usually worked” in the weeks they worked. Multiplying weeks worked by usual hours worked per week provides a measure of annual hours of work. The 1969 data are not strictly comparable to later years due to differences in data reporting. We have developed an imputation procedure to make these data more comparable to information in later years.

<sup>4</sup> Juster and Stafford (1991); Robinson and Godbey (1997), chapter 4.



As shown in figures 3 and 4, annual hours of paid work have increased substantially for both married-couple and single-parent families. (All families with children under 18 are included in figures 3 through 6, including parents with zero hours of paid work.) A person who works forty hours a week for 50 weeks a year (a traditional "full-time" job) will work 2,000 hours in a year. For two-parent families (figure 3) annual hours of paid work increased by 497 hours (18 percent) from 1969 to 1996; for single-parent households (figure 4) they increased by 297 hours (28 percent).

Virtually all of the increase in families' market hours of work has come from increases in women's hours. Conceptually, the increase in women's hours can be divided into three components: more women are employed, employed women are working more hours per week, and employed women are working more weeks per year.

The most dramatic change has been in the percentage of women employed. In 1969, 38 percent of married women with children worked for pay, while in 1996, 68 percent did so – a 79 percent increase in employment. The increase in employment for single mothers has been less dramatic: 53 percent worked for pay in 1969 and 66 percent in 1996.

Average annual hours worked by those who worked for pay also increased over time, showing that not all of the increase in hours came simply from more women entering the labor force. This increase was much greater for wives (who experienced a 24 percent increase) than for single parents (who experienced an 8 percent increase). This is not surprising since on average, single parents in 1969 worked more hours per year for pay than wives did in 1996. Both hours worked per week and weeks worked per year increased for wives and single parents, among those who worked for pay. Each of these components of annual hours, like the total, increased more for wives than for single parents. Increases in weeks worked per year were more dramatic than increases in hours worked per week.

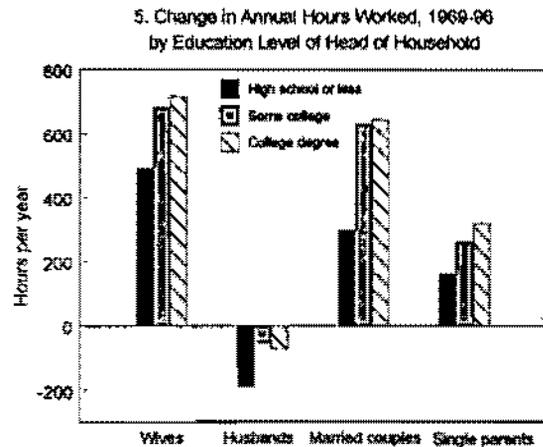
While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. This is the result

of husbands working both slightly fewer weeks per year and hours per week. These trends are consistent with estimates reported elsewhere in the literature, based on a variety of data sources.<sup>5</sup>

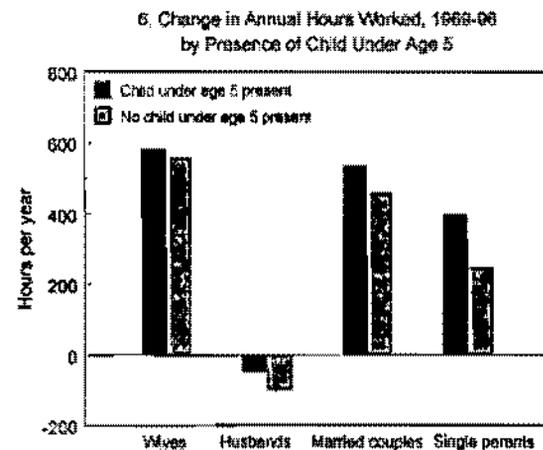
The increase in families' hours of paid work has been widespread throughout the population. All types of families – whether defined by the head's education level, spouse's education level, presence of young children, or race or ethnicity of the household head – have experienced substantial increases in hours of paid work from 1969 to 1996. In virtually every case, the increase in family hours of paid work reflects increases by wives and by single parents, rather than by husbands.

While the basic trends have been similar, the magnitude of the increase in hours of paid work has differed substantially across different demographic groups. In part, this is because some groups, such as women with preschool-age children, had lower hours to start with and therefore more room for expansion than others.

- Families whose head had gone to college have increased their hours of paid work much more than those whose head had less education (see figure 5). For married couples with a college-educated husband, annual hours of paid work increased by 644 hours (23 percent) – more than twice the increase for couples in which the husband had a high school diploma or less. The difference was due to the wives' hours increasing more and the husbands' hours decreasing less in the college-educated families. For single parents with a college degree, hours of paid work increased by 320 hours (20 percent), compared to 165 hours (16 percent) for single parents with a high school diploma or less.*



- Families with a young child increased their hours of paid work more than those with only school-age children (see figure 6). For single parents with a child under age five, hours of paid work increased by 400 hours (50 percent), compared to 246 hours (21 percent) for single parents without a young child. For married couples, hours of paid work*



<sup>5</sup> Ellwood (1998), Rones, Ilg and Gardner (1997) and Leete and Schor (1994) used CPS data, Bluestone and Rose (1997) used data from the Panel Study of Income Dynamics, and McGrattan and Rogerson (1998) used decennial Census data. All of these studies show increases in hours of work for women and decreasing or stable hours of work for men when nonemployment is taken into account.

increased by 537 hours (20 percent) for families with a child under age five, compared to 457 hours (15 percent) for families without a young child.

Why have parents changed their hours of paid work? Trends in wages and trends in paid work hours influence each other. Rising wages tend to draw more individuals into the labor force, while falling wages tend to reduce participation. In turn, more work experience leads to faster wage growth, and vice versa. As a result, wages and paid work time tend to move up or down together.

Trends in hours of paid work for both men and women have roughly paralleled the trends in their wages since 1969 (discussed in section III-A below).<sup>6</sup> However, the magnitudes of the changes in paid work time are still not completely understood, and are not easily explained by changes in key economic variables.<sup>7</sup> The increases in paid work among women seem to be more closely related to increases in their own wages than to the changes in their husband's wages over this period.<sup>8</sup> Increased work among women may be affected by such hard-to-measure factors as changes in assumptions about women's role in the family, diminished discrimination against women in the workplace, or falling barriers to women entering non-traditional occupations. Highly educated women have benefited more from diminished discrimination than have women with less education, as higher-level professional and management jobs have opened up to them. Whatever the reason, large increases in market work hours among women have substantially changed the time allocation and income of families.

### III. TRENDS IN FAMILY INCOME

The upward trend in hours of market work raises questions about trends in family well-being. A family's economic well-being is typically measured by its income. Earnings are the largest part of family income, which also includes transfer payments such as welfare and unemployment insurance, interest, dividends, and other unearned income such as child support. Earnings come from wages and/or salary, plus any overtime, tips, or commissions. Rising work hours should lead to rising incomes, but the magnitude of this effect depends on changes in wages and other income sources that might be occurring at the same time.

#### A. Wages

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<sup>6</sup> Blank (1997), chapter 3; Juhn and Murphy (1997).

<sup>7</sup> Blau (1998); Danziger and Reed (1997).

<sup>8</sup> Juhn and Murphy (1997).

During the same period in which women's hours of paid work have increased, inflation-adjusted wages have been increasing for women on average. Female college graduates' wages have risen more than wages among the less educated. In fact, female high school dropouts' wages have stagnated or even declined slightly. Men's wages have grown very little on average. They have fallen for men without college degrees and remained virtually constant for men with at least a BA.<sup>9</sup> Because fringe benefits have grown since 1969, workers' hourly compensation (including the value of fringe benefits) has improved more than their wages alone.

As we discussed above, these wage changes are positively related to changes in hours of work. More educated women have shown the largest increase in their market work, and their earnings have gone up even faster as wages and hours of work rose together. Less educated men have experienced both declining wages and declining hours of work, leading to earnings reductions.

## **B. Total Family Income**

Putting the trends in wages and hours together, to what extent have increases in hours of paid work within families translated into increases in family income? To answer this question, we present estimates of average family incomes, by income component, to provide one assessment of how the changes in hours have affected the standard of living of families in the United States.<sup>10</sup> Our income measure is based upon before-tax cash income only, including cash benefits such as welfare and unemployment insurance benefits, and does not include other family resources, such as fringe benefits, food stamps, and the Earned Income Tax Credit (EITC). While these other resources and taxes are important, they are difficult to measure accurately or consistently for individual families. Because food stamp use grew rapidly in the 1970s and the EITC expanded greatly in the 1990s, the income measure we use omits more of the resources available to low-income families today than in the 1960s. Our estimates therefore understate the gains made by low-income families since 1969.<sup>11</sup>

Trends in income and in the various components of income (earnings, government transfers, other sources of income) have varied across different types of families.<sup>12</sup>

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<sup>9</sup> Blau (1998). These are the trends in mean weekly earnings of full-time workers aged 25-64. Other wage measures such as average hourly earnings or median weekly earnings show slightly different trends, but all show a similar relationship between education levels.

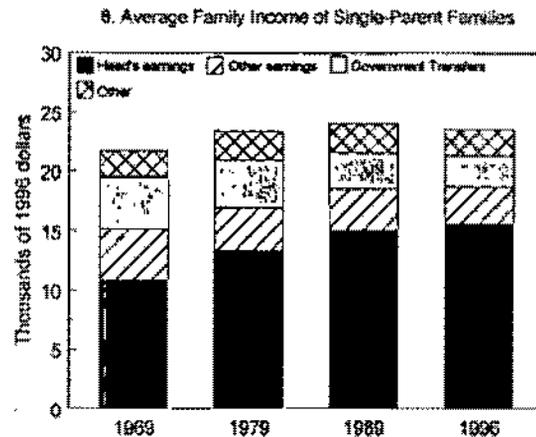
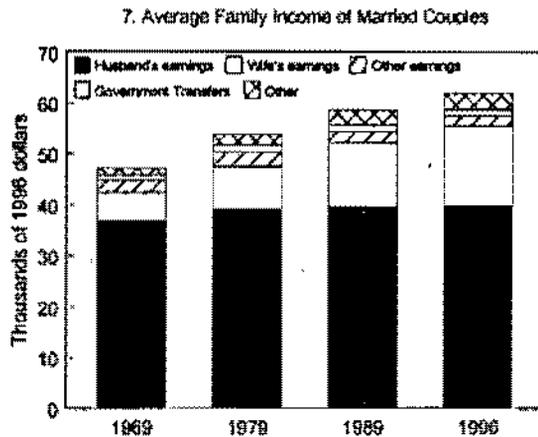
<sup>10</sup> To adjust for changes in prices over time, these estimates use the CPI-U-X1 price index measure. The CPI-U-X1, an alternative to the CPI-U (Consumer Price Index for Urban Consumers), uses the rental equivalence approach to improve the treatment of home ownership costs.

<sup>11</sup> For estimates of changes in family incomes using a broader definition of income, see Levy (1996).

<sup>12</sup> Throughout the following analysis we use mean (that is, average) income, rather than the median or another indicator of the distribution. Changes in mean income can be decomposed into changes in means of the components of income, whereas changes in the median cannot. There has been a more positive change in mean income than in median income, as disproportionate growth in the upper tail of the income distribution pulls up the

## 1. Trends in Income by Family Structure

Both married-couple families and single-parent families achieved increases in inflation-adjusted income from 1969 to 1996 (see figures 7 and 8). However, even though single parents had substantially higher rates of growth in paid work hours, married-couple families experienced a much larger average increase in income.



- *The incomes of married-couple families increased by more than their increase in paid work time. Their average family income increased by almost a third from 1969 to 1996 (\$14,800 in 1996 dollars), while their annual hours of paid work increased by less than a fifth.*
- *For single-parent families, incomes increased by much less than paid work time. They also increased much less than the incomes of married-couple families over this period, after adjusting for inflation. Average income of single-parent families increased by less than ten percent (\$1,920 in 1996 dollars) from 1969 to 1996, while their paid work hours increased by more than a quarter.*

Increases in the earnings of wives and single parents generated most of the income growth from 1969 to 1996. Single parents' earnings increased more than their total family incomes did, as earnings increases were offset by a forty percent decline in average government cash transfer payments. For two-parent families, increases in the wives' earnings represented two thirds of the increase in family income, with the remainder attributable to an increase in the husbands' earnings and an increase in unearned income from sources other than government transfer payments.

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mean without affecting the median. We multiplied topcoded values by 1.45 before taking the means of the distributions so that the means would not be underestimated.

Among both wives and single parents, their increased earnings reflect an increase in hours of work and an increase in hourly earnings rates. Rising earnings among wives reflected a startling 93 percent increase in their hours and a 52 percent increase in their earnings per hour. For single parents, hours of work increased by 28 percent, while hourly earnings increased by 17 percent.

## 2. Trends in Income by Other Demographic Characteristics

As with hours of paid work, trends in average family incomes differ substantially across groups of families classified by education, race or ethnicity, or presence of young children. Income growth has been greater for families whose head is highly skilled, for families headed by a non-Hispanic person, and for families with preschool-age children.

- *More highly educated families had greater income growth from 1969 to 1996.* Married couples' income grew by almost a third if the husband had a college education, but less than ten percent if the husband had a high school diploma or less. For single parents, inflation-adjusted incomes grew by eight percent if they had a college degree, but incomes fell by four percent for single parents with a high school diploma or less. Much of this difference in income growth reflects larger hours increases for highly skilled wives and single parents, and earnings declines for low skilled husbands. Erosion of the purchasing power of cash welfare benefits also helps explain why the inflation-adjusted incomes of less-educated single parents fell.
- *Average income growth for whites and blacks was substantially higher than for Hispanics.* Among families headed by a white person, average incomes grew for both married couples (18 percent) and single parents (2 percent) from 1979 to 1996.<sup>13</sup> For blacks, average incomes grew by 18 percent for two-parent families and by 6 percent for single-parent families. Finally, for Hispanics, average incomes fell for both married couples (4 percent) and single parents (3 percent). The results for single parents are striking, given the relatively large increases in hours worked for pay by Hispanic single parents over this period. The results for married couples are less surprising, given that Hispanic couples increased their hours of paid work only about half as much as white or black married couples. An increasing share of recent immigrants with lower education and wage levels in the Hispanic population helps explain why Hispanics' incomes fell. In addition, wages and cash welfare benefits declined.
- *Families with a child under age five had greater average income growth than families with older children.* For married couples, average incomes increased by 38 percent for families with a child under age five, compared to 27 percent for families with only older

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<sup>13</sup> Our race and ethnicity comparisons begin in 1979 because the CPS did not identify Hispanics in 1969.

children. For single parent families, mean incomes increased by 17 percent for those with young children, but by just 6 percent for families with only older children.<sup>14</sup>

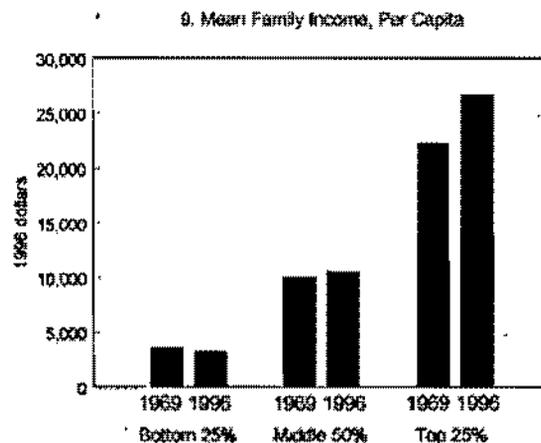
### 3. Recent Trends in Family Income

Trends in family income from 1992 to 1996 are considerably more favorable than the longer term trend since 1969. Even families headed by single parents with a high school diploma or less, whose real income deteriorated from 1969 through 1992, made income gains from 1992 to 1996 during the sustained period of economic expansion under the Clinton Administration.

#### C. The Distribution of Family Per Capita Income

To assess the implications of income growth for families with children, we need to take account of the increasing share of single-parent families, whose incomes are lower and grew much less than the incomes of married-couple families (see section III-B-1 above). We also need to consider the decrease in family size, because a given family income provides more resources per child when there are fewer children in the family. Moreover, because less-skilled, lower-income parents have had slower income growth than highly skilled, higher-income parents, it is important to consider the trends in income for lower-income and higher-income families, not just the average family.

Figure 9 presents estimates which incorporate the combined effects of the increasing share of single-parent families and decreasing average family size, to assess changes in incomes for families with children. To reflect changes in the share of single-parent families, the diagram shows changes for the *combined* family income distribution of single-parent and two-parent families. In addition, as a crude way of adjusting for the differences in family size between two-parent and one-parent families and for the decreases in family size over time, family incomes are presented in per capita terms. (This is a crude measure because it does not cost twice as much to support two people as one. On the other hand, two do cost more to support than one. The true measure of equivalent income for different family sizes lies somewhere between per capita and total income.) The figure shows the change in average income per person for the lowest quarter, the highest quarter, and the middle half of the distribution of all families' per capita incomes.



<sup>14</sup> Of course, having a younger child often implies being a younger parent. We do not control for the age of the parent in this analysis.

These estimates indicate that while there has been substantial growth in income per person for families with high per capita income, income per person has been either stable or decreasing for other families when 1996 is compared with 1969. During the economic expansion from 1992 to 1996, however, families with lower per capita incomes also experienced rising income per person.

*Since 1969, the top quarter of families gained, while the lower quarter lost and the middle half remained nearly constant in per capita income terms, after adjusting for inflation. The top quarter gained 20 percent (\$4,420 in 1996 dollars) from 1969 to 1996, while families in the lower quarter of the per capita income distribution had declines of 11 percent (\$410). For families in the middle half of the per capita income distribution, average income per person has remained relatively constant, with income gains of 4 percent (\$452).*

Since family size has been decreasing, it follows logically that increases in mean income are less dramatic, and decreases are more dramatic, when calculated on a family basis rather than on a per capita basis.

#### **IV. HOW DO FAMILIES RESPOND? IMPLICATIONS FOR FAMILY TIME USE OUTSIDE THE JOB**

The trends in hours of paid work and family incomes described above have had a major impact on family life. Increasing hours of paid work may mean higher incomes, which provide more resources for parents and children. But increasing paid work time also means less time for other activities. The evidence on time allocation to non-market activities is much more limited than the data on hours of paid work and income, and conclusions must therefore be more tentative.

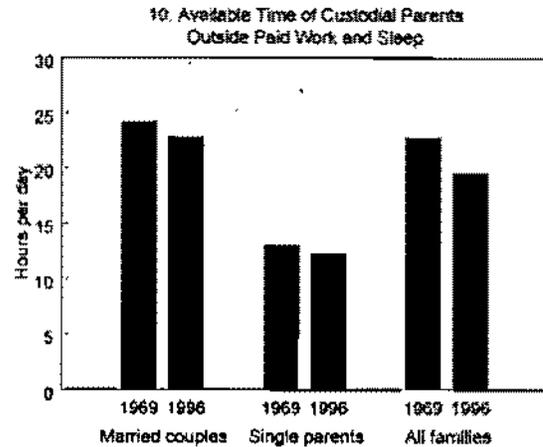
The CPS, with its larger sample size, only allows us to examine hours spent in paid work (and therefore hours available for other activities) along with changes in family size and structure. We have limited data on what people actually do with the time they do not spend in paid work, mainly from time-use diary studies. These studies have complete data only for a small sample of people. We begin with the CPS data regarding basic trends and then discuss the more detailed time-use diary data.

##### **A. Trends in Current Population Survey Data**

What can the CPS tell us about how the changes of the past several decades have affected the number of home hours that families have available for caring for children and maintaining a household? The data indicate that families have less total time to devote to unpaid activities,

including time with children, because they are spending more time in the labor market and because the share of families with a single parent is growing.

Figure 10 shows the trends in non-market time that custodial parents potentially had available to spend with all their children, after subtracting time spent at paid work and allowing eight hours per day for sleep. We emphasize the fact that this is only time potentially available in the home; there is no information in the CPS about how parents actually spend their time outside paid work. Figure 10 shows that from 1969 to 1996, both married couple and single parent families experienced a decrease in time not spent on paid work. The overall decrease is greater than the decreases within either family type because the proportion of single-parent families increased over this period.



It can also be noted that changes in family size would affect the parental time potentially available per child. Statistics indicate that despite increases in paid work hours for each type of family, the amount of non-market time potentially available *per child* has increased for both married-couple and single-parent families since 1969. This measure is obviously misleading because it assumes that a single child who spends time with a parent gets twice as much parental attention as each of two children who spend that same time with a parent. When single-parent and married-couple families are added together, however, the amount of family time per child has remained relatively constant. This reflects the fact that a shift toward more single parents tends to decrease parental time available to children, because it reduces the number of custodial parents available to spend time with children.

## B. Time Use in the Home Estimated from Time-use Diaries

Fortunately, we have an alternative – and somewhat more informative – source of data: time-use diary surveys, which ask respondents to keep a detailed diary recording how they spend their time during a specific day. These surveys provide an alternative, more accurate method of measuring paid work time, as well as time spent in various kinds of unpaid activities, such as commuting, housework, child care, shopping, recreation, and personal care. The trends in hours of paid work time and non-market time described above are based on data which report individuals' estimates of their usual hours worked per week in the previous year. Such estimates may not accurately portray the actual hours worked for pay because the question is somewhat ambiguous and respondents may not be able to report accurately on a "usual" week in the few

minutes allowed during the CPS interview. Time-use diary measures tend to show shorter paid work hours and sometimes even different trends than the CPS.<sup>15</sup>

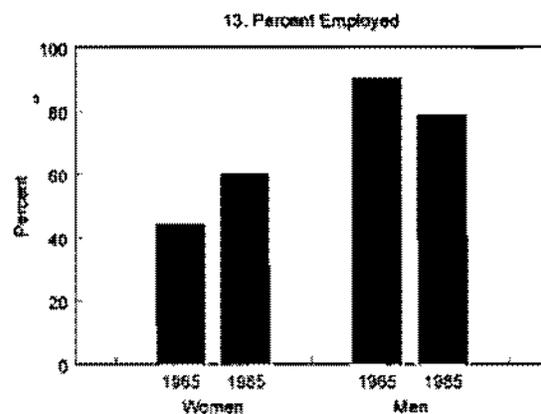
Unfortunately, such time-use diary surveys are conducted much less frequently and with much smaller samples than the CPS. The latest available data were collected in 1985; results of a survey done in 1992-94 are not yet available. Because of the small samples, time-use diary surveys cannot be used to examine trends for smaller subgroups of the population, such as single parents or blacks. Moreover, the individuals who complete the diaries may not represent the U.S. population as well as the CPS sample does. These surveys do, however, provide information about how much time is spent in different types of unpaid work at home, such as child care and housework, in leisure pursuits, and sleep.

### 1. Averages

Time-use diaries indicate that the entry of many mothers into the workforce has placed them into what can be termed a "time crunch." While both employed and nonemployed women have managed to keep the amount of time spent with children relatively constant, many more women with children have moved from the "nonemployed" to "employed" category. The "time crunch" is best illustrated by the fact that in any single year, employed women spend over one third less time on child care and household tasks than women without paid jobs, but still have 25-30 percent less free time.<sup>16</sup>

Time-use surveys conducted in the U.S. in 1965 and 1985 show that employed mothers spent virtually the same amount of time taking care of children in 1985 (6.7 hours per week) as in 1965 (6.3 hours per week). Mothers without paid jobs also maintained a consistent amount of time with children spending 12 hours a week on child care in both years. The child care category in the time diaries only includes time spent on direct caregiving.

When the shift of women into employment (shown in figure 13) is taken into account, mothers' time in child care declined by 10 percent overall, from ten to nine hours per week. Fathers did not make up the difference; their child care time remained about 2.6 hours per week from 1965 to 1985. This suggests that the increase in market work among women has reduced parents' total child care time. Mothers have reduced their child care time by much less than they have increased their time in paid work because they have cut back on other activities. Women have

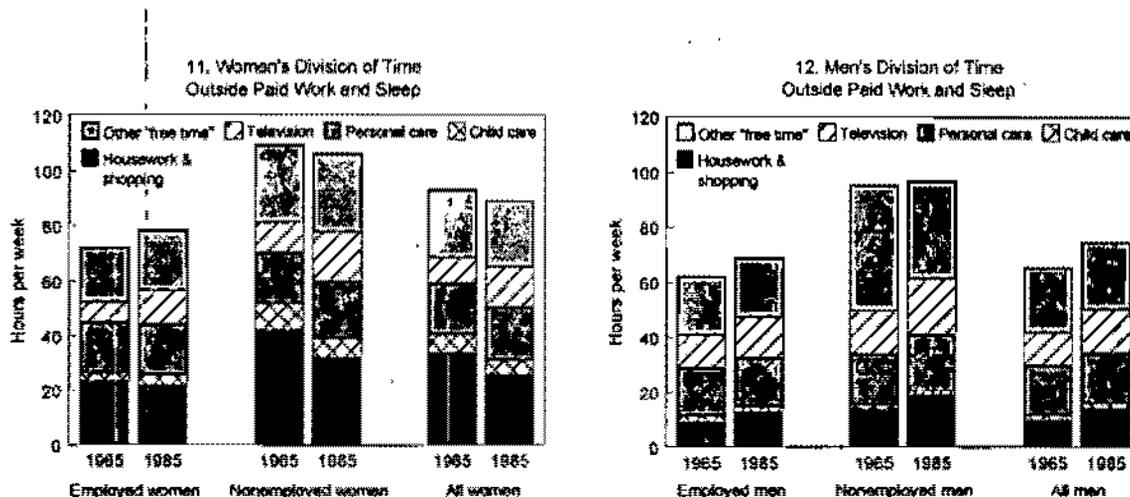


Source: Time-Use Diary Surveys (Robinson & Godbey 1997)

<sup>15</sup> Robinson and Godbey (1997), chapter 5.

<sup>16</sup> Robinson and Godbey (1997), Tables 3 and 6.

markedly reduced time they spend on household chores (see figure 11). Men have somewhat increased the time they spend on housework (see figure 12), but it does not make up for all of the reduction by women. Since the child care category only captures activities with direct parent-child engagement, any decreases in time parents spend with children while they are primarily engaged in another activity, such as cooking, cleaning, or shopping, are not reflected in the time-use data.



Time spent in commuting to work increased 13 percent (2.5 minutes per trip) between 1983 and 1995, according to a Federal Highway Administration survey.

## 2. Differences among Families

The effect of women's increased hours in the labor market on families is likely to vary between college-educated parents, whose incomes have been rising because their hours and wages both increased, and less-educated parents, whose incomes may have fallen despite increased work hours because of falling wages. The effect of women's increased hours in the labor market on families is also likely to vary between married couples, who can shift some housework and child care from working wife to husband, and single parents, who cannot. Within married-couple families, moreover, there are likely to be differences across education levels in this shifting of tasks, as child care time by fathers rises with their education. Unfortunately, the time-use diary survey samples are too small to be broken down into these subsamples. Thus, the above-quoted estimates are based on average trends and may miss important distinctions between high- and low-income groups, or between single-parent and two-parent families.

## V. KEY POLICY ISSUES RELATED TO THESE CHANGES IN FAMILY LIFE

The changes in American families and work patterns have created new opportunities, but also present significant policy challenges to private employers and government. In this section we identify four areas of policy that are important in helping families seeking to balance work and family life: increasing the flexibility of market work; supporting income among low-income working families; improving access to high quality and affordable child care; and encouraging the formation and maintenance of two-parent families.

#### A. Increasing the Flexibility of Paid Work

To an important extent, the effect of parents' market work time on children depends on when and where it is performed. By shifting from work in the home to work in the market, many women find themselves with far less flexibility in responding to family needs. Key employment arrangements that affect hours flexibility include:

- *Flexible work arrangements* (defined as allowing workers to vary the time they begin or end work). These arrangements are an increasingly popular approach to decreasing the tension between work and family. In 1997, 28 percent of full-time wage and salary workers had flexible work schedules. This was up sharply from 15 percent in 1991, the most recent prior year when data were collected.<sup>17</sup>

Maintaining high productivity need not be inconsistent with allowing flexibility in work arrangements, as many private sector employers have discovered. The Federal government has led by example, instituting "flextime" which allows employees some discretion in when they work their allotted hours. The President has proposed a flextime initiative that would allow *all* workers to take "time-and-a-half" overtime compensation in the form of compensatory time whenever they need it for family and medical leave purposes or vacation, instead of cash.

- *Flexibility in shift work*. This approach enables parents to share child care more easily by working different shifts. In order for shift work to make combining paid work and child care easier, however, the choice of shifts must be voluntary. For those workers who cannot determine their own schedules, the combination of shift work and work in the home is a potential source of stress and expense. Non-standard working hours may make it difficult both to find time to spend with children when they are awake and not in school and to arrange for child care while working. In 1997, 83 percent of full-time wage and salary workers were on regular daytime schedules, 4.6 percent were on evening shifts, 3.9 percent were on employer-arranged irregular schedules, 3.5 percent were on night shifts, and 2.9 percent were on rotating shifts.

This Administration has also played a major role in increasing flexibility among families by helping enact the Family and Medical Leave Act (FMLA), which enables workers to take up

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<sup>17</sup> Data on alternative work arrangements comes from the 1991 and 1997 May supplements to the CPS.

to 12 weeks unpaid leave to care for a new baby or ailing family member without jeopardizing their jobs. Since its inception in 1993, millions of workers have taken advantage of the FMLA to spend necessary time with their families. The President has also proposed expanding FMLA to cover more workers and to allow FMLA-covered workers up to 24 hours per year for parent-teacher conferences or to accompany a child, spouse, or elderly parent for routine medical and dental care.

- *Working at home for pay.* This arrangement can increase parents' flexibility. In 1997, 3.3 percent of all wage and salary workers were doing work at home for pay, up from 1.9 percent in 1991. An additional ten percent of all wage and salary workers in 1997 were doing work at home without receiving extra pay for it. Nearly 9 out of 10 workers who were paid for work at home were in "white-collar" occupations.

## **B. Giving All Parents, Especially Low-Income Parents, More Choices**

While incomes have been rising for most people, families at the bottom of the income distribution, particularly the less educated and single parents whose inflation-adjusted incomes were lower in 1996 than in 1969, still face serious economic hardship. Many low-income parents are forced to work harder and spend less time with their families just to make ends meet. Recent policy changes that have helped these families cope include:

- Expansions in the Earned Income Tax Credit (EITC), to assure that persons who work hard on their jobs can take home enough money to support their families;
- Providing a \$500 per-child tax credit to help offset the expense of raising children;
- Increases in the minimum wage from \$4.25 in 1993 to \$5.15 in 1997;
- Expanded child support enforcement provisions, which help ease the economic burden on single mothers and enforce responsibility for economic support of children on both parents;
- Major welfare reform legislation that has helped single mothers move from welfare to work;
- Employer tax credits to help create jobs for welfare recipients;
- Substantial expansions in support for vocational education, community college, and skill development among persons in lower-income families, including the creation of Hope Scholarships, increases in the maximum Pell Grant, and the passage of the Workforce Investment Act of 1998.

These steps, and the strong economy and steady economic growth of the last six years, have combined to create jobs, reduce unemployment, and raise wages for all workers – especially the less skilled who are most affected when jobs are scarce.

**C. Improving Access to High Quality, Affordable Child Care (Need to add after school)**

Most parents adjust to an increase in their paid work time by increasing their use of child care providers. The availability, cost, and quality of child care are crucial to the well-being of our children and the ability of parents to adequately balance the needs of work and family.

The primary child care arrangements for preschool-age children of employed mothers in the fall of 1994 were divided roughly equally among care in the child's home (by a relative or nonrelative), care in another home (by a relative or nonrelative), and care in an organized child care facility. Since comparable data were first collected in 1986, the trend shows a slight increase in the proportion of children receiving care in their own homes, relatively fewer children receiving care in another home, and relatively more children receiving care in an organized facility. In addition, the share of monthly income spent on child care by those purchasing this service rose from 6.3 percent to 7.3 percent between 1986 and 1993.<sup>16</sup>

The Clinton Administration has consistently emphasized the importance of child care availability and quality. Since 1993, child care subsidies for low-income families have grown by 80 percent. In addition, the Administration's budget proposal for the 2000 fiscal year includes a variety of proposals to help make child care more affordable and improve its quality, including an investment of \$7.5 billion over five years in the Child Care and Development Block Grant; combined with the funds provided in welfare reform, this new investment would enable the program to serve over one million additional children. Also, the President's budget includes \$XX to double the number of children receiving child care subsidy, \$5.1 billion over five years to increase the Child and Dependent Care Tax Credit for three million families earning under \$60,000 a year, and \$3 billion over five years in the Early Learning Fund to improve the quality of care children receive.

In addition, the Administration is addressing the need for after-school care for children. Over the past X years, the number of households in which both or the only parent of school age children work has increased by Y percent, to now include roughly 70 percent of these families. This has led to a strong demand for quality programs to ensure children are safe and learning in the hours in which they are not supervised by a parent. In fact, experts estimate that every day roughly 5 to 15 million children are left home unattended. The Clinton Administration has responded to this demand by increasing its investment in after-school programs from \$40 million to \$200 million in the 1999 fiscal year, which is estimated to reach roughly 400,000 children this year. And the President's 2000 fiscal year budget would triple the investment in these programs to \$600 million.

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<sup>16</sup> The earliest comprehensive data on families' child care arrangements were collected by the Bureau of the Census in 1977. The earliest data that are compatible with the most recent data are from fall 1986. We use the 1986 data for consistency.

Together, these initiatives help parents ensure that their children are receiving quality care while they work (— or some such line).

#### **D. Encouraging Two-Parent Families**

When two-parent families form and stay together in a supportive relationship, many of the economic and emotional stresses of balancing work and family are eased. Two-parent families have greater earnings potential and more potential time to spend with their children than single-parent families. Among the recent policies which have helped maintain married couple families, the eligibility rules for Medicaid and other programs have been changed so as not to penalize two-parent families for staying together.

## **VI. CONCLUSION**

This study indicates that there has been a large-scale shift of time spent by women from the home to the labor market over the last generation. For most families, this change has led to an increase in family income. The study also indicates that there has been a very large shift from married-couple to single-parent families over the last 30 years, reducing both income and parental time available for many children. While smaller family sizes have helped offset the increase in market work, many parents find it difficult to balance jobs and children.

This report demonstrates that single parents face the most difficulties. They have only half as much total time available as two parents, and single mothers typically have less than half as much earning power as a married couple because women's wages are lower than men's. Lack of income limits most single parents' ability to purchase time-saving goods and services and high quality child care. Thus, they face a severe "time crunch" as well as a "money bind."

Men without college educations have faced declining wages. While increased work by their wives has helped maintain their families' standard of living, it is still difficult for these families to afford child care. Moreover, less-educated workers are less likely to have jobs that permit parents to arrange their hours to accommodate family needs.

Better educated parents, whose increased time in the labor market has been rewarded with considerably higher incomes than in 1969, can more easily afford high quality child care, household help, and other time-saving goods and services. Married-couple families, particularly those where the husband has a college degree, have seen substantial improvements in their economic situation over the last three decades. Even these couples, however, face the stress involved in balancing increased work and family.

While it is beyond the scope of this study to speculate about the causes of changing work and family patterns, what is clear is the magnitude of the change and the importance of the challenge.

There is no more vital task for our society than raising our children well. Parents in all different income brackets and settings face everyday the extraordinary task of dividing their time to maximize familial, economic and personal well-being.

It is the responsibility of employers and public policy-makers to continue the search for methods to help productive workers function as effective parents and responsible family members. If children, families, and our communities are going to withstand the stresses of the trends of the last 30 years, employers and public policy makers have a responsibility to do everything they can to help parents balance work and family. Workplaces and work hours must become more flexible, parents need more supports and more choices, and more children need to live with solid families in their lives.

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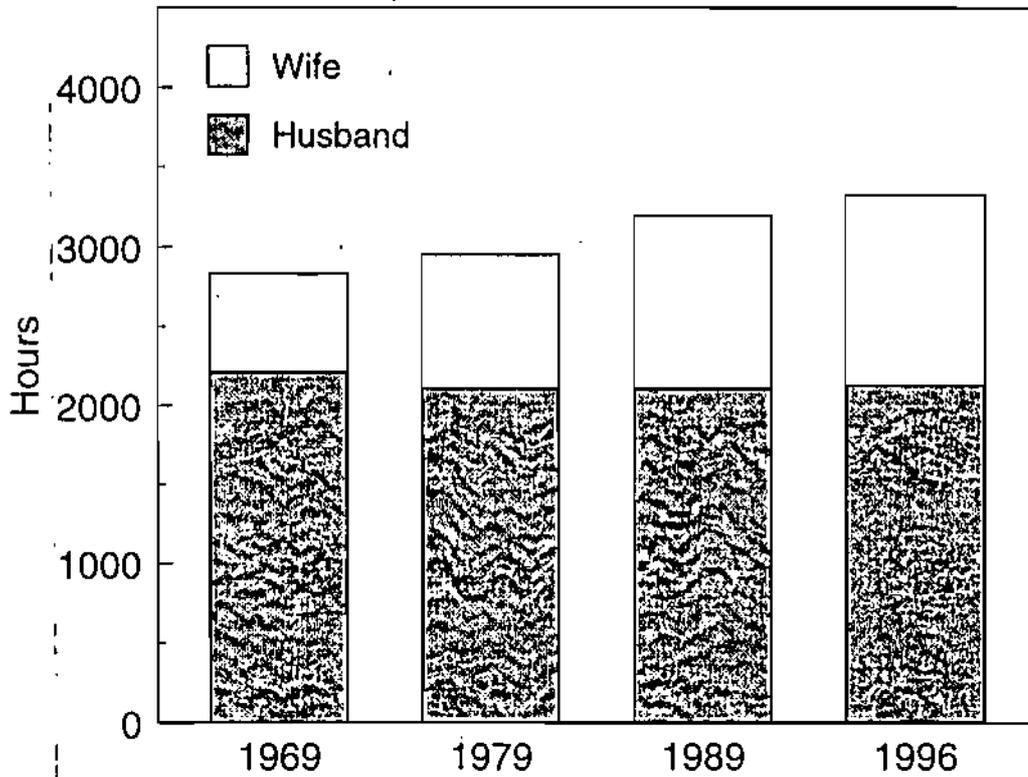
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BR/ER -  
Quick interesting charts for family report. Notice  
① increases in wives hours working ② Time crunch  
for middle  
upper  
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families.  
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Tom

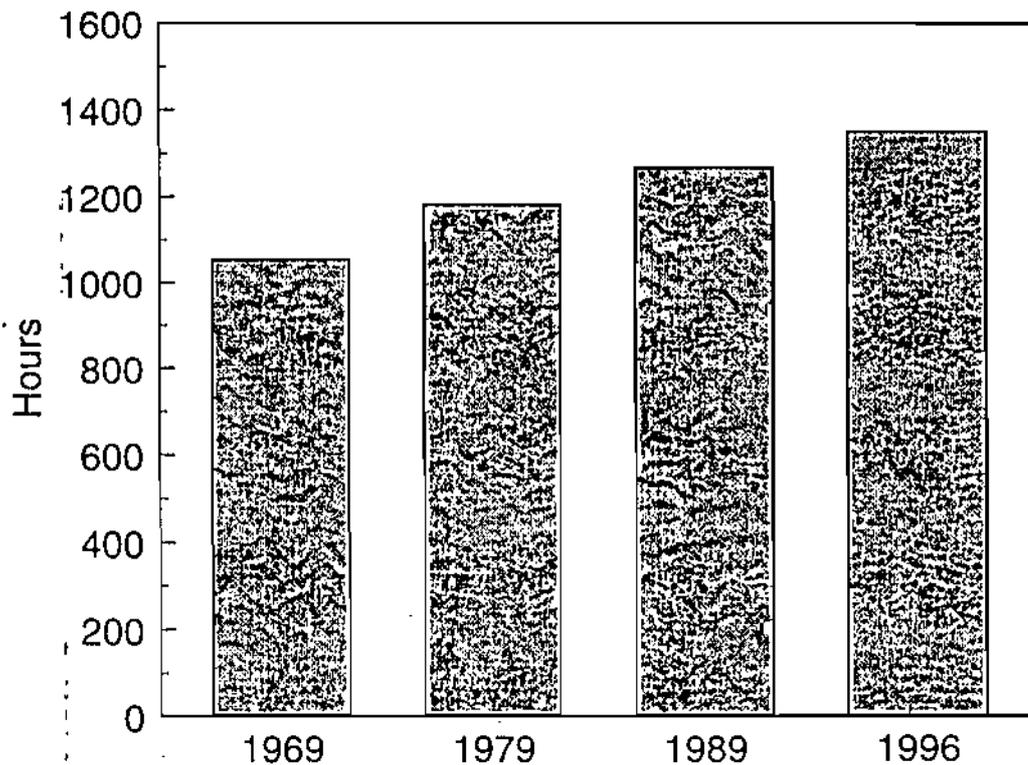
### Annual Hours of Work, Married-couple Families



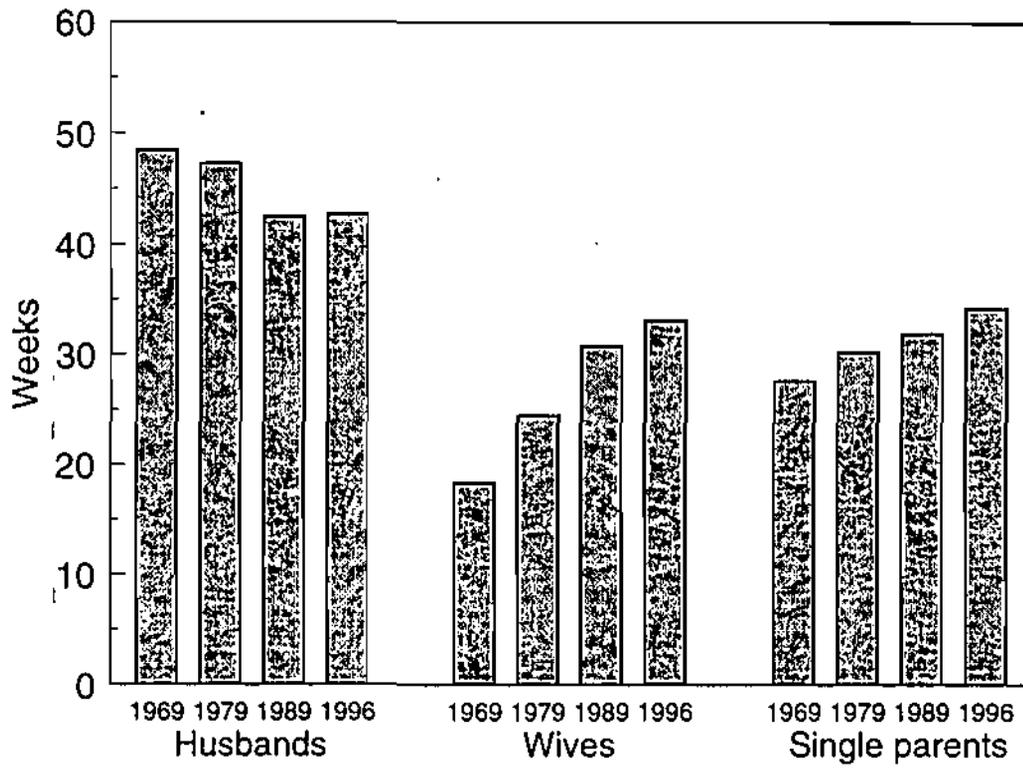
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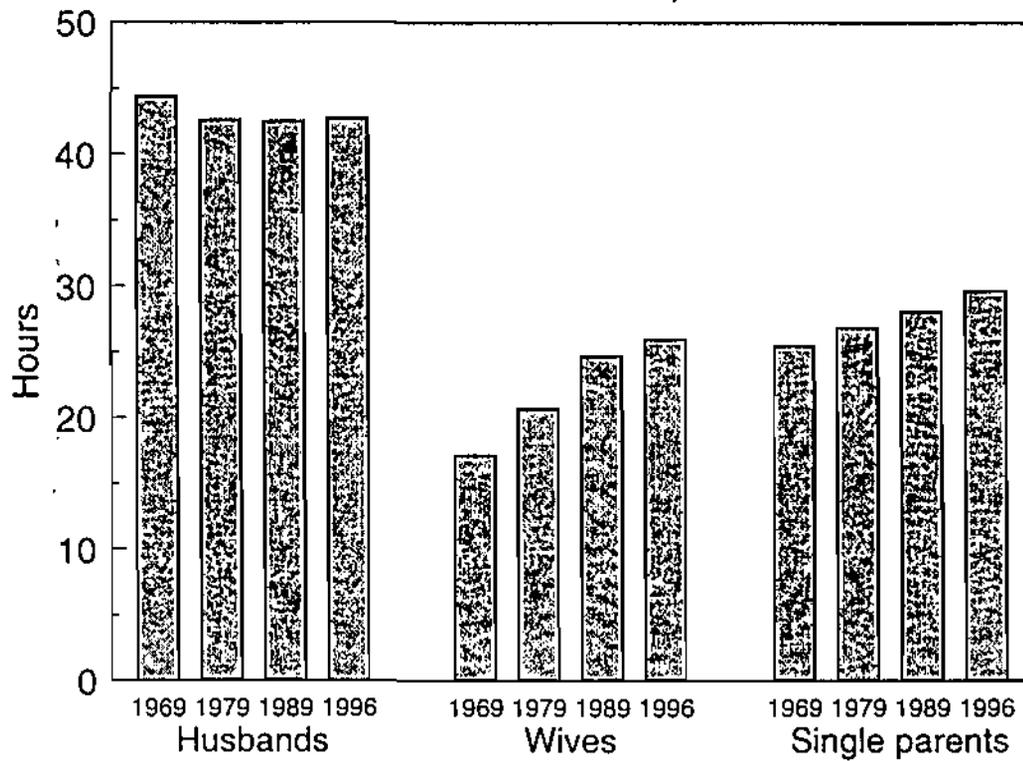
### Annual Hours of Work by Single Parents



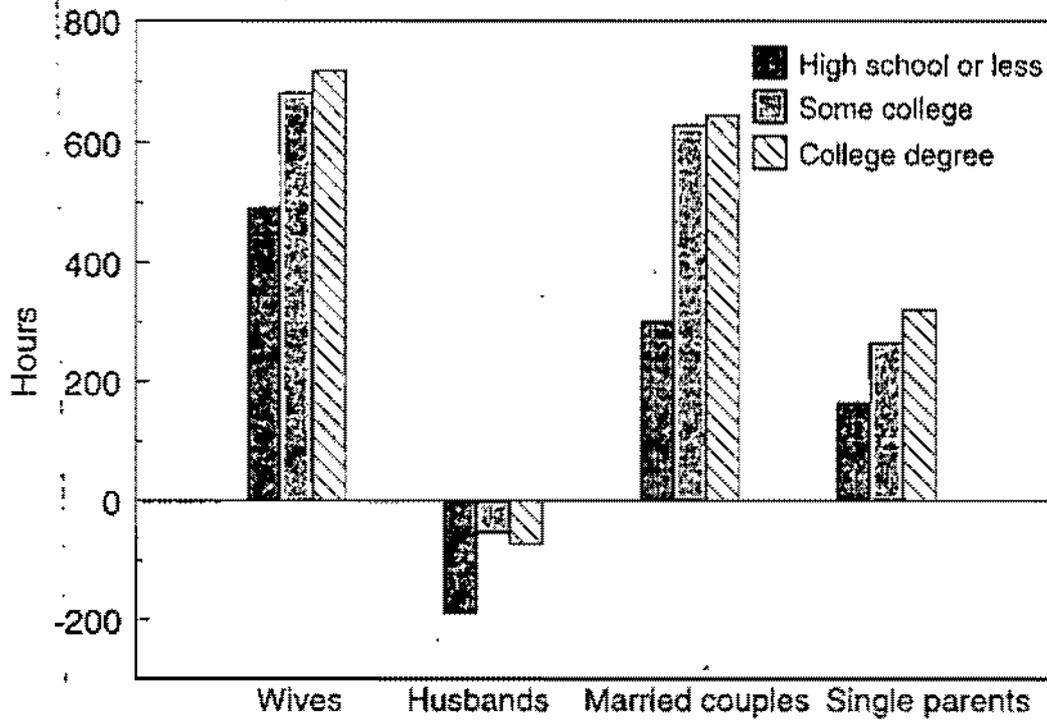
### Annual Weeks Worked



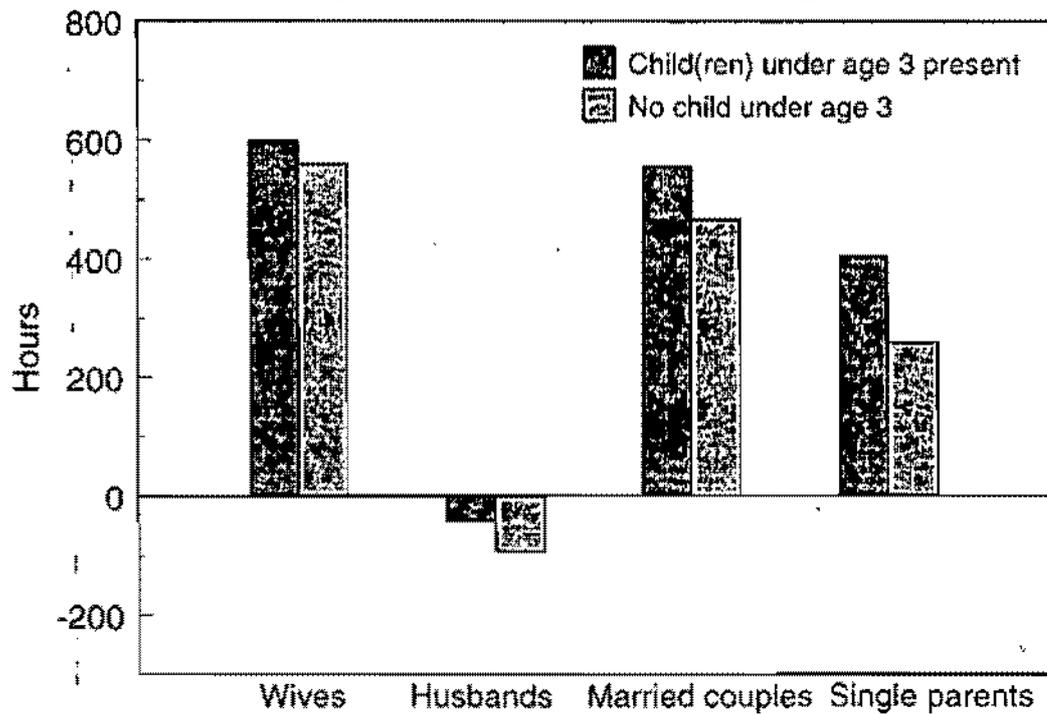
### Usual Hours of Work per Week



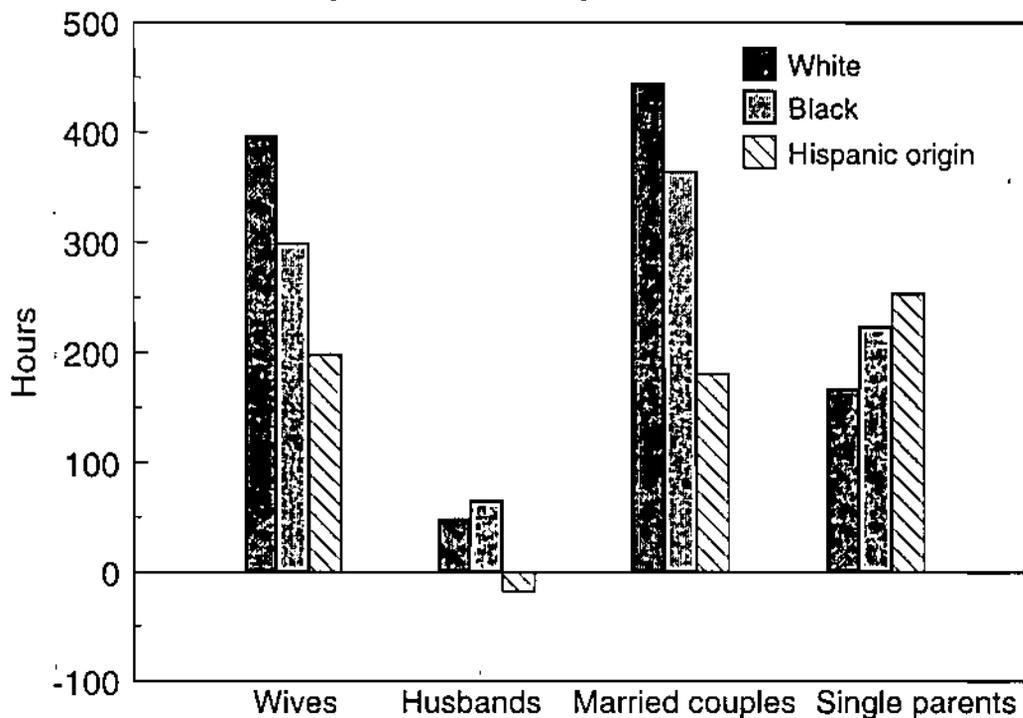
**Change in Annual Hours Worked, 1969-96**  
by education level of head of household



**Change in Annual Hours Worked, 1969-96**  
by presence of children under age 3



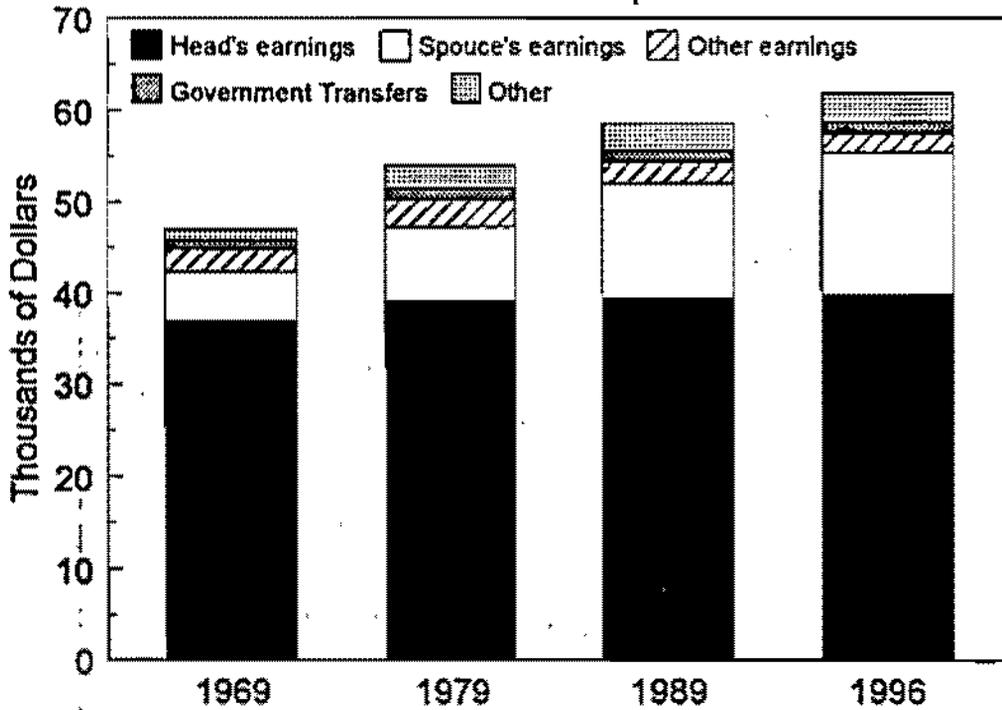
## Change in Annual Hours Worked, 1969-96 by race or ethnicity of head of household



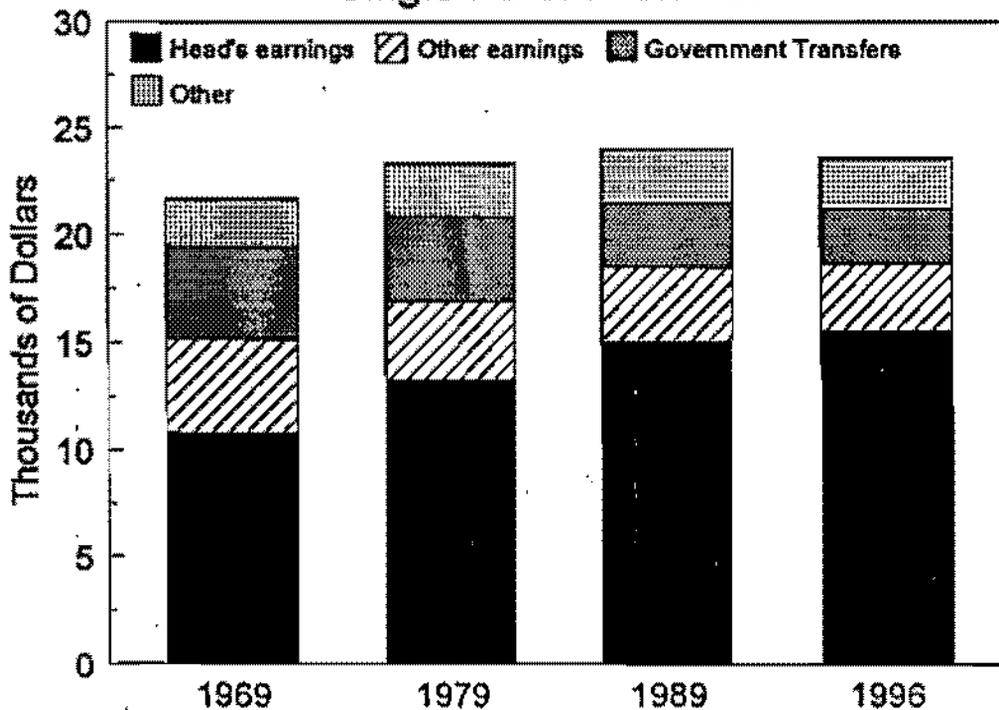
## Percent Change in Annual Hours Worked, 1969-96<sup>79</sup> by race or ethnicity of head of household



### Average Family Income of Married Couples

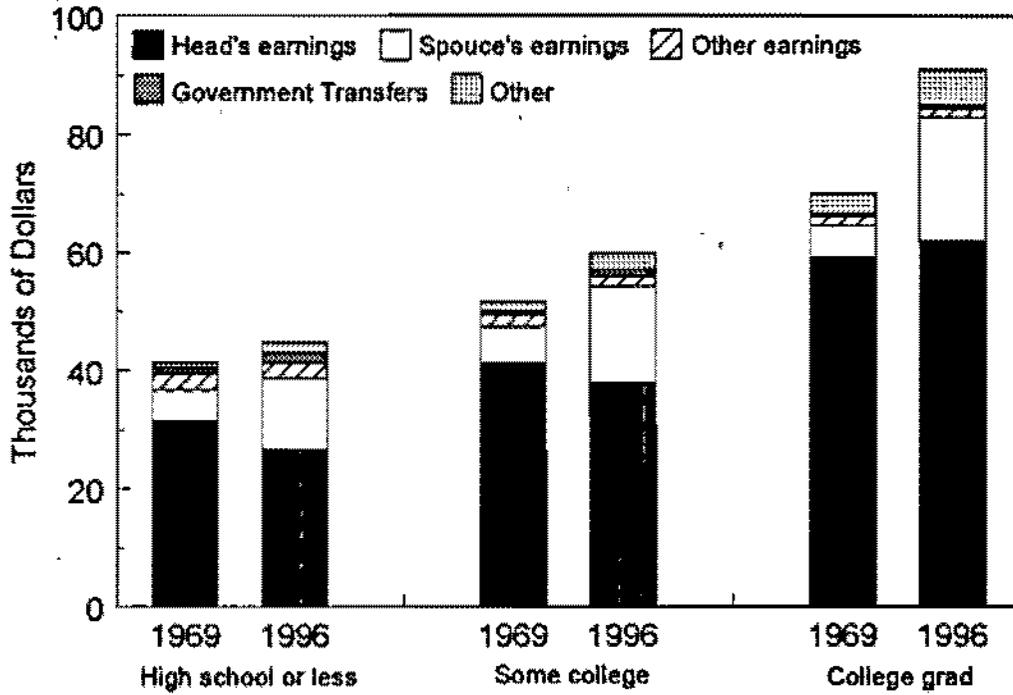


### Average Family Income of Single-Parent Families

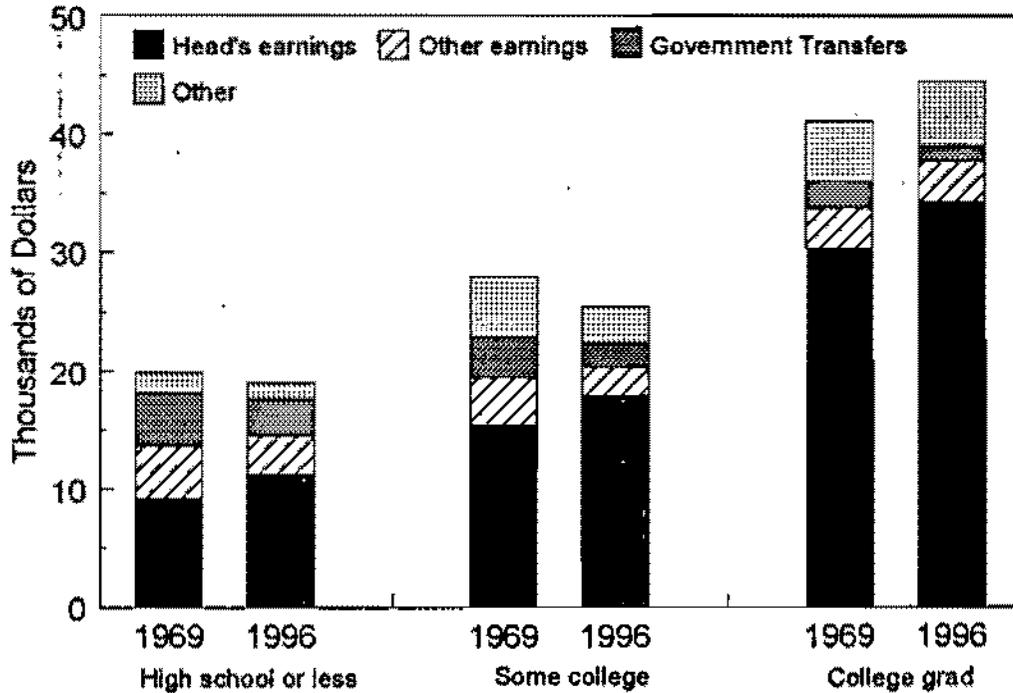


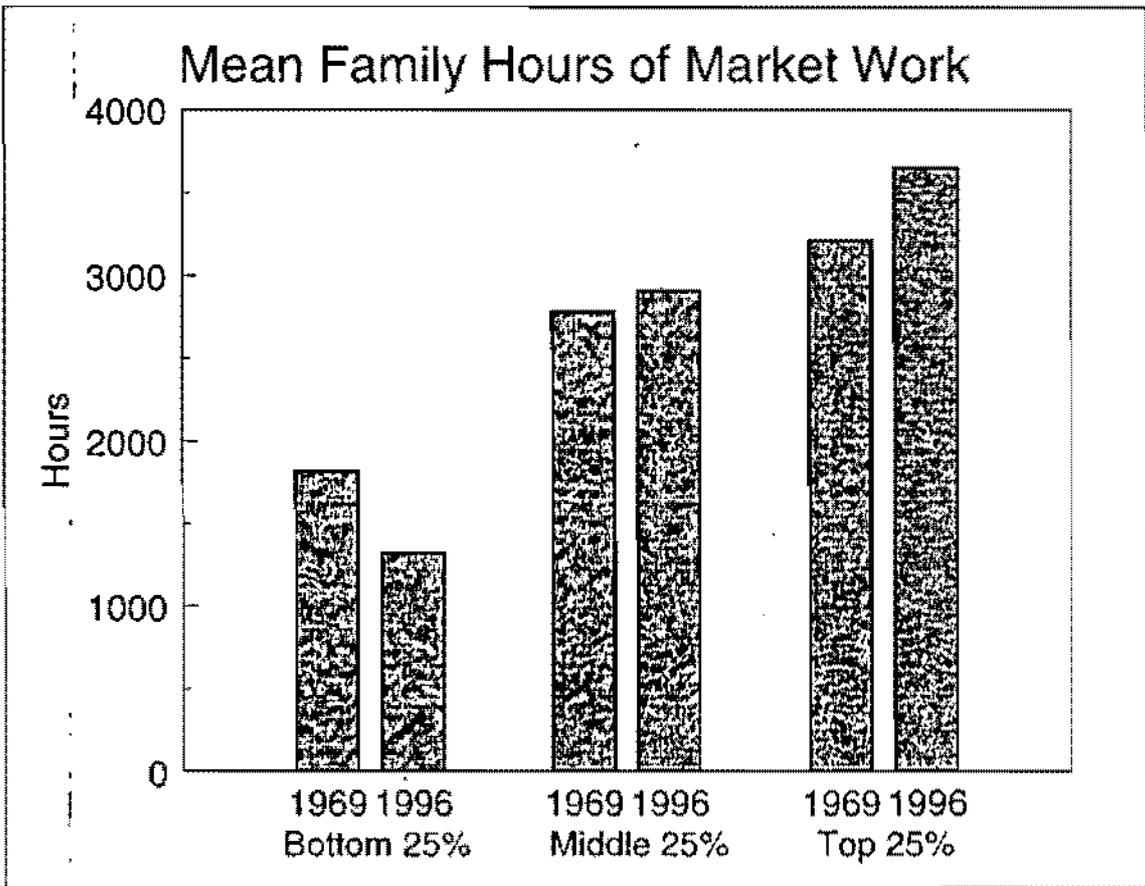
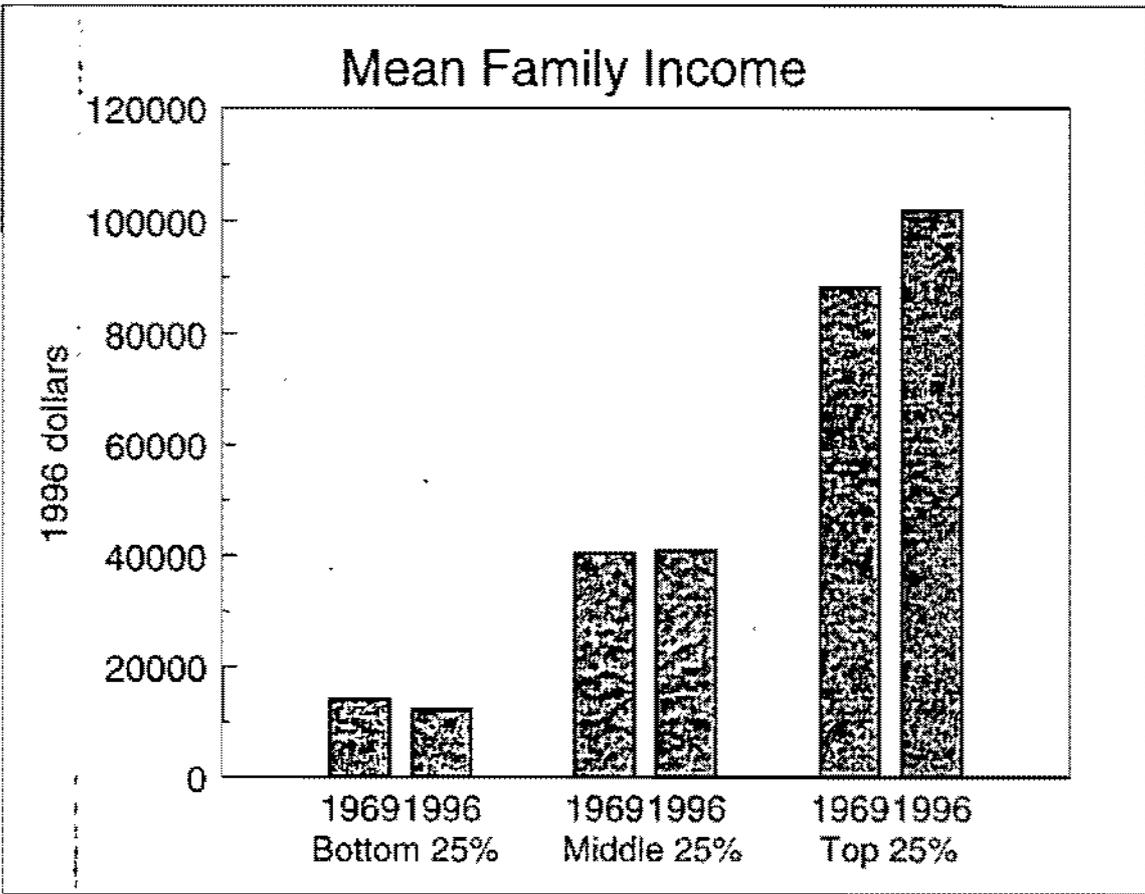
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### Average Family Income of Married-Couple Families, by Head's Education

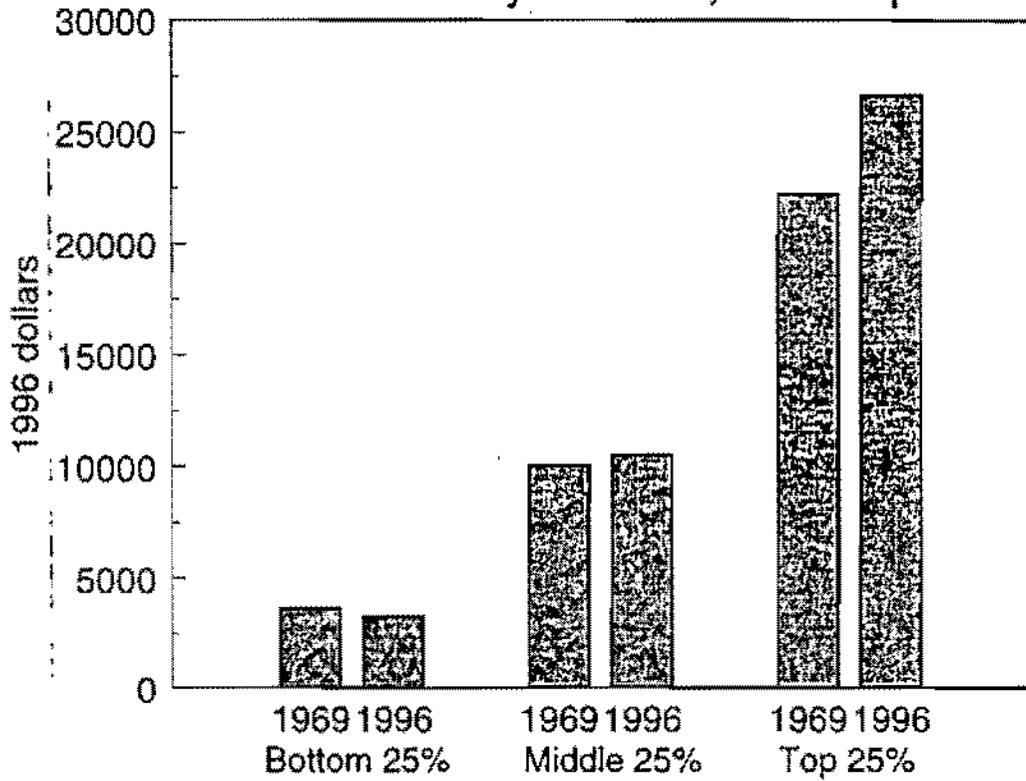


### Average Family Income of Single-Parent Families, by Head's Education

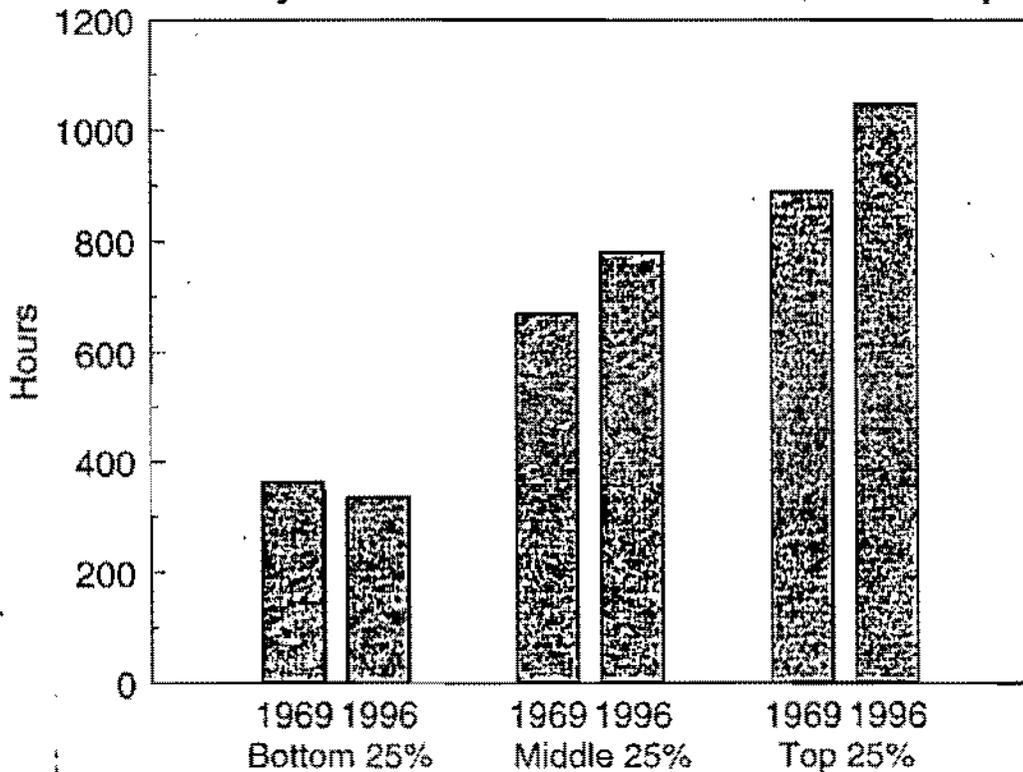




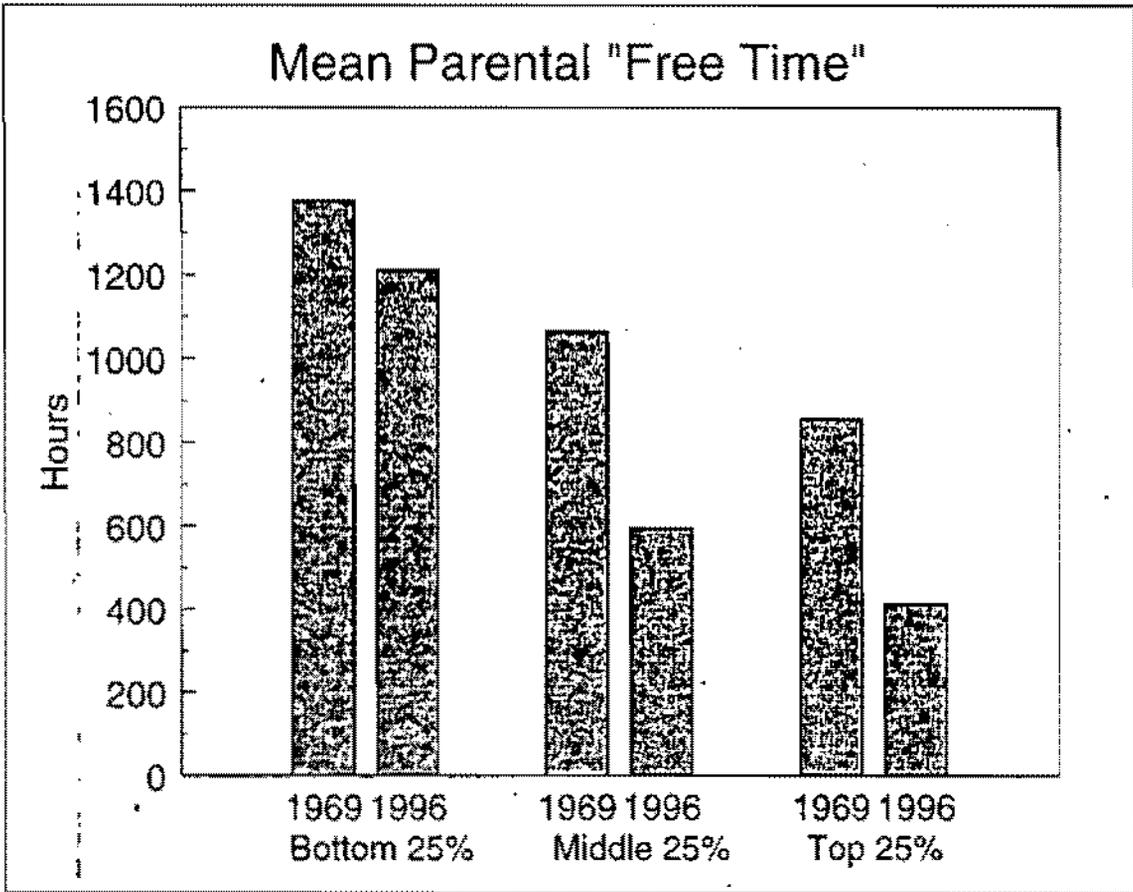
### Mean Family Income, Per Capita



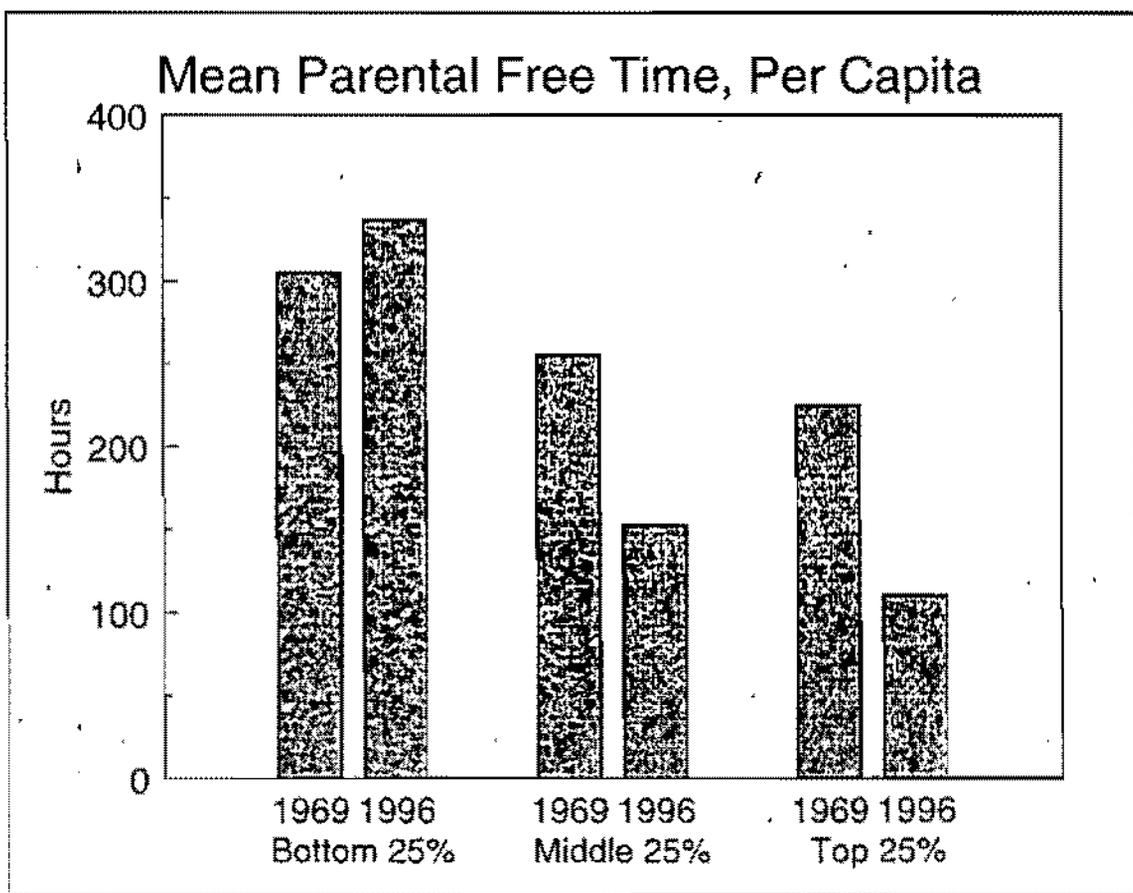
### Mean Family Hours of Market Work, Per Capita



"Free Time" = [2000 hours - market work hours husband] + [2000 - market work hours wife] +  
 Capturas: 1) increase in parent families 2) increase in work hours of spouse/single parent.



(kids)



Time out of use

THE WHITE HOUSE  
WASHINGTON

BR-

1. Latest version --  
w/old per child  
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