

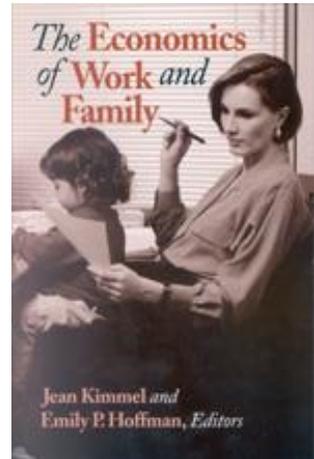
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## Parents' Work Time and the Family: Thirty Years of Change

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# 3

## Parents' Work Time and the Family Thirty Years of Change

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The last three decades of the twentieth century have been a time of enormous change for U.S. families—change in family size and structure, in time parents worked for pay, in income and who earned it, and in how child rearing and other household tasks are managed. More children are living with only one parent, and their mothers are working a greater number of hours outside the home. Median family income has stagnated, but inequality has increased. At the same time, families are having fewer children. Some of these changes have contributed to lower incomes and limited parental time available to children; others have done the opposite.

This chapter will discuss five broad trends since 1969 that have affected families with children: 1) changes in family structure with the rise of single-parent families, 2) changes in parents' paid work time as mothers worked more outside the home, 3) change (or rather, lack thereof) in median family income, 4) changes in the distribution of income among families as inequality grew, and 5) changes in the number of children per family as families became smaller. The chapter will survey these trends, discuss some of the underlying reasons behind them, and examine how families with children are faring in the face of all these changes. It concludes with a description of the challenges facing policymakers at the turn of the century.

The data are drawn from the Current Population Survey (CPS) microdata files for March 1970, 1980, 1990, 1997, and 2000.<sup>1</sup> These surveys contain information about annual income from various sources in the previous year, as well as weeks and usual hours worked and a variety of demographic characteristics.<sup>2</sup> They include a random sam-

ple of about 50,000 households representing the noninstitutionalized population in the United States. Hispanic-headed households are oversampled. When families are selected that have children under age 18 and whose head is a civilian at least 18 years old, 21,287 families are in our sample in 1970 and 18,619 in 2000.<sup>3</sup> We tabulate labor force participation, hours and weeks worked, earnings, and income from other sources for families classified by a few demographic variables: gender, marital status, education, and race or Hispanic ethnicity of the family head; and age of the youngest child. All incomes are expressed in constant 1999 dollars.<sup>4</sup> We also draw on published tabulations from the CPS describing the labor force participation of mothers of infants under one year old (Bachu and O'Connell 2000).

## **INCREASE IN SINGLE-PARENT FAMILIES**

One of the most important changes in the last 30 years has been the tremendous expansion of the share of families with children that have only one parent in the home. Due to more divorce and out-of-wedlock childbearing, this share climbed from 13 percent in 1969 to 30 percent in 1999.<sup>5</sup> Half of this increase occurred in the 1970s alone, and the expansion of the share of families with single parents has been decelerating since. Still, the number of one-parent families has continued to grow faster than the number with two parents, so the fraction of families that have only one parent present continues to rise. Single parents have only half as much total time as two parents, and typically have less than half as much earning power. The rising number of single parents has therefore increased the fraction of families that are strapped for both cash and time for child care.

## **INCREASED PAID WORK TIME BY MOTHERS**

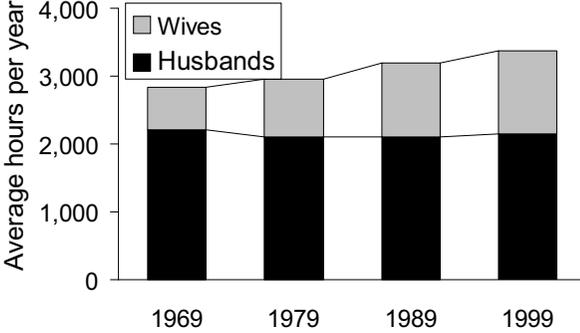
Another dramatic change in the past 30 years has been the huge shift of mothers out of the household and into the labor market. The total hours parents work at paid jobs have increased enormously since

1969, by 540 hours per year, or 19 percent, for married couples (Figure 1), and by 441 hours, or 42 percent, for single parents. This is entirely because of the increasing amount of time mothers are devoting to earning money. Single parents are mostly (but not all) women. Married fathers' paid work time has declined slightly, as they worked the equivalent of one week less in 1999 than in 1969, on average. The drop occurred in the 1970s, as married fathers' annual hours of work dropped by 100 hours in that decade. They remained constant in the 1980s and then rose by 46 hours in the 1990s. In contrast, married mothers' paid work time nearly doubled between 1969 and 1999, as they worked almost 600 hours, or 96 percent more.

All dimensions of mothers' paid work time have risen: more mothers have paid jobs, they are employed more weeks in a year, and they are working more hours each week. As married mothers entered the workforce in unprecedented numbers, their employment rate rose from 36 percent during the survey week in 1970 to 65 percent in 2000 (Figure 2). They caught up with single parents in 1990, but then single parents pulled ahead again as they moved into the workforce in large numbers in the 1990s. Overall, the single parents' employment rate rose from 53 percent in 1970 to 71 percent in 2000. Moreover, married mothers who were in the labor force worked an average of 45 weeks in 1999, the same as single parents. This is an increase of six weeks since 1969 for the married women, and almost two weeks for the single parents. Average weekly hours also increased, by two and one-quarter hours for married mothers and by half as much for single parents. Nevertheless, in 2000 married mothers still spent fewer hours per week at paid jobs (35.2) than single parents did (38.8).

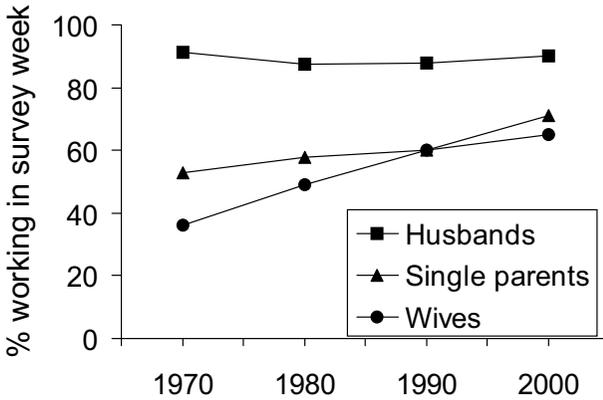
These increases occurred at different times for married and single mothers. The big increases for married mothers were in the 1970s and 1980s. Their annual hours of paid employment rose only half as much in the 1990s as in the previous decade (see Figure 1). In contrast, time worked by single parents surged between 1996 and 1999, after the enactment of welfare reform. As a result, their annual hours increased more in the 1990s than in the previous two decades combined. The labor force participation rate of never-married mothers aged 15–44 rose from 57 percent to 60 percent between 1990 and 1995, and then jumped to 68 percent in 1998 (Figure 3). In contrast, the labor force participation rate of never-married women in this age group *without*

**Figure 1 Total Annual Hours of Paid Work, Married Couples with Children under 18**

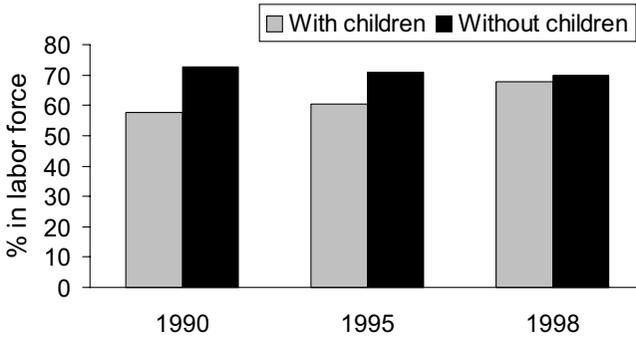


SOURCE: March CPS microdata files.

**Figure 2 Employment Rates for Parents with Children under 18**



SOURCE: March CPS microdata files.

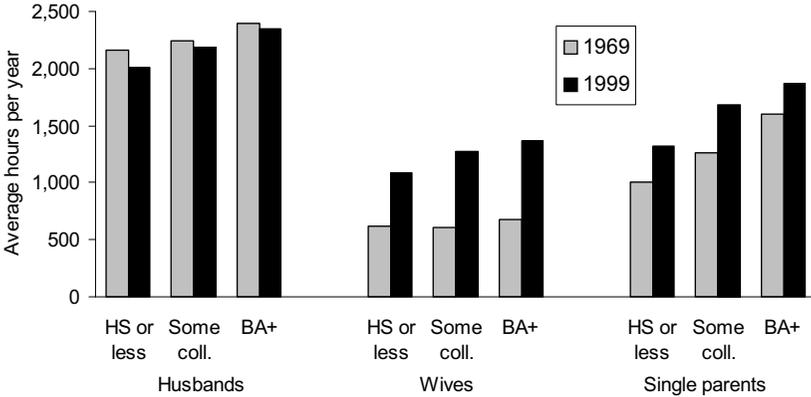
**Figure 3 LFPR of Never-Married Women Age 15–44**

SOURCE: March CPS microdata files.

children slipped from 72 percent to 70 percent between 1990 and 1998. This suggests that welfare reform, not simply the tightening labor market, was behind the surge of single parents into the workforce in the 1990s.

The increase in mothers' work for pay has not been uniform; rather, it differs between more- and less-educated women, by race/ethnicity, and between those with and without young children in the home. The greatest increases have been for the married women with the most education. College-educated married mothers doubled their annual hours of paid work in the last 30 years of the twentieth century, from 677 to 1,362 for those with a BA or more, and from 606 to 1,274 for those without a BA (Figure 4). Married mothers who did not go beyond high school increased their annual hours of paid work by 75 percent, from 618 to 1,083. Among single parents, on the other hand, paid work time rose less for those with college degrees than for the less educated, who worked fewer annual hours to start with. Single parents with a BA or more went from working 1,604 hours in 1969 to 1,871 in 1999, an increase of 17 percent. Those with some college went from 1,266 hours to 1,686, an increase of 33 percent, and those with no more than high school went from 1,004 hours to 1,319, an increase of 31 percent. The time patterns of these increases reflect the effects of welfare reform. The biggest increases for single parents with college educa-

**Figure 4 Annual Hours Worked, by Education**



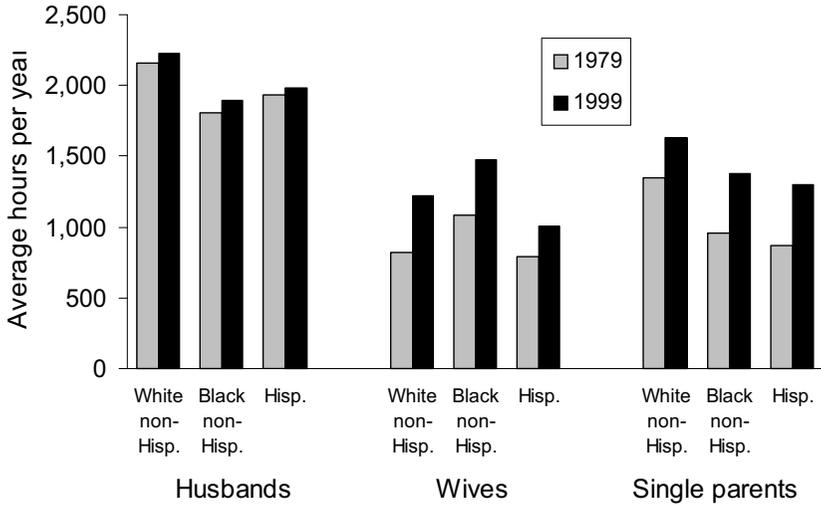
SOURCE: March CPS microdata files.

tions, as for married mothers at all education levels, were in the 1970s and 1980s; whereas the biggest increases for single parents with no more than high school were in the late 1990s.

Black and white non-Hispanic married mothers’ paid work time increased by about 400 hours, almost twice as much as Hispanics’, between 1979 and 1999 (Figure 5).<sup>6</sup> Because the white women started from a lower base, their percentage increase was greater than the blacks’: 50 percent versus 37 percent. The Hispanic wives’ increase of 222 hours per year was a rise of 28 percent. Among single parents, however, the race/ethnic pattern is just the reverse. Hispanics had the largest, and white non-Hispanics the smallest, increases in annual hours of paid work, in both numerical and percentage terms. Hispanic single parents’ paid employment climbed by 423 hours, or 48 percent; blacks’ climbed by 412 hours, or 43 percent; and white non-Hispanics’ rose by 284 hours, or 21 percent.

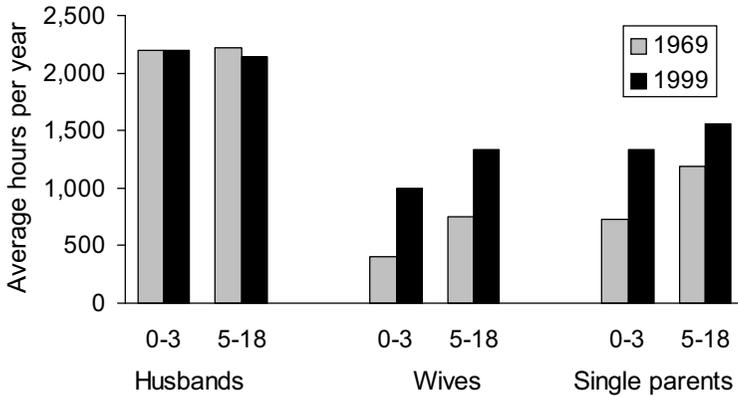
The largest increases have been among mothers of very young children, who had the lowest rates of market work to begin with. Both

**Figure 5 Annual Hours Worked, by Race/Ethnicity**



SOURCE: March CPS microdata files.

**Figure 6 Annual Hours Worked, by Age of Youngest Child**



SOURCE: March CPS microdata files.

single parents and married mothers with children below age three increased their paid work time by 600 hours, on average, between 1969 and 1999 (Figure 6). For the single parents, this represented an increase of 82 percent. For the married mothers it was an increase of two and a half *times*. By 1999 married mothers with children under three years old were working outside the home 1,000 hours a year, which is equivalent to a half-time job. (A full-time job—40 hours a week for 50 weeks a year—would be 2,000 hours.) Their husbands' annual hours did not change. As a result, total parental work time outside the home increased by 23 percent for two-parent families with children under three years of age.

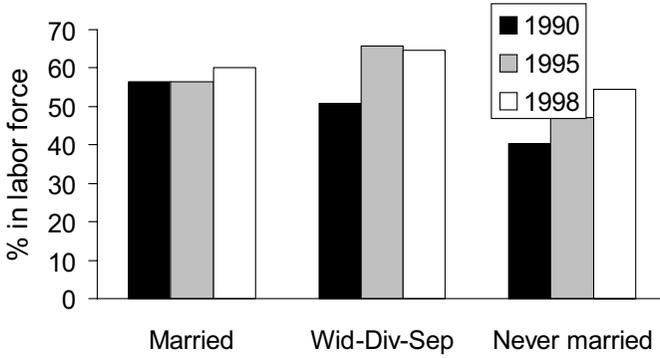
Even mothers of infants under one year old have surged into the labor force. Their labor force participation rate climbed from 31 percent in 1976 to 59 percent in 1998 (Bachu and O'Connell 2000). The rate of increase slowed somewhat after 1986, when their labor force participation rate reached 50 percent; but it jumped again by 3.7 percentage points from 1995 to 1998.

The effects of welfare reform are evident in the greater increases in labor force participation after 1995 by never-married and minority mothers and those with less education. The labor force participation rate of never-married women with infants climbed from 40 to 47 percent in the first half of the 1990s, and then to 54 percent in the next three years (Figure 7). Married mothers of infants are still more likely to be in the paid workforce, however. In 1998 their participation rate was 60 percent.

For black women with infants, married or not, participation in the workforce rose from 47 percent in 1990 to 52 percent in 1995, and then jumped by 11 points to 63 percent in 1998, putting them well ahead of whites as well as Hispanics (Figure 8). For Hispanic mothers of infants, labor force participation had dropped from 44 percent to 39 percent in the first half of the 1990s; then it bounced back to 46 percent in the next three years. The increases were larger at the lower education levels; but still, in 1998 mothers of infants who had a BA degree or more were much more likely to be in the workforce than those with no more than a high school diploma: 68 percent versus 38 percent (Figure 9).

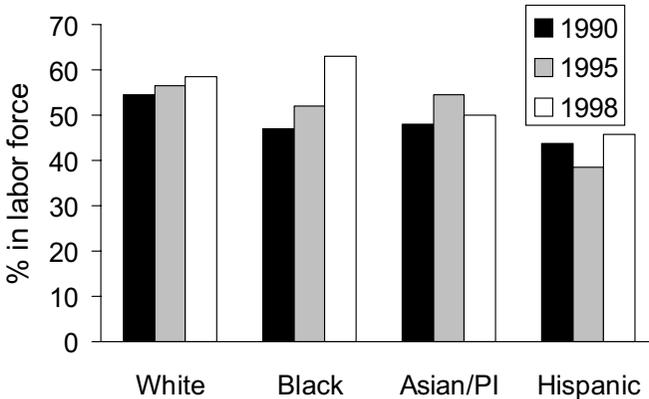
The increases in annual hours of paid work for mothers whose children were all of school age were somewhat less dramatic than for those with younger children, but were nonetheless quite large: 374 hours (31

**Figure 7 LFPR of Mothers Aged 15–44 Who Had a Child in the Last Year, by Marital Status**



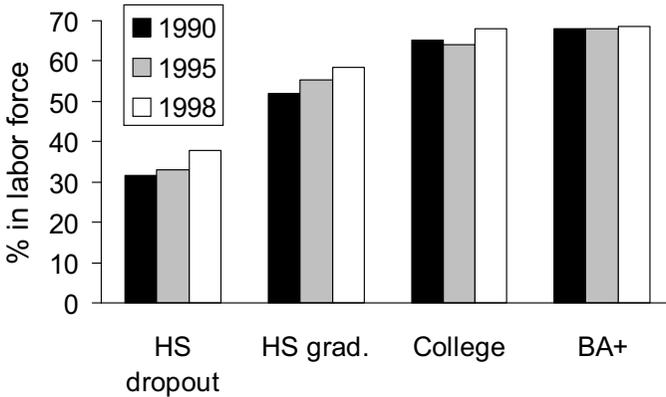
SOURCE: Bachu and O'Connell 2000.

**Figure 8 LFPR of Mothers Aged 15–44 Who Had a Child in the Last Year, by Race/Ethnicity**



SOURCE: Bachu and O'Connell 2000.

**Figure 9 LFPR of Mothers Aged 15–44 Who Had a Child in the Last Year, by Education**



SOURCE: Bachu and O’Connell 2000.

percent) for single parents and 577 hours (77 percent) for the married women (see Figure 6). The fathers’ annual hours declined very slightly (82 hours, or 4 percent), so total parental time in the labor market increased by 17 percent for two-parent families with only school-aged children.

What is behind this dramatic shift of mothers from the home to the workplace? A fundamental force has been rising wages for women. Women’s median full-time year-round real earnings (in 1999 dollars) climbed from \$21,045 in 1969 to \$26,324 in 1999, a rise of 25 percent (U.S. Census Bureau 2001a). This has made time spent in unpaid activities at home and elsewhere increasingly costly to the family, in terms of foregone income. A mother who stays home today is making a bigger sacrifice of income than ever before.

The stagnation of men’s median wages during much of this period, with declining wages for low-skilled male workers, has reinforced this pressure. In 1969 the median man who worked full time all year earned \$35,751 in 1999 dollars; in 1999 he earned \$36,476, just 2 percent more (U.S. Census Bureau 2001a). In the interim, men’s median full-time year-round real earnings had fluctuated with the business cycle but with a downward trend, peaking in 1973 at \$39,483, in 1978 at \$38,824, and

in 1986 at \$38,391. With fathers already working full time for the most part, the only way for most families to increase their income—and for many simply to maintain it in the face of falling male wages—has been for the woman to take a job or work more hours. The narrowing gender wage gap, as women's full-time earnings rose from 58.9 to 72.2 percent of men's, has created powerful pressure toward a more equal division of labor within the family, with mothers and fathers sharing both financial responsibilities and household tasks, rather than specializing with a male breadwinner and female full-time homemaker.

However, the magnitudes of the changes in women's paid work time are still not completely understood, and they are not easily explained by changes in key economic variables (Blau 1998; Danziger and Reed 1997). 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 (Juhn and Murphy 1997). Diminished discrimination against women in the workplace and removal of barriers that had kept them out of nontraditional occupations have also encouraged women to expand their work outside the home. 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.

Finally, attitudes toward working mothers have changed, making it the norm rather than the exception for a woman to have a paid job, even while her children are toddlers. This change in attitudes is, of course, not unrelated to the pressures from rising wages for women and the narrowing gender wage gap discussed above. A self-reinforcing set of reciprocal influences is operating here, in which rising wages induce more mothers to go to work, which in turn makes it a more "normal" pattern, which in turn reduces the social pressure to stay at home while children are young. Furthermore, as women have more continuous careers with less time out for childrearing, their accumulated work experience increases and with it, their rate of wage growth over time. This in turn encourages more women to train for and pursue highly paid careers.

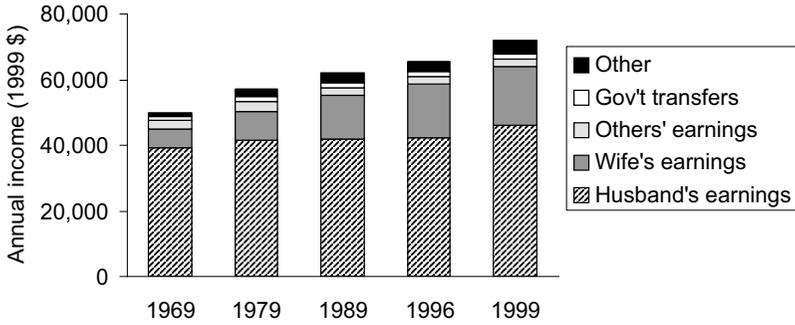
## NO GROWTH IN MEDIAN FAMILY INCOME—UNTIL THE LAST FEW YEARS

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? When all families are lumped together, the median family's pre-tax cash income rose just 12 percent (from \$42,039 to \$47,100) in the last three decades of the twentieth century, after adjusting for inflation. Virtually all of this gain occurred in the last three years, as median income had risen only 1.5 percent between 1969 and 1996. It then jumped 10 percent in the next three years. Because families in the upper tail gained the most (and gained much more than those in the lower tail lost), average real family income rose 27 percent (from \$46,447 to \$58,888 in 1999 dollars) over the 30-year period—14 percent in the 27 years from 1969 to 1996 and another 11 percent in the three years from 1996 to 1999.<sup>7</sup>

The modest overall rise in family income is the outcome of four offsetting trends: rising earnings for women, stagnating male wages, declining real value of transfer payments, and the shift toward single parenthood. Largely because of women's increasing work time and wages, average family incomes for both married-couple and single-parent families rose (by 44 percent and 26 percent, respectively), even though fathers' earnings stagnated during most of the period, and real transfer income for single parents fell. But at the same time an increasing share of families were headed by single parents, whose incomes are much lower than those of families with two earners. This shift cancelled the extra gains for married-couple families taken separately, leaving overall average family income only 27 percent higher—and median family income only 12 percent higher—after thirty years.<sup>8</sup>

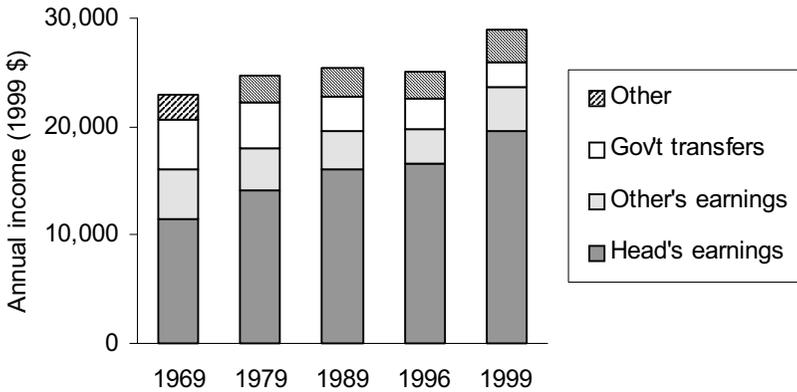
Figures 10 and 11 present estimates of average family incomes, by income component. Similar to the median family incomes discussed above, they measure pre-tax cash income only, including cash benefits such as welfare and unemployment insurance benefits, but they do not include other family resources, 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

**Figure 10 Average Family Income of Married Couples with Children under 18, by Source**



SOURCE: March CPS microdata files.

**Figure 11 Average Family Income of Single Parents with Children under 18, by Source**



SOURCE: March CPS microdata files.

grew rapidly in the 1970s and the EITC expanded greatly in the 1990s, the pre-tax cash income measure omits more of the resources available to low-income families today than in the 1960s. The family income data therefore understate the gains made by low-income families since 1969.<sup>9</sup>

An analysis of the components of married parents' total family income shows that the wives' rising earnings were the main source of income growth. After rising only 6 percent in real terms between 1969 and 1996, fathers' wages rose by 10 percent in the next three years alone, resulting in an increase of 17 percent over the period 1969–1999. Meanwhile, their annual hours of paid work declined slightly, by 2.5 percent, between 1969 and 1999. The combination resulted in an 18 percent increase in fathers' annual earnings, more than half of it coming in 1996–1999 alone (see Figure 10).<sup>10</sup> In contrast, married mothers' wages increased by 57 percent and their annual hours of work for pay nearly doubled; therefore, their annual earnings more than tripled. Government transfers for two-parent families—such as Social Security and Supplemental Security Income for the disabled, unemployment insurance, veterans' benefits, and workers' compensation—rose by 22 percent, but they represent less than 2 percent of these families' income. Other sources of income—earnings of other family members and unearned income—rose by 67 percent for two-parent families, but these represent less than 10 percent of family income. Largely because of women's rising wages, the average annual income of couples rose by more than their annual work time. In 1999 married parents spent 19 percent more total hours working for pay than in 1969, but their income was 44 percent higher.

The picture was quite different for single parents (mostly, but not all, female). Their wages increased by 33 percent from 1969 to 1999. Their work time rose by 42 percent, far exceeding the increase for couples, and their earnings rose by 70 percent (see Figure 11). But their income rose by only 26 percent, much less than their increase in paid work time. This was because the inflation-adjusted transfer income of single-parent families dropped by 50 percent over the 30-year period, and their income from other sources rose by only 4 percent. Because nominal AFDC benefits were not increased to keep up with inflation, their real value declined throughout the period. Then in the 1990s welfare reform led to a steep decline in welfare caseloads, further reducing

the transfer income of single parents. On average, their 42 percent greater paid-work effort more than offset the loss of welfare, but it increased their total income by only a quarter.

## **MORE INEQUALITY**

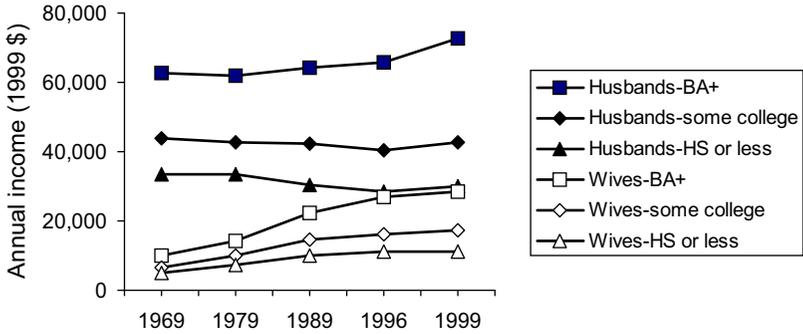
Another outcome of the trends of the past 30 years is greater inequality among families. Not only has income inequality risen within each type of family, but single parents have less time *and* less money than two parents—and many more families are in this situation. Because the average income of two-parent families increased by 44 percent while that of one-parent families increased by only 26 percent, the gap between them expanded. In 1969, married couples with children had 2.2 times the income of single parents, on average. By 1999, the ratio was 2.5.

### **Income Gaps by Education**

Inequality of family incomes increased on other dimensions as well. Less-educated fathers lost earning power, and they worked less and had lower annual earnings in 1999 than 30 years before. This situation just began to improve in the last few years. Less-educated single parents lost transfer income from welfare benefits, which more than offset the improvement in their earnings relative to single parents with college educations.

Fathers without a bachelor's degree earned less, on average, in 1999 than in 1969 (Figure 12). Those with no more than a high school diploma earned 10 percent less in real terms; those with some college education earned 3 percent less. That the drop was not greater is due to a turnaround between 1996 and 1999. In 1996 average earnings of fathers with no college were 14 percent lower than in 1969; then they grew by 5 percent in the next three years. Even this improvement, however, did not quite get them back to where they had been in 1989, much less 1969. Fathers with some college suffered an 8 percent decline in annual earnings from 1969 to 1996, followed by a 6 percent improvement by 1999. This put them just barely ahead of where they

**Figure 12 Average Annual Earnings of Married Parents, by Education**



SOURCE: March CPS microdata files.

had been in 1989. In contrast, fathers with a BA or more earned 16 percent more than they had in 1969. Their earnings rose just 5 percent from 1969 to 1996, but then climbed 10 percent in the next three years.

The wives did better. By dint of working many more hours and the rise in women’s wages, married mothers at each education level earned two to three times as much in 1999 as 30 years earlier. Those with no more than a high school education earned 2.1 times as much, and those with college education earned 2.7–2.8 times as much (see Figure 12).

The faster earnings growth of more-educated fathers and mothers, combined with the tendency of more-educated men to marry more-educated women, caused the gap in total income between two-parent families with more- and less-educated heads to increase. Overall, the total income of married-couple families where the husband did not go beyond high school improved by just 15 percent in three decades, after adjusting for inflation (Figure 13). For families where the father had some college, total real income increased by 26 percent, and for those where he had at least a BA, the increase was 42 percent. As a result, the income gap between families with more- and less-educated heads expanded. In 1969, families whose head finished college had 1.7 times the income of families whose head did not go beyond high school. By 1999 this ratio was 2.1.

**Figure 13 Average Family Income, by Marital Status and Education**

SOURCE: March CPS microdata files.

Among single parents, on the other hand, the earnings gap between the more- and less-educated narrowed, while the family income gap widened. Those with a high school education or less experienced a 39 percent rise in earnings from 1969 to 1999—17 percent in the 1970s, 3 percent in the 1980s, 1 percent from 1989 to 1996, and then a jump of 15 percent in the next three years. This no doubt reflects the effect of welfare reform, combined with the tight labor market for low-skilled labor so that parents leaving (or not going on) welfare could find jobs. In the early 1990s, the early welfare reforms under federal waivers apparently offset the recession for this lowest-skilled group of single parents. For single parents with some college (but not four years), earnings grew by 36 percent over the period 1969–1999. Again, the growth was concentrated in the 1970s and late 1990s: 23 percent in the 1970s, 1 percent in the 1980s, a *drop* of 7 percent in the early 1990s (no doubt reflecting the recession and slow recovery), and then a 17 percent rise in the late 1990s as the labor market tightened.

Single parents with a BA or higher gained 26 percent in earnings over 30 years. This was a smaller gain than for single parents with less education, but the college graduates had earned much more to begin

with: more than three times as much as those with no more than a high school diploma, and almost twice as much as those with some college. The timing of the earnings growth for single parents with four or more years of college was different, too: a drop of 7 percent in the 1970s, a 26 percent gain in the 1980s, a 3 percent drop from 1989 to 1996, and an 11 percent increase during 1996–1999.

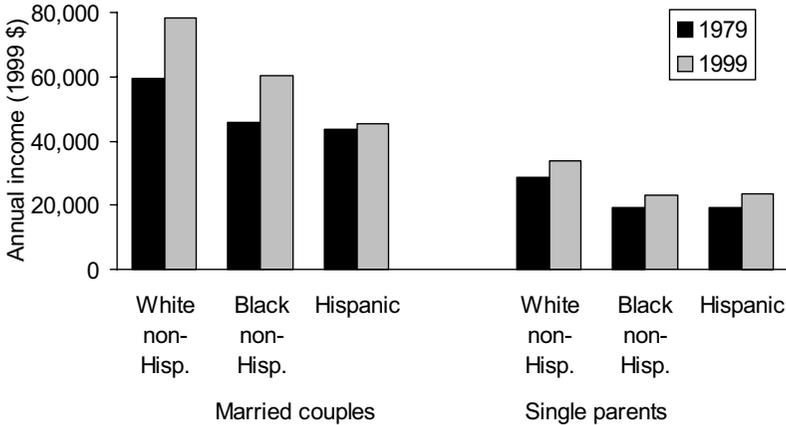
The outcome of the slower earnings growth for more educated single parents was to narrow the earnings advantage of those with at least four years of college over those with no more than a high school diploma, from a ratio of 3.3 in 1969 to 3.0 in 1999. However, their total income advantage *increased* from a ratio of 2.1 to 2.5 (see Figure 13), because transfer payments were a larger share of the income of the less-skilled, and their value was cut in half.

### **Income Gaps by Race/Ethnicity**

Looking at married-couple and single-parent families separately, the family income gaps between blacks, Hispanics, and white non-Hispanics failed to narrow during the last three decades of the twentieth century. Indeed, among two-parent families, Hispanics fell further behind the other groups. The gaps between black and white non-Hispanic family incomes did not change for either type of family, nor did the gaps between Hispanic and other single-parent families.

Among married couples with children, white and black non-Hispanics' average family income both grew by 31 percent between 1979 and 1999, while Hispanics' family income grew by a mere 4 percent (see Figure 14).<sup>11</sup> All of the Hispanics' gain occurred in the last three years. Their real family income had deteriorated by 4 percent between 1979 and 1996, then gained 8 percent from 1996 to 1999. Among single parents, white and black non-Hispanics' average family income rose by 19 percent during the 20-year period, while that of Hispanics rose by 23 percent.

Therefore, the black/white gaps remained constant for each type of family, with black non-Hispanic two-parent families having 77 percent as much income as white non-Hispanics, and black non-Hispanic single-parent families having 68 percent as much income as their white counterparts. When both types of families are combined, however, blacks' average family income grew less than that of whites because of

**Figure 14 Average Family Income, by Marital Status and Race/Ethnicity**

SOURCE: March CPS microdata files.

the larger share of single parents among blacks. Therefore, the overall black/white family income gap expanded.

Among one-parent families, the Hispanic/white gap was also virtually constant: Hispanics had 67 percent as much as white non-Hispanics in 1979, and 69 percent in 1999. There was little difference between Hispanic and black single parents' average family income in either year. But Hispanic two-parent families fell further behind blacks and whites over these two decades, slipping from 74 percent of white non-Hispanics' family incomes to only 58 percent. One reason was that Hispanic couples increased their combined paid work time much less than black and white non-Hispanic parents: 272 hours per year versus 479 and 475, respectively (see Figure 5). Another was that Hispanics' wages deteriorated relative to blacks' and whites' as the wage gap between more and less-skilled workers expanded, due to the Hispanics' lower average educational attainment (U.S. Census Bureau 2001b, 2001c, 2001d; McKinnon and Humes 2000; Therrien and Ramirez 2001). The increased immigration of Hispanics with very lit-

tle education also contributed to the decline of their median wages (Schmidley and Gibson 1999).

### **Interquartile Income Gap**

Putting together the various trends toward greater inequality, it is no surprise to find that families at the upper end of the income distribution gained while those in the lower tail lost out over the past 30 years. Families at the 75th percentile of all families with children experienced a 32 percent rise in real income, while those at the 25th percentile experienced an 11 percent decline. After 1996 the long-term decline for the lower income group reversed itself: from 1969 to 1996, total family income at the 25th percentile had dropped by 21 percent. It then rose by 12 percent in the next three years. The 75th percentile had risen by 19 percent from 1969 to 1996; then it rose another 11 percent in the next three years. As a result, between 1969 and 1996 families at the 75th percentile went from twice to more than triple the income of families at the 25th percentile, and the size of the gap did not change after that.

### **FEWER CHILDREN**

At the same time that parents were working more outside the home and family incomes were increasing during the last three decades, the average number of children per family was decreasing, from 2.4 to 1.9. Declining fertility rates and later childbearing meant that, on average, there were 0.5 fewer children per family with children under 18 in 1989 than 1969. The number remained constant in the 1990s. The decline was somewhat greater in one-parent than two-parent families. In 1969 the average family with children under 18 had 2.4 children, regardless of whether there were two parents or one. Thirty years later the married couples had 1.9 children under 18 at home, whereas the single parents had only 1.7.

The same fundamental pressure—rising wages for women—underlies both the fertility decline and the dramatic shift of mothers' time into the labor market. The opportunity cost of child rearing, in

terms of foregone income, has risen. And since the growth of female wages means that the cost of purchased child care rises about as fast as mothers' wages do, children simply have become much more expensive compared with other goods. Hence, parents are having fewer children.

## NET OUTCOMES FOR CHILDREN

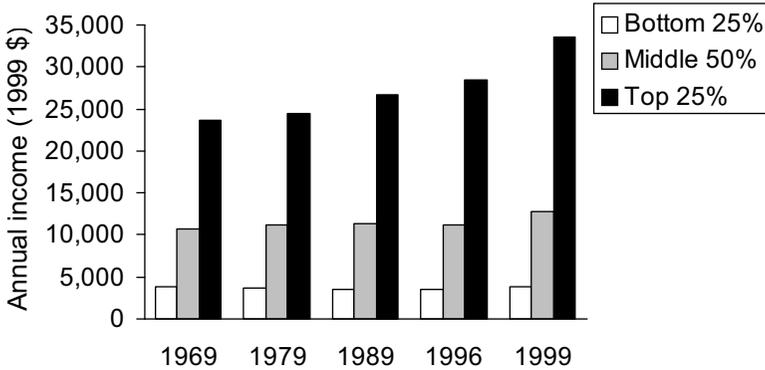
### Family Per Capita Income

The combination of these dramatic trends since 1969—toward more parental time in the labor market and, consequently, more family income, but fewer children—means that there is more money per person for purchasing goods and services in many families, especially in those with two parents. But not all children have benefited. The increasing share of single-parent families, whose incomes are lower and grew much less than the incomes of married-couple families, needs to be taken into account. Moreover, less-skilled parents had slower income growth than highly skilled parents. It is therefore important to examine the trends in per capita income for lower-income and higher-income families, not just the average.

Figure 15 shows changes for the *combined* family income distribution of single-parent and two-parent families. As a crude adjustment 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 adjustment overstates the gains from shrinking family size because it costs more than half as much to support one person as two.) 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, after adjusting for inflation.

These estimates indicate that while there has been substantial growth in real income per person for families with high per capita income, income per person was either stable or decreasing for other families when 1996 is compared with 1969. During the economic expansion from 1996 to 1999, however, families with lower per capita

**Figure 15 Average Income per Person, by Quartile, Families with Children under 18**



SOURCE: March CPS microdata files.

incomes also experienced rising income per person, though not as much as the high-income group. Between 1969 and 1999, the top quarter of families gained 42 percent (\$9,877 in 1999 dollars), while families in the bottom quarter of the per capita income distribution had declines of three percent (\$122), after adjusting for inflation. For families in the middle half of the per capita income distribution, average real income per person gained 20 percent (\$2,098).

### Potential Time for Children

The flip side of the increases in parents' paid work time and incomes is that parents have less time for other activities, thus less time potentially available for children. The information about what people actually do with the time they do not spend at paid jobs is limited, and comes mainly from time-use diary studies. These studies include only small samples of people. We begin with the CPS data regarding basic trends and then discuss the more detailed time-use diary data.

The CPS data indicate that families have less total time to devote to unpaid activities, including maintaining a household and caring for children, because they are spending more time in the labor market and

because the share of families with a single parent is growing. From 1969 to 1999, both married-couple and single-parent families experienced a decrease in time not spent in paid work, of 1.4 hours and 1.2 hours, respectively. The overall decrease of 2.6 hours is greater than the decreases within either family type because the proportion of single-parent families increased over this period. It should be emphasized that this is a decrease only in time *potentially* available in the home. There is no information in the CPS about how parents actually spend their time outside paid work.

Despite increases in paid work hours for each type of family, reductions in family size mean that the amount of parental non-market time potentially available *per child* has increased for both married-couple and single-parent families since 1969. When single-parent and married-couple families are added together, however, the amount of parental time per child has remained relatively constant. This is because the shift toward more single parents tends to decrease total parental time available to children, as it reduces the number of custodial parents available to spend time with them. In any case, this measure is obviously misleading, because it assumes that an only child who spends an hour with a parent gets twice as much parental attention as each of two children who spend that same hour with the parent. This ignores the obvious “economies of scale” when a parent reads a story to, plays a game with, or eats a meal with more than one child at a time.

### **Time Use in the Home: Diary Evidence**

The trends in hours of paid work time and non-market time described above are based on data that report individuals' estimates of their weeks worked and usual hours worked per week in the previous year. Such estimates may not accurately portray the actual hours worked for pay because the hours 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. Fortunately, time-use diary surveys, which ask respondents to keep a detailed diary record of how they spend their time during a specific day, 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. Time-

use diary measures tend to show shorter paid work hours and sometimes even different trends than the CPS (Robinson and Godbey 1997, Chapter 5).

Unfortunately, such time-use diary surveys are conducted much less frequently and with much smaller samples than the CPS. The latest available data for adults were collected in 1985; results on parents' time use from a survey done in 1992–1994 are not yet available. More recent time-use diary data are available for children, however, as surveys were done in 1981 and 1997. Because of the small samples, time-use diary surveys cannot be used to examine trends for subgroups of the adult 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 otherwise unavailable information about how much time is spent by adults in different types of unpaid work at home, such as child care and housework, in leisure pursuits, and sleep. And the children's time-use diaries show recent trends in time children spend with their parents, in both married-couple and single-parent families. We first discuss the time-use diary evidence for parents, and then for children.

Time-use diaries for adults indicate that the entry of many mothers into the workforce has put them in a "time crunch." While both employed and non-employed women have managed to keep the amount of time spent with children relatively constant, a great many women with children have moved from the "non-employed" to "employed" category. The "time crunch" is best illustrated by the fact that in 1985, employed women spent more than one-third less time on child care and household tasks than women without paid jobs, but they still had 27 percent less free time (Robinson and Godbey 1997, Tables 3 and 6).

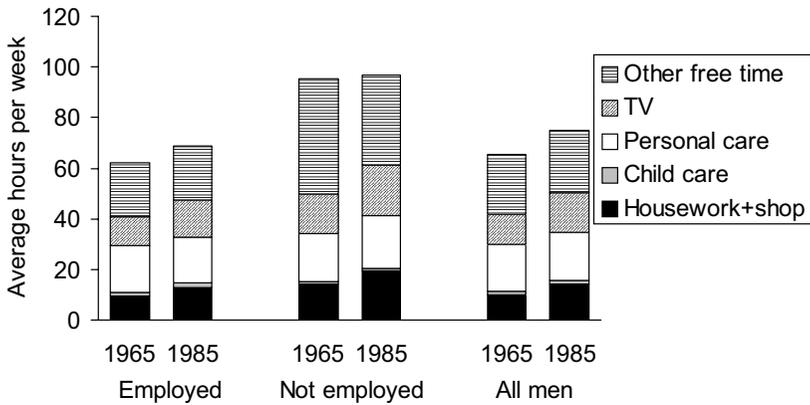
Figures 16 and 17 show the time devoted to various activities by all women and all men, including those without children, based on time-use surveys conducted in the United States in 1965 and 1985 (Robinson and Godbey 1997). The decreases in child care time for men and non-employed women reflect the fact that fewer of them are parents. The increase in child care time for employed women is mainly due to the shift of mothers into paid employment, which increased the share of the female workforce that had children at home. These same time-use surveys show that employed mothers spent almost the same

**Figure 16 Women's Division of Time outside Paid Work and Sleep**



SOURCE: Robinson and Godbey 1997.

**Figure 17 Men's Division of Time outside Paid Work and Sleep**



SOURCE: Robinson and Godbey 1997.

amount of time taking care of children in 1985 (6.7 hours per week) as in 1965 (6.3 hours per week).<sup>12</sup> Mothers without paid jobs also maintained a consistent amount of time with children, spending about 12 hours a week on child care in both years. When the shift of women into employment is taken into account, however, mothers' time in child care declined by 10 percent overall, from 10 to 9 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. But 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 markedly reduced the time they spend on household chores. Men have somewhat increased the time they spend on housework, but it does not make up for all of the reduction by women.

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 faster than their work hours because their wages increased, and less-educated parents whose incomes have risen less than their work hours due to falling wages and transfer payments. The effect of women's increased paid work time 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.

### **Children's Time with Parents**

The evidence we have from studies of time use in the home suggests that most of the extra paid work time by women has come out of household chores, not child care. The estimated reduction of time spent in child care is much less than the reduction in available time at home. When we also take into account the decrease in number of children per

family, it is not at all clear that the average child today actually gets less time from a parent than 30 years ago.

Direct evidence from time-use diaries for children shows that in 1997 the average child spent more time with his or her parents than in 1981 (Sandberg and Hofferth 2001). This was true whether or not the mother was married, whether or not she worked, and whether or not she was a college graduate. This shift in parents' behavior far outweighed the negative effects of the increase in single parenthood and in mothers' paid employment. The net outcome was an increase of 4.3 hours per week (18 percent) spent with mothers and 3.0 hours per week (19 percent) spent with fathers. Because college-educated parents spend more time with a child than less-educated parents do, the rise in educational attainment helped, but it explains only a small part of the increase in children's time with their mothers.

Unfortunately, there are no data on children's time use before 1981, so we do not know what happened in the 1970s. It is possible that parental behavior adjusted with a lag, and that children's time with their parents declined in the 1970s as single parenthood and mothers' labor force participation grew. Therefore, we cannot say that children today spend more time with their parents than children did 30 years ago. However, several other considerations are relevant here. First, much of mothers' additional paid work time is at part-time jobs, often during school hours. In addition, couples often work different shifts so one of them can be at home with the children. This may not be good for their own relationship, but the children do have a parent around more often.

Moreover, in the past, even "stay-at-home" middle- and upper-class mothers, who didn't work for pay, were not at home with their children *all* the time. They went shopping, participated in church or synagogue groups, attended PTA and other organization meetings, did volunteer work in the community, played golf or bridge, and socialized. And even when their mothers were at home, school-aged children were often somewhere else—at school, at lessons, playing at friends' homes, or with baby-sitters.

As couples have shifted to a more equal division of labor from the traditional one where the father specialized in earning money and the mother in unpaid work in the household, the increase in mothers' earnings and the narrowing of the earnings gap between them and their hus-

bands has given women more power within the family. This has both a down side and an up side for children. It may result in more divorced parents, because women today have more alternatives to staying in an unhappy marriage. But children may not be worse off living with only one parent than with an unhappy, perhaps violent, mother and father. And if parents do divorce or the father dies, the average mother today is better able to support the children alone than when she had no marketable skills. There is also some evidence that when the mother has more power within the family, the children benefit directly, as mothers are more likely than fathers to spend extra money on goods and services for children rather than on themselves.

## **SUMMARY AND CONCLUSIONS**

This chapter has documented the large-scale shift of women's time from the home to the labor market over the last generation. For most families, this change has led to an increase in family income. It has also changed how child care and household tasks are done, with more purchased goods and fathers' time, but less total parental time because of less mothers' time. Take-out and pre-prepared convenience food, commercial laundries, landscapers, and housecleaning services consume much of the extra income parents earn. Child care is increasingly purchased from day care centers, nursery schools, baby-sitters, or nannies, depending on the parents' income level.

This chapter has also documented the very large shift from married-couple to single-parent families over the last 30 years, reducing both the income and parental time available for many children. While smaller family sizes have helped cushion the decrease in "home" time, many parents find it difficult to balance jobs and children. Single parents face the most difficulties. They have only half as much total time available as two parents, and a single mother typically has 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."

Among married parents, men without college educations have faced declining wages. While increased work by their wives has helped maintain their families' income, 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.

If children and their families are going to withstand the stresses created by the trends of the last three decades, employers and public policy makers need to do more to help parents balance work and family. 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. Workplaces and work hours must become more flexible. Compensatory time instead of "time-and-a-half" pay for overtime work is one increasingly popular arrangement; "flextime" (that is, allowing employees some discretion in when they work their allotted hours) is another. 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>13</sup> The Family and Medical Leave Act of 1993 enables workers to take up to 12 weeks of unpaid leave to care for a new baby or ailing family member without jeopardizing their jobs.

Flexibility in shift work 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. Nonstandard 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. For those workers who cannot determine their own schedules, the combination of shift work and children is a potential source of stress and expense. 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 (Council of Economic Advisers 1999, p. 15).

Working at home for pay can also 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 10 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 (Council of Economic Advisers 1999, p. 15).

While incomes have been rising for most people, families at the bottom of the income distribution, whose inflation-adjusted incomes were lower in 1999 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. Policies that would help these families cope include expansions in the EITC; children's allowances or tax credits to help offset the expense of raising children; increases in the minimum wage; expanded child support enforcement; employer tax credits to help create jobs for welfare recipients; support for skill development among persons in lower-income families; and policies to encourage steady economic growth, which creates jobs, reduces unemployment, and raises wages for all workers—especially the less-skilled, who are most affected when jobs are scarce.

Since most parents adjust to an increase in their paid work time by increasing their use of child care providers, policies are also needed to help make child care more available and affordable and to improve its quality. The primary child care arrangements for preschool-aged 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 (Council of Economic Advisers 1999, p. 16). More and higher-quality child care must be made available and affordable, with longer hours to accommodate parents who work irregular hours, and with after-school care for older children. The availability, cost, and quality of child care are crucial to the ability of parents to balance the needs of work and family and the well-being of their children.

Finally, policies that encourage economic expansion are extremely important, especially for less-skilled parents. It is not clear whether the earnings and income gains made by families with less-educated parents in 1996–1999 will persist in the long run, or whether they were a short-term phenomenon due to the extremely tight labor market during those years, combined with welfare reform.

## Notes

I wish to thank the directors of the Werner Sichel Lecture-Seminar Series, Professor Emily P. Hoffman and Dr. Jean Kimmel, for their extraordinary hospitality. My lecture was based on the report *Families and the Labor Market, 1969–1999: Analyzing the “Time Crunch”* (Council of Economic Advisers, May 1999), which was written while I was a senior economist at the Council of Economic Advisers. I wish to thank Rebecca Blank, Maria Hanratty, Nora Gordon, Andrew Feldman, and others who also worked on that report. New data have been added to this chapter to update and expand the findings. All interpretations are my own.

1. Because the annual employment and income data collected each March refer to the previous calendar year, our data are for 1969, 1979, 1989, 1996, and 1999. Those years (with the exception of 1996) represent business-cycle peaks and thus trace out long-term trends. The year 1996 is included because the Personal Responsibility and Work Opportunity Reconciliation Act, or “welfare reform,” was enacted in that year. This legislation had a profound effect on the labor supply of low-skilled single parents.
2. Annual hours of work in 1979, 1989, 1996, and 1999 were calculated by multiplying the answers to 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. The 1969 data are not strictly comparable to later years due to differences in data reporting. An imputation procedure was used to make these data more comparable to information in later years.
3. The Census Bureau’s definition of a *family* is used throughout this chapter; that is, all related individuals living together in the same household. The analysis is restricted to families whose head is a civilian at least 18 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 cohabiting with a domestic partner is classified as a single parent. Throughout this chapter, unless otherwise specified, the terms *wives* and *married women* refer only to those with children.

4. The CPI-U-X1 price index is used to adjust for changes in prices over time. The CPI-U-X1 is an alternative to the CPI-U (Consumer Price Index for Urban Consumers) that uses the rental equivalence approach to improve the treatment of home ownership costs before 1983. The CPI-U adopted this method in 1983, and the two series are identical after that date.
5. Unless otherwise noted, the numbers in this chapter are based on the author's tabulations of the March CPS microdata files. Tables are available from the author.
6. Hispanics are not identified separately in the 1970 CPS; hence we cannot compare them with other ethnic groups in 1969.
7. Overall average family income in each year is the weighted average of mean total family incomes for married couples and single parents (Figures 10 and 11), weighted by their respective shares of all families. Disproportionate growth in the upper tail of the income distribution pulls up the mean more than the median.
8. Top-coded values of income components were multiplied by 1.45 so that the means would not be underestimated.
9. For estimates of changes in family incomes using a broader definition of income, see Levy (1996).
10. How could earnings increase more than wages, while hours declined? This reflects the correlation between changes in hours and wages in the population, and the fact that earnings are the product of the wage rate times hours worked. Mathematically, the average of a product is not equal to the product of the averages.
11. Hispanics are not identified separately in the 1970 CPS; hence we cannot compare them with other ethnic groups in 1969.
12. Robinson and Godbey (1997), Table 3. The child care category in the time diaries only includes time spent on direct caregiving. Any changes 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.
13. Data on alternative work arrangements come from the 1991 and 1997 May supplements to the CPS, as reported in Council of Economic Advisers (1999), p. 14.

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# **The Economics of Work and Family**

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