Ellen Galinsky
Co-President

Thought you would enjoy seeing this!

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EG

Families and **Work** Institute

file
NEW ISSUES
Families/workplace

MEMORANDUM

TO: Friends of the Families and Work Institute

FROM: Ellen Galinsky and Dana E. Friedman

RE: **The National Study of the Changing Workforce**

DATE: September 9, 1993

We are very excited about our latest research project, **The National Study of the Changing Workforce**, and we hope that you have seen or heard some of the extensive media coverage the report has received since its release on September 3rd. As a friend of FWI, we wanted to share a pre-publication copy of the **Highlights** of the study with you, and a sampling of the press coverage.

The National Study of the Changing Workforce is a nationally representative study of close to 3400 workers across the country, funded by fifteen sponsors who helped guide its progress. This is a longitudinal study which we plan to repeat every four years. We believe that we have a ground-breaking story to tell about the attitudes and lives of American workers today.

We released the study to the media at a press conference in New York on September 1. There has already been enormous public and media attention. The comprehensiveness of the study provided many different angles for journalists. The *New York Times* and *Wall Street Journal* both plan to do a series of stories on a range of topics. The page one stories in *The Chicago Tribune, The Boston Globe and The Miami Herald* concentrated on the ever-present work ethic. The lead Labor Day editorial in *The Washington Post* focussed on job security and flexibility. The television news coverage has also been extensive: *Good Morning America,* Sunday's *Today Show, CBS Evening News, CBS Up to the Minute, CNN,* and ABC's *Nightline,* covered several issues, including the effects of stress, especially after downsizing. The more than two dozen radio shows were brief, but call-in shows have convinced us that we have struck a resonant chord for today's workers.

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Both the **Highlights** and a more in-depth report we are calling the **Sourcebook**, will be published in October. However, these reports are just the beginning. Our next step will be to raise funds so that we can prepare additional reports based on the data, such as one on the contingent workforce, including part-time workers, temporaries, and independent contractors. We would also like to write a report on gender differences, on older and younger workers, and on the stress factors for working parents.

We are proud to share these findings with you, and hope that you are as enthusiastic about their possibilities as we are. We are eager to hear your reaction to the report, as well as your ideas for subsequent work. Please feel free to let us know if you would like to receive additional information about the study or if you have any questions.

EG/DEF:apr

Chicago Tribune

Final 50¢

Friday, September 3, 1993

147th Year — No 246 © Chicago Tribune 4 Sections M

Times change, many job attitudes don't

By Mike Dorning
TRIBUNE STAFF WRITER

NEW YORK—Another workplace myth may be shattered. Women do not appear to be noticeably more sympathetic as bosses than men, according to a national survey of 3,400 workers released Thursday.

But supervisors, male and female, who actively care for a child are considered more supportive by their employees. And so are managers with a working spouse.

Those findings are among the results of a broad-ranging poll by the New York-based Families and Work Institute that posed more than 1,200 questions to Americans on attitudes toward their jobs, families and personal lives.

Based on telephone interviews conducted during 1992, it portrays a nation of workers buffeted by the recession, stretched for time for themselves and struggling to balance the demands of work and family life.

And it includes several challenges to popular wisdom.

For example, according to this survey, younger employees are no more eager than their older peers to work with people of other ethnic and cultural groups.

Overall, 52 percent of workers said they would prefer to work with "more people like you," while 34 percent said they would prefer "more people different from you." The rest expressed no preference. The question was posed in the survey at the end of a series of questions on contacts with members of "ethnic and cultural groups other than your own."

Nor is the new man more willing to pick up a broom than his father.

Among dual-income families, younger men did not significantly differ from older men in their own reports of the responsibility they take for such household chores as cooking, cleaning, shopping or paying bills.

Younger men were more likely

SEE SURVEY, PAGE 8

Survey

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to spend time doing home repairs. But older families generally have higher incomes, making it easier for them to hire someone to do repairs, noted James T. Bond, senior researcher for the survey.

The study's examination of differences between male and female management styles was based on nine scales designed to measure empathy.

Employees were asked such questions as whether their supervisor is supportive during troubles at work and whether they felt comfortable discussing personal problems with the supervisor.

Among the study's other findings:

■The effect of the recession has permeated the work force much more deeply than unemployment numbers suggest.

Forty-two percent of workers said their company had permanent layoffs during the previous year, and 17 percent felt during the 1992 interviews that it was likely or very likely they would lose their jobs during the following year.

Loyalty to employers consequently appears to be fading, even while workers view strong job performance as "an insurance card," said Ellen Galinsky, co-president of the Families and Work Institute.

Some 57 percent of workers strongly agree that they try to do their jobs well, "no matter what it takes." By contrast, she noted, only 28 percent strongly agreed that they would be willing to work harder in order for their company to succeed.

"They're resilient. They're not broken by this. They still care about doing a good job," said Ellen Galinksy, co-president of the Families and Work Institute.

■Employees are complaining that their workload has grown too large. Forty-three percent of workers said the demands of their job are "excessive."

Asked how work life has affected them at home, 40 percent said they had left housework undone because of their job.

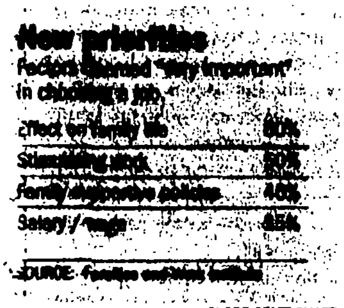
■Asked which of 20 considerations were "very important" to their decision to accept their last job offer, workers ranked the position's effect on their personal and family life second, with 60 percent citing it as a consideration. "Open communications" ranked first, mentioned by 65 percent. Job security ranked eighth (54 percent cited it) and salary 16th (35 percent cited it). Bond noted that often there are only small variations in salaries open to any individual worker.

■Seven percent—or one in 14—of working Americans said they care for an elderly relative, friend or spouse. Within the next five years, 18 percent of all workers expect to take on responsibility for the care of an elderly person.

The Boston Globe

FRIDAY, SEPTEMBER 3, 1993

Worker poll shows family, fringes gain favor



GLOBE STAFF CHART

By Tom Mashberg
GLOBE STAFF

American workers are sacrificing fatter paychecks and the fast track for more fun on the job and more time with their families, according to a major survey of life in the American workplace.

Three in five employees say they feel "used up" by the end of the day – a day that piles up an average of 8½ hours at work and 6 more hours of commuting, chores and children. A similar majority say they have seen a co-worker lose a job in recent years, and are deeply nervous about the economy and their own job security.

The survey of 3,381 workers nationwide, by the New York-based Families and Work Institute, confirms some trends that have been chronicled informally for years. Managers with families of their own, for instance, are far more patient with employees who lose job time because of child-related problems. And when it comes to cooking, cleaning, shopping and child care, women in two-income couples are four times more likely than men to carry the load.

But the most profound finding, labor specialists and workers say, is

WORK, Page 20

Worker poll sees family, fringes gaining

[illegible] decent supervisor and a chance at a home life over big money and responsibility.

The pattern makes sense to Anne McGrath, a 39-year-old data analyst with Hale & Dorr in Boston. She said she could easily earn more than her $30,000 a year as an executive secretary in another office. But the law firm's fringe benefits – emergency on-site day care, flexible work hours and a computer terminal in the home – have kept her in place for seven years.

"Let's face it, data analysis is pretty dry," she said. "I used to be a career-first person – I wanted to be a flight attendant – but I've changed. I seek fulfillment from family."

Punctuating the changes in McGrath's life was the survey's finding that 87 percent of American workers live with at least one family member (4 percent have roommates and just 9 percent live alone). According to the Bureau of Labor Statistics, the number of workers who live with family members is 15 percent higher than it was in a 1990 survey, before recession and downsizing rippled through the American workforce, forcing many children and parents to live together to cut costs.

A result, the survey said, is that finding time for spouses, children, parents or partners is becoming a priority.

"It's a profound new path after 15 turbulent years in the workplace," said Ellen Galinsky, who directed the survey. "For years, people were living and breathing their careers. Now they're saying, 'I just won't put aside my family life.' "

Randi Pleskow of Needham, a 35-year-old mother of three who trained as a pediatric surgeon, says she took the path of fewer hours despite her original ambitions of becoming well-known, even famous, in the field of gastroenterology.

"I guess I fit the bill exactly," said Pleskow, who now works a flexible schedule as a researcher at the New England Medical Center in Boston. "I turned my whole career around; I could earn twice the money in a less joyful atmosphere; I've put my ambitions aside in favor of my family life, and my husband . . . he's wonderful, but I'm the one who sweeps the house."

GLOBE STAFF PHOTO / MICHELE MCDONALD

Denise Coppola, a legal secretary for Hale & Dorr, retrieves her daughter Cristina, 6, from the on-site emergency day care facility that the law firm offers as a fringe benefit for working parents.

Momentum growing

The survey found that the family-first trend is gaining momentum among younger men. About one-third of men under 40 said they would consider giving up both promotions and pay increases in favor of a better home life – twice the number of men who felt that way five years ago.

"I used to think I'd put up with endless hours forever," said John Costello, an engineer with Polaroid Corp. in Waltham who has declined offers of better pay from other companies. "I once saw myself as a manager. Now I manage my family."

Costello, 38, says he took the job at Polaroid for reasons big and small. The office is within biking distance of his Belmont home, and the company even installed new showers. More importantly, he said, his bosses have children and never scowl when he needs a morning off.

"I took a half-day last week," he said. "It's viewed more positively here, and believe me I've seen it viewed negatively elsewhere. It's not that I've dropped my career. I'm doing well here and the fringe benefits are great. But family is first."

According to the survey, that view is gaining among managers, but is not as universal as workers would like. Forty percent of the working parents questioned said they still felt they were breaking unspoken rules of the workplace by taking time off from the job to care for their children.

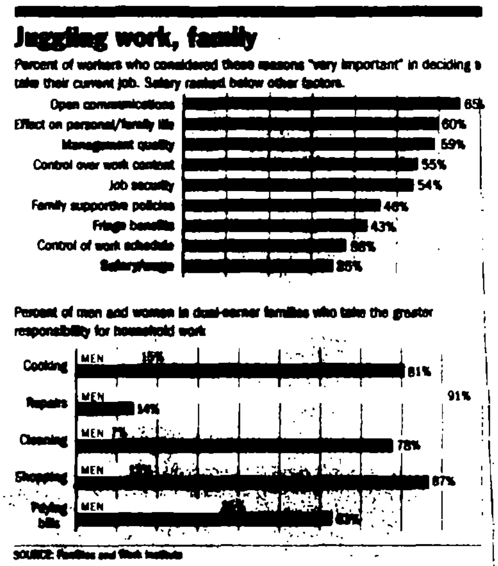
A morale-booster

"I wouldn't say all employers have caught on to this," said Whit Browne, a Wakefield consultant who helps businesses with employee needs. "But the ones who listen are learning that simple things like on-site child care work wonders for morale."

In day care, at least, companies seem to be coming around. The survey noted that parents with youngsters tend to miss a week more each year due to absenteeism than workers without children.

As a result, more and more companies are investing in day care. Blue Cross and Blue Shield of Massachusetts yesterday opened its first day-care center, in Quincy, with spaces for 20 children. The company said it received nearly 70 applications and hopes to expand to 60 spaces in the new few weeks.

"Sure it's a response," said Susan Leahy, a spokeswoman for the giant health insurer. "Our workers tell us



GLOBE STAFF CHART

Specialists said the survey's results offer other insights into a work force where the presence of women has risen from 40 percent to 48 percent in 15 years. Not since the Department of Labor's Quality of Employment Survey, conducted in 1977, they say, has such a broad-based survey been conducted of workers' lives.

The discoveries included changes in the work environment. Workers are crediting their employers with more flexibility and with trying to make the workplace more open and comfortable.

Open dialogue praised

Asked why they had taken their most recent jobs, 65 percent of those surveys cited open communications; 60 percent cited the effect on family life; and 59 percent management quality. Only 35 percent of workers rated salary as very important.

"A lot of this stems from the psychologists – that total-quality and team-management stuff," said Browne. "If people buy into it then they have huge motivational rewards. They feel like they've practically signed the products they've made."

It was that kind of environment that drew Michael Berry, a Cambridge father of two, to Thinking Machines Corp., a high-tech firm near his home that tries to keep the mood light. Like many workers in the survey, Berry said he did not give up the urge to get ahead. He just took his ambition to a new setting.

"I took a pay cut – very willingly," he said. "I've had fun, but I don't feel like I gave up all the traditional rewards. I can get those here."

He also gets to enjoy a bit of quirkiness. Like the day a co-worker raised a French flag in the lunchroom and declared one of the tables a French-only zone. Even the food was French.

"It's the kind of thing that adds extra appeal," he said.

More employee control

Browne said this type of workplace approach, which can give employees control over their own hours, work teams and even their spots on the assembly line, has angered unions.

"The survey points up the weakened position of unions," he said, noting that they now represent only 15 percent of the labor force. "They're ceding almost everything to managers."

Still, the heart of the survey was its focus on the way employees balance work and family concerns. Despite the big changes in attitude and smaller changes in the office place, 66 percent of employed parents with young children surveyed said they still lacked time at home with their children.

Deirdre Mailing, a dental hygienist in Medway and new mother, said her key was finding a likable place and a livable schedule, and not worrying too much about advancement above all else.

"I've been told that I could make more money elsewhere," she said. "But we have a great group of girls here and we work well together. We make time for our kids. Who needs

NYSE, 2C
AMEX, 5C
NASDAQ, 5C

BUSINESS
The Miami Herald
SECTION C
FRIDAY, SEPTEMBER 3, 1993

WHAT AMERICA'S WORKERS SAY

These are some of the findings of the Families and Work Institute study on the attitudes of America's work force:

- Workers feel significant job insecurity. Besides the 20 percent who fear losing their jobs, 42 percent have survived downsizing in their companies and 28 percent have seen cutbacks in managers over the past year.
- At the end of the work day, 42 percent of employees feel "used up" and 40 percent feel tired when they get up for work in the morning.
- Responding to why they took their most recent job, 65 percent of workers cited open communications, 60 percent the effect on personal or family life, 59 percent the nature of the work and 59 percent the management quality. Only 35 percent of workers rated salary as a very important reason for taking the job.

SOURCE: Associated Press

Study shows 'used up' worker

NEW YORK — (AP) — A five-year study of the American work force has come up with findings that most working people already know too well — many feel burned out by the end of the day, they don't have enough time with their families, and they fear they will be laid off.

The study released Thursday by the Families and Work Institute was commissioned by 15 companies and foundations that said they needed to find out worker feelings so they can begin to address their problems.

"We think we can use it to help us identify the needs of our employees, especially in the areas of benefits and job satisfaction," said Judd Everhart, a spokesman for Xerox Corp., one of the sponsors.

The study "validates what we have known in our hearts for a long time,"

PLEASE SEE WORKERS, 3C

Study says workers feel burned out

WORKERS, FROM 1C

said Burke Stinson, a spokesman for American Telephone & Telegraph Co.

It shows that when workers are given more freedom to take care of family concerns, productivity does not suffer, he said. To the contrary, "employees feel like they are being treated fairly and want to give back at least what they have received," Stinson said.

The study, based on hourlong interviews with a national sample of 3,381 workers, paints a portrait of a hard worker who feels burned out from balancing work and family life yet cares intensely about performing well on the job.

That employee cares more about the quality of the work environment than money or professional advancement.

Employees want to change the balance between work and personal life, shifting time and energy to themselves and their families, the study found.

Young workers, especially those with children, would rather make sacrifices in their education, careers and jobs than in their personal and family lives.

The Washington Post
FRIDAY, SEPTEMBER 3, 1993
116th Year · No. 272 · 25¢
Prices May Vary in Areas Outside Metropolitan Washington (See Box on A2)

Weather
Today: Hazy sunshine, hot, humid. Late storm likely. High 94. Low 74. Wind southwest 8-16 mph. **Saturday:** Mostly cloudy, humid, thundershowers. High 85. **Yesterday:** Temp. range: 75-94. AQI: 95. Details on Page B2.

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B Metro/Obituaries
C Sports/Classified
D Business
E Comics
G Style/Television
Inside: *Weekend*
Today's Contents: *Page A2*

page 2

Survey Says Employees Less Willing to Sacrifice

Workers Putting More Emphasis on Personal Lives

By Barbara Vobejda
Washington Post Staff Writer

A "different kind of worker" is emerging from the strained business climate of recent years, according to a national survey of the American work force, which described employees who are growing less willing to make sacrifices for work and who want to shift the balance to devote more time and energy to their personal lives.

The five-year study released today by the New York-based nonprofit Families and Work Institute found that workers are still loyal, but they are more committed to doing their jobs well than they are to their employers. Employees said they place as much value on the quality of the work environment—support, open communication and flexible scheduling—as they do on salary or advancement.

The study, timed to coincide with the Labor Day weekend, linked the changing worker attitudes to downsizing, fears about job security and the intense focus on competitiveness of the 1980s and '90s.

More than 40 percent of those surveyed said they had experienced downsizing, nearly 20 percent say they fear they will lose their jobs and 42 percent said they often feel "used up" by the end of the workday.

"Yet out of this turmoil a different kind of worker has emerged," the study reported. "Workers' commitment is more to themselves than to their employers. . . . Perhaps more surprising is the high value that workers place on the quality of their own work."

Workers are most willing to work hard and care about the success of their company when they have good relationships with their supervisors, do not have to choose between work and personal responsibilities and feel they have an opportunity to advance, said Ellen Galinsky, co-president of the Families and Work Institute, a research center for workplace issues.

The survey of about 3,400 randomly selected workers across the country was sponsored by more than a dozen large companies and foundations, including American Express, AT&T and IBM.

Among other findings:

- Nearly 90 percent of workers live with other family members and nearly half are caring for dependents. Employees with children are under more stress and worry that they are not coping as well as their colleagues without children.
- Men are just as likely as women to say they would make career trade-offs to enhance their personal lives, except when it comes to giving up pay.
- Workers do not perceive differences between their male and female supervisors, but bosses with significant child-care responsibilities are seen as more supportive than those without such responsibilities.
- Work problems are more likely to spill over into home life than are personal problems to spill over and cause strains at work.

The study concludes that companies willing to give workers more flexibility and control and otherwise improve the quality of the work environment can enhance productivity and loyalty.

> ***"Workers' commitment is more to themselves than to their employers. ... Perhaps more surprising is the high value that workers place on the quality of their own work."***
>
> — Families and Work Institute survey

"These findings suggest there is an opportunity for aligning workers' needs with workplace goals," the study said. "What helps workers also seems to help the workforce be productive."

Chip U'Ren, associate general manager for Salt River Project, an Arizona utility that helped sponsor the study, said the findings "validate what was intuitively known. . . . There is a direct impact on employees' effectiveness on the job when you allow them to also manage their personal lives more effectively."

He said companies can introduce such programs without great expense, including discounted child-care programs, flexible work schedules, job sharing, and dependent care accounts that set aside tax-free dollars for child care.

But encouraging corporate managers to focus on these worker demands may be difficult in a constrained economy, said Faith A. Wohl, director of human resources initiatives for the Du Pont Co., another sponsor of the study. At the same time, she argued that companies need to realign their approach to keep work problems from infringing on employees' personal lives.

The Washington Post

AN INDEPENDENT NEWSPAPER

Labor Day 1993

AT A TIME when the country's biggest companies are abruptly laying off longtime employees by the thousands, it's not surprising that Americans' thinking about jobs and job loyalty is changing. Labor Day this year is distinguished by the realization that the present churning in the job market is not temporary but probably will continue.

For most of the past half-century, large corporations provided much of the middle class with a high degree of security—including a tacit promise that the employee who performed well would stay on the payroll until retirement. In the past decade's epidemic of mergers, reorganizations and productivity drives, that promise has all but vanished. It's uncertainty rather than actual unemployment that is generating the growing sense of insecurity in this country.

Unemployment is, fortunately, falling. The great American job-creating machine, stuck in neutral for several years, is now back at work. During the past year the labor force has grown by a million people, but the number of jobs increased by 2 million. The result was that unemployment came down by a million, and the unemployment rate fell from 7.6 percent of the labor force in August 1992 to 6.7 percent last month.

That's a remarkable achievement and reassuring. So why do consumer surveys continue to show high levels of uneasiness and caution?

Part of it is that earnings aren't moving much. There has been some increase in average compensation during the past year, but most of it has been in fringe benefits—particularly the soaring costs of health insurance. Cash wages and salaries haven't quite kept up with inflation, and that has hurt.

But the larger cause of this mood is the succession of announcements of layoffs by companies whose names are household words. The Family and Work Institute, a research organization, recently carried out a study of American working people's views of their jobs and their options. Of the several thousand people it interviewed, two out of every five had been through a corporate downsizing, and one of every five now fears being laid off.

If the big companies can no longer offer old-style job security, what can they offer employees to obtain the kind of commitment and cooperation that high productivity requires? The institute's study had a lot to say about that. Employees want a little more time to themselves and more flexibility to take care of personal concerns. Half live in two-income families, and half have dependents—usually children, but increasingly often elderly parents. The strong implication is that the successful companies will be the ones that become most adept at accommodating employees' personal responsibilities.

That leads to a paradox. To maintain a highly competitive market economy with fast reflexes, capable of shifting labor quickly from one industry to another, government is going to have to play a bigger role. It is going to have to provide much of the security that the big corporations once did, as people bounce from one employer to another. You can see that shift beginning to happen in the Clinton administration's plans for universal health insurance. Pensions will come next.

Instead of promising lifetime jobs and benefits, employers will compete for good people by offering congenial working conditions for those who need flexibility. For most of the 119.7 million Americans who have jobs, this Labor Day comes at a tense and unsettling time—but not an unhopeful one.

THE WALL STREET JOURNAL.

MARKETPLACE

FRIDAY, SEPTEMBER 3, 1993 B1

WORKPLACE

Work-Force Study Finds Loyalty Is Weak, Divisions of Race and Gender Are Deep

By Sue Shellenbarger
Staff Reporter of The Wall Street Journal

NEW YORK—A broad new survey of American workers depicts a work force that has little loyalty to employers and is deeply divided by race and gender.

The study, the most comprehensive look so far at employees' lives, also reflects broader-than-expected conflict between work and family life. It suggests that workers place high value on flexible scheduling, attention to personal needs and management recognition for work well done—and that they are willing to make tradeoffs, including changing jobs, to get them.

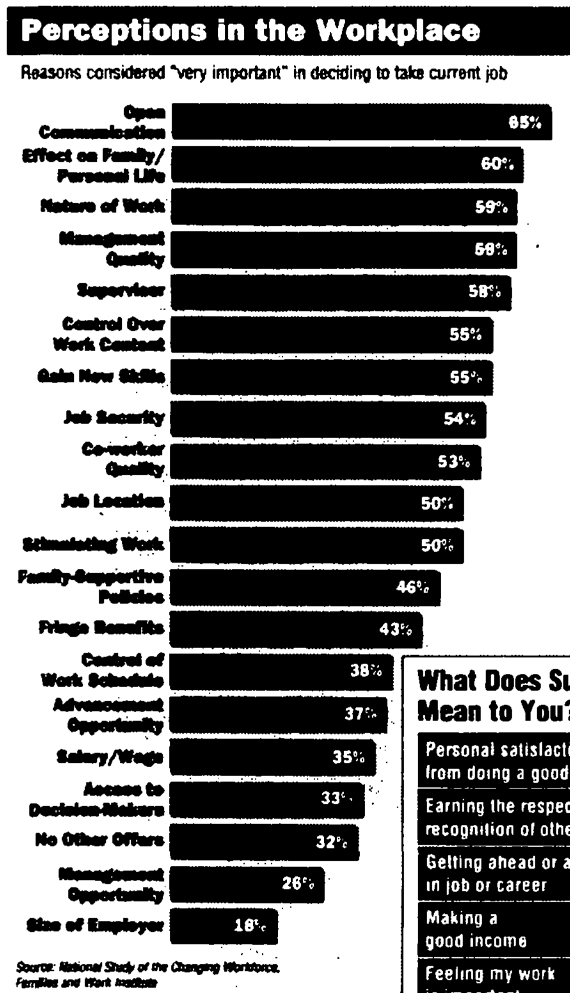
The privately funded National Study of the Changing Workforce by the Families and Work Institute, the first installment of a planned quadrennial survey of U.S. workers' attitudes about their work and personal lives, dwarfs similar efforts since a 1977 federally funded Quality of Employment Survey. The institute, a nonprofit New York research and consulting concern, held hour-long telephone interviews with a nationally representative sample of 2,958 wage and salaried workers on issues ranging from relationships with their bosses to household chores.

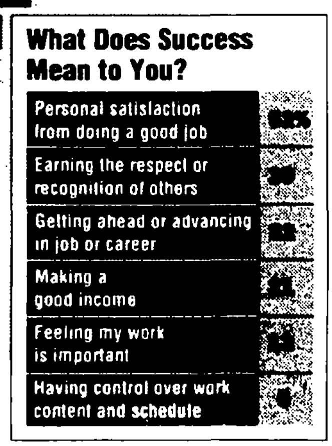
Less Loyal to Employers

The results paint a picture of American workers less loyal to employers than in the past. That isn't surprising: 42% of those surveyed had been through downsizing, 28% had seen management cutbacks at their companies, and nearly 20% said they fear being fired.

The study was financed by 15 companies and foundations: **Salt River Project**, a Phoenix utility; **Sears, Roebuck** & Co.'s Allstate Insurance unit; **American Express** Co.; **American Telephone & Telegraph** Co.; Commonwealth Fund; **DuPont** Co.; General Mills Foundation; **International Business Machines** Corp.; **Johnson & Johnson**; **Levi Strauss** & Co.; **Merck** & Co.; **Mobil** Corp.; **Motorola** Inc.; the Rockefeller Foundation; and **Xerox** Corp.

The study challenges the notion that younger workers are better equipped to cope with a more diverse workplace. Instead, employees under 25 show no greater preference than older employees for working with people of other races, ages or ethnic groups. Just over half of surveyed workers of all ages said they prefer working with people of the same race, sex, gender and education.





Employees who had greater experience living or working with people of other races, ethnic groups and ages showed a stronger preference for diversity in the workplace. But few employees have such experience. The study shows that even workers under 25 had little contact in the neighborhoods where they grew up with people of different ethnic and cultural backgrounds.

"The workplace is the main social arena" for racial and ethnic interaction, the study says. "Perhaps even more than school, it is the front line in our nation's efforts" to assimilate diverse workers, "and it's unlikely we will succeed unless employers assume strong leadership."

The study also reflects widespread perceptions of racial and sexual discrimination in the workplace. Asked to rate their own chances for advancement against those of members of other racial and ethnic groups, employees of all kinds agreed that minority workers' chances were poorer than those of nonminority workers. (White men and white women rated minorities' chances of advancement higher than minority workers did.) Minority men and women and white women also rated white men's chances of advancement higher than white men did themselves.

Perceptions of discrimination take a heavy toll on job performance, the study suggests. More than one-fifth of minority workers reported that they had been discriminated against by their current employers. Those beliefs correlated with a higher tendency to feel "burned out," a reduced willingness to take initiative on the job and a greater likelihood of planning to change jobs, the study showed.

And despite a 20-year flood of women into the work force, women managers surveyed were more than twice as likely as men to rate their career-advancement opportunities as "poor" or "fair," with 39% choosing those labels, compared with 16% of men. In contrast, 84% of men rated

Please Turn to Page B8, Column 5

Work-Force Study Finds Loyalty Is Weak, Some Divisions Are Deep

Continued From Page B1

their promotion chances "good" or "excellent," compared with 60% of women.

Women who said they saw little opportunity for career advancement also tended to be less loyal, less committed and less satisfied on the job, the survey showed.

The study explodes some popular stereotypes about gender roles, however. Most workers surveyed didn't see much difference in the way men and women manage, for instance – though women managers were viewed as a little more sympathetic to family or personal problems. On other criteria, including keeping workers informed, offering recognition and support and being fair, men and women managers were rated the same.

"Despite myths to the contrary, there is no difference, as judged by workers, between men and women supervisors," says Chip U'Ren, associate general manager of Salt River Project, one of the sponsors of the study. The finding should help companies "find ways to . . . break through the glass ceiling," he says.

The survey also disputes the notion that an emerging generation of 20-something males will help out their employed partners by doing more chores at home. Men under 25 aren't any more likely to help with cooking, cleaning, shopping or bill-paying than their older counterparts, the study shows. The only area in which younger men surpassed older men was in doing repairs around the house.

Not unexpectedly, surveyed employees expressed greater commitment to their jobs than to their employers. While 57% strongly agreed with the statement, "I always try to do my job well, no matter what it takes," only 28% strongly agreed that they were "willing to work harder than I have to help my [employer] succeed."

But employees also said they placed high value on the quality of their work environment, suggesting that efforts to improve communication, reduce work-family conflict and create a more supportive environment might rekindle flagging loyalty. Surveyed employees who had changed jobs in the past five years, for instance, said they rated such workplace characteristics as open communications, management quality and impact on family life even higher than pay in choosing an employer.

Employees also assigned great importance to benefits they thought would help them achieve a better balance between job and personal life. About one-quarter of employees without flexible scheduling or the right to work at home said they would change jobs to gain those opportunities; 47% of those who lacked the right to time off to care for sick family members said they would take a cut in pay or benefits to get it.

Such nontraditional benefits also correlate with greater feelings of loyalty and commitment to helping the employer succeed, the study shows – though traditional benefits, such as health insurance, don't have the same impact.

The survey reflects surprisingly broad conflict between workers' job and family responsibilities. Nearly half of those surveyed have responsibility for caring for dependents, whether elderly or disabled relatives or young children. And 87% reported having at least some day-to-day family responsibilities at home, suggesting that work-family policies such as flexible scheduling and dependent-care help "shouldn't be viewed as special assistance for a small group of workers, but as general assistance for virtually all employees," the study says.

The results "make you catch your breath," says Faith Wohl, director of human resource initiatives for DuPont, another sponsor of the study. The results suggest work-family programs should be broadened and integrated with quality-improvement efforts, she says. "Ultimately, what makes your company family-friendly is to be worker-friendly," she says.

When work and family clash, a worker's family is more than three times more likely to suffer than his or her job performance, the study shows. When problems erupt at work, employees reported that they were far more likely to give up time with their families, leave housework undone or experience bad moods than to refuse overtime or business travel, cut their output or quarrel with their bosses.

Two-thirds of surveyed employees with children said they lack adequate time with them. "Especially for workers with children, the picture is of individuals in gridlock," says Dana Friedman, co-president of the institute. "People feel strongly about doing a good job at work. They also yearn to spend more time with their families but arrive home exhausted."

USA TODAY
NO. 1 IN THE USA ... FIRST IN DAILY READERS

COVER STORY

Workers want to get a life

By Anne Ryan, USA TODAY
PARSONS: Two jobs keep her busy 65 hours a week.

▶ **Part-time work on rise, 2B**

By Julia Lawlor
USA TODAY

There's just one problem with working for a living: There's no time left for a life.

Dallas lawyer Barry Zisman, 55, complains of being under constant pressure on the job, which eats up 67 hours of his week. His goal: "To be able to retire before I die."

Hairdresser/bartender Brenda Parsons, 35, of Racine, Wis., logs 65 hours a week between her day and her night jobs. Her paychecks barely cover rent, utilities and food, and give her just one day — Sunday — to rest. "I have no life," she declares.

As the Labor Day weekend arrives, the truth is many U.S. workers are stretched to the limit. The National Study of the Changing Workforce, a landmark survey of 3,400 workers released today by the Families and Work Institute, finds workers, especially those with children, are in "gridlock."

Overburdened by increasing demands at work, the study finds many feel cheated of time for themselves and their families.

Though still firmly committed to doing their jobs well, workers also hunger for a work environment that allows them to balance work and family needs. Many are willing to sacrifice money and advancement to gain more control over their jobs and schedules.

"Workers want to change the equation," says Ellen Ga-

Please see COVER STORY next page ▶

COVER STORY

Office toil spoils workers' life time

Continued from 1B

linsky of Families and Work Institute, a New York-based private research organization. "They want to devote more time to their families and friends and to their own pursuits and less time to their jobs and careers."

The study, conducted in 1992, is the first since a 1977 U.S. Labor Department survey to examine the work lives and attitudes of employees in companies of all sizes, from corner drugstores to the *Fortune* 500.

Results cannot be compared with the 1977 study because different types of workers were surveyed. But the '92 survey points to a different kind of worker emerging from the turmoil of the last decade, when so many employers struggled to stay competitive by restructuring and cutting jobs. The new worker is less loyal to an employer, the study shows, and more focused on doing the job well to avoid being fired or laid off.

Among the findings:

▶ 42% of all employees work for a company that had reduced its staff the previous year; among those in firms with 500 or more workers, it was 53%.

▶ 80% said their jobs require them to work very hard; 65% said they must work very fast; 42% felt "used up" by the end of the workday. One-third felt they did not have a "supportive" work culture. The average workweek for full-time employees: 44.3 hours; 26% worked more than 50 hours, 10% more than 60.

▶ 87% live with family members, including parents, spouses, unmarried partners or children. Two-thirds of those with children under age 18 said they don't have enough time to spend with their children; half said they don't have enough time to spend with their spouse. Workers with children were less satisfied overall and felt they were not coping as well as childless workers.

Among many workers surveyed, the desire to ease the time gridlock translated into a greater willingness to give up money and career advancement for more free time: 34% were willing to make "a lot" of sacrifices to devote more time to their families, such as foregoing raises and promotions; 60% of workers under age 25 with children were willing to do so. A poll of workers released last year by the Roper Organization found other signs of declining ambition: 70% of those surveyed said they'd rather keep their job than aspire to the boss' position, up from 63% in 1985.

By Garry McElwee

ZISMAN: This lawyer's goal is 'to be able to retire before I die.'

The greatest drop was seen among younger workers: Only 26% of 18- to 29-year-olds aspired to the boss' job, down from 41% in 1985. Roper also found a decline in personal fulfillment on the job. The greatest drop occurred among executives, professionals and those under 30.

Many workers would love to cut back. But with jobs scarce, they're afraid to even ask.

"The trend in the workplace is moving in the other direction," says Faith Wohl, head of DuPont's work and family initiatives. "Managers ask me, 'What's a part-time schedule when I need people to work 60 hours a week?' The workplace is becoming harsher, and there are higher expectations in terms of hours you put in and how hard you work."

In the not-so-distant past, some predicted advancing technology would allow us to switch to a four-day workweek. Instead, we're working more than ever to make ends meet. The number of people working two or more jobs has skyrocketed: In 1991, 6.2% of the U.S. workforce — more than 7 million people — held at least two jobs, up from 4.9% in 1979. And it now takes two workers in a family to maintain a decent standard of living.

Currently, more than 60% of all U.S. households depend on two incomes, compared with 46% in 1969.

Then there's overtime. Employers are working people longer hours to avoid hiring more staff and paying the high cost of health and pension benefits. The average workweek for manufacturing employees is now the highest it's been since 1966, at 41.4 hours. Today, 26% of all workers spend more than 49 hours a week on the job, up from 20% in 1980.

Part-time jobs on the rise

One in seven workers in industrialized nations is working part time, says a new study by the International Labour Organization. Most of those 60 million part-timers are women and many are without benefits.

The study shows:

▶ Part-time work grew between 4% and 7% from 1979 to 1990 in the industrialized world, except Greece, Portugal and Sweden. In the European Common Market, part-time work jumped 28% between 1983 and 1988, compared with a 2.4% increase in full-time employment.

▶ The most rapid growth in part-timers was in the Netherlands, at 33% of all employees, up from 16% in 1979.

▶ About two-thirds of all part-time workers are women, ranging from 90% in Belgium and Germany to 65% in the U.S.

— Julia Lawlor

In her 1991 book, *The Overworked American*, Harvard economist Juliet Schor estimates the average U.S. worker puts in 164 more hours of paid labor a year than he or she did 20 years ago — an extra month of work.

The leisure squeeze hits high- and low-wage workers alike, from secretaries and laborers to lawyers, doctors and accountants.

"I see high performers taking the jobs of three people," says Peller Marion, a San Francisco psychologist who advises executives. "They are working like dogs. The only free time they have is in the shower."

What gives, Marion says, is their personal lives. "A lot are divorced or have never been married," she says. "They can't sustain a relationship. They say, 'If this is success, why do I feel like a boiled chicken?' The trend is only the toughest, most hard-core people who can juggle a lot of ambiguity are going to be in these lean, mean organizations."

Technology and an expanding global marketplace have added to the workload and piled on stress.

San Francisco attorney Robert Brown, 44, loves his job and says he doesn't mind his 12- and 14-hour days, although they're taking a toll. He's in his office at 7:30 a.m. to talk to people on the East Coast. At the end of the day come dinner meetings. Then he often returns to the office, sometimes staying on the phone until 1 a.m. with clients in Asia.

For "mental health purposes," Brown tries to take one weekend day off to be with his wife and two young children, though some of that time he must spend reading professional journals. The pace, he admits, is getting to him. Says Brown: "I have one or two more years I can do this."

When Lynn Bignell and her partner started their New York executive search firm 21 years ago, a client demanding a résumé from them had to wait for the mail. With the fax machine, they want it now. "It has created such pressure," Bignell says. "They'll say, 'Just fax me what you have. I don't need it to look good.' That doesn't work for me."

An experience Bignell had recently trying to carve out more free time for herself illustrates just how hard that is.

Bignell decided she deserved a Friday off this summer. So one Thursday night, she swept a messy pile of papers off her desk into two shopping bags and carted them off to her country house in Connecticut.

She spent Friday morning sorting papers on her dining room table, much of Friday afternoon on her terrace talking business on the portable phone and Sunday night in the car sorting more papers as her husband drove back to the city.

"Aren't these the years I'm supposed to be sitting back and delegating?" she asks.

Delegation is one answer. But Schor suggests other approaches, too.

For some workers, the solution will be to gain personal time by demanding compensatory time off, instead of extra pay, when working overtime. Employers, she says, should be required to pay part-timers at the same rate they pay full-timers, so that more people can afford to work a reduced schedule.

And workers should be allowed to choose whether they want high performance rewarded with a pay raise or with more time off.

But none of these solutions seem workable to Dallas attorney Zisman. "I'd like to slow down," he says. "There are a lot of things in life that interest me. Work is low on the list. But clients want you when they want you. If you say 'I want to work half time,' suddenly they won't want you. And they'll get somebody else."

The Philadelphia Inquirer

Business

DOW JONES INDUSTRIALS	TREAS. BONDS 30-YR. YIELD	DOLLAR VS. YEN
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Section C

Friday, September 3, 1993

Happy with pay, willing to work, employees want better life

A study looked at nearly 3,000 wage and salaried workers. Forty-two percent reported feeling burned out by the day's end.

By Murray Dubin
INQUIRER STAFF WRITER

The American worker is content with the pay and wants to do quality work.

But, at a time of increasing cutbacks and downsizing, workers feel more loyalty to themselves than to their companies and want better working conditions and an enhanced lifestyle.

All that, says a new national study of working men and women, appears to mean that corporations need to look again at the workplace and whether they offer workers the right benefits.

These are some of the findings released yesterday by The National Study of the Changing Workforce, an examination of nearly 3,000 wage and salaried workers conducted by the Families and Work Institute, based in New York.

"Workers have seen a lot of change and insecurity," said Ellen Galinsky, institute co-president.

"Forty-two percent have experienced downsizing and 28 percent have seen cutbacks in the number of managers in the past year. ... Many feel burned out — 42 percent feel used up by the end of the workday. ... Yet with all this, workers are extremely resilient and take a tremendous amount of pride in their work."

She added that a positive social climate at work — one with communication, support and flexibility — is what workers want, "but is not necessarily high on the agenda of some companies."

Other findings of the study include:

- Eighty-seven percent of workers live with family members or partners. "That's higher than I thought," said Galinsky. "The assumption was never that high. It means that *personal issues* are not the issues of the few, but of the many."
- Asked "What success means to you?" 52 percent said that it was personal satisfaction from doing a good job and 30 percent said it was earning the respect and recognition of supervisors and/or peers.
- Fifty-nine percent thought their household income "adequate" and 20 percent said it was "quite adequate." "That's not what I heard in the last presidential election," said Galinsky, surprised at the responses. She said that the perception of adequate income seemed to have little relation to the actual income of the respondents or to their family size.
- Male and female supervisors were rated similarly. Employees with supervisors of the

See **WORKERS** on C2

Workers seen seeking improved lifestyles

WORKERS from C1

same sex as themselves do not rate their bosses any differently than workers who have supervisors of the opposite sex.

- Workers under 25 are no more or less likely than older men and women to prefer working with a diverse workforce. "That surprised me," said Galinsky. "It was contrary to my expectation."
- Employees with children are under more stress and feel they are not coping as well as employees without children. "Especially for workers with children, the picture is of individuals in gridlock," Galinsky said. "People feel strongly about doing a good job at work; they also yearn to spend more time with their families, but they arrive home exhausted."

The study, which was conducted in 1992, consisted of hour-long telephone interviews with a randomly selected national sample of workers.

Faith Wohl, director of human-resource initiatives for DuPont Co., one of the corporate sponsors of the five-year-project, said that study proves that the "work-family field is bigger than we thought. What resounded loudest for me was the 87 percent figure on Page 36."

Referring to the 87 percent who live with family members or partners, Wohl said, "Benefits, policies and programs designed to help workers balance their work, personal and family lives should not be viewed as special assistance for a small group of workers, but as general assistance for virtually all workers."

Another result that surprised her was that three times as many workers said that work problems spilled over into family life as the reverse.

"We've worked to keep a lot of problems from home from spilling over into the workplace. Keep the problem out there," she said.

"We haven't looked at what problems the work environment are creating in the home. It might play out as drug abuse, teenage alcoholism and increasing divorce. And then it gets reflected back in the workplace.

"I think it demands change about how we think about the workplace."

Why Workers Choose a Job

Percentage of workers considering a reason "very important" in deciding to take a job with their current employer.

Reason	Percent
Open communications	65
Effect on personal/family life	60
Nature of work	59
Management quality	59
Supervisor	58
Gain new skills	55
Control over work content	55
Job security	54
Co-worker quality	53
Stimulating work	50
Job location	50
Family-supportive policies	46
Fringe benefits	43
Control of work schedule	38
Advancement opportunity	37
Salary/wage	35
Access to decision makers	33
No other offers	32
Management opportunity	26
Size of employer	18

SOURCE: Families and Work Institute, 1993

The Record

FRIDAY, SEPTEMBER 3, 1993 — *Friend of the People It Serves* — 50¢

Work ethic is alive and weary

Americans take jobs to heart, study finds

By ADAM GELLER
Staff Writer

It's not easy being an American worker.

Co-workers are laid off and no one knows who'll be next. Working parents find it tough even to patch together makeshift solutions to child care and chores. The added stress stokes tempers and extinguishes personal energy. And bosses and benefits don't always offer much support.

But even as workers struggle to cope with these drastically changing pressures and priorities, they've embraced the American work ethic in new ways, making hard work a personal rather than a corporate goal.

Those are the conclusions delivered in a major study released today that focuses on work and how it affects family life, relationships with employers and colleagues, and corporate productivity.

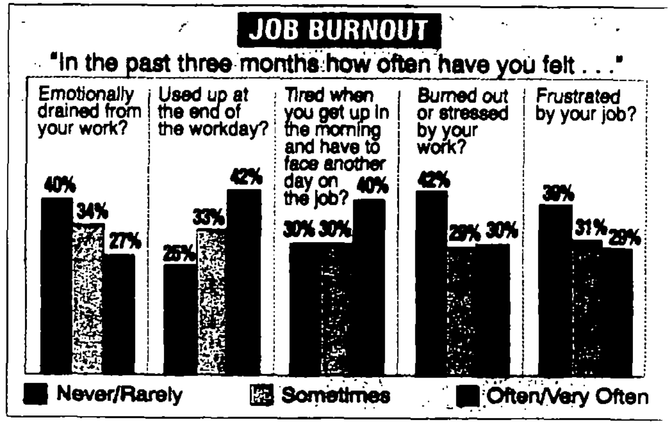
The report, billed as the most comprehensive ever to examine links between work and family life, concludes that the economic upheaval of recent years has shaken many employees, causing uncertainty and burnout. The study was conducted by the Families and Work Institute, a New York-based non-profit research organization.

"Out of this change, we feel a different kind of worker has emerged," Ellen Galinsky, the FWI's co-president, said at a New York news conference. "Their focus is on what they can control, since there is so much change going on around them."

American workers are as determined as ever to work hard and do their jobs well, but their commitment is to self and family first, before employer, the study said.

The institute's "National Study of the Changing Workforce," conducted over five years, is based on interviews with 3,700 men and women across the country. Researchers worked with sponsors — including the American Telephone & Telegraph Co., Johnson & Johnson, and Merck & Co. Inc. —

See **WORK ETHIC** Page **A-8**



WORK ETHIC: Americans seeking satisfaction with jobs

From Page A-1

to design a study that would help them better understand what their employees were thinking.

"They told us of the conflicts [between work and family] in unforgettable voices," said Faith Wohl, director of human resources initiatives for Du Pont, one of the project sponsors. "I think we better start to pay attention."

Many of the study's findings testify to trends whose existence until now has been based on anecdotes and supposition. It is no secret, for example, that many companies have been cutting jobs. But the study shows that 42 percent of all workers have seen such cutbacks in their factories and offices, and 28 percent have seen managers cut from the ranks.

The study also showed that four of every 10 workers feel burned out by their jobs, saying they feel "used up" by the end of the day. In addition, the great majority of workers say their job requires them to work very hard and very fast.

Those workplace pressures are layered on top of the demands of home and family life. Large numbers of workers worry about finding adequate child care and taking care of elderly parents. Job pressures are carried home by workers left short of time to complete household tasks or without the energy for family activities.

SOME OF THE REASONS CONSIDERED "VERY IMPORTANT" IN DECIDING TO TAKE JOB WITH CURRENT EMPLOYER

Open Communications	65%	Job Location	50%
Effect on Personal/Family Life	60%	Family-Supportive Policies	46%
Nature of Work	59%	Fringe Benefits	43%
Supervisor	58%	Advancement Opportunity	37%
Job Security	54%	Salary/Wage	35%

Source: Families and Work Institute, 1993 RICH RAINEY/STAFF ARTIST

"In the end it comes back to the workplace," the study says. "The major predictors of conflict in balancing work and family life concern the quality of the work environment: workload, autonomy on the job, and relationships at work. No wonder that a prime consideration of workers when taking a job is, 'What effect will this job have on my personal and family life?' "

But the focus by workers on personal concerns has not undermined the work ethic, as might be supposed, the FWI reports. Instead, workers have adjusted to the uncertainties of the workplace by making individual accomplishment a priority.

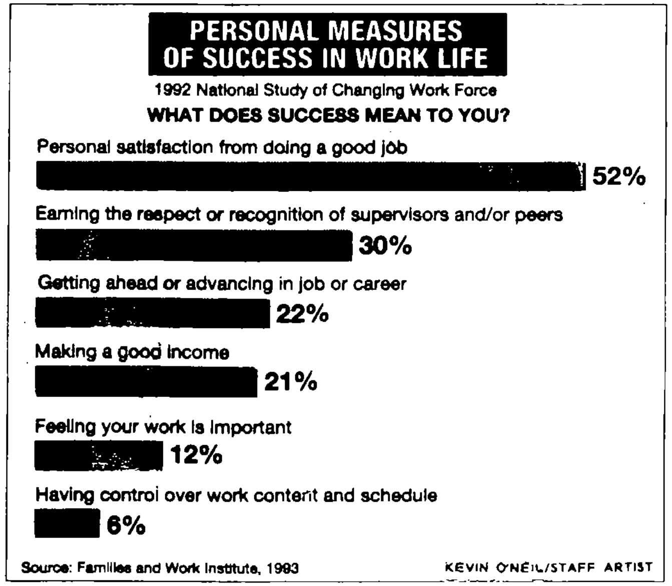
For example, more than half of those surveyed said they measure success in terms of personal satisfaction gained from doing their job well, rather than by pay or job advancement. That's good news for employers concerned about work quality, because even though workers feel less allegiance to their companies, their level of personal responsibility is high, the study says.

Still, this increasing "self-ethic" means today's workers are seeking jobs that allow more personal input and provide the benefits and leeway to manage life outside the office. Large numbers of workers said they would consider changing a job if a new employer offered to cover some of the costs of child care. "Flextime" arrangements also are much sought after, the study says.

"It's very clear that work-family assistance is not for the few. It's for most of us," FWI Vice President James T. Bond said at the news conference.

The institute's study also looked at how the growing diversity of American society is being met in the workplace. The conclusion, however, troubled researchers, who found that more than half of all workers said they preferred to work with people like themselves.

The study also concluded that workers perceive job opportunities for white men to far outnumber those for women or minority men. About one in every four workers said they had been discriminated against in the workplace.



The increasing ties between work and personal life come even as the traditional roles of men and women in the home remain relatively unchanged, the study shows. Cooking, cleaning, and shopping are still almost always the responsibilities of women, said Bond, who joked, "The more women change, the more men stay the same."

The FWI plans to continue tracking such attitudes every four years, interviewing the same workers to make accurate comparisons possible.

Tempe Daily News Tribune

Sept. 3, 1993

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Study shows families come before careers

By Michele McDonald
Tribune writer

Americans may take their jobs as seriously as ever, but they are not willing to forsake family life to climb the career ladder, according to a national workforce study released today.

Touted as a landmark project, the National Study of the Changing Workforce revealed that workers want more flexible hours and more time for their personal lives and families. A study concentrating on the Southwest is slated for release later this year.

FAMILIES FIRST: Priorities changing in America / A10

Although money is always a concern, the first question most workers ask themselves before accepting a new job is, "What effect will this job have on my personal and family life?" according to the study.

"Workers take pride in working hard and doing a good job, but they are less willing to make sacrifices for their employers' benefit," said Jan Miller, Salt River Project senior research engineer. SRP is the study's only Arizona sponsor.

The project, the first of its kind in 16 years, reflects the turmoil in America's workplaces. About 42 percent of the 3,718 people interviewed in 1992 by the Families and Work Institute said their company permanently reduced the work force. And 28 percent reported cutbacks in the number of managers.

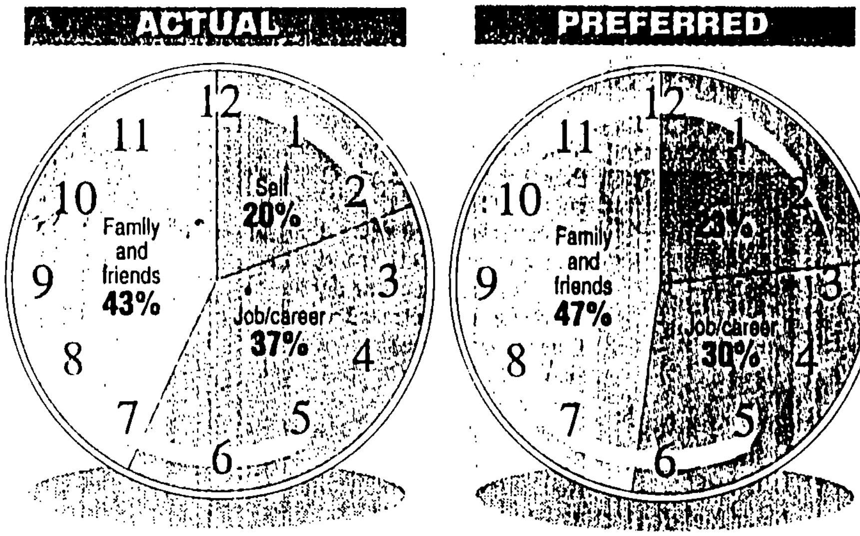
The employees left are working harder and faster. As a result, more workers are facing burnout — 42 percent say they often feel "used up" by day's end.

Families pay the price for the rigorous pace. "By and large, work problems are more likely to spill over into the home than family problems are to encroach upon work life," Miller said.

The study shows that more Americans are juggling work and family. Nearly 90

Please see Work / A10

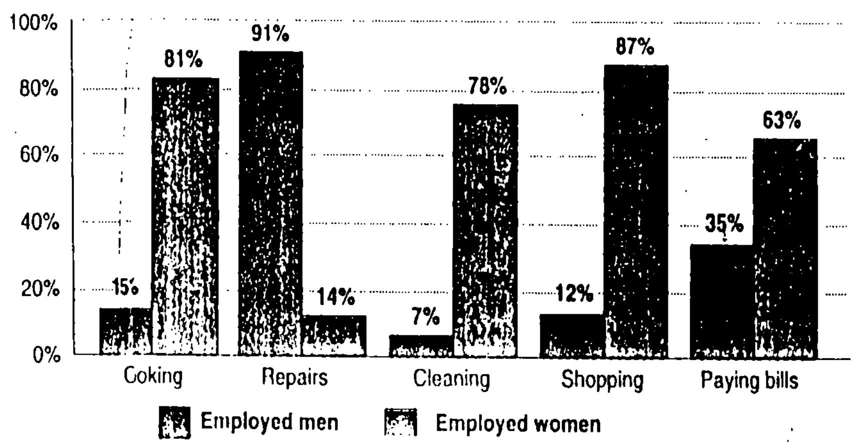
How workers spend their time



Are employees overworked?

In the past 3 months, how often have you felt...	NEVER	RARELY	SOME-TIMES	OFTEN	VERY OFTEN
Emotionally drained from your work?	15%	25%	34%	14%	13%
Used up at the end of the workday?	8%	17%	33%	22%	20%
Tired when you get up in the morning and have to face another day on the job?	9%	21%	30%	21%	19%
Burned out or stressed by your work?	15%	27%	29%	15%	15%
Frustrated by your job?	13%	26%	31%	15%	14%

Who does the chores?



Continued

Source: National Study of Changing Workforce

MARK WATERS/Tribune

Tempe Daily News Tribune

Sept. 3, 1993

Working too much for a living

Work eats up one-third of week

	MEN	WOMEN	OVERALL
Hours at work	48.8	41.7	45.3
Hours commuting	4.1	3.1	3.6
Total	52.9	44.8	48.9

percent of workers live with another family member, and three-quarters of married workers' spouses also hold down a job. But even if both spouses are employed, women do 87 percent of the household chores.

In light of increased demands on the American family, employees are willing to help each other mesh home and office responsibilities. Sixty-seven percent of those responding said they would not feel resentful if they had to occasionally work extra hours to accommodate the personal or family needs of co-workers. About 55 percent disagreed that employees have to choose between advancing their careers or devoting attention to their family or personal lives.

"Some businesses have stepped in to address this issue by offering flexible time and leave programs, as well as dependent-care assistance," Miller said.

The company-sponsored projects may help employees stop taking work problems home, but the overall quality of the workplace is paramount to any program, said James T. Bond, vice president with the Families and Work Institute. Employees with autonomy and support from co-workers and supervisors are both more productive and happier than those in poor working situations, he said.

More than half of those surveyed agreed their supervisor is supportive when they have a work problem, and 51 percent reported the manager accommodates them when they have personal or family problems. Nearly 60 percent said their boss is understanding when they discuss family or personal matters affecting work.

Male and female supervisors are similar in both management style and support of family issues, the study revealed.

Discrimination and equal opportunity play crucial roles in the company's work environment, Bond said. Even if discrimination is perceived and not real, it will hamper productivity, according to the study.

Fifteen percent of workers say they have been discriminated against at their current job, and 27 percent claim they have experienced discrimination sometime during their career.

The Changing Workforce study cannot be compared with the 1977 study conducted by the U.S. Department of Labor because the labor survey was not as encompassing, Bond said. For the studies to be compared, the 1977 survey would have to be reanalyzed, he said.

Still, the current survey shows a work force that is showing no signs of returning to single-income families where the bread winner would work at one company for life, Bond said.

"I think we're in a new era," he said.

THE ARIZONA REPUBLIC

Sept. 3, 1993

page A1

OVERWHELMED BY WORK

By Frank Turco
The Arizona Republic

American workers, many of them so drained by the end of the day that they're still weary the next morning as they face another workday, strive to do a good job anyway and would work even harder if necessary.

They long, however, to shift more of their time and energy from work to themselves and their families.

Also, many believe that the quality of their work environment — whether they have good bosses, open communications and a degree of control over their work — now is more important than the amount of money they make.

Those are among the major findings of an extensive study of the nation's changing work force, the first such look since 1977 at how U.S. workers feel about their jobs and personal and family lives.

> "Workers want quality in their own work, in their work environment and in their relationships at home and work.
> **ELLEN GALINSKY**
> WORKER-STUDY DIRECTOR

The study, conducted by the New York-based Family and Work Institute, was sponsored by 15 corporations and foundations nationwide, including the Phoenix-based Salt River Project.

C.M. Perkins, SRP general manager, said the results of the ambitious study and another regional survey in which the utility is taking part will be used to assess the compensation and benefit programs it offers its 4,800 employees.

"At SRP, we view these issues not as secondary to the operation of our business, but as fundamental to our entire management philosophy," Perkins said.

The study, based on interviews with more than 3,700 men and women, was done in 1992, a year in which companies throughout the country were laying off workers, merging and changing ownership.

Forty-two percent of those questioned said they worked for a company that had reduced its work force in the past year; 28 percent said they had seen cutbacks in the number of managers; 24 percent said the company's top management had changed; and 18 percent said their employer had been acquired by or had merged with another company.

That turmoil, according to researchers, raised fears among many workers. Eighteen percent of those who took part in the survey said they expect to be laid off temporarily this year, and 17 percent said they expect to lose their jobs entirely.

"Workers have seen a lot of change and feel a lot of insecurity," said Ellen Galinsky, study-project director and co-president of the institute.

Still, she said, workers are extremely resilient and take a tremendous amount of pride in their work.

Of those questioned, 99 percent said they always try to do their jobs well, and 90 percent said they were willing to work harder to help their company succeed.

However, 42 percent cautioned that they were "used up" at the end of the workday, and 40 percent said they were tired in the morning before heading off for another day on the job.

The survey supports earlier studies that found that in dual-earner families, women continue to carry the load at home, doing most of the cooking, cleaning and shopping. Men still do most of the home repairs and the household-bill paying.

Quizzed about household chores, 81 percent of the women said they did most of the cooking, 87 percent said they did the shopping, and 78 percent the cleaning.

More than half the respondents said they measure success at work by the personal satisfaction they get from doing a good job. About one-third said they gauge it by the respect they earn from their supervisors and peers.

Only 21 percent said they measure it by how much money they are paid.

Many workers apparently are looking for more out of their work:

"They want quality in their own work, in their work environment and in their relationships at home and work," Galinsky stressed.

Asked why they had taken their most recent job, many of the workers answered in terms of work-environment issues, such as open communications on the job, effects on personal and family life, the nature of the work, the quality of managers and supervisors, and having control of their work.

Pay ranked 16th among 20 choices the survey participants were given.

"Monetary rewards to spur performance and foster loyalty will have limited impact if the quality of jobs and work life are poor," said James T. Bond, the study's senior researcher.

Study participants also said they would like to redirect some of their work time to themselves and their families.

Continued

THE ARIZONA REPUBLIC

Sept. 3, 1993

They said that on average, they devote 37 percent of their lives to their jobs or careers, and they would like to see that reduced to 30 percent. Also, they said they would like to increase the time they spend on themselves to 23 percent from 20 percent, and the time they spend with family and friends to 47 percent from 43 percent.

The workers also placed a high value on both traditional fringe benefits, such as medical insurance, and some more contemporary employee-assistance programs, such as flexible time and dependent-care help. And many said they would be willing to give up salary or even change jobs to obtain some of those benefits.

Other key findings include:

- When employees have more autonomy in their jobs and more control over work schedules, they are more satisfied and committed workers.
- By and large, men and women don't manage differently.
- The perception of discrimination or unequal opportunity in one's workplace seems to exact a toll on workers' attitudes and behavior.
- Workers are more likely to sacrifice time for themselves than time for work and family, with apparent negative consequences for personal well-being.
- Most workers say they want to work with people like themselves, but those who have experienced more diversity in their workplaces tend to prefer it.

Galinsky said the survey points out that the key to making improvements in the workplace is the development of a constructive social climate.

"But it is not necessarily high on the agenda of some companies," she added. "Overall, most workplaces are only beginning to respond to what employees say they want."

In addition to the SRP, the survey was sponsored by American Express Co., Motorola Inc., Allstate Insurance Co., AT&T, the Commonwealth Fund, DuPont Co., the General Mills Foundation, IBM Corp., Johnson & Johnson, Levi Strauss & Co., Merck & Co., Mobil Corp., the Rockefeller Foundation and Xerox Corp.

Continued

Highlights

The National Study of the Changing Workforce

by Ellen Galinsky, James T. Bond, and Dana E. Friedman

FamiliesandWorkInstitute

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Families and Work Institute is a non-profit research and planning organization that conducts research on business, government, and community efforts to help employees balance their job and family responsibilities.

Other Families and Work Institute publications:

The Corporate Reference Guide to Work-Family Programs

Public-Private Partnerships for Child Care

Beyond the Parental Leave Debate: The Impact of Laws in Four States

The State Reference Guide to Work-Family Programs for State Employees

Parental Leave and Productivity

The Family-Friendly Employer: Examples from Europe

An Evaluation of Johnson & Johnson's Work-Family Initiative

Education Before School: Investing in Quality Child Care

Summary

The National Study of the Changing Workforce captures the voices of U.S. workers in response to the questions most asked by employers. It is a nationally representative study of close to 3400 workers across this country, and it's the very first study to investigate such an extensive range of issues.

The Families and Work Institute developed the study on the basis of input from workers and managers at the organizations sponsoring this study: Allstate Insurance Company; American Express Company; AT&T; Commonwealth Fund; DuPont Company; General Mills Foundation; IBM Corporation; Johnson & Johnson; Levi Strauss & Co.; Merck & Co., Inc.; Mobil Corporation; Motorola, Inc.; The Rockefeller Foundation; Salt River Project; and Xerox Corporation. The study's sponsors wanted to know what workers are looking for today. Why do workers take jobs and why do they leave? Do women and men think differently about work issues? Do young workers differ from their older counterparts? How comfortable are workers with the increasing diversity of the workforce? And how do workers manage their dual responsibilities of home life and work life?

The backdrop for this study is the work environment in a period of substantial business change. According to the National Study of the Changing Workforce:

- Workers spend more than 40 hours per week on the job. Overtime and commuting bring the total of job-related activities to more than 45 hours per week.

- Workers are witness to tremendous turmoil in the workplace. For example, 42 percent of them have experienced downsizing, and 28 percent have seen cutbacks in the number of managers in the past year.

- 80 percent believe that their jobs require working very hard, and 65 percent that their jobs require working very fast.

- And many feel they're burned out by their jobs—42 percent often feel "used up" by the end of the workday.

Yet out of this turmoil a different kind of worker has emerged. Workers' commitment is more to themselves than to their employers—not surprising given that so many of them have seen their employers downsize and co-workers lose their jobs. Close to 20 percent fear that they, too, will be fired or laid off. Perhaps more surprising is the high value that workers place on the quality of their own work. When asked to define what success at work means to them, more than half talk about the personal satisfaction they gain in doing a good job. This is undoubtedly good news to those who think that our future economic competitiveness will rest on the quality of the work we produce.

Workers' concerns aren't just about the quality of their own work, but also about the quality of their work environments. When those who had changed employers in the past five years were asked about the most important factors affecting their decisions, they pointed to open communication, quality management, and quality supervision.

There have been many recent efforts to improve productivity: re-engineering the workplace, empowering workers, creating high performance work teams, teaching about managing diversity, and focusing on total quality. The data from the National Study of the Changing Workforce indicate that unless these efforts include a focus on the quality of the work environment itself, on social relationships at work, and on the general culture of the workplace—whether it be the corner drugstore, a factory, or an office—they may not yield their intended effects. Workers are more loyal, more committed, more innovative, and more satisfied with their jobs when they have more of a say in how to do their jobs and have more control over the scheduling of their work hours. And, when there are good and supportive relationships among workers and between workers and their supervisors, workers experience less burnout in their jobs, are more loyal to their employers, and are more willing to work hard to help their companies succeed. Also, when workers believe that people of their race and gender aren't being discriminated against and have a good chance of advancing, they are more committed, loyal, innovative, and likely to want to stay at their companies.

There are some other surprises: men and women are not seen as different in the way they supervise workers. In addition, young workers are no more comfortable with the notion of working with people who are different from themselves than are older workers, though employees with more experience in diverse work groups are more positive about working in heterogeneous settings.

The fact that most workers have family responsibilities isn't unexpected—although the extent to which this is true may be higher than imagined: 87 percent of workers live with family members and 47 percent care for dependents (children, ill spouses or partners, or elders). The economic basis for working is also apparent: on average, each worker brings in 64 percent of his or her family's income. Perception also plays a role here: believing that one is "living within one's means" is more important to workers' sense of well-being than the absolute amount of their household income.

Despite massive changes in women's work outside the home, women's responsibilities *within* the home have not changed much at all. This is true even in families where women contribute half or more of the family income, and where workers are young. One area of change in men's and women's roles lies in the care of elderly dependents. Of those providing elder care, 44 percent are men. However, women spend about twice as much time at these tasks as men and are more likely to provide personal care (feeding, bathing, etc.) while men spend more time arranging for care, scheduling doctor's appointments, and checking in by phone.

Life can be difficult when members of today's labor force have children. Not surprisingly, employees with children are under more stress and believe that they're not coping as well as workers without children. When they do have supports, such as satisfactory, reliable child care, employed parents feel better about themselves as parents, are less stressed, and cope better.

By and large, work problems are more likely to spill over into the home than family problems are to encroach upon work life. Some businesses have stepped in to address this issue by offering flexible time and leave programs, as well as dependent care assistance. These benefits are valued by workers; in fact, a sizable proportion of workers who don't have these programs state that they'd be willing to make substantial trade-offs to get them. And, perhaps contrary to expectation, except for those benefits that involve forfeiting pay (i.e., for part-time work), men are just as willing as women to say that they'd make trade-offs. Furthermore, it is beneficial for *everyone* when companies offer these work-family programs and benefits. Companies, in particular, benefit because workers with access to a range of benefits are more likely to want to stay at their companies and work hard to help their companies succeed.

Because work-family problems often originate in the workplace, there is a prevailing notion that they should be remedied in the workplace. Yet, the National Study of the Changing Workforce reveals that primary reliance on workplace programs results in an unequal distribution of benefits within society. Higher-income workers and better-educated workers have far more access to health care insurance and pension plans, flexible time and leave programs, and dependent care assistance than their less advantaged counterparts. This study also makes it clear that how supervisors handle day-to-day work-family issues is as much a part of being family friendly as offering specific programs and policies.

In attempting to juggle work and family life, personal time is often sacrificed. Yet, this study finds that workers fare better when they have more time for themselves. It also reveals that workers want to change the equation; that is, they want to devote more time to their families and friends and to their own pursuits and less time to their jobs and careers. Young workers say that they're more willing to make sacrifices for their personal or family lives than they are for their jobs or education. The quality of the home environment is very important to today's workers. When asked to define success at home, workers point to good family relationships. They also discuss not bringing the stresses of work life into their family relationships.

In the end, it comes back to the workplace. The major predictors of conflict in balancing work and family life concern the quality of the work environment: workload, autonomy on the job, and relationships at work. No wonder that a prime consideration of workers when taking a job is, "What effect will this job have on my personal and family life?"

This study concludes that workers are very concerned about the quality of their own work, the quality of the work environment, and the quality of their personal relationships at home and at work. These findings suggest there is an opportunity for aligning workers' needs with workplace goals. What helps workers also seems to help the workforce be productive.

THE NATIONAL STUDY OF THE CHANGING WORKFORCE

The National Study of the Changing Workforce, conducted by the Families and Work Institute, is a longitudinal study of both the work and personal/family lives of the U.S. workforce. No other study has investigated this issue with a nationally representative sample since the 1977 Quality of Employment Survey, conducted for the U.S. Department of Labor. And no study is as comprehensive as this one.

In 1992, hour-long telephone interviews were conducted with a randomly selected national sample of 3,381 employed men and women, as well as 337 women who had dependent children under 18 years old and who weren't in the labor force by their own choice. The overall sample, then, was of 3,718 individuals. To monitor changes over time, the study design calls for re-interviewing surviving members of the sample every four years, and adding new cohorts of young workers at each data collection point.

The findings in this report concern only the 2,958 waged and salaried workers in the sample (Table 1)[1] . Self-employed workers have been excluded from this report and will be the subject of a subsequent one. The findings in this report represent only the highlights. A more comprehensive review of the findings are included in a sourcebook published by the Families and Work Institute.

1 The reader may notice that reported sample sizes are sometimes considerably smaller than 2,958. There are two reasons. First, certain questions were only asked of workers who met particular conditions—such as being married or having children. Second, some questions were only asked of randomly defined subsamples to permit the inclusion of a larger number of questions than could reasonably be asked of every respondent.

The reader may also notice that not all percentage distributions add up to 100 percent due to rounding.

TABLE 1: CHARACTERISTICS OF THE STUDY SAMPLE (WEIGHTED)

SELECTED SAMPLE CHARACTERISTICS	PERCENT	SAMPLE SIZE (N)
Gender:		
Male	51.1%	*(1512)*
Female	48.9	*(1446)*
Age:		
18–29 years old	27.1%	*(797)*
30–49 years old	55.9	*(1640)*
50–64 years old	17.0	*(498)*
Education:		
High school or less	39.6%	*(1166)*
Some college	32.1	*(948)*
4-year college degree or more	28.3	*(834)*
Race/Ethnicity:		
White, non-Hispanic (non-minority)	77.2%	*(2276)*
Minority (all other groups)	22.8	*(672)*
Occupation:		
Managers and professionals	31.2%	*(922)*
Workers in other occupations	68.8	*(2036)*
Hourly Earnings:		
Less than $7 per hour	22.7%	*(527)*
$7 through $15.99 per hour	51.7	*(1199)*
$16 or more per hour	25.5	*(591)*
Employer Size (nationwide):		
Fewer than 50 employees	29.5%	*(659)*
50-499 employees	21.2	*(474)*
500 or more employees	49.3	*(1102)*
Marital/Relational Status:		
Living with spouse or partner	66.5%	*(1967)*
Single	33.5	*(991)*
Employment Status of Couples:		
Both employed	74.8%	*(1442)*
Only one employed	25.2	*(485)*
Dependent Care Responsibilities:		
Child under 13 in home	32.4%	*(960)*
No child under 13 in home	67.6	*(1999)*

Source: Families and Work Institute, 1993

The Backdrop For This Study

The National Study of the Changing Workforce was conducted in 1992, a year of tremendous change in the workplace. The following facts obtained in our study form the context for understanding the other results:

- Most significant are the numbers of workers who were part of this upheaval. As indicated in Table 2, 42 percent experienced downsizing of the workforce, and 28 percent witnessed cutbacks in the number of managers in their organizations. In addition, 24 percent saw a change in leadership, and 18 percent were affected by a merger or acquisition in the past year.

- Employees of larger companies were much more likely to have experienced all of these workplace changes than employees of smaller companies.

TABLE 2: WORKPLACE CHANGES RELATED TO ECONOMIC FACTORS AND NEW WAYS OF DOING BUSINESS

During the past year at their places of employment ...	OVERALL	EMPLOYER SIZE (NATIONWIDE)		
		FEWER THAN 50 EMPLOYEES	50 THROUGH 499 EMPLOYEES	500 OR MORE EMPLOYEES
Workers experiencing downsizing or permanent cutbacks of the workforce	*(n=776)* 42%	*(n=160)* 27%	*** *(n=126)* 38%	*(n=304)* 53%
Workers reporting cutbacks in the number of managers	*(n=758)* 28%	*(n=155)* 12%	*** *(n=124)* 22%	*(n=299)* 40%
Workers experiencing a change in top organizational leadership	*(n=753)* 24%	*(n=155)* 10%	*** *(n=123)* 15%	*(n=296)* 36%
Workers experiencing a merger or acquisition	*(n=742)* 18%	*(n=155)* 10%	*** *(n=122)* 11%	*(n=292)* 28%

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

Downsizing and cutbacks in management have given rise to fears of job loss. Especially in large companies, breaking the implicit contract assuring lifelong employment has been another significant change affecting the workforce.

- Despite the trimming of managerial jobs, workers with low hourly earnings feel most vulnerable to layoffs and job loss (Table 3).

TABLE 3: PERCEIVED JOB SECURITY

	Overall	Hourly Earnings		
		Less than $7 per hour	$7 to $15.99 per hour	$16 or more per hour
Likelihood of a temporary layoff over the next year	*(n=2874)*	*(n=521)*	*** *(n=1178)*	*(n=573)*
Very likely	7%	10%	8%	4%
Likely	11	16	12	11
Likelihood of losing your job over the next year	*(n=2922)*	*(n=519)*	*** *(n=1193)*	*(n=585)*
Very likely	6%	9%	6%	4%
Likely	11	14	12	10

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

- Although workers are scheduled to work less than a 40-hour week on average, overtime and commuting bring the total of job-related activities to more than 45 hours per week. (See Table 4.)

TABLE 4: SCHEDULED, ACTUAL, AND COMMUTING HOURS FOR MAIN OR ONLY JOB

	OVERALL	MEN		WOMEN
Average Scheduled Hours per Week	38.5 hrs (n=2800; se=0.153)	40.6 hrs (n=1409; se=0.196)	***	36.3 hrs (n=1391; se=0.220)
Average Overtime/Extra Hours per Week	3.4 (n=2932; se=0.140)	4.2 (n=1495; se=0.215)	***	2.5 (n=1437; se=0.175)
Total Average Hours Actually Worked per Week	41.8 (n=2924; se=0.207)	44.8 (n=1497; se=0.279)	***	38.6 (n=1427; se=0.283)
Average Hours per Week Commuting To/From Job	3.6 (n=2908; se=0.057)	4.1 (n=1478; se=0.090)	***	3.1 (n=1429; se=0.068)
Total Average Hours in Job-Related Activities	45.3 (n=2886; se=0.223)	48.8 (n=1474; se=0.298)	***	41.7 (n=1412; se=0.306)

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

- Most workers reported that their jobs are very demanding: 80 percent said that their jobs require working very hard, and 65 percent that their jobs require working very fast. (See Table 5.)

TABLE 5: PERCEIVED DEMANDS OF JOB

	Strongly agree	Agree	Disagree	Strongly disagree	SAMPLE SIZE (N)
My job requires working very fast.	20%	45%	31%	4%	(2897)
I have deadlines that are difficult to meet.	9	29	56	7	(2887)
My job requires working very hard.	28	52	19	1	(2916)
I have excessive amounts of work.	12	31	53	5	(2886)
I don't have enough time to get the job done.	6	21	63	11	(2899)

Source: Families and Work Institute, 1993

- Not surprisingly, many workers reported feeling burned out by their jobs. (See Table 6.)

TABLE 6: JOB BURNOUT

In the past 3 months, how often have you felt...	Never	Rarely	Some-times	Often	Very often	SAMPLE SIZE (N)
Emotionally drained from your work?	15%	25%	34%	14%	13%	*(2952)*
Used up at the end of the workday?	8	17	33	22	20	*(2950)*
Tired when you get up in the morning and have to face another day on the job?	9	21	30	21	19	*(2947)*
Burned out or stressed by your work?	15	27	29	15	15	*(2951)*
Frustrated by your job?	13	26	31	15	14	*(2950)*

Source: Families and Work Institute, 1993

- Additional analyses reveal that workers whose organizations experienced downsizing in the past year feel less secure in their jobs, and workers with heavy workloads report much higher levels of job burnout than other workers.

Key Findings

WORK LIFE

Out of the turmoil and change of the 1980s and 1990s, a different kind of worker has emerged. Workers' commitment is more to themselves than to their employers. Their focus is on doing their jobs well.

It's speculated that when individuals begin to lose control over their external environment, they focus internally. The rapidity of change in many sectors of the economy, the layoffs, the cutbacks, and the downsizing may have had the effect of turning workers inward to something they *can* control—the quality of their own work. Furthermore, if workers are being let go, the intent of doing one's job well is perhaps the best protection one can have.

- When asked about their commitment to doing their own jobs well, 94 percent of workers disagreed or strongly disagreed with the statement, "I don't care how well I do my job"; 99 percent agreed or strongly agreed with the statement "I always try to do my job well"; and 98 percent agreed or strongly agreed with the statement "When my job requires it, I work very hard." (See Table 7.)

TABLE 7: ATTITUDES TOWARD CURRENT JOB

	Strongly agree	Agree	Disagree	Strongly disagree	SAMPLE SIZE (N)
I don't care how well I do my job, I just want to finish it.	2%	5%	33%	61%	*2943*
I always try to do my job well, no matter what it takes.	57	42	1	<1	*2953*
When my job requires it, I work very hard.	54	43	3	<1	*2933*

Source: Families and Work Institute, 1993

- When asked about their loyalty and commitment to their employers, fewer workers answered positively in the extreme. As shown in Table 8, 28 percent strongly agreed that they are willing to work harder than is required of them to help their companies succeed as compared to 57 percent (Table 7) who strongly agreed that they try to do their jobs well, no matter what it takes.

TABLE 8: LOYALTY AND DESIRE TO HELP EMPLOYER SUCCEED

How loyal do you feel toward your employer?	*(n=2891)*
Extremely	27%
Very	37
Somewhat	29
Not very	4
Not at all	2
I am willing to work harder than I have to to help my company/organization succeed.	*(n=2901)*
Strongly agree	28%
Agree	62
Disagree	10
Strongly disagree	1

Source: Families and Work Institute, 1993

In response to an open-ended question—"What does being successful in your work life mean to you?"—workers again emphasized the importance of the calibre of their own work.

- The most frequently mentioned measure of success in work life was personal satisfaction from doing a good job (52 percent), followed by earning respect and recognition from supervisors and peers (30 percent). (See Table 9.)

TABLE 9: PERSONAL MEASURES OF SUCCESS IN WORK LIFE

What does success mean to you?	*n=1073*
Personal satisfaction from doing a good job	52%
Earning the respect or recognition of supervisors and/or peers	30
Getting ahead or advancing in job or career	22
Making a good income	21
Feeling their work is important	12
Having control over work content and schedule	6

Source: Families and Work Institute, 1993

Implications: This focus on the self has been described as the self-ethic (as opposed to the work ethic). Contrary to the way the label sounds, however, the focus of workers is on doing their best in their own jobs. This should be good news to those who think that our future economic competitiveness rests on the quality of the work we produce as a nation.

Quality of work life in some ways is just as important to workers as the traditional value of money.

Perhaps because the dream of getting rich quick exists mainly in lotteries and sweepstakes contests and not in the wages offered most U.S. workers, success at work is less likely to be defined by workers as making a good income than in doing a good job. (See Table 9 above.)

Nor is money the primary reason that most workers take or leave particular jobs; rather, their main concern is the quality of their work life. (See Table 10.)

- Workers who had taken jobs with new employers in the past five years were asked to rate the most important reasons for their selection. As shown in Table 10, the top five reasons for taking jobs (based on ratings of "very important") were open communications (65 percent), effect of the job on personal and family life (60 percent), nature of the work (59 percent), management quality (59 percent), and supervisor characteristics (58 percent). These factors, interestingly, all have to do with the quality of the work environment. In contrast, only 35 percent of workers rated salary/wage as a very important reason for joining their current employer.

Other analyses were conducted to identify aspects of jobs and workplaces that predict employees' plans to remain with or leave their current employers.

- No relationship was found between workers' earnings and their plans to remain with or leave their current employers.

These findings shouldn't be interpreted as indicating that compensation is of no consequence to U.S. workers. Obviously, the main purpose in having a paid job is to earn a decent income for oneself and one's family; furthermore, many workers are not offered a large range of salary options when taking new jobs. Nor do these findings indicate that monetary rewards tied to performance are without incentive value for the U.S. workforce. Rather, they suggest that, today, quality of life issues figure as prominently as money in workers' definitions of success and in their decisions to take jobs or leave them.

TABLE 10: REASONS CONSIDERED "VERY IMPORTANT" IN DECIDING TO TAKE JOB WITH CURRENT EMPLOYER

	OVERALL	SAMPLE SIZE (N)		OVERALL	SAMPLE SIZE (N)
Open Communications	65%	*(549)*	Job Location	50%	*(550)*
Effect on Personal/Family Life	60	*(549)*	Family-Supportive Policies	46	*(532)*
Nature of Work	59	*(550)*	Fringe Benefits	43	*(542)*
Management Quality	59	*(551)*	Control of Work Schedule	38	*(552)*
Supervisor	58	*(548)*	Advancement Opportunity	37	*(549)*
Gain New Skills	55	*(546)*	Salary/Wage	35	*(552)*
Control over Work Content	55	*(551)*	Access to Decision Makers	33	*(548)*
Job Security	54	*(546)*	No Other Offers	32	*(541)*
Co-Worker Quality	53	*(550)*	Management Opportunity	26	*(546)*
Stimulating Work	50	*(546)*	Size of Employer	18	*(550)*

Source: Families and Work Institute, 1993

Implications: Monetary rewards to spur performance and foster loyalty will have limited impact if the quality of jobs and work life is poor.

When employees have more autonomy in their jobs and more control over their work schedules they are more satisfied and committed workers.

Given that the quality of work environment is very important to today's workers, the next task in the National Study of the Changing Workforce was to identify those aspects of the work environment that make the greatest difference in quality. We investigated job autonomy and control over work schedules on the basis of studies showing that control over work schedules and autonomy on the job are important predictors of mental and physical health outcomes.

- Some 30 percent of all wage and salaried employees said they had complete control or a lot of control over their work schedules, while 31 percent said they had none. (See Table 11.)

TABLE 11: CONTROL OVER WORK SCHEDULE

	TOTAL	SAMPLE SIZE (N)
Degree of control in scheduling work hours		
Complete control	16%	
A lot	14	*(2955)*
Some	27	
A little	13	
None	31	

Source: Families and Work Institute, 1993

- As shown in Table 12, most workers felt they had some autonomy in their jobs; however, only 23 percent strongly agreed that they had a lot of freedom in deciding how to do their work and 17 percent felt strongly that they had a lot to say about what happened on their jobs.

TABLE 12: PERCEIVED AUTONOMY ON THE JOB

	OVERALL	SAMPLE SIZE (N)
I have a lot of freedom in deciding how I do my work.		
Strongly agree	23%	
Agree	55	
Disagree	18	*(2917)*
Strongly disagree	4	
I have a lot of say about what happens on my job.		
Strongly agree	17%	
Agree	51	
Disagree	25	*(2872)*
Strongly disagree	6	

Source: Families and Work Institute, 1993

Further analyses demonstrated that workers' control over their schedules and their job autonomy (measured by averaging responses to the two questions in Table 12) are, in fact, related to important work life outcomes.

- Workers with more job autonomy and control of their work schedules are less burned out by their work, are more satisfied with their jobs, and take more initiative at work. In addition, workers with greater job autonomy are more committed to doing their jobs well, are more loyal to their employers, and plan to remain with their current employers longer than other workers.

Implications: The trend toward worker empowerment (more autonomy) can have a downside. Increased responsibility can bring increased stress. Likewise, the push for more schedule flexibility has its detractors—those who worry that "if you give workers an inch, they'll take a mile." Common sense indicates that both concerns have some validity and should be addressed; however, for most workers, these features of jobs are strongly associated with positive benefits for the company, such as job satisfaction and initiative.

Employees with more supportive relationships at work are more satisfied and committed workers.

The effort to identify the features of the work environment that make the greatest difference also led us to investigate supervisory and co-worker relationships and the social climate. Other studies have identified these features as strongly linked to workers' mental and physical health. We also wondered if they would be additionally associated with indicators of work performance.

Workers were asked to rate three dimensions of the social environment in their workplaces: relationships with their immediate supervisors, relationships with their co-workers, and the general supportiveness of the workplace culture. Supervisor relations include nine items representing various aspects of work management and accommodation of employees' personal and family needs. The nine items are presented in Table 13.

TABLE 13: PERCEIVED TASK AND WORK-FAMILY SUPPORTIVENESS OF SUPERVISORS ON THE JOB

My supervisor	Strongly agree	Agree	Disagree	Strongly disagree	SAMPLE SIZE (N)
...keeps me informed.	33%	49%	14%	5%	*(2709)*
...has realistic expectations.	32	57	8	2	*(2701)*
...recognizes when I do a good job.	32	52	12	4	*(2689)*
...is supportive when I have a work problem.	34	53	11	3	*(2678)*
...values differences in employee's cultures and backgrounds.	25	54	18	4	*(2534)*
...is fair.	28	51	15	6	*(2651)*
...accommodates me when I have family or personal business.	42	51	6	2	*(2658)*
...is understanding when I talk about family or personal matters that affect my work.	31	57	10	2	*(2508)*
I feel comfortable bringing up family or personal issues with my supervisor.	21	44	28	7	*(2593)*

Source: Families and Work Institute, 1993

- In general, workers view their supervisors positively, though only a minority of supervisors received the highest rating on any of the nine criteria.

- Although it might seem that perceptions of supervisors' effectiveness in managing work activity (having realistic expectations, keeping workers informed, recognizing good performance, etc.) would be unrelated to perceptions of how effectively supervisors accommodate and support workers' personal and family needs, the opposite is true. Workers' ratings of job support and personal/family support by their supervisors are strongly correlated, suggesting that competencies in these two domains go hand in hand.

Ratings of co-worker relations and workplace culture are presented in Tables 14 and 15 below.

TABLE 14: RELATIONS WITH CO-WORKERS

	OVERALL
I feel I'm really part of the group of people I work with.	*(n=696)*
Strongly agree	56%
Agree	37
Disagree	5
Strongly disagree	2
I look forward to being with the people I work with each day.	*(n=686)*
Strongly agree	36%
Agree	56
Disagree	7
Strongly disagree	2
How loyal do you feel toward your co-workers?	*(n=2958)*
Extremely loyal	26%
Very loyal	48
Somewhat loyal	24
Not very loyal	2
Not loyal at all	1
If I had to work extra hours occasionally to accommodate the personal or family needs of co-workers I would feel resentful.	*(n=1169)*
Strongly agree	2%
Agree	13
Disagree	67
Strongly disagree	17

Source: Families and Work Institute, 1993

TABLE 15: GENERAL SUPPORTIVENESS OF WORKPLACE CULTURE

At my place of employment...	Strongly agree	Agree	Disagree	Strongly disagree	SAMPLE SIZE (N)
There is an unwritten rule that you can't take care of family needs on company time.	7%	30%	48%	16%	*(2787)*
Employees who put their personal or family needs ahead of their jobs are not looked on favorably.	6	32	52	10	*(2727)*
If you have a problem managing your work and family responsibilities, the attitude is "you made your bed, now lie in it."	4	22	60	14	*(2796)*
Employees have to choose between advancing in their jobs or devoting attention to their family or personal lives.	5	30	55	10	*(2737)*

Source: Families and Work Institute, 1993

To examine the relationships between social support in the workplace and important work life outcomes, the multiple ratings of supervisors, co-workers, and workplace culture were averaged to form three variables representing these three dimensions of support.

- Workers who have more supportive supervisors, better relationships with their co-workers, and workplace cultures that are more accommodating of personal and family needs feel less burned out by work, are more loyal to their employers, are more willing to work hard to help their companies succeed, and are more satisfied with their jobs.

- Workers who perceive their supervisors as more supportive and have better relationships with their co-workers are also more committed to doing their jobs well.

- Having a supportive supervisor and an accommodating workplace are additionally associated with taking more initiative on the job.

Implications: Though developing a constructive social climate at work is not necessarily high on the workplace improvement agenda of some initiatives, these data reveal that it is an integral part of what makes companies work well.

By and large, men and women don't manage differently, according to the workers they supervise.

There's a debate about whether men and women supervise in different ways. Our measure of supervisory support offered an opportunity to assess whether supervisors who are male or female are viewed differently by those they supervise in terms of management support and work-family support.

- When the supervisor ratings made by workers with male supervisors were compared with ratings made by workers with female supervisors, statistically significant differences were found for only two of the nine items listed in Table 15. Women in supervisory positions are perceived to be slightly more accommodating when employees have family or personal business and to be more understanding when employees talk about family or personal matters affecting their work. (See Table 16.)

- In all other respects, male and female supervisors were rated similarly. No differences were found on the overall measure of supervisor supportiveness, which averaged responses to all nine items.

TABLE 16: PERCEIVED SUPPORTIVENESS OF MALE VERSUS FEMALE SUPERVISORS

My supervisor	Male Supervisors		Female Supervisors
...accommodates me when I have family or personal business.	*(n=656)*	*	*(n=328)*
Strongly agree	40%		45%
Agree	55		45
Disagree	5		9
Strongly disagree	1		1
...is understanding when I talk about family or personal matters that affect my work.	*(n=615)*	**	*(n=316)*
Strongly agree	27%		39%
Agree	63		48
Disagree	9		11
Strongly disagree	2		2

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

We next addressed the question: Are men better managers of men, and women of women?

- Workers whose supervisors are of the same sex as themselves don't rate their supervisors any differently than workers who have supervisors of the opposite sex. Nor do male and female employees rate supervisors differently when they are of the same or the opposite sex.

Finally, we considered whether supervisors—both men and women—who have the experience of balancing work and family life might be viewed differently by those they supervise.

- Employees view supervisors who currently have significant child care responsibilities as providing more job-related support and more personal/family support than supervisors who don't have such responsibilities. Statistically significant differences were found for six of nine items, and for the overall measure of supervisor supportiveness, which averaged responses to the nine items.

- Workers with and without children under 13 years of age are equally likely to agree that supervisors who have significant child care responsibilities are more supportive than supervisors who don't have such responsibilities.

- Employees view supervisors who currently have employed spouses as providing more job-related support and more personal/family support than supervisors who don't have employed spouses. Statistically significant differences were found for seven of nine items, and for the overall measure of supervisor supportiveness.

- Married workers with and without employed spouses are equally likely to agree that supervisors who have employed spouses are more supportive than supervisors who don't have employed spouses.

In sum, it isn't being male or female that matters most, but being able to "put oneself in the shoes" of those that one supervises. From the perspective of workers, supervisors—both men and women—who have firsthand experience juggling work and family demands are judged to manage both work and people more effectively.

Implications: It's possible to teach supervisors to take the perspectives of others. Supervisors might benefit from programs designed to sensitize them to balancing work-family issues. They might also be motivated to change their behavior by reward systems that explicitly recognize the importance and legitimacy of helping workers reconcile conflicts between their work and their personal/family lives.

The perception of discrimination or unequal opportunity in one's workplace seems to exact a toll on workers' attitudes and behavior—whether or not their perceptions would be found to have an objective basis.

Other features of the quality of the work environment we investigated were equal opportunity and discrimination. Workers were asked to rate their own chances for advancement at their current workplace, as well as the chances of white men, white women, minority men, and minority women in general. As shown in Table 17, minority and non-minority (white, non-Hispanic) men and women do not see eye-to-eye.

- Minority men, minority women, and white women rated the chances of advancement for white men higher than white men themselves did.
- Minority men and minority women rated the chances of advancement for white women higher than either white women or white men did.
- White men and white women rated the chances of advancement for both minority women and minority men higher than minority men and women did.
- Sadly, there was one area of agreement: all workers rated minority workers' chances for advancement lower than the chances for non-minority workers.
- Regarding their own chances for advancement, minority men and minority women gave themselves lower ratings than non-minority workers gave themselves, with minority women rating their own chances lowest of all.

TABLE 17: PERCEPTION OF EQUALITY OF OPPORTUNITY IN OWN WORKPLACE

	OVER-ALL	WHITE MEN	WHITE WOMEN	MINORITY MEN	MINORITY WOMEN
White men's chance for advancement	*(n=2836)*	*(n=1161)*	*(n=1062)*	*(n=320)*	*(n=326)*
Excellent	38%	29%	42%	45%	48%
Good	39	43	37	38	31
Fair	15	19	12	12	16
Poor	8	9	9	5	5
White women's chance for advancement	*(n=2864)*	*(n=1154)*	*(n=1075)*	*(n=309)*	*(n=326)*
Excellent	31%	29%	30%	35%	37%
Good	35	34	36	32	39
Fair	20	20	20	19	19
Poor	15	18	15	14	5
Minority men's chance for advancement	*(n=2842)*	*(n=1148)*	*(n=1045)*	*(n=326)*	*(n=324)*
Excellent	27%	27%	31%	22%	15%
Good	38	42	37	33	33
Fair	22	19	19	28	32
Poor	14	12	13	17	20
Minority women's chance for advancement	*(n=2828)*	*(n=1133)*	*(n=1050)*	*(n=313)*	*(n=332)*
Excellent	26%	28%	29%	22%	18%
Good	32	32	34	28	29
Fair	23	21	21	29	32
Poor	19	20	16	21	21
Your own chance for advancement	*(n=2900)*	*(n=1161)*	*(n=1076)*	*(n=327)*	*(n=335)*
Excellent	24%	25%	24%	24%	20%
Good	37	41	35	32	30
Fair	22	18	22	27	30
Poor	17	16	19	16	20

Perceptions differed significantly ($p<.0001$) in every case among the four groups compared.

Source: Families and Work Institute, 1993

In addition, workers were asked, "Do you feel that you have been discriminated against in your current job for reasons that have nothing to do with your job performance?"

- As shown in Table 18, 15 percent of workers claimed to have experienced discrimination at their current place of employment, and 27 percent claimed to have been discriminated against at some time during their work lives.

- Minority workers were more likely than non-minority workers to have reported discrimination at their current organizations; however, there were no differences by minority status in reported discrimination during all their years of working.

TABLE 18: PERCEIVED DISCRIMINATION IN THE WORKPLACE

	OVERALL	NON-MINORITY WORKERS		MINORITY WORKERS
Percentage of workers who feel they have been discriminated against at their current jobs	*(n=694)* 15%	*(n=541)* 13%	*	*(n=153)* 22%
Percentage of workers who feel they have **ever** been discriminated against in the workplace	*(n=694)* 27		NS	

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

Further analyses were conducted to determine whether workers' perceptions of discrimination, equal opportunity, and personal opportunity are related to important outcomes in their work lives.

- Workers who believe they've been discriminated against, and/or who feel there are fewer chances of advancement for people of their ethnicity and gender, are more likely to feel burned out by their jobs, to care less about working hard and doing their own jobs well, to feel less loyal to their employers, to be less committed to helping their employers succeed, to take less initiative on the job, to be less satisfied with their jobs, and to plan to leave their current employers sooner.

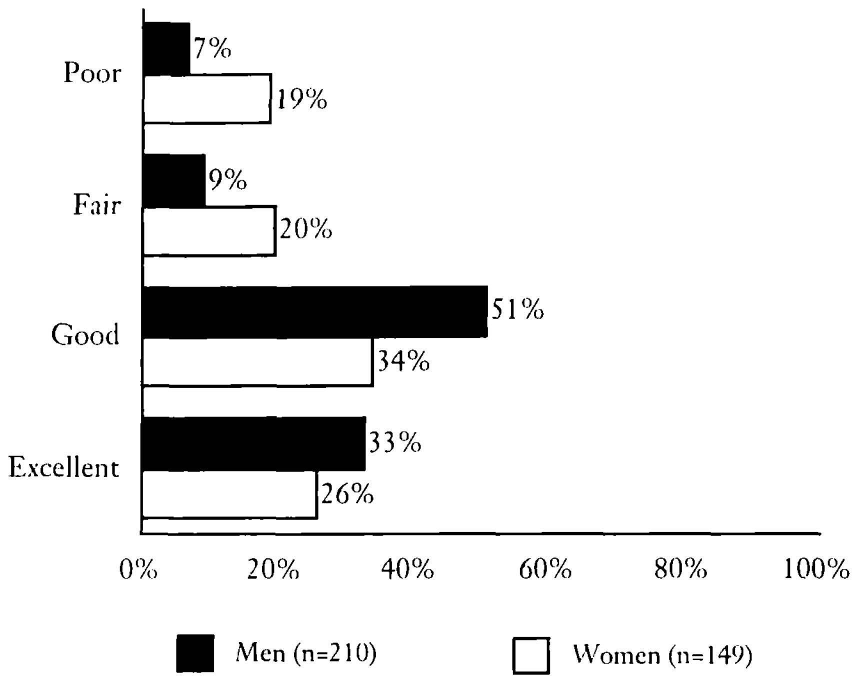
- The same negative results are found for workers who feel that their own chances for advancement are low.

When the relationships between perceived opportunities for personal advancement and selected work life outcomes were examined for both men and women in management positions, the findings paralleled those obtained for workers in general.

- Managers under 50 years old who believe they have better chances for personal advancement are more loyal employees, are more committed to helping their employers succeed, are more satisfied with their jobs, and plan to remain longer with their current employers. The same pattern of relationships holds for both men and women in management positions.

- Women in management, however, are far more likely to see limited opportunities for career advancement at their current places of work, lending support to the view that there is a "glass ceiling" that prevents women from joining the management elite. (See Figure 1.)

FIGURE 1: PERCEIVED OPPORTUNITIES FOR CAREER ADVANCEMENT AT CURRENT EMPLOYER AMONG MALE AND FEMALE MANAGERS UNDER 50



All comparisons were statistically significant at p<.0001.

Source: Families and Work Institute, 1993

While perceptions of discrimination and unequal opportunity may not provide sufficient grounds for litigation, they do, nevertheless, have negative effects on workers' attitudes and behavior.

Implications: These findings lend support to the move away from a narrow focus by some companies on hiring statistics and compliance with civil rights laws toward a broad focus on making the workplace culture more supportive of diversity. Initiatives that alter objective measures of fairness in hirings and promotion are likely to have limited impact on workers' attitudes and job performance, unless they also affect workers' *perceptions* of fairness.

The majority of workers want to work with people like themselves, but those who have experienced more diversity in their workplaces tend to prefer it.

Workers were asked about the extent to which their work groups consisted of people like themselves or people of different backgrounds, and whether they'd prefer to work with people like themselves or different from themselves. Findings are summarized in Table 19.

- Overall, 42 percent of employees worked in groups where all or nearly all of their co-workers were of the same sex, and 52 percent worked in groups where all or nearly all of their co-workers were of the same race as themselves.

- Only 11 percent of wage and salaried employees worked in groups where all or nearly all other workers were of the same age, and only 24 percent worked in groups where all or nearly all their co-workers were of the same educational background.

- Just more than half, 52 percent of employees, would prefer to work with people who are like themselves.

Further analyses examined how much experience younger workers had with people of different backgrounds and whether or not they are more open than older workers to working with people who are different from themselves. (See Table 20.)

- Relatively few workers under 25 years of age have had a lot of contact with people of different ethnic and cultural groups in the neighborhoods where they grew up. By far, their greatest experience with ethnic/cultural diversity was in the schools they attended and in the places where they worked.

TABLE 19: DIVERSITY IN THE WORKPLACE

		SAMPLE SIZE (N)
Proportion of co-workers who are the same age		
All or nearly all	11%	(697)
Three-quarters	14	
Proportion of co-workers who have the same educational background		
All or nearly all	24%	(672)
Three-quarters	18	
Proportion of co-workers who are of the same sex		
All or nearly all	44%	(697)
Three-quarters	20	
Proportion of co-workers who are of the same race		
All or nearly all	52%	(694)
Three-quarters	18	
Overall preference to work with more people...		
Like you	52%	(692)
Different from you	34	
No preference	14	

Source: Families and Work Institute, 1993

TABLE 20: YOUNG WORKERS' (UNDER 25 YEARS) CONTACT WITH PEOPLE OF DIFFERENT ETHNIC BACKGROUNDS WHILE GROWING UP

Amount of contact with members of ethnic and cultural groups other than your own:	Not at all	Not too much	Somewhat	A lot or quite a lot	SAMPLE SIZE (N)
In the schools you attended	6%	16%	30%	48%	(249)
In the places you have worked	6	17	36	41	(248)
In the places where you socialize	10	20	41	29	(248)
In the neighborhoods where you grew up	26	29	21	24	(249)

Source: Families and Work Institute, 1993

- Additional analyses revealed that, at this stage in their work lives, younger workers are no more or less likely than older workers to prefer diversity in their workgroups. Nor are there any differences in preference by gender, occupation, compensation level, education, race/ethnicity, or employer size.

There is, however, a bit of good news for a nation whose workforce is growing more diverse day by day: Employees of all ages who have experienced more age and racial/ethnic diversity at their current workplaces tend to prefer more heterogeneous work groups.

Implications: The workplace is the main social arena in which adults have substantive opportunities to interact with people of different social and ethnic backgrounds. Perhaps even more than school, it is the front line in our nation's efforts to develop an effectively diverse workforce for the 21st century, and it's unlikely that we will succeed unless employers assume strong leadership.

PERSONAL AND FAMILY LIFE

All workers have personal lives and relationships that they must balance with the demands of work, and most workers have family responsibilities at home.

The National Study of the Changing Workforce also examined the personal and family situations of U.S. workers.

- Nearly 9 out of 10 U.S. workers (87 percent) live in households with family members—defined as persons to whom they are related by marriage or blood, as well as partners to whom they aren't legally married. All of these workers have some degree of day-to-day family responsibilities (Table 21).

TABLE 21: FAMILY RESPONSIBILITIES OF U.S. WORKERS

	OVERALL (*n=2958*)
Living Situations of Workers	
Live alone	9%
Live with unrelated persons	4
Live with family members	87
...with husband or wife	63
...with partner	4
...with children under 18	42
...with children under 13	32
...with children under 6	18

Source: Families and Work Institute, 1993

- 50 percent of the total labor force are workers who live in dual-earner families. (See Table 22.)

TABLE 22: MARITAL STATUS AND EMPLOYMENT

	OVERALL
Workers living with employed spouses/partners as percentage of all workers *(n=1442)*	50%
Workers living with non-employed spouses/partners as percentage of all workers *(n=485)*	17
Workers with employed spouses/partners as percentage of all workers living with spouses/partners *(n=1442)*	75%
Workers with non-employed spouses/partners as percentage of all workers living with spouses/partners *(n=485)*	25
Employed men with employed wives/partners as percentage of all employed men living with spouses/partners *(n=691)*	65%
Employed women with employed husbands/partners as percentage of all employed women living with spouses/partners *(n=750)*	87

Source: Families and Work Institute, 1993

- 42 percent of all wage and salaried workers have children under 18 living at home; 32 percent have children under 13 (Table 23).
- 8 percent of workers have responsibility for the special care of and attention to an adult 18 or over who is disabled or elderly.
- In sum, almost half of the U.S. labor force (47 percent) has dependent and/or elder care responsibilities.

TABLE 23: WORKERS WITH DEPENDENT CARE RESPONSIBILITIES

	OVERALL
Workers with dependent children at home	
Children under 18 *(n=1233)*	42%
Children under 13 *(n=960)*	32
Children under 6 *(n=544)*	18
Workers with children under 13 at home	
Employed spouses/partners *(n=624)*	66%
Non-employed spouses/partners *(n=205)*	22
Single-parent workers *(n=120)*	13
Workers with adult dependent/elder care responsibilities *(n=242)*	8%
Workers with any dependent care responsibilities *[Child under 18, disabled adult, or elder]* *(n=1402)*	47%

Source: Families and Work Institute, 1993

Implications: Contrary to the views of some, all employees have commitments in their lives outside the job that sometimes conflict with work demands, and 87 percent have some degree of day-to-day family responsibility at home. Thus, benefits, policies, and programs designed to help workers balance their work, personal, and family lives shouldn't be viewed as special assistance for a small group of workers, but as general assistance for virtually all workers—including those who may keep their personal and family lives at arm's length.

A sense of economic well-being is as much the product of living within one's means—assuming an income adequate to cover basic needs—as it is the product of how much money one has.

- The median household income of U.S. wage and salaried workers ages 18 through 64 was $42,500 in 1991-92; 15 percent of workers lived in households with incomes under $20,000; 16 percent, in households with incomes over $75,000.

- The average worker was responsible for contributing 64 percent of household income. Among workers living in dual-wage households, men contributed about $6 in $10; women, $4 in $10.

- When asked how difficult it would be for themselves and their families if they didn't have paid jobs, 69 percent of workers said it would be quite or extremely difficult, while only 4 percent said it wouldn't be difficult at all.

In order to determine the extent to which women with young children believed they needed to work to help support their families, we examined the responses of married women with children under the age of 6.

- Among married women with children under 6 years of age, 54 percent felt it would be quite difficult or extremely difficult for their families if they didn't have a paid job, and only 3 percent said it wouldn't be difficult at all. Clearly, the majority of married women with young children who are in the labor force believe they must work in order for their families to maintain decent standards of living.

The next question addressed was how much income is seen as "enough."

- Despite great variation in actual levels of household income, 79 percent of workers perceived their household incomes to be adequate—59 percent saying "adequate" and 20 percent, "quite adequate." Although workers in higher income households tended to see their family's economic situation as more adequate, the relationship between actual household income and the perceived adequacy of household income was not strong, and was only modestly affected by family size.

- Among workers who perceive their household incomes as adequate, single workers without children have significantly lower incomes on average than workers with families. Among workers with families, however, the average actual household incomes of those who perceived their incomes as adequate do not vary significantly in relation to family size, averaging $53,145 for families ranging from two to five or more people.

Since the perception of income adequacy is only modestly related to actual income, we then wondered about the extent to which these two factors are important in predicting workers' well-being.

- Workers with higher household incomes are more satisfied with their lives and are coping more effectively than other workers; however, they are no less stressed than workers of more modest means.

- Workers who perceive their household incomes to be more adequate—whatever their actual incomes—are even more likely than workers with higher actual incomes to be satisfied with their lives and to be coping effectively. Moreover, although higher actual household income is not associated with lower levels of stress, perceived adequacy of income is.

Traditional divisions of responsibility for household labor and child care still prevail, despite the fact that the majority of married women have joined their husbands in the paid labor force.

As women moved into the labor force in record numbers in the 1970s and 1980s, researchers speculated that men's share of household work and child care would increase dramatically. Data collected over the past three decades suggest that men's share of work in the home has increased somewhat, while women's share has decreased correspondingly. The National Study of the Changing Workforce provides an update on men's and women's perceptions of who takes the most responsibility.

- Both employed men with employed wives or partners and employed men with at-home wives or partners agreed that their wives took the greater responsibility for household work, except repairs.

- Both groups of men looked quite similar in the responsibility they took for household work, with the exception that men with employed wives or partners reported taking somewhat more responsibility for cooking and cleaning than did men with wives at home. (See Table 24.)

TABLE 24: A COMPARISON OF THE DIVISION OF HOUSEHOLD WORK FOR EMPLOYED MEN WITH EMPLOYED AND NON-EMPLOYED SPOUSES/PARTNERS

	Men with Spouse/Partner	Who Takes Major Responsibility?		
		MEN—SPOUSE/PARTNER WORKS		MEN—SPOUSE/PARTNER AT HOME
Cooking	*(n=392)*	*(n=257)*		*(n=135)*
I Do	11%	15%		5%
Spouse Does	75	69	**	88
50/50	12	15		7
Other	1	2		0.5
Repairs	*(n=392)*			
I Do	91%			
Spouse Does	6		NS	
50/50	0.7			
Other	3			
Cleaning	*(n=392)*	*(n=257)*		*(n=135)*
I Do	6%	7%		5%
Spouse Does	70	63	*	85
50/50	21	27		9
Other	2	3		0.5
Shopping	*(n=392)*			
I Do	10%			
Spouse Does	60		NS	
50/50	30			
Other	0.2			
Paying Bills	*(n=392)*			
I Do	32%			
Spouse Does	50		NS	
50/50	17			
Other	0.6			

Significance Levels: * = $p<.01$; ** = $p<.001$; *** = $p<.0001$; NS = *not significant.*

Source: Families and Work Institute, 1993

The division of household work reported by employed and non-employed women with employed husbands (Table 25) is largely complimentary to that reported by employed men with employed and non-employed wives (Table 24, above).

- Employed women are somewhat less likely than non-employed women to take the main responsibility for cooking and cleaning, but are somewhat more likely to take responsibility for paying bills.

TABLE 25: A COMPARISON OF THE DIVISION OF HOUSEHOLD WORK FOR WOMEN WITH EMPLOYED SPOUSES/PARTNERS

	Women Whose Spouse/Partner Works	Who Takes Major Responsibility?		
		EMPLOYED WOMEN		WOMEN AT HOME
Cooking	*(n=506)*	*(n=284)*		*(n=222)*
I Do	87%	81%		94%
Spouse Does	6	9	**	2
50/50	5	7		3
Other	2	3		1
Repairs	*(n=505)*			
I Do	17%			
Spouse Does	71	NS		NS
50/50	6			
Other	5			
Cleaning	*(n=505)*	*(n=284)*		*(n=221)*
I Do	83%	78%		89%
Spouse Does	2	2	*	2
50/50	10	15		5
Other	5	6		4
Shopping	*(n=506)*			
I Do	86%			
Spouse Does	3	NS		NS
50/50	11			
Other	0.3			
Paying Bills	*(n=506)*	*(n=284)*		*(n=222)*
I Do	58%	63%		51%
Spouse Does	23	17	**	31
50/50	19	19		18
Other	0.7	1		—

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

Despite these tendencies toward greater sharing of household work in dual-earner families, however, few employed men with either employed or non-employed spouses take primary or equal responsibility for the main household chores of cooking, cleaning, and shopping. (See Figure 2.) This is why women are described as working a "second shift" at home. As Figure 3 also makes clear, men believed they were sharing household work 50/50 more than women believed this to be the case, except for paying the bills and doing repairs.

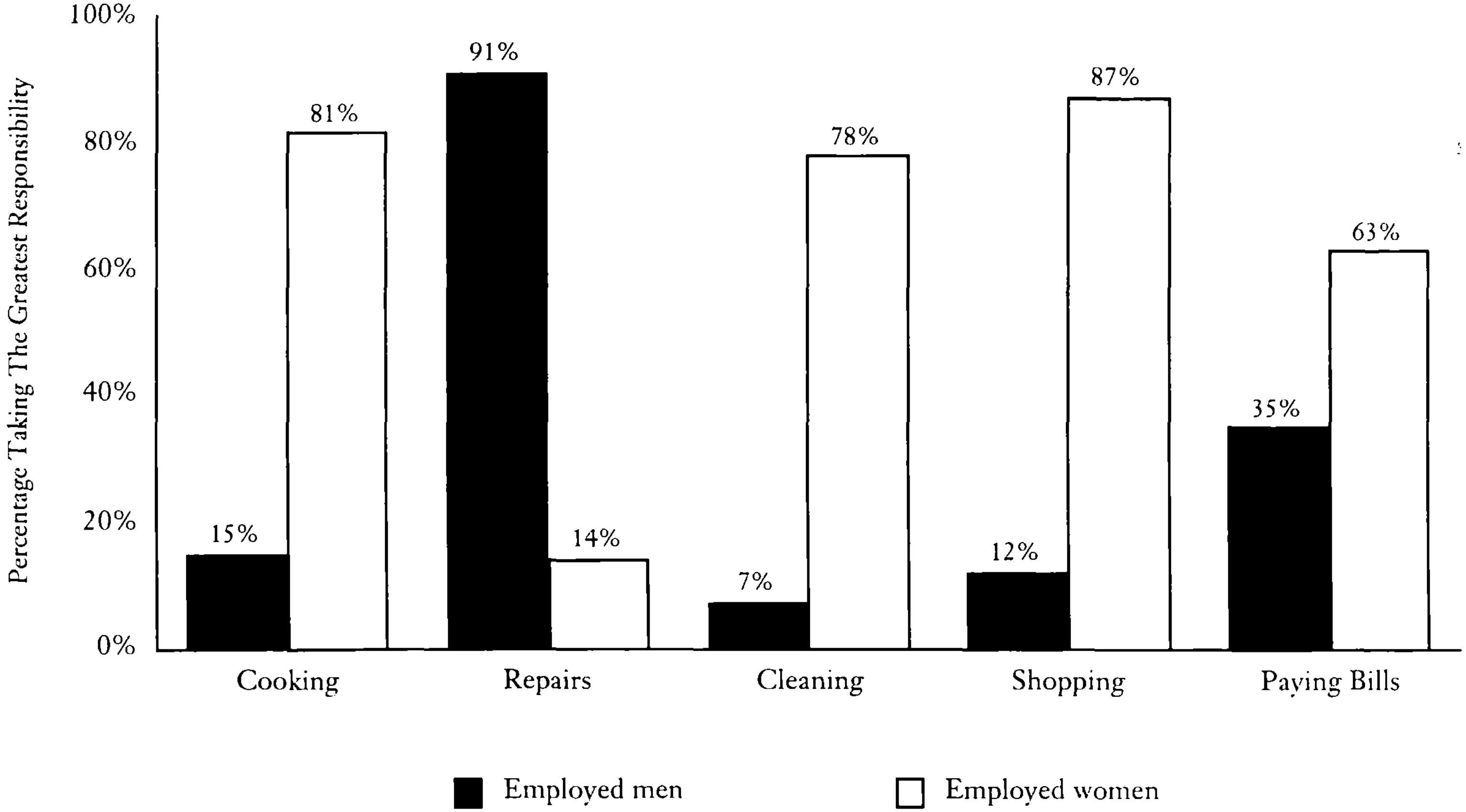
We then investigated whether women who bring in a larger share of family income take less responsibility for household work.

- Although men whose wives contributed 50 percent or more of family income did significantly more cooking than men whose wives contributed less, they took less responsibility for household repairs than other men. Women, even when they contributed as much or more to family income as their husbands, still did the lion's share of household work. (See Figure 4.)

Finally, we wondered whether younger men take more household responsibility than older men.

- Findings from the National Study of the Changing Workforce dispute the notion that men's lower level of responsibility for household work is generational and that younger men are doing more than their older counterparts. The only area in which younger men differed from older men was in taking more responsibility for repairs. No differences were found for cooking, cleaning, shopping, or bill-paying.

FIGURE 2: COMPARISON OF WOMEN AND MEN IN DUAL-EARNER FAMILIES WITH RESPECT TO WHO TAKES THE GREATER RESPONSIBILITY FOR HOUSEHOLD WORK

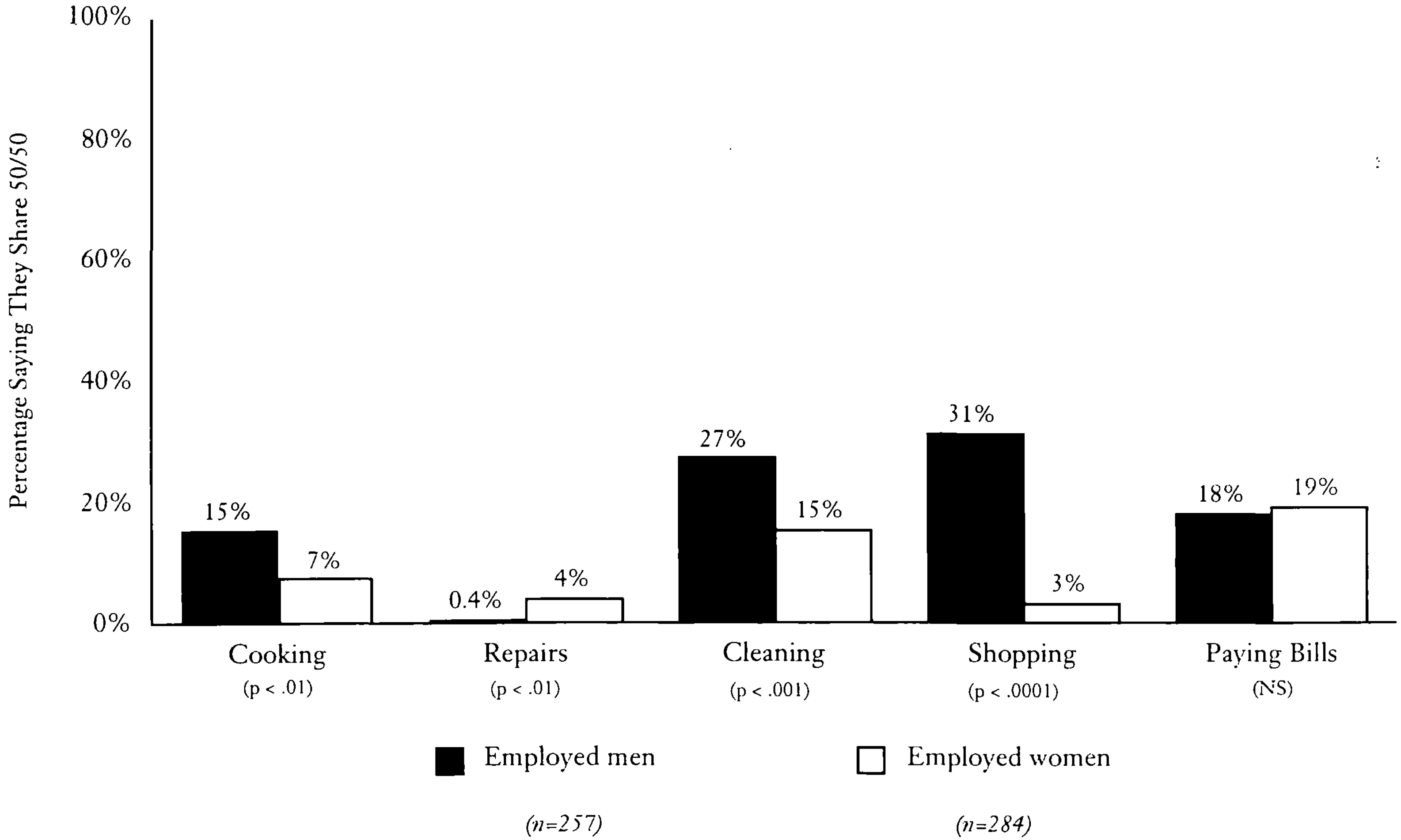


(n=257) *(n=284)*

All findings were significant at the p < .0001 level

Source: Families and Work Institute, 1993

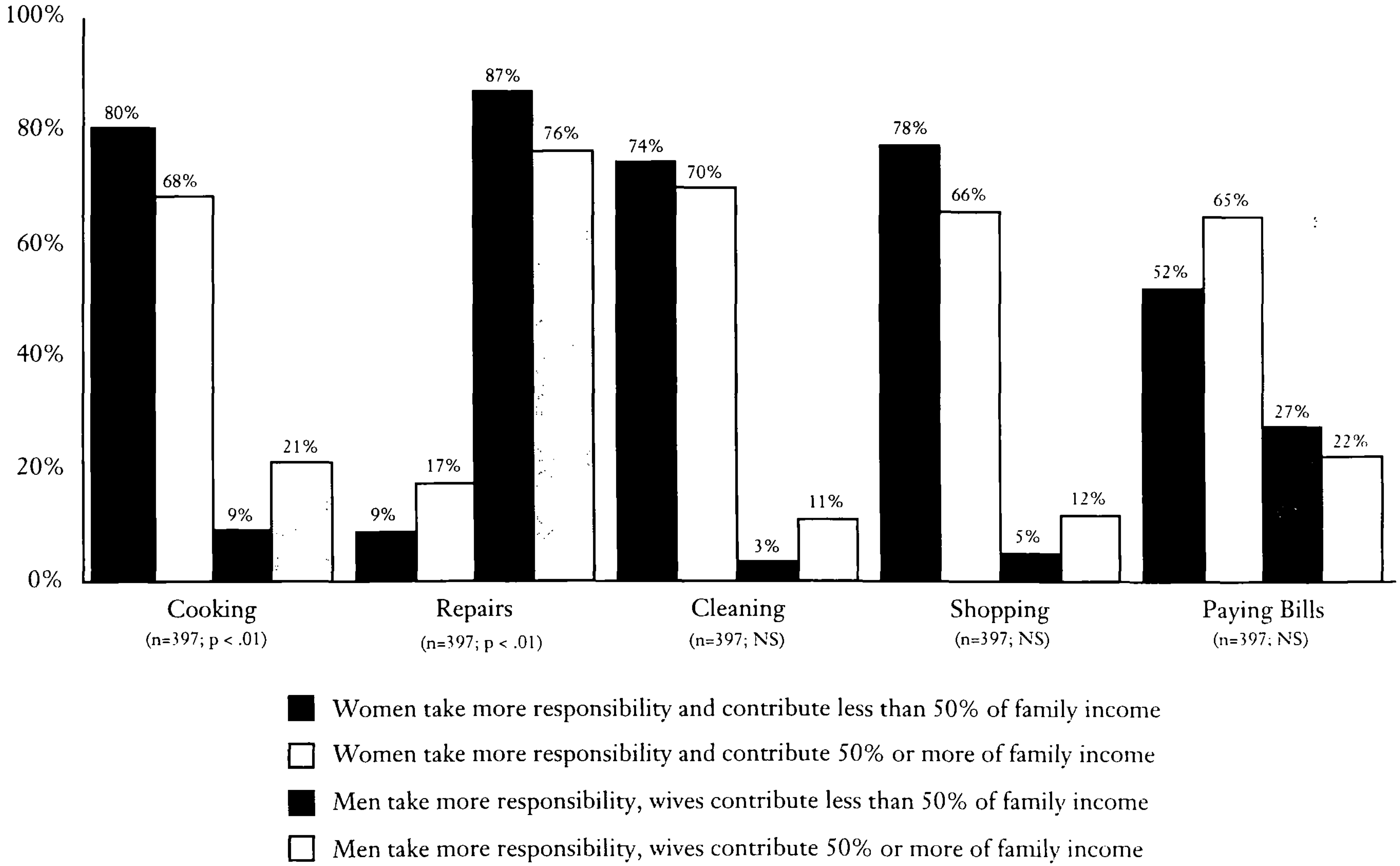
FIGURE 3: COMPARISON OF WOMEN AND MEN IN DUAL-EARNER FAMILIES WITH RESPECT TO THEIR ASSESSMENTS OF SHARING HOUSEHOLD WORK 50/50



NS = no statistically significant difference between groups.

Source: Families and Work Institute, 1993

FIGURE 4: DIVISION OF HOUSEHOLD WORK IN RELATION TO WOMEN'S CONTRIBUTION TO FAMILY INCOME



NS = no statistically significant difference among groups.

Source: Families and Work Institute, 1993

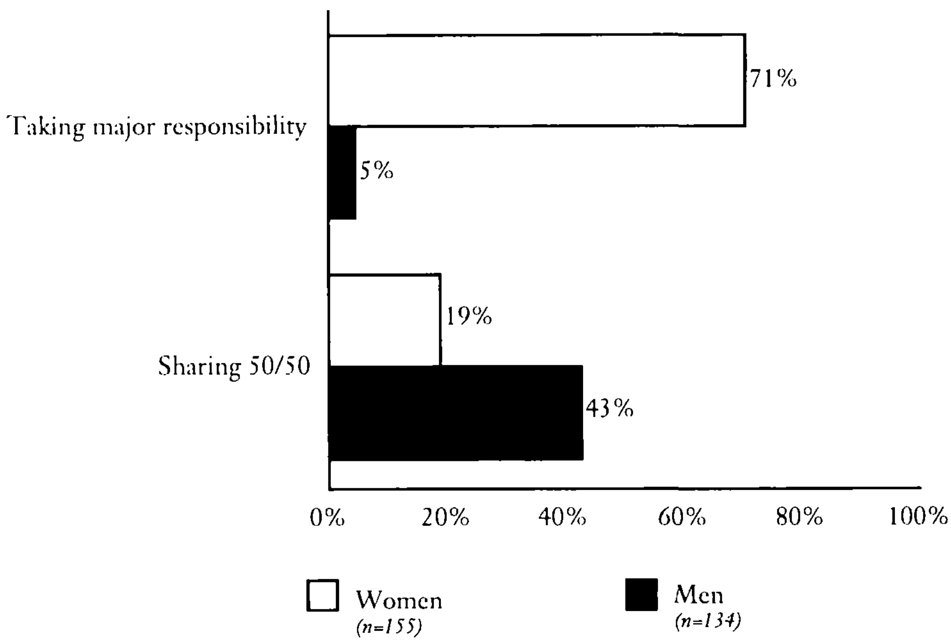
We also examined the division of responsibility for the care of children.

- Not unexpectedly, there were significant differences between employed men and employed women in dual-earner families: 71 percent of women reported taking the major responsibility for their children as compared to 5 percent of men. (See Figure 5.)

- The contrast between men's and women's perceptions of sharing responsibility is striking: 43 percent of men in dual-earner families reported a 50/50 sharing in the care of children while only 19 percent of women in dual-earner families made a similar claim.

- The difference between employed mothers with and without husbands was less than might be expected: 71 percent of employed married women with employed husbands reported taking the major responsibility for their children's care, compared with 87 percent of single employed mothers.

FIGURE 5: GENDER AND PERCEPTIONS OF RESPONSIBILITY FOR THE CARE OF CHILDREN UNDER 16 YEARS OLD IN DUAL-EARNER HOUSEHOLDS



All comparisons were statistically significant at p<.0001.

Source: Families and Work Institute, 1993

We then compared how much time men and women in dual-earner families reported spending on household chores and child care. (See Table 26.)

TABLE 26: HOURS DEVOTED TO CHORES AND CHILDREN BY MEN AND WOMEN IN DUAL WAGE COUPLES WITH FAMILY RESPONSIBILITIES

	Workers with Employed Spouse But No Children		Workers with Employed Spouse and Children	
Workday hours devoted to...	Male	Female	Male	Female
Chores	*(n=242, se=.0698)* 1.73	*(n=303, se=.0853)* 2.41	*(n=325, se=.0932)* 2.00	*(n=421, se=.0768)* 2.60
Children	--	--	*(n=353, se=.0933)* 2.59	*(n=416 se=.1070)* 3.75
Off-day hours devoted to...				
Chores	*(n=236, se=.1538)* 4.39	*(n=304, se=.1517)* 5.31	*(n=354, se=.1394)* 4.67	*(n=419, se=.1246)* 5.36
Children	--	--	*(n=375, se=.2287)* 7.01	*(n=420, se=.2295)* 9.20

All comparisons were significant at the p<.0001 level
Source: Families and Work Institute, 1993

- On workdays, men in dual-earner families without children reported spending significantly less time (1.73 hours) on chores than women in dual-earner families without children (2.41 hours). The same was true for days off work: men spent an average of 4.39 hours, while women spent 5.31 hours.

- Among workers in dual-earner families with children under 18, men again spent less workday time (2.00 hours) than women (2.60 hours). Men also devoted less time to chores on days off work (4.67 hours) than women (5.38 hours). Furthermore, men also spent significantly less time than women caring for and doing things with their children on both workdays (2.59 hours for men; 3.75 hours for women) and days off work (7.01 hours for men; 9.20 hours for women).

Although men don't spend equal time on household chores and child care, on average they do make substantial contributions of time.

Implications: Men and women in the workforce with family responsibilities tend to have very different work loads at home. Employed women are much more likely than men to have the main responsibility within their families for the most demanding household chores—cooking, cleaning, shopping—as well as for child care. However, men with employed wives, and especially men whose wives contribute more to household income, show signs of taking more responsibility for family work.

Workers who are married or living with someone appear to fare better in their personal/family lives than single workers.

Whatever the division of family work, being married or living with a partner seems to provide support to employees.

- Workers who live with spouses or partners feel more successful in their personal and family lives than single workers. In addition, they are more satisfied with their lives in general than other workers.

- Workers who live with spouses or partners are less stressed than single workers, and they reported that they are coping better with life's demands.

- However, workers whose spouses or partners are employed are more stressed than those (nearly all men) whose spouses and partners are not employed.

- Single working parents are less satisfied with how they are doing as parents than working parents who are married or living with someone.

Although this study did not examine the quality of marital relations in detail, other research indicates that on balance most spouses or partners are sources of social support rather than sources of stress. Thus, it seems reasonable that having a supportive spouse or partner at home would have positive effects on personal well-being in much the same way that having a supportive supervisor or supportive co-workers appear to have positive effects on work life outcomes.

Men as well as women are caring for elderly dependents, although the time spent and tasks performed differ.

The care of elders is one arena in which men are taking more of a role in family work. Of the 7 percent of workers who care for an elderly parent, grandparent, in-law, relative, friend, or spouse, 50 years or older, 56 percent are women and 44 percent are men. The common assumption that women are far more likely to be the caregivers is erroneous.

- Although 77 percent of caregivers cared for only one elder, 23 percent had responsibility for two or more elders.

- 92 percent of the elders cared for were family members—54 percent were parents; and 15 percent were in-laws; grandparents accounted for 10 percent of the elders cared for, while 11 percent were aunts, uncles, or other relatives. Only 8 percent were friends and neighbors.

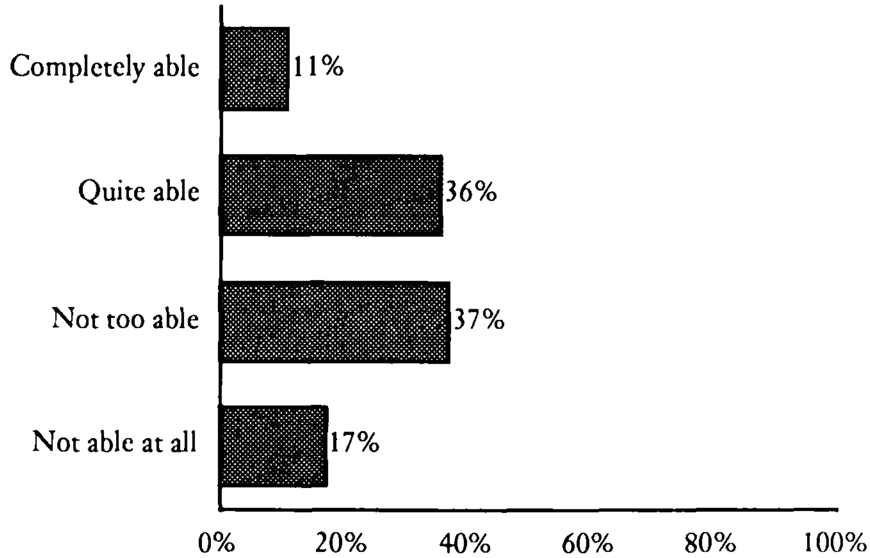
- 72 percent of the elders cared for were female. The average age of the elders was 74. Forty-eight percent of the elders fell between 64 and 78 years of age, while 34 percent were over age 80.

- Most elders live near the person with caregiving responsibility: 19 percent lived with their caregivers, and 46 percent lived 20 minutes or less from the caregiver. Only 18 percent of elders lived over one hour away.

- Overall, 69 percent of elders were in fair or poor health. Thirty-six percent were quite able to care for themselves, and 11 percent were completely able, leaving more than half (54 percent) who were not too able, or not able at all, to care for themselves. (See Figure 6.)

FIGURE 6: ELDER'S ABILITY TO CARE FOR HIMSELF/HERSELF

(Total number of elders reported about by their caregivers=265)

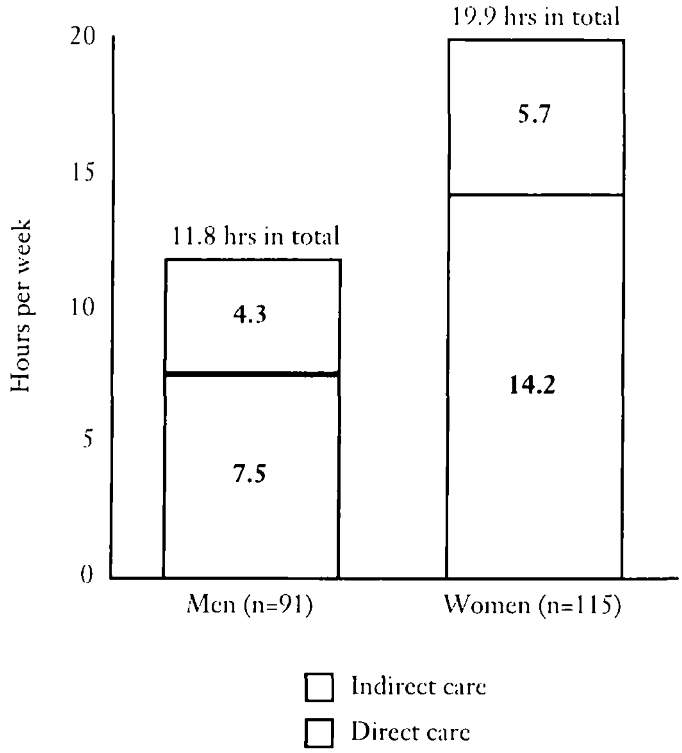


Source: Families and Work Institute, 1993

- Elders received, on average, eight hours of direct personal care (bathing, dressing, feeding) each week from the caregiver. An additional 3.7 hours of indirect care (phone calls, shopping, etc.) were provided by the caregiver, bringing the average total number of hours of care to 11.7 hours per week.

- Men and women did differ in the amount of care they provide. Women provided more direct care (14.2 hours per week) than men (7.5 hours per week). Combining hours of direct and indirect care, female caregivers spent an average of 19.9 hours versus 11.8 hours for men. (See Figure 7.)

FIGURE 7: HOURS SPENT PER WEEK BY EMPLOYED MEN AND WOMEN IN CARING FOR ELDERS



Source: Families and Work Institute,. 1993

- 18 percent of the U.S. workforce expects to be providing care for an aging relative in the next five years. There are no significant differences among men and women in anticipated caregiving. Older workers, managers, professionals and workers who earn more are more likely to anticipate caregiving responsibilities than other workers. (See Table 27.)

TABLE 27: EMPLOYEES WHO EXPECT TO HAVE ELDER CARE RESPONSIBILITIES WITHIN THE NEXT FIVE YEARS

SELECTED SAMPLE CHARACTERISTICS	PERCENT	SAMPLE SIZE (N)
All employees	18%	*(2563)*
Occupation:		
Managers and professionals	22%	*(761)*
Workers in other occupations	16	*(1802)*
Hourly Earnings:		
Less than $7 per hour	14%	*(462)*
$7 through $15.99 per hour	17	*(1039)*
$16 or more per hour	24	*(504)*
Age:		
Under 30 years old	10%	*(730)*
30-49 years old	20	*(1485)*
50 or more years old	26	*(409)*

All comparisons were statistically significant at $p < .0001$.

Source: Families and Work Institute, 1993

Implications: Strong demographic trends virtually guarantee that a growing proportion of men and women in the U.S. labor force will be faced with elder care responsibilities—sometimes on top of child care responsibilities. The implications of these additional demands on workers' time and income warrant careful scrutiny by both employers and public policymakers.

Clearly, the benefits of having children outweigh the costs. However, the demands of raising children while holding down a paid job can have negative effects on the well-being of working parents—at least in the short run.

- Workers without children under 18 and workers with fewer children under 18 are happier with their relationships with their spouses/partners.

- Workers who have children exhibit higher levels of stress than workers without children and are not coping as well as other workers.

- Working parents with younger children and with fewer children are more satisfied with the job they are doing as parents than workers with older children and more children.

- In contrast to these findings, workers with children feel somewhat more successful in their personal and family lives than workers without children, perhaps because having children does bring joy and fulfills deep-seated values.

Implications: These findings reflect the situation of employed parents who generally have few supports outside their immediate family. Conceivably, working parents would fare better if more support were available to them in the community or the workplace. For example, findings presented later in this report indicate that working parents who have more satisfactory child care arrangements are much better off than those who are not satisfied with the child care they are able to find and afford.

Child care can be problematic for employed parents, and child care problems can have far-reaching effects.

- By far, most frequently cited as their main problem with child care—by 62 percent of parents—was finding high quality care.

- 27 percent of employed parents reported seriously considering using other arrangements when selecting child care for their youngest child under 13. Of those, 58 percent found no acceptable other choices.

When parents make child care arrangements, they may put together a series of arrangements—different arrangements for different children for different days of the week. The National Study of the Changing Workforce examined all the regular child care arrangements families had, whether they covered work hours or not.

- Parents with children under 13 managed 2.94 non-parental child care arrangements per family for all their children (1.63 children on average). The range was from 1 to 12 arrangements per family.

- Employed parents with children under the age of 5 had 1.66 non-parental arrangements for their youngest child, while parents with children ages 5 to 12 had 2.04 non-parental arrangements for their youngest child.

Having child care arrangements break down can also be problematic for parents.

- 26 percent of employed parents with children under the age of 13 had experienced a breakdown in their usual child care arrangements in the preceding three months; 32 percent of parents of children under the age of 5, and 20 percent of parents with children ages 5 to 12 had this experience.

- Despite these problems, 72 percent of all employed parents with children under 13 indicated that they were very happy with the quality of their child care arrangements.

Further analyses examined the relationships between three aspects of child care arrangements—number of breakdowns in past three months, satisfaction with arrangements, and annual cost of care as a proportion of household income—and important personal and family life outcomes.

- Working parents who are more satisfied with their child care arrangements are also more satisfied with how they were doing as parents, are happier about relationships with their spouses or partners, feel more successful in their personal and family lives, are more satisfied with their lives in general, are less stressed, and are coping better than parents who are less satisfied.

- Working parents who experience fewer breakdowns in their child care arrangements and who spend smaller proportions of their household incomes to purchase child care services are more satisfied with their lives in general, are less stressed, and are coping better than other parents.

Implications: High quality, reliable, and affordable child care can make a positive difference in the lives of working parents.

Although workers with children take relatively little time off work to meet their child care responsibilities, women take more time away from work than men because of their much greater responsibilities for children.

One way that family or personal life affects workers on the job is through absenteeism. When children are too ill to be cared for by their usual child care providers, when child care arrangements break down, or when children are too upset to go off to school on their own, family demands typically supersede job demands.

- On average, workers with children under 13 years of age missed very little work because of their child care responsibilities—taking less than one full day off, and less than one day when they arrived at work late or left early during the preceding three months. (See Table 28.)

- Among workers with children under 13 years of age, women missed twice as much work time as men, but still only 1.08 full days and 0.86 part days during the preceding three months. There was no significant difference in the amount of work time missed by single working mothers and women with employed spouses. Nor was there a significant difference in the amount of work time missed by men with employed wives and men whose wives were not employed.

TABLE 28: WORK TIME MISSED DURING THE PRECEDING THREE MONTHS BECAUSE OF CHILD CARE RESPONSIBILITIES AMONG WORKERS WITH CHILDREN UNDER 13 YEARS OLD

	Overall	Men		Women
Child Illness:				
Average number of days missed	0.56	0.33	***	0.78
	(n=959; se=.048)	*(n=475; se=.053)*		*(n=483; se=.078)*
Average number of short days	0.36		NS	
	(n=956; se=.038)			
Problem with Child Care:				
Average number of days missed	0.12		NS	
	(n=959; se=.019)			
Average number of short days	0.09		NS	
	(n=956; se=.021)			
Other Child-Related Reasons:				
Average number of days missed	0.18	0.09	**	0.27
	(n=958; se=.023)	*(n=475; se=.019)*		*(n=482; se=.041)*
Average number of short days	0.22		NS	
	(n=955; se=.036)			
All Child-Related Reasons:				
Average number of days missed	0.80	0.51	***	1.08
	(n=955; se=.056)	*(n=475; se=.065)*		*(n=480; se=.090)*
Average number of short days	0.64	0.42	**	0.86
	(n=955; se=.060)	*(n=473; se=.062)*		*(n=481; se=.101)*

Significance Levels: * = *p<.01;* ** = *p<.001;* *** = *p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

Implications: Some amount of absenteeism due to child care is an inevitable cost of doing business when business depends on the labor of workers who have young children. To the extent that employees are penalized for missing work, they are likely to make decisions that minimize the penalty. Thus, the fact that female employees miss more work than male employees because of child care responsibilities is not a problem created by female employees, but the result of family decisions. Among dual-earner families, the short-run opportunity costs of missing work—lost wages or diminished chances for job advancement—are generally greater for men than for women who earn on average about two-thirds of what their husbands earn.

WORK-FAMILY BALANCE

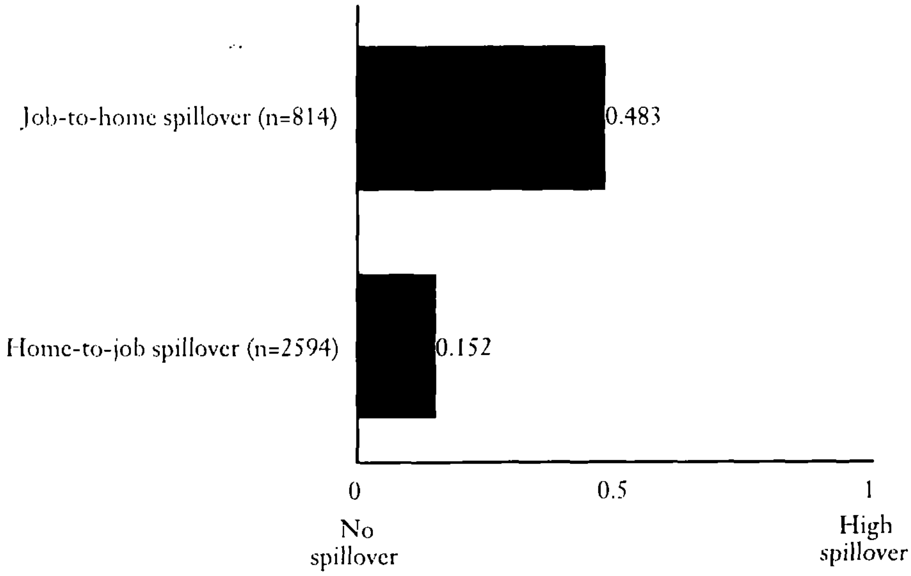
Families tend to bear the brunt of work-family conflict.

Research indicates that workers tend to bring work problems home. There is also evidence that problems in workers' personal and family lives affect their psychological states and behavior at work.

In the National Study of the Changing Workforce, workers were asked about spillover in both directions—from job to family or personal life and from family or personal life to work. Their answers to multiple questions about spillover in each direction were averaged to create overall measures of job-to-home spillover (frequency of experiencing no personal time, no family time, household work left undone, bad mood and no energy due to work) and home-to-job spillover (family/personal responsibilities associated with refusal of overtime hours or travel, lowered productivity, problems with supervisor, etc.). Scores of both measures range from 0 to 1, with 1 representing more spillover. It should be noted that these two measures are not entirely comparable: home-to-job spillover questions refer to the preceding year, while job-to-home spillover questions refer to the preceding three months. In light of this difference, one might well expect reported home-to-job spillover to be greater. In fact, the opposite is true.

- As shown in Figure 8, workers reported that they are much more likely to experience job-to-home spillover than have home-to-job spillover.

FIGURE 8: A COMPARISON OF THE MEANS OF JOB-TO-HOME AND HOME-TO-JOB SPILLOVER



Source: Families and Work Institute, 1993

While this finding is not surprising, it is disturbing. It appears that family members and friends must endure the stresses and problems that arise from work as well as from personal/family life. Most workers under stress at work and/or at home need a place to turn to in their workplaces and in their communities as well as in their families.

Workers are more likely to sacrifice time for themselves than time for work and family, with apparent negative consequences for personal well-being.

The amount of time employees are able to set aside for themselves declines significantly as family responsibilities increase. (See Table 29.)

- Employees with no spouse or children at home manage to set aside an average of 2.84 hours for themselves on workdays and 6.55 hours on days off work. In contrast, employees in dual earner families without children have significantly less time for themselves on both workdays (2.11 hours) and days off (4.94 hours), while employees with children in addition to employed spouses have even less time for themselves -- 1.44 hours on workdays and 3.44 hours on days off.

- While time for oneself decreases with greater family responsibility, time spent on household chores increases, as does the total amount of time devoted to family members. With the addition of children, however, time for spouse declines significantly among workers in dual-earner families.

TABLE 29: HOURS DEVOTED TO ONESELF, CHORES, SPOUSE, AND CHILDREN

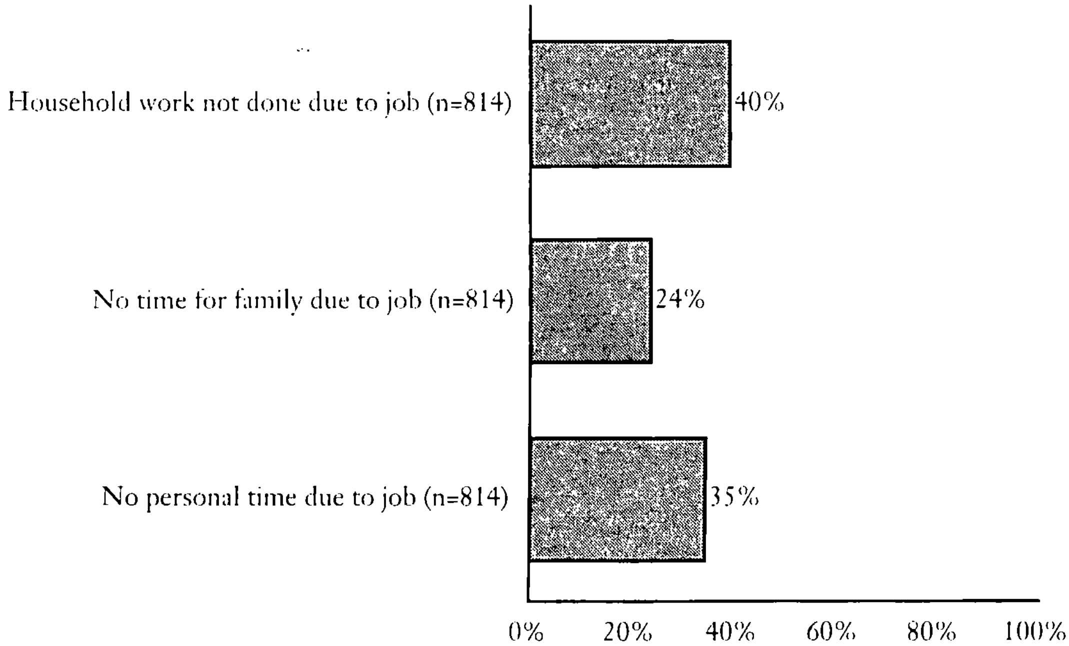
Workday hours devoted to...	Workers with No Spouse or Children	Workers with Employed Spouse But No Children	Workers with Employed Spouse and Children
Oneself	*(n=718, se=.0721)* 2.84	*(n=561, se=.0612)* 2.11	*(n=652, se=.0410)* 1.44
Chores	*(n=693, se=.0456)* 1.61	*(n=545, se=.0584)* 2.11	*(n=746, se=.0604)* 2.34
Spouse	--	*(n=593, se=.0843)* 4.17	*(n=748, se=.0715)* 3.32
Children	--	--	*(n=769, se=.0749)* 3.22
Off-day hours devoted to...			
Oneself	*(n=679, se=.1306)* 6.55	*(n=542, se=.1291)* 4.94	*(n=714, se=.0913)* 3.44
Chores	*(n=752, se=.0959)* 3.80	*(n=591, se=.1096)* 4.86	*(n=774, se=.0937)* 5.05
Spouse	--	*(n=607, se=.1700)* 10.76	*(n=794 se=.1537)* 9.62
Children	--	--	*(n=796, se=.1667)* 8.16

All comparisons were significant at the p<.0001 level
Source: Families and Work Institute, 1993

When workers were asked about the way their work life affected them at home, the same pattern emerged. Workers seem to skimp on household work first, then "time for self," and finally "time for family and friends" (Figure 9).

- Even so, 66 percent of employed parents with children ages 18 and under indicated they didn't have enough time with their children and 50 percent said they didn't have enough time with their spouse or partner.

FIGURE 9: PERCENTAGE OF WORKERS' EXPERIENCING TIME PROBLEMS OFTEN OR VERY OFTEN



Source: Families and Work Institute, 1993

Further analyses revealed that the amount of time workers spent on themselves was related to personal well-being.

- Workers who spend more workday time on themselves are more satisfied with their lives in general, are less stressed, and feel they are coping more effectively.

Implications: Although cutting back on time for oneself may seem to be the only way to cope with pressing job and family demands, findings from this study suggest that carving out some time for oneself represents an investment in mental health and well-being that may well offset occasional or modest reductions in attention to work and family.

THE BUSINESS ROLE IN ADDRESSING FAMILY AND PERSONAL ISSUES

This section explores the availability of personal or family-responsive initiatives; the value employees place on these initiatives; and the links between these policies, programs and benefits and indicators of worker satisfaction and performance.

Workers place a high value on initiatives developed by corporations to help employees with their personal/family lives: both traditional fringe benefits (health insurance and pension plans) and more contemporary forms of employer assistance like flexible time and leave policies, and dependent care programs.

- The majority of wage and salaried workers were offered health insurance (86 percent for self, or self and family). Overall, 71 percent were offered pension plans.

- Of those workers without health insurance coverage, 52 percent would change employers to get it, and another 9 percent might. Among those without pension plans at work, 52 percent would or might change employers to obtain this benefit. In addition, a majority of workers without health insurance and pension plans said they would be willing to trade compensation or other benefits to obtain coverage. (See Table 30.)

TABLE 30: TRADITIONAL BENEFITS OFFERED, RATES OF PARTICIPATION, AND TRADE-OFFS WILLING TO MAKE FOR ALL EMPLOYEES

BENEFIT	Offered Benefit	Participation Among Those Offered	Workers Not Offered Benefits—Would Change Employer to Obtain	Workers Not Offered Benefits—Would Trade Salary and Benefits to Obtain
HEALTH INSURANCE	*(n=2906)*	*(n=2003)*	*(n=161)*	*(n=160)*
For self only	7%	80%	Yes 52%	Yes 53%
For self & family	79		Maybe 9	Maybe 9
Not offered	14			
PENSION PLAN	*(n=2838)*	*(n=2012)*	*(n=314)*	*(n=311)*
	71%	83%	Yes 44%	Yes 53%
			Maybe 8	Maybe 6

NA indicates "Not Asked"

Source: Families and Work Institute, 1993

In needs assessments and work-family studies, workers typically state that flexibility is most critical to their ability to manage responsibilities at home and at work.

- Most workers said their employers make some provision for them to take time off for childbirth and parenting (88 percent), and time off to care for sick family members (90 percent). It is not known how generous these policies are and how formal they are, but other research conducted by the Families and Work Institute indicates that time and leave arrangements are largely dependent upon the discretion of supervisors. (These questions were asked prior to the passage of the 1993 Family and Medical Leave Act, which guarantees unpaid, job-protected leaves of 12 weeks in a year-long period for workers who have worked more than 1250 hours over the past year to employers with 50 or more employees within a 75-mile radius.)

- A majority of workers (57 percent) said their employers make some provision for part-time work.

- 47 percent of workers said they were allowed to take extended lunch breaks for personal reasons, and 44 percent said they could work fewer hours one day and make it up later.

- Only 29 percent of workers reported that they could choose the times when they began and ended the workday (flextime), while 24 percent said they were regularly allowed to work at home.

As shown in Table 31, sizable proportions of employees without access to flexible time and leave programs reported that they would or might switch employers, trade salary or other benefits, or trade off job advancement to obtain them.

TABLE 31: FLEXIBLE TIME AND LEAVE POLICY TRADEOFFS FOR ALL EMPLOYEES

Policy	Working for Employers Who Have Policy	Without Access Who Would Change Employer to Obtain	Without Access Who Would Trade Salary/ Other Benefits to Obtain	Without Access Who Would Trade Job Advancement to Obtain
TIME OFF FOR CHILDBIRTH AND PARENTING	*(n=2748)* 88%	NA	*(n=131)* Yes 33% Maybe 1	NA
TIME OFF TO CARE FOR SICK FAMILY MEMBERS	*(n=2799)* 90%	NA	*(n=150)* Yes 47% Maybe 7	NA
FLEXIBLE SCHEDULE: WORK PART TIME	*(n=2815)* 57%	*(n=1016)* Yes 12% Maybe 3	NA	*(n=1010)* Yes 16 Maybe 3
FLEXIBLE SCHEDULE: SET OWN START & END TIMES	*(n=2901)* 29	*(n=865)* Yes 26 Maybe 6	NA	*(n=862)* Yes 28 Maybe 4
FLEXIBLE SCHEDULE: WORK FEWER HOURS ONE DAY AND MAKE UP LATER	*(n=2864)* 44	NA	NA	NA
FLEXIBLE SCHEDULE: EXTENDED LUNCH BREAK	*(n=2869)* 47	NA	NA	NA
FLEXIBLE PLACE: WORK REGULARLY AT HOME	*(n=2889)* 24	*(n=869)* Yes 23 Maybe 5	NA	*(n=866)* Yes 22 Maybe 4

NA indicates "Not Asked"

Source: Families and Work Institute, 1993

The percentage of workers willing to change employers in order to gain access to work-family programs is even higher for workers with children under age 13. (See Table 32.)

TABLE 32: PARENTS' AND NON PARENTS' WILLINGNESS TO SWITCH JOBS FOR FLEXIBLE TIME AND LEAVE PROGRAMS

Policy	All employees without access	Employees With Children Under 13		Employees Without Children Under 13
FLEXTIME	*(n=865)*	*(n=291)*		*(n=574)*
Yes	26%	35%	***	21%
Maybe	6	10		4
WORK PART TIME	*(n=1016)*			
Yes	12		NS	
Maybe	3			
WORK AT HOME	*(n=869)*	*(n=290)*		*(n=579)*
Yes	23	29	*	20
Maybe	5	4		6

Source: Families and Work Institute, 1993

- Dependent care benefits are available to far fewer employees than either traditional benefits or flexible time and leave options. (See Table 33.)

- Although many workers in the sample had no immediate needs for dependent care assistance, the overall proportion of workers willing to trade salary and other benefits to obtain dependent care benefits is substantial.

TABLE 33: ACCESS, USE, AND WILLINGNESS TO TRADE SALARY OR OTHER BENEFITS FOR DEPENDENT CARE ASSISTANCE FOR ALL EMPLOYEES

Policy	Working For Employers Who Have Policy	Workers Who Make Use of Policy (Among Those With Access)	Workers Without Access Who Would Trade Salary and Other Benefits
FLEXIBLE SPENDING ACCOUNT FOR DEPENDENT CARE	*(n=2683)* 28%	*(n=761)* 53%	NA
CHILD CARE RESOURCE & REFERRAL	*(n=2557)* 20	*(n=519)* 11	*(n=798)* Yes 17 Maybe 2
ELDER CARE RESOURCE & REFERRAL	*(n=2481)* 11	*(n=264)* 6	*(n=867)* Yes 15 Maybe 2
EMPLOYER-SPONSORED CHILD CARE AT/NEAR WORKSITE	*(n=2760)* 10	*(n=287)* 12	*(n=971)* Yes 23 Maybe 3
VOUCHERS TO PURCHASE CHILD CARE SERVICES	*(n=2661)* 4	*(n=108)* 8	*(n=1006)* Yes 23 Maybe 4

NA indicates "Not Asked"

Source: Families and Work Institute, 1993

- Not surprisingly, workers who had immediate dependent care responsibilities were more willing to trade salary or other benefits for dependent care assistance. (See Table 34.)

TABLE 34: PARENTS' AND NON PARENTS' WILLINGNESS TO TRADE SALARY AND OTHER BENEFITS FOR DEPENDENT CARE ASSISTANCE

Policy	Employees without Access to this Assistance	Employees With Children Under 13		Employees Without Children Under 13
CHILD CARE RESOURCE AND REFERRAL	*(n=798)*	*(n=290)*	***	*(n=508)*
Yes	17%	28%		12%
Maybe	2	3		1
ELDER CARE RESOURCE AND REFERRAL	*(n=867)*		NS	
Yes	15			
Maybe	2			
ON- OR NEAR-SITE CHILD CARE	*(n=971)*	*(n=346)*	***	*(n=625)*
Yes	23	37		16
Maybe	3	3		3
CHILD CARE VOUCHERS	*(n=1006)*	*(n=357)*		*(n=650)*
Yes	23	46	***	22
Maybe	4	5		5

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

Further analyses were conducted to determine whether having greater access to these benefits, policies, and programs is related to important work life outcomes.

- Workers who are offered more traditional fringe benefits, more flexible time and leave options, and/or more dependent care assistance are more committed to doing their jobs well, are more satisfied with their jobs, and take more initiative at work.

- Workers with more flexible time and leave options and more dependent care benefits feel more loyal to their employers and are more committed to helping their employers succeed. Having greater access to traditional benefits is not associated with attitudes toward employers.

- Workers with more traditional and dependent care benefits, but not flexible time and leave options, plan to remain longer with their current employers.

Implications: While traditional fringe benefits like health insurance and pension plans are highly valued by all employees, policies providing for more flexible work schedules and family-related leave, as well as programs to assist workers in arranging and purchasing dependent care services, also have considerable value for many workers. The findings reported here also indicate that all three forms of assistance are associated with more positive work attitudes and behavior, meaning that investments in such programs undoubtedly benefit employers as well as employees.

Although women value flexible time and leave more highly than men, there are no differences between men and women in the tradeoffs they are willing to make for dependent care assistance.

Since managers sometimes view work-family programs as "women's benefits" that are of little value to their male employees, we investigated whether women were more willing to make tradeoffs for these programs than men. Employees who did not have access to specific work-family programs on their current jobs were asked what tradeoffs they would make to gain these programs. Although employees were not asked about the same types of tradeoffs for all programs, their responses to the questions provide some indication of the degree to which men and women value different options.

- Comparisons of the tradeoffs that men and women with children under 13 years of age are willing to make to obtain access to work-family programs suggest that flexible work arrangements tend to be valued more highly by women than men (Table 35), but that dependent care assistance tends to be valued equally by men and women. (See also Table 36.)

TABLE 35: TRADEOFFS THAT MEN AND WOMEN WITH CHILDREN UNDER 13 WOULD MAKE TO GAIN ACCESS TO FLEXIBLE TIME AND LEAVE OPTIONS NOT OFFERED BY THEIR CURRENT EMPLOYERS

Tradeoffs	Overall	Men		Women
Willingness to Change Employer for More Flexible Work Arrangements:				
Flextime				
Yes	35%		NS	
Maybe	10			
	(n=291)			
Work at Home				
Yes	29%		NS	
Maybe	4			
	(n=290)			
Part-Time Work				
Yes	15%	10%	*	21%
Maybe	2	<1		4
	(n=331)	*(n=185)*		*(n=146)*
Willingness to Sacrifice Advancement for More Flexible Work Arrangements:				
Flextime				
Yes	36%	26%	**	44%
Maybe	4	7		1
	(n=288)	*(n=135)*		*(n=153)*
Work at Home				
Yes	26%	17%	*	36%
Maybe	3	4		3
	(n=290)	*(n=148)*		*(n=142)*
Part-Time Work				
Yes	19%	11%	**	29%
Maybe	2	2		2
	(n=328)	*(n=185)*		*(n=143)*

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

TABLE 36: TRADEOFFS THAT MEN AND WOMEN WITH CHILDREN UNDER 13 WOULD MAKE TO GAIN ACCESS TO DEPENDENT CARE ASSISTANCE NOT OFFERED BY THEIR CURRENT EMPLOYERS

Tradeoffs	Overall	Men	Women
Willingness to Change Employers for Access to Flexible Spending Account for Dependent Care			
Yes	30%	NS	
Maybe	13		
	(n=243)		
Willingness to Trade Salary or Other Benefits for Dependent Care Benefits:			
Child Care Resource & Referral			
Yes	28%	NS	
Maybe	3		
	(n=277)		
On-/Near-Site Child Care			
Yes	38%	NS	
Maybe	3		
	(n=329)		
Vouchers to Purchase Child Care			
Yes	37%	NS	
Maybe	6		
	(n=340)		

*Significance Levels: * = p<.01; ** = p<.001; *** = p<.0001; NS = not significant.*

Source: Families and Work Institute, 1993

While women with children under 13 years old appear to be much more willing than men with children under 13 to sacrifice earnings and advancement for flexible work arrangements, men and women appeared to value dependent care assistance equally based on their reported willingness to change employers in order to get flexible spending accounts for dependent care, or to trade compensation or other benefits to get child care resource and referral services, employer-sponsored child care at or near the worksite, and vouchers to help pay for child care expenses.

Implications: Work-family programs—such as flexible time and leave options and dependent care assistance—do not unfairly benefit female over male employees. On the contrary, dependent care benefits, which have direct costs for employers that may limit other benefit offerings, are valued equally by men and women. While flexible time and leave options are valued and used more by women than men, such programs tend to impose direct costs (e.g., lost wages) and indirect costs (e.g., diminished chances of job advancement) on the employees who use them rather than on employers and on the finite resources available to support other benefits.

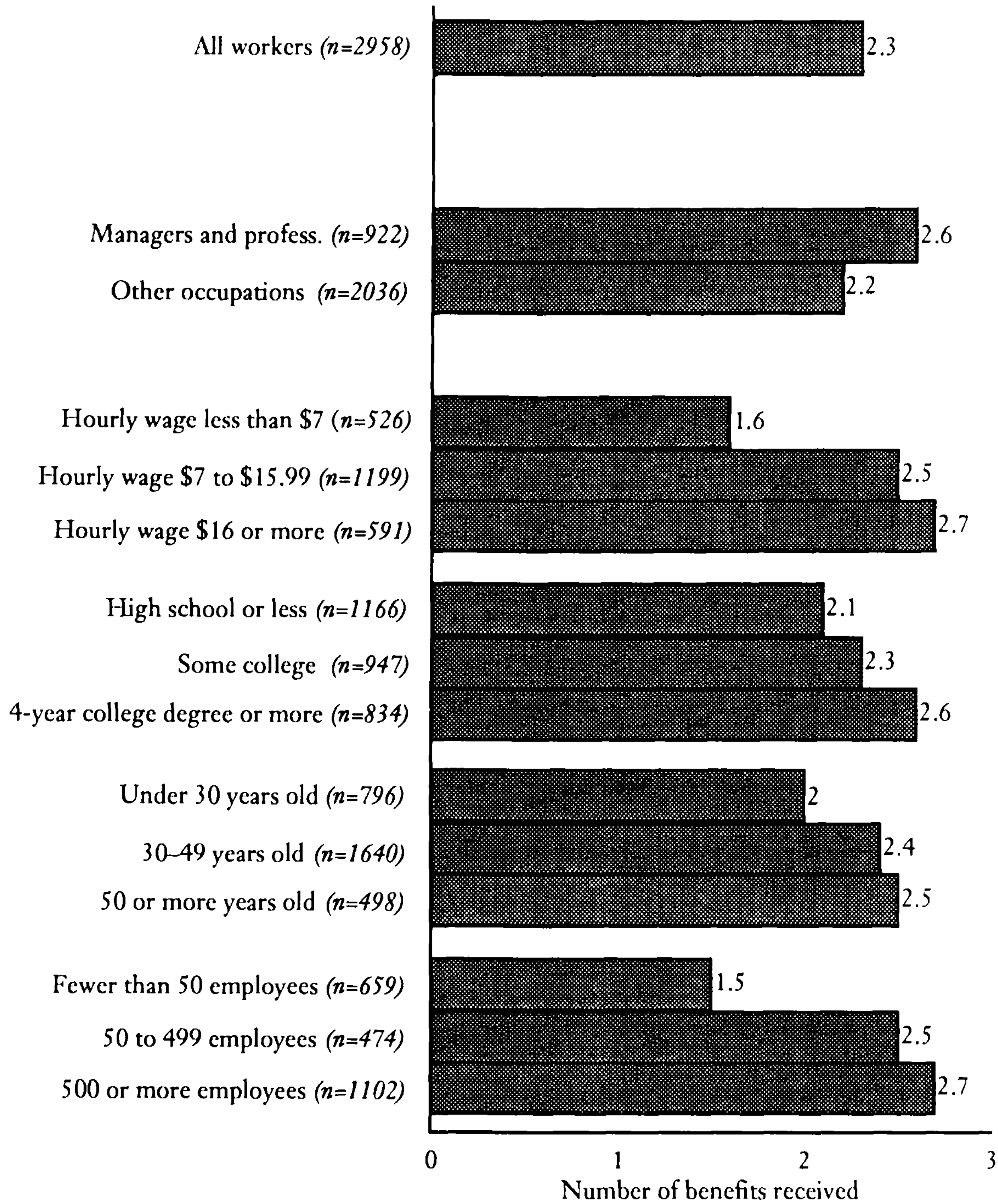
Some groups of workers have much greater access than others to traditional fringe benefits (health insurance and pension plans), flexible time and leave policies, and dependent care assistance.

In the United States, employers, rather than government, are mainly responsible for deciding what fringe benefits workers receive, and what policies govern work schedules and leaves of absence for illness, vacation, and other reasons. In our voluntary, employer-based system, there is no assurance of equal access or of coverage for those workers with the greatest needs. For example, although health care insurance in some form was available to 86 percent of workers, lack of job-related health insurance was a serious problem for low-wage workers earning less than $7 per hour—32 percent of whom were offered no coverage, even for themselves. It was also a problem for employees of organizations with fewer than 50 employees (nationwide)—36 percent of whom were not even offered individual coverage.

To compare workers' access to traditional fringe benefits, we created a single measure ranging from 0 to 3, with one point allocated for each of the following benefits: health insurance coverage for self, health insurance coverage for family, and pension plan.

- As shown in Figure 9, more advantaged workers—managers and professionals, workers who earned more, and workers with more education—have greater access to traditional benefits than other workers. Access is also greater among older workers, and much greater among employees of larger companies/organizations (more employees nationwide). No significant differences were found in comparisons of men and women, minority and non-minority workers, and workers with and without dependent care responsibilities.

FIGURE 9: NUMBER OF TRADITIONAL BENEFITS RECEIVED (MAXIMUM = 3)



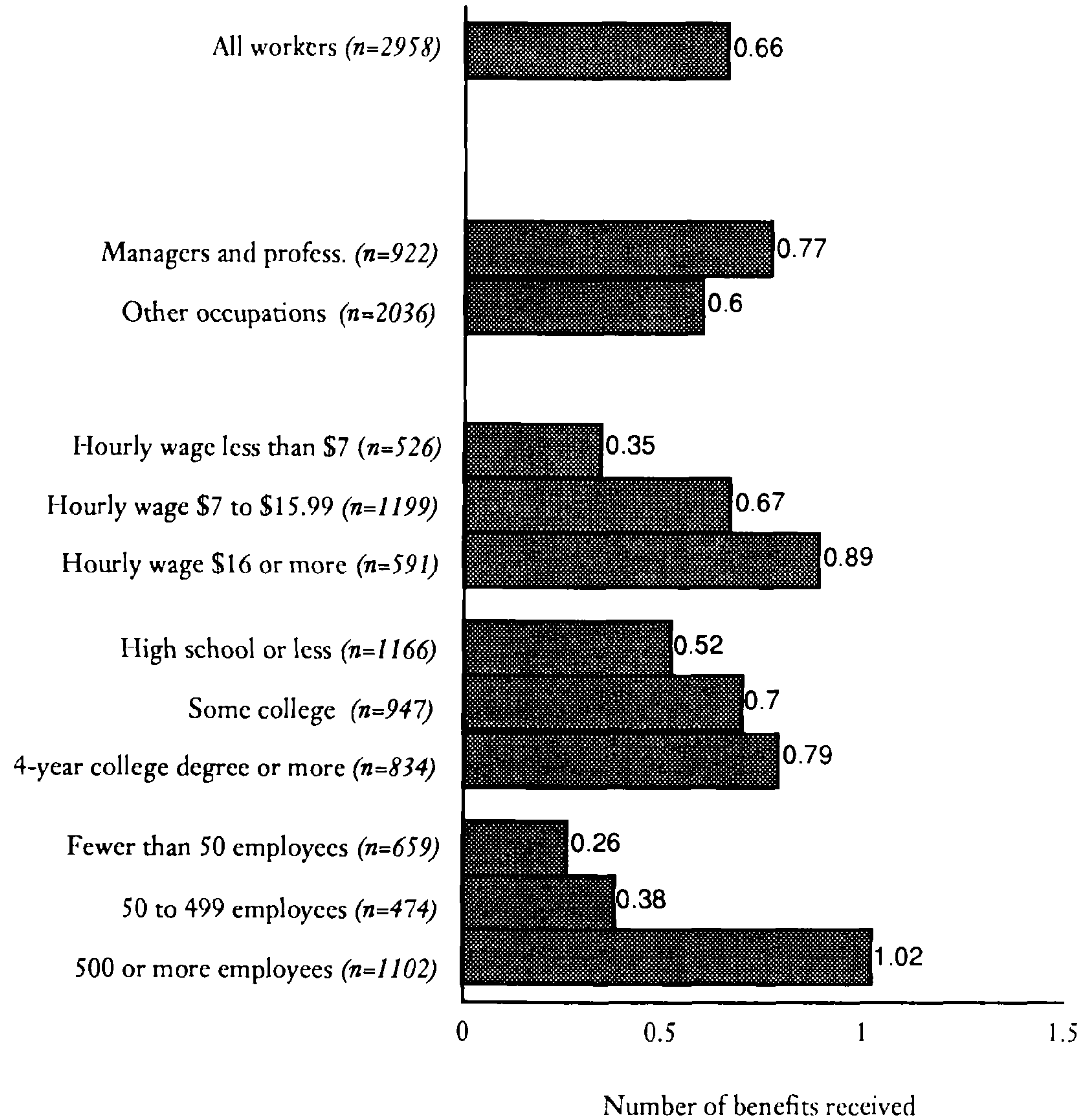
All comparisons were statistically significant at p < .0001.

Source: Families and Work Institute, 1993

Access to dependent care assistance was measured by counting how many of the following plans were available to workers: child care resource and referral, elder care resource and referral, employer-sponsored child care services, child care vouchers, and flexible spending accounts for dependent care. Scores ranged from 0 to 5, with the overall average being less than one (0.66).

- As shown in Figure 10, more advantaged workers—managers and professionals, workers who earn more, and workers with more education—again have greater access than other workers, and employees of larger organizations have much greater (though still quite limited) access to dependent care assistance than employees of smaller organizations. Statistically significant differences were not found by gender, age, race/ethnicity, or dependent care responsibilities.

FIGURE 10: NUMBER OF DEPENDENT CARE PROGRAMS RECEIVED (MAXIMUM = 5)



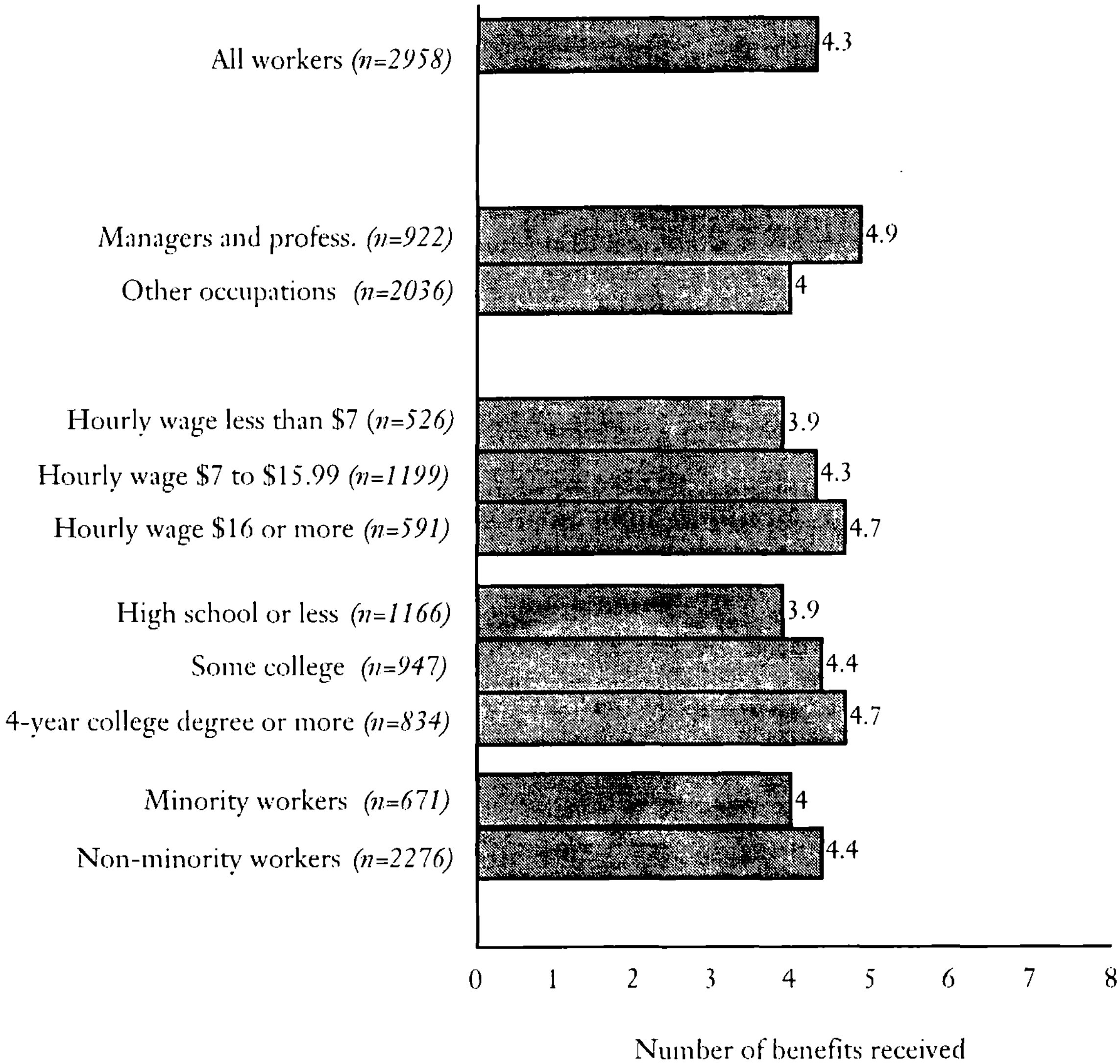
All comparisons were statistically significant at p < .0001.

Source: Families and Work Institute, 1993

Access to flexible time and leave policies was measured by counting how many of the following policies/benefits were available to each respondent: paid vacation days; choice in setting times to start and end the workday; extended lunch hours to take care of personal business; ability to work extra hours some days in order to take time off on other days; ability to work at home on a regular basis; part-time work/job sharing; time off for childbirth and parenting; and time off to care for a sick child or family member. Scores ranged from 0 to 8.

- As can be seen in Figure 11, more advantaged workers—managers and professionals, workers who earn more, and workers with more education—again have greater access than other workers, though the discrepancies tend to be smaller than for traditional and dependent care benefits. In addition, minority workers report less access to flexible time and leave policies than non-minority workers. No differences were found by gender, age, dependent care responsibilities, or organizational size (number of employees nationwide).

FIGURE 11: NUMBER OF FLEXIBLE TIME AND LEAVE BENEFITS RECEIVED (MAXIMUM = 8)



All comparisons were statistically significant at p < .0001.

Source: Families and Work Institute, 1993

Implications: While employers generally view the provision of fringe benefits and other forms of assistance as a private matter to be settled between themselves and their employees, unequal access in this voluntary private system is of growing concern to public policymakers, as evidenced by recent legislation mandating family and medical leave and current efforts to extend health insurance coverage to all workers.

THE FUTURE

In the final section of this report we address the issues of the balance between work and family that employees would like to have in their lives and the sacrifices they are willing to make to have that balance.

On average, workers would like to allocate less time and energy to work and more time and energy to themselves, their families, and friends. Young workers seem particularly protective of personal and family life.

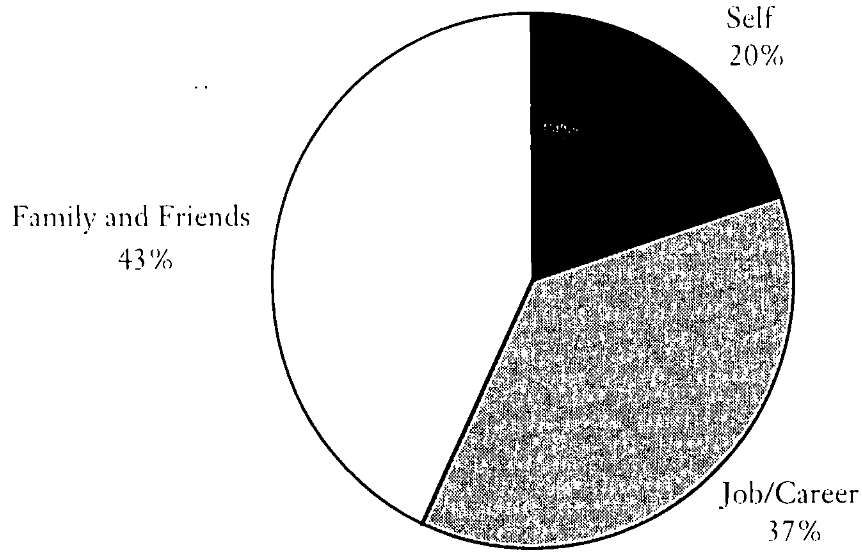
Through a series of questions workers were asked to estimate what proportions of their time and energy they actually spent on work, self, and family and friends. Then, they were asked how much time and energy they would like to spend on these three domains.

- On average, U.S. workers estimated that they actually devote 37 percent of their time and energy to their jobs or careers. However, they would prefer to allocate 30 percent to this part of their lives.

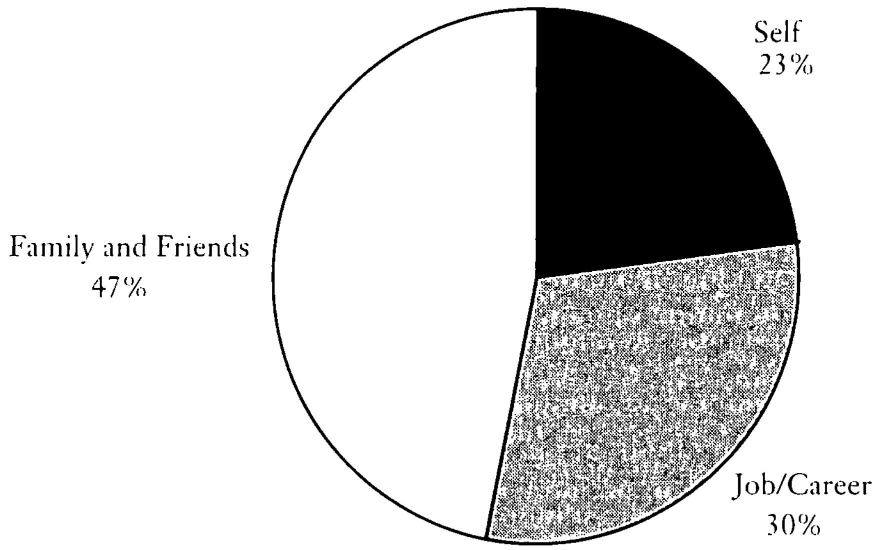
- Workers would like to spend some of the time and energy redirected from work on themselves. While they estimate they actually devote 20 percent of their time and energy to themselves, they would like to increase this amount to 23 percent.

- Family and friends actually consume 43 percent of workers' time and energy; however, workers would like this to increase to 47 percent. (See Figure 12.)

FIGURE 12: ACTUAL AND PREFERRED ALLOCATION OF TIME AND ENERGY



A. Actual Time and Energy Allocation



B. Preferred Time and Energy Allocation

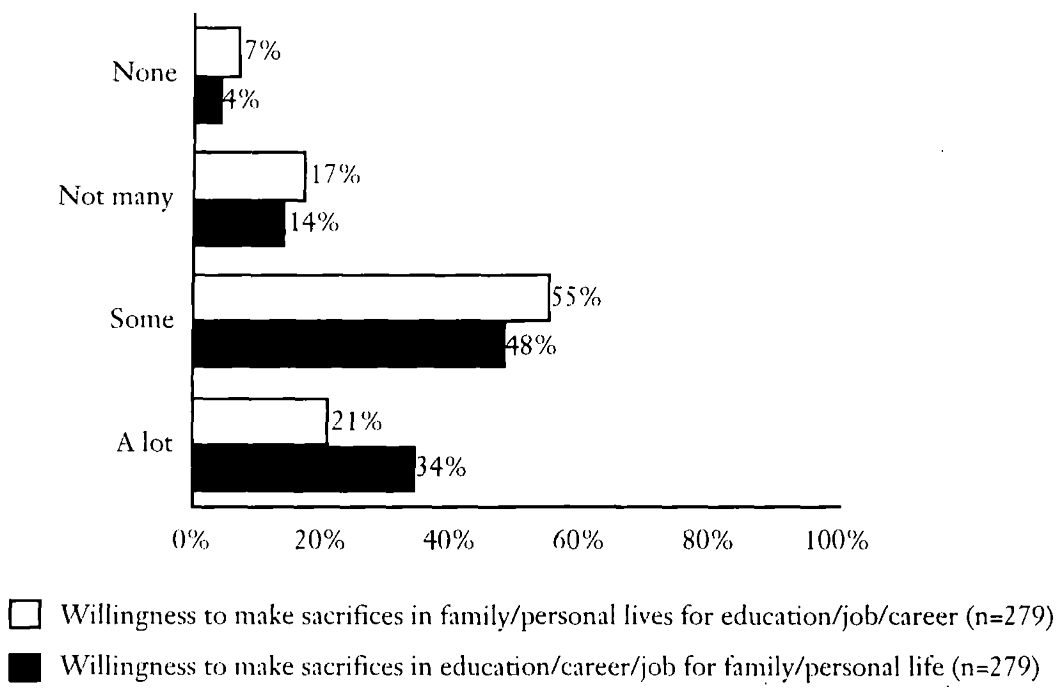
Source: Families and Work Institute, 1993

Young workers 18 through 24 years of age raise what may be even more fundamental questions about the relative importance of work versus personal and family life. They were asked how willing they were to make sacrifices in their education, careers, or jobs to protect their personal and family lives and how willing they were to make sacrifices in their personal and family lives to further their education, careers, or jobs.

- Young workers say they are much more willing to make sacrifices in their education, careers, and jobs than in their personal and family lives (Figure 13).

- Although the number of workers under 25 in the sample was fairly small (n=248), it is worth noting that significantly more young workers with children (60 percent) than workers without children (28 percent) were willing to sacrifice education/careers/jobs for family life.

FIGURE 13: COMPARISON OF YOUNG WORKERS' WILLINGNESS TO MAKE SACRIFICES FOR THEIR HOME LIVES AND FOR THEIR EDUCATION/JOBS/CAREERS



Source: Families and Work Institute, 1993

Implications: Taken together, the responses of all workers and young workers suggest that there is sentiment in favor of more balanced lives, requiring at least a modest shift of emphasis from work to self and family. Employers might also expect young workers to want a different balance in their lives than older workers have chosen. It is obvious that desiring changes and acting on those desires are quite different. Thus, the extent to which these sentiments will be acted upon remains to be seen—and can be assessed when the National Study of the Changing Workforce is repeated in 1996.

In the end it comes back to the workplace. Characteristics of jobs and workplaces affect not only workers' attitudes and behavior at work, but also their general well-being and their abilities to balance work and family life. Thus, work-family solutions will be most effective if they focus on the nature of jobs, relationships at work, and the organizational culture.

Exploratory analyses suggest that work life has significant effects on personal and family life.

- Employees with heavier workloads have more trouble balancing work with family/personal life, experience more work-family conflict and negative job-to-home spillover, are more stressed, and are coping less effectively than other workers.

- In contrast, employees with more autonomy in their jobs and more social support from supervisors, co-workers, and the workplace culture are more successful in balancing work with family/personal life, experience less work-family conflict and negative job-to-home spillover, are less stressed, and are coping more effectively than other workers.

- Workers who feel less secure in their jobs, believe that they have experienced discrimination in their current workplaces, or feel that workers of their own gender or race have less opportunity for advancement report more negative job-to-home spillover, more stress, and less effective coping than other workers.

Concluding Implications: The National Study of the Changing Workforce was designed to investigate workers' attitudes and values about work, personal, and family lives. The findings reveal that today's workers are very concerned about the quality of their own work and their work environments. Most workplace improvement efforts are predicated on the assumption that workers care about quality, and the findings presented here lend support to this assumption.

Another purpose of this study was to determine which aspects of work, family, and personal life affected employees and in what ways. The findings show that the most salient features of jobs are workload, job autonomy, work schedule control, social relationships at work, and workers having the perception of a non-discriminating, supportive culture. Not only do these factors affect work attitudes and behaviors, but they strongly affect workers' ability to balance work and family life.

Additionally, this study reveals that workers want to shift their focus to devote more time and attention to their personal and family lives. A sizable proportion state that they are willing to make sacrifices and tradeoffs to do so.

These findings argue for expanding the issues that are typically considered in the workplace improvement efforts to include the question of how these initiatives will affect family or personal life. They also argue for broadening the definition of work-family efforts from dependent care to include the ways jobs are structured and designed.

Since better workplaces seem to promote more job satisfaction, more commitment, more loyalty, harder work, and more initiative, as well as a better work-family balance, there is an opportunity to align workers' needs with workplace goals. What helps workers also seems to promote workforce productivity.

APPENDIX

The response rate for the National Study of the Changing Workforce was 50.5 percent—calculated as the ratio of the number of completed interviews to the estimated number of eligible households approached by telephone. Since eligibility could not be determined for individuals who refused to answer the eligibility screening questions or for calls that went unanswered despite repeated (up to 10) attempts, it was assumed that the eligibility rate for these households was the same as for households whose eligibility was determined. This procedure follows the guidelines recommended by the Council of American Survey Research Organizations.

The response rate for the sample was calculated as follows:

TABLE 37: RESPONSE RATE

Eligibility Rate	=	4493 known eligible households / 4493 eligible households + 2596 known ineligible households	=	.634
Estimated Eligibles Among Those with Undetermined Eligibility	=	.634 (eligibility rate) x 4537 households of undetermined eligibility	=	2876
Response Rate	=	3718 completed interviews / 4493 known eligibles + 2876 estimated eligibles	=	.5045 (50.5%)

Source: Families and Work Institute, 1993

Of those for whom eligibility could be determined, the percentage of completed interviews was 82.8 percent.

Because of the deliberate oversampling of Hispanics, African Americans, non-employed women, and young workers, it was necessary to adjust proportions for these groups in the sample by weighting. A two-stage procedure was used in constructing weights. First, households in the sample were iteratively weighted to match their estimated distribution in the population. Second, individual cases were weighted to account for differing probabilities of selection within households. A third step was added after comparing selected demographic characteristics of wage and salaried employees (who are the subject of this report) in the final sample with characteristics of wage and salaried employees in the U.S. population as estimated by the March 1992 Current Population Survey (CPS) conducted by the U.S. Bureau of the Census. In this step, individual cases were weighted to bring the sex ratio for the sample into line with CPS estimates for wage and salaried workers in the U.S. population.

he has a consistent record of being very concerned about the use of striker replacements that would very well be a subject that he would pursue, as he did with his executive order in a second term if he is given one by the American people.

Q Is he concerned that the D.C. Circuit was trying to clip his wings with regard to use of executive authority?

MR. MCCURRY: The President is fully confident that his executive order met the test of law. It's an issue that he looked at very carefully.

New file

Q Legislation for expanding family leave, do you have the timing on that, and would the administration like to see that as stand-alone legislation or attached to one of the appropriation bills to get it done?

MR. MCCURRY: When the President and the Vice President unveiled the President's desire to kind of go the next step on Family and Medical Leave, when they met in Nashville in June, he indicated they would like to see legislative action taken by Congress. Now, the political reality, given that the President's opponent in the Presidential campaign is against the Family and Medical Leave act, period, the likelihood is that it would be impossible to get action in this session of Congress. We will have the legislative specifics ready to go by the end of this session. If we detect any momentum for passage we certainly would move very quickly to put that before this session of Congress. But the reality most likely is that we will have to present that to the next session of Congress if the President is reelected, and make it a very high priority.

The President, again, this is a way in which families can balance out their requirements of being successful at work, and at the same time meeting their responsibilities at home as they raise families. And the President considers that general subject one that he would focus on intently in a second term.

Q Mike, let me ask a follow up question to this. The expansion of that would include the federal requirement that employers would have to give parents time off to attend PTA meetings. Well, I don't know anybody --

MR. MCCURRY: Not PTA meeting, parent-teacher conferences. It gives them the option of exercising a leave, taking leave in order to attend parent-teacher conferences at school. Not PTA meetings, that was not the suggestion the President made.

Q Okay. I withdraw my question.

Q If I could follow up on that that. Does the administration have any empirical evidence that parents cannot take off time to attend? I mean, are you setting up a straw man here?

MR. MCCURRY: Parents can -- I mean, look, any parent knows that you're very severely crimped in the amount of time that you get both for a variety a family needs -- for vacation time, for taking care of a medical emergency in the family. What we're trying to do is make it easier for parents to meet their obligations as parents, to take care of not only a situation at school where you're having a conference with a teacher but also if you've got a kid who's sick and who needs treatment.

It's a way of giving flexibility both to the employer and the employee so they can more successfully balance the requirements of working and raising a family, which is one of the critical concerns that they have as they try to raise families successfully.

Q I understand that, Mike, but is there any evidence that parents are not now allowed to take off? Has the administration come up with any evidence that they can't do it now?

MR. MCCURRY: Many parents have to work under situations where their ability to get time off for an emergency situation is severely cramped. Sometimes it's difficult to just get leave time automatically from an employer. This makes it easier for the employee and gives flexibility also to the employer.

Q There is legislation out there, I think by Ballenger, that does address this issue to some degree. Why isn't the administration --

MR. MCCURRY: Because we have concerns about other aspects of that legislation as it relates to so-called compensatory time.

Q Mike, how do you enforce it if it ever gets to that stage?

MR. MCCURRY: It's a Fair Labor Standards Act amendment enforceable by the Department of Labor.

Q Bob Dole has put out a two sentence statement on Iraq. I don't know if you've seen it. But if you haven't, I'll be happy to read it to you and wonder if you'd react to it.

"The reports of" -- this is a quote -- "The reports of continued strife and killings in Northern Iraq to include executions of U.S.-backed Iraqi opposition personnel, the apparent entrenchment of Iraqi troops around Irbil, and the lack of evidence of an Iraqi withdrawal from the north raise questions about whether the administration's strategy has advanced U.S. interests in the region. In Iraq, as in Bosnia, the Clinton administration should be careful about making claims of success that events on the ground may not substantiate, and about giving assurances that it is unable or unwilling to fulfill because the credibility of the United States is at stake."

Here's the Flex time stuff you wanted!

Bill called will call u later

Q&A ON FLEXTIME
AND EXPANSION OF THE FAMILY AND MEDICAL LEAVE ACT

June 24, 1996

Flex-time Proposal:

Q: *Would the President veto the Ballenger bill?*

A: The President indicated that he would strongly oppose any bill that would allow coercion and uses phrases like "comp-time" as cover to limit workers' choices.

Q: *Would the President veto a minimum wage increase if it included the Ballenger bill?*

A. I'm not going to get into hypotheticals. But the President has said the Congress should pass a clean minimum wage bill, and he has indicated that he would strongly oppose any bill that would allow coercion and uses phrases like "comp-time" as cover to limit workers' choices.

Q: *How does flex-time differ from the Republican comp-time proposals?*

A: The President's proposal provides workers and employers with more flexibility and choice while protecting workers from coercion through a range of safeguards. For example under the President's proposal a worker cannot be forced to take flex-time unless they request it in writing before performing the overtime. And workers can use their accumulated flex-time at any time with two weeks notice, rather than putting it at the discretion of the employer.

Q. *How does this affect public sector employees?*

A. This proposal is for the private sector, but we would certainly be willing to discuss extending its additional protections to public sector workers.

Q: *Why do you cap the amount of flex-time at 80 hours when federal and state government employees enjoy up to 240 hours of flex-time?*

Q: The proposal strikes a balance between providing more flexibility and protecting workers from coercion. Based on experience with the flex-time in the private sector, we may want to broaden it after the first four years. Under the proposal, flex-time would sunset in four years unless extended, and a Commission would report to Congress on its impact before it sunsets.

Q: *How does this affect unionized workers?*

A: Their collective bargaining unit would govern, but our flex-time proposal would give unions and employers more choices in what they could negotiate.

Q: *How can small employers manage to let workers use their flex-time at any time with only two weeks notice? Couldn't some small businesses be left with no one to manage the store at Christmas?*

A: Flex-time would be options for both employer and employees; both would need to mutually agree to flex-time. Some employers and employees may prefer to maintain the current overtime policy. We are providing a new option and flexibility.

But it is important to note that flex-time is time that workers <u>earned</u> by working overtime, which is why it is appropriate that workers be able to take it with two weeks notice or with less notice if the employer is not unduly disrupted.

Q: *How does organized labor feel about this?*

A: That's a question you should ask them.

Q: *Are your trying to distant yourself from the labor unions? Is this Sister Soulja?*

A: Not at all. We strongly believe this proposal provides both employees and employers with more choice and flexibility while protecting workers from coercion. *Some may disagree with the proposal, but that is not our intent.*

Q: *Isn't this just me-too-ism?*

A: <u>That is absurd</u>.

1. This President has been a leader on work and family issues right from the start. The Family and Medical Leave Act was the <u>first</u> bill he signed, after Republicans had opposed it, President Bush had vetoed it, and Republicans still oppose it today.

   President Clinton has also expanded the Earned Income Tax Credit so no parent has to raise their kids in poverty, while Republicans have tried to cut it.

2. Moreover, the President's proposal differs from other current proposals. The President's proposal provides flex-time the right way: it provides employee and employer choice. The Republican proposals provide only employer choice. The President's proposal provides flexibility while protecting workers from coercion.

Q: *Who would be covered by flex-time?*

A: Our flex-time proposal would apply to the firms covered by the Fair Labor and Standards Act. The FLSA covers nearly all businesses [excluding workers at enterprises with annual gross revenues of $500,000 or less and who are also not engaged in interstate commerce]. Certain employees, such as bonafide executives, administrative, and professional employees are exempt from the overtime provisions of the FLSA and would also be exempt from our flex-time proposal.

Our proposal would contain specific protections for workers especially vulnerable to coercion from employers to accept flex-time rather than overtime pay, or vice versa. For example, the proposal would exclude temporary, seasonal, and part-time workers, and the Secretary of Labor could recommend excluding low-wage workers who are vulnerable to coercion or certain occupations and industries that show a pattern of abuse.

Q: *Are there going to be any special "carve outs" for specific industries --- like the construction industry?*

A: Every industry is different, and those differences need to be taken into account. The President's proposal gives the Secretary of Labor the authority to recommend excluding certain occupations or industries that show a pattern of abuse. Flex-time cannot become a tool for some employers to cut their costs by cutting their workers' pay in a race to the bottom for new business.

Q: *How does this affect small businesses? Isn't this yet another burden on small business?*

A: Small and large businesses have been pushing for flex-time for a long time. The difference between our proposal and the Republican proposals is that we would provide workers with more choices and would protect against employers' coercing workers.

The bipartisan Commission on Leave found that the Family and Medical Leave Act is not costly or complex to administer, and smaller businesses often found it easier to comply than larger sites.

Family and Medical Leave Expansion:

Q: *What about the Dodd proposal to extend the FMLA to smaller businesses -- businesses with under 50 employees?*

A: We have no plans to do so at this time.

Q: *Does your Family and Medical Leave Act expansion provide an additional 24 hours (3 days) of leave in addition to the 12 weeks currently provided under the Act?*

A: Yes, the 24 hours are in addition to the 12 weeks currently allowed under the Act.

Q: *How will you prevent workers from abusing the expansion of the FMLA to take time off from work for inappropriate purposes?*

A: We start with the assumption that workers can be trusted to take leave only when they need it. Moreover, few workers can afford to take unpaid leave unless they need to. Based on experience with the FMLA to date, we don't expect it will be a problem, but we will provide for appropriate safeguards.

Q: *Why should a worker be able to take time off from work to take a grandparent to the doctors but not to care for a grandparent who is seriously ill?* [The FMLA allows workers to take unpaid leave to care only for a child, spouse or parent.]

A: The recent bipartisan Commission on Leave report shows that the Act has been a tremendous success and has not been the burden to business that its opponents feared. As we expand the Act to cover more circumstances, we want to move cautiously to ensure that it stays that way.

Q. *Why should a worker be guaranteed leave to take their parent to the doctor but not to go to the doctor themselves?*

A. That's a good point, but many people currently can take paid or unpaid sick leave to go to a doctor's appointment.

Q: *How do flex-time and the FMLA expansion interact?*

A: Workers could use their flex-time for purposes allowed under the FMLA so that they would not have to take unpaid leave.

EXPANDED FAMILY AND MEDICAL LEAVE ACT UPDATE
September 9, 1996

- On June 24, 1996 President Clinton announced that he would put forth a proposal to expand the Family and Medical Leave Act to allow parents to take up to 24 hours unpaid time off annually for 1.) child education purposes, such as parent-teacher conferences, 2.) to tend to older relatives' health needs or 3.) to take a child to the doctor or other routine medical practice. In conjunction with that announcement, President Clinton announced his support for a new "employee-choice flex-time proposal" that would allow American workers to agree with their employers to work overtime in exchange for paid time off, instead of traditional overtime pay.

- <u>We would like to submit legislation on these proposals by the end of this legislative session (sometime b/w September 27 and October 4) and to push hard for it in the next Congress</u> -- but it could possibly be put off until the next session of Congress. Given the political climate and proximity to the election, it would have been fruitless to try and submit legislation for passage in this session.

- Q: Why did the President announce his support for these measures last month when he wasn't going to push for them until the next session?

  A: The President is strongly committed to initiatives that will strengthen American families and make it easier for men and women to be good workers and good parents. He thought it was important to put his support behind these efforts early and to help draw public attention to them in anticipation of what will be his strong push for them after the election.

FAMILY AND MEDICAL LEAVE FACTS

- In his first month in office, President Clinton delivered on his promise and signed the Family and Medical Leave Act of 1993 into law. The law allows workers at businesses with 50 or more employees to take up to 12 weeks unpaid, job-protected leave to care for a newborn or adopted child, to attend to their own serious health problems, or to care for a seriously ill parent, child or spouse.

- A June report by the bipartisan *Commission on Leave* showed that the law is working:

  -- 67 million Americans, more than half of our country's workers, are now eligible.
  -- Of those, more than 12 million have taken leave since FMLA's enactment.
  -- 40 percent of all workers report that they will need to take leave for a covered reason sometime in the next five years. The leading reason is to care for an ill parent. -- Compliance is easy for the vast majority of businesses:
  -- 9 in 10 employers found the law "easy" or "somewhat easy" to administer.
  -- Compliance entails little or no cost for 89-99 percent of businesses.

Drafted: Kathy McKiernan with Andy Blocker, Leg Affairs, 6-2089

President Clinton Announces New Family-Friendly Workplace Proposals

✓ **Expanded Family & Medical Leave**

✓ **Employee-Choice Flex-Time**

June 24, 1996
Nashville Family Reunion Conference Hosted By Vice President Al Gore

PRESIDENT CLINTON ANNOUNCES NEW FAMILY-FRIENDLY WORKPLACE PROPOSALS:

- EXPANDED FAMILY & MEDICAL LEAVE
- EMPLOYEE-CHOICE FLEX-TIME

NEW EXPANSION OF FAMILY AND MEDICAL LEAVE: *President Clinton's new proposal would deepen and expand Family Leave by allowing a worker to take unpaid hours off -- with a maximum of 24 hours a year -- for child education, older relatives' health needs, and routine family medical purposes.*

Current Family and Medical Leave Law. The FMLA helps families only with a medical crisis or special limited care-giving needs, such as a birth or adoption. But working families often have to care for children or parents in circumstances for which they cannot use Family and Medical Leave.

New Family And Medical Leave Procedures. FMLA expansion would be limited to 24 hours a year for the following specific purposes:

- **SCHOOL ACTIVITIES.** Participating in school activities directly related to the educational advancement of your child, such as parent-teacher conferences or interviewing for a new school;
- **ROUTINE FAMILY MEDICAL PURPOSES.** Accompanying your child to routine dental or medical appointments, such as annual checkups or vaccinations;
- **OLDER RELATIVES' HEALTH NEEDS.** Accompanying an elderly relative to routine medical appointments or other professional services related to the care of the elderly relative, such as interviewing nursing homes or group homes.

NEW EMPLOYEE-CHOICE FLEX-TIME: *President Clinton's new proposal would offer American workers more choice and flexibility in finding ways both to earn the wages they need to support their families and still find the time they need to be with them. The President's proposal would:*

- **EMPLOYEE CHOICE.** Allows employees to agree with their employers to work overtime in exchange for paid time-off -- flex-time -- with a limit of up to 80 hours. An hour of overtime could thus be used for 1-and-1/2-hours of overtime pay or 1-and-1/2 hours of flex-time.
- **FLEX-TIME FOR ANY PURPOSE WITH 2 WEEKS NOTICE.** Workers could use their earned flex-time for any reason -- as long as they give their employers 2 weeks notice.
- **EMPLOYEES CAN ALWAYS CHOOSE PAY OVER FLEX-TIME.** Workers would maintain the right to choose overtime pay, and even if they choose flex-time, they could still cash out any portion of their flex-time pay with two weeks notice.
- **FLEX-TIME FOR FAMILY LEAVE.** Employees can use their accumulated family flex-time for family leave purposes at any time.

OPPOSE ATTEMPTS TO REDUCE WORKER CHOICE: *In announcing these new family-workplace proposals, President Clinton made clear that he would oppose any bill that allows for coercion and uses phrases like "comp-time" as a cover for giving workers less choice in the workplace.*

PRESIDENT CLINTON ANNOUNCES NEW FAMILY-FRIENDLY WORKPLACE PROPOSALS:

- ☐ **EXPANDED FAMILY & MEDICAL LEAVE**
- ☐ **EMPLOYEE-CHOICE FLEX-TIME**

BACKGROUND MATERIALS

EXPANDING THE FAMILY AND MEDICAL LEAVE ACT -- TO HELP FAMILIES BALANCE WORK AND FAMILY RESPONSIBILITIES

June 24, 1996

"Family and medical leave is a matter of pure common sense and a matter of common decency. It will provide Americans what they need most: peace of mind. Never again will parents have to fear losing their jobs because of their families."

-- President Clinton at the signing of the Family and Medical Leave Act, February 5, 1993

PRESIDENT CLINTON DELIVERED ON HIS PROMISE TO PROVIDE FAMILY LEAVE: In his first month in office, President Clinton delivered on his promise and signed the Family and Medical Leave Act of 1993 into law. The law allows workers at businesses with 50 or more employees to take up to 12 weeks of unpaid, job-protected leave to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, child or spouse.

NEW BIPARTISAN REPORT SHOWS THE LAW IS WORKING: The recent report on the impact of the law by the bipartisan Commission on Leave -- chaired by Senators Dodd and Craig -- shows that the law is working:

- **67 million Americans -- over half of workers -- are guaranteed they can take leave** from their job to care for a sick relative or a newborn child without fear of losing their job or their health insurance.
- **More than 12 million eligible workers have taken leave since its enactment.**
- **40% of all workers think they will need to take leave for a covered reason** at some time in the next 5 years. The leading reason is to care for a seriously ill parent.
- **Despite opponents' claims, compliance is easy and costs low for most employers:**
    - 9 in 10 employers find the law "very" or "somewhat" easy to administer
    - Compliance entails either little or no costs for 89%-99% of businesses
    - Smaller covered worksites found it easier to comply than the larger sites.
- **Some businesses have reported reduced employee turnover, enhanced productivity** and improved morale which they attribute to the Act.

NOW IT IS TIME TO EXPAND THE LAW TO BETTER HELP WORKERS CARE FOR THEIR CHILDREN AND PARENTS. While the law is a major step forward, it does not cover many situations facing working families. Today, President Clinton proposed expanding the law to cover more family obligations to better help working families care for their children and elderly relatives without sacrificing their work obligations. Under the proposed expansion, workers could take up to 24 hours of leave each year to meet additional specified family obligations, including routine doctors appointments and parent-teacher conferences. Leave could be taken for the following purposes:

- **Participating in school activities** directly related to the educational advancement of your child, such as parent-teacher conferences or interviewing for a new school;

- **Accompanying your child to routine dental or medical appointments,** such as annual checkups or vaccinations;

- **Accompanying an elderly relative to routine medical appointments or other professional services** related to their care, such as interviewing nursing homes or group homes.

PRESIDENT CLINTON'S NEW EMPLOYEE-CHOICE FLEX-TIME PROPOSAL

TODAY, PRESIDENT CLINTON ANNOUNCES A NEW EMPLOYEE-CHOICE FLEX-TIME PROPOSAL. President Clinton's employee-choice flex-time proposal would help to make workplaces more family friendly by ensuring worker flexibility while guarding against abuses by coercive or unstable businesses -- with explicit protections against coercion. President Clinton's proposal would allow more Americans to have the time they need to fulfill their responsibilities as both workers and as parents or grown children of elderly relatives.

- **Workers could agree with their employers to receive extra paid time-off -- "flex-time" -- instead of working overtime for cash pay.** Consistent with existing law, workers would get time-and-a-half in flex-time -- extra paid time-off -- for each hour of overtime. There would be a limit of 80 hours that a worker could accumulate in flex-time. And all additional overtime work -- beyond the limit -- would have to be paid in cash.

- **Employees can choose to use their flex-time for family and medical leave purposes whenever they need it.** At any time, workers can use their flex-time for family and medical leave purposes -- to care for a new born or adopted child, to attend to their own serious health needs, or to care for a seriously ill child, parent, spouse.

- **Workers maintain ultimate control of when to use flex-time, as long as they provide two weeks notice to their employers.** Employees can use flex-time for any purpose as long as the worker gives at least two weeks of notice to his or her employer, or with less notice if the employer's operations are not unduly disrupted. Private-sector employees may elect to cash out their flex-time for cash due as long as two weeks of notice is given to their employer.

- **To protect against abuses by coercive or unstable businesses, the employee-choice flex-time proposal includes explicit protections against coercion.**

    - **Employees and employers would have a written flex-time agreement.** President Clinton's employee-choice flex-time proposal would also require employees and employers to agree in writing that the worker will receive flex-time -- instead of cash pay -- before the worker performed any overtime work.

    - **Private-sector workers can get cash for their accumulated flex-time within two weeks of notice.** With two or more weeks of notice, a worker in the private sector can cash out their flex-time for cash due.

    - **Protecting workers from businesses that go bankrupt.** To ensure workers receive their accumulated flex-time when their employers seek bankruptcy protections, unpaid flex-time would receive special protection -- the same as given to other wages -- in bankruptcy proceedings. For employees in thinly capitalized businesses, additional protections will be included.

- **Additional protections to ensure that worker protections:**

  - President Clinton's employee-choice flex-time proposal would not allow unused flex-time to deprive a worker of unemployment compensation that he or she has earned.

  - To ensure protections against coercion, part-time, seasonal, and temporary workers would exempted from this proposal. The Secretary of Labor would also be able to make recommendations to exclude low-wage workers who are vulnerable to coercion or certain occupations and industries that show a pattern of abuse.

- **Ability to collect from violators of overtime laws are improved.** President Clinton's employee-choice flex-time proposal improves the Labor Department's ability to collect fines due from violators of overtime laws, including double damages for certain egregious violations. This proposal also imposes civil money penalties for violations of flex-time and for willful or repeated recordkeeping violations.

PRESIDENT CLINTON WILL STRONGLY OPPOSE ANY BILL THAT REDUCES WORKER CHOICE IN THE WORKPLACE. President Clinton will strongly oppose any bill that allows employers to coerce their employees fails to protect true worker choice and fails to guarantee that workers will receive the compensation they are due.

Comparison of President Clinton's Employee-Choice Flex-Time Proposal And Representative Ballenger's Comp-Time Proposal

	President Clinton's Employee-Choice Flex-time Proposal	Representative Ballenger's Comp-time Proposal
Written Agreement	• To provide true employee choice, employees and employers must agree in writing that compensation will be provided as flex-time rather than as overtime wages.	• No written agreement is necessary -- only an understanding.
Flex-time For Family and Medical Leave Purposes	• Employees may use flex-time for family and medical leave whenever they need it.	• No comparable provision.
Use of Flex-time	• Employees maintain ultimate control of when to use flex-time, as long as they provide two weeks notice to their employers. Workers can use flex-time for any other purpose as long as they provide two or more weeks of notice. They receive flex-time with less notice, but only if the employer is not unduly disrupted.	• Employers maintain ultimate control of when to grant their workers flex-time. Regardless of the amount of notice the worker provides, employers can deny use of comp-time if the firm claims they would be "unduly disrupted."
Payout of Flex-time	• Private-sector employees may elect to cash out their flex-time for cash due with at least two weeks of notice to their employer.	• Rather than ensuring payout within two weeks as the President's proposal, private-sector employers would have up to 30 days to payout the cash due for accumulated flex-time.
Flex-time Bank	• Private-sector workers can accumulate flex-time for overtime worked (at a rate of time and a half) in a "Flex-time Bank." There would be a limit of 80 hours that a worker could accumulate in flex-time. All additional overtime work must be compensated in cash.	• Employees can accumulate up to 240 hours of comp-time.

BANKRUPTCY PROTECTION	• To ensure workers receive their flex-time when firms enter into bankruptcy, unpaid flex-time would receive special protection -- the same as given to wages -- in bankruptcy proceedings. For employees in thinly capitalized businesses, additional protections will be included.	• No comparable provisions.
ENFORCEMENT PROVISIONS	• Improves remedies against violators, including double damages for overtime that an employee would have earned, but was not permitted to work because the worker wanted to earn pay rather than flex-time. Civil money penalties for violations of flex-time and for willful or repeated recordkeeping violations.	• Double damages only for willful violations of anti-coercion provisions. Civil money penalties only for willful violations.
TREATMENT OF FLEX-TIME AS WAGES AND HOURS WORKED	• Unused flex-time cannot be used to deprive a worker of unemployment compensation that he or she has earned. Flex-time pay-outs are treated as wages for health and pension benefit plans. Flex-time used is also treated as hours worked for overtime accrual purposes.	• No comparable provisions on unemployment compensation or benefit plans. Comp-time used is not treated as hours worked.
EXEMPTIONS FOR VULNERABLE SECTORS	• To ensure protections against coercion, part-time, seasonal, and temporary workers would exempted from this proposal. The Secretary of Labor would also be able to make recommendations to exclude low-wage workers who are vulnerable to coercion or certain occupations and industries that show a pattern of abuse.	• No comparable provisions.
SUNSET	• Flex-time provision expires in four years. Bipartisan Commission will study and report to the Secretary of Labor and Congress prior to sunset.	• No comparable provision.

HOW THE PRESIDENT'S FAMILY-FRIENDLY PROPOSALS WOULD AFFECT TYPICAL FAMILIES

NOTE: These hypothetical examples illustrate how the President's proposal compares with current law and the Ballenger bill to create "comp-time." All of these examples assume the adoption of some proposal allowing the accumulation of flex-time or "comp-time" in lieu of time-and-one-half pay for overtime.

1. **Expanded Family And Medical Leave For Child Education Purposes.** Jane Smith works for XYZ Inc. She has a conference scheduled with her daughter's teacher for three weeks from today and needs four hours of time off to travel to and from the school and meet with the teacher. Jane is willing to take unpaid leave.

   ✓ Under the President's proposal, Jane can take unpaid leave to attend the parent-teacher conference.

   ☒ Under current law, Jane is not assured she can take unpaid leave to attend the parent-teacher conference.

   ☒ Under the Ballenger bill, Jane is not assured she can take unpaid leave to attend the parent-teacher conference.

2. **Expanded Family And Medical Leave For Caring For Older Relative.** While Jane Smith is tending to her daughter's educational needs, Jane's husband John needs to help move his grandfather from one nursing home to another. John will need 4 hours time-off in order to do this. Because he is very involved with his family, John has not worked any overtime this year and does not have any accumulated flex-time. Thus, he would like to use unpaid family and medical leave to take his son to the doctor.

   ✓ Under the President's proposal, John can take unpaid family and medical leave to move his grandfather from one nursing home to another.

   ☒ Under current law, John cannot use family and medical leave to help move his grandfather from one nursing home to another.

   ☒ Under the Ballenger bill, John cannot use family and medical leave to help move his grandfather from one nursing home to another.

3. **Employer-Imposed "Comp-Time."** Bill Johnson and his family live on a very tight budget. The time-and-one-half pay Bill receives for the 10 hours of overtime he works each month provides just enough money to pay the mortgage on his family's house. In his latest paycheck, Bill's employer inexplicably did not include any pay for his overtime work. When Bill complains, his boss explains that this is the new "comp-time" program and from now on Bill will get extra time off in return for his overtime. Bill fears he will not be able to make ends meet. He doesn't remember agreeing to accept "comp-time."

- ✓ Under the President's proposal, Bill and his employer would have to had agreed <u>in writing prior to the overtime</u> that he would accept flex-time instead of time-and-one-half pay. Otherwise, Bill must be paid his time-and-one-half in cash.

- ✓ Under current law, Bill would have to be paid time-and-one-half in cash for the overtime he worked.

- ⊠ Under the Ballenger bill, the employer could say that he had a <u>verbal agreement</u> with Bill to give him "comp-time." That makes it Bill's word against his employer's word.

4. **Flex-Time For Planned Family Needs.** Ann's husband Bill has a heart condition and will require heart surgery within the next few weeks. Ann wants to spend time with Bill after the surgery to help care for him. Her family's growing financial worries make it vital that Ann be able to use her accumulated flex-time to be with her husband without losing a day's pay. Ann and Bill scheduled the surgery three weeks in advance and Ann gave her employer two-weeks notice. Two days before the surgery, Ann's employer ZYX Co. decides to change their production schedule. In their view, Ann's absence will "unduly disrupt" the workplace operations.

- ✓ Under the President's proposal, Ann can use her accumulated flextime to be with her husband without losing pay -- as long as she gives two-weeks notice.

- ⊠ Under current law, Ann is assured only of unpaid family and medical leave time.

- ⊠ Under the Ballenger bill, Ann cannot use her accumulated "comp time" if it will "unduly disrupt" her employer's operations. ZYX Co. can force her to take unpaid leave to be with her husband in the hospital.

5. **Protection of Unemployment Benefits.** Al Jones is a construction worker who got laid off from Builders Inc. after it finished its latest project. He worked enough overtime to accumulate 80 hours of accrued flex-time. Now, he wants to collect the unemployment benefits he usually gets when his employer lays him off. This time, however, Builders Inc. challenged Al's eligibility for unemployment insurance on the grounds that he is still "working" because he is getting paid for his accumulated flextime.

✓ Under the President's proposal, Al is explicitly protected from this type of challenge. If he's otherwise eligible, Al should get his unemployment insurance.

☒ Under the Ballenger bill, Al is not explicitly protected from this challenge to his unemployment insurance eligibility.

Newgate Sub file — Issues minimum wag

CENTER ON BUDGET AND POLICY PRIORITIES

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FOUR YEARS AND STILL FALLING: THE DECLINE IN THE VALUE OF THE MINIMUM WAGE

By Isaac Shapiro

Overview

It has been nearly four years since the minimum wage was last raised. The resulting decline in the purchasing power of the minimum wage compounds the erosion in its value during the 1980s.

From January 1, 1981 to April 1, 1990 the minimum wage stood still at $3.35 an hour. The wage standard was then increased in two steps to $4.25 an hour on April 1, 1991, but this boost made up less than half the ground that had been lost to inflation. And since April 1991 — while the minimum wage has remained constant at $4.25 an hour — the cost-of-living has risen another 11 percent.

As a consequence of these developments, the purchasing power of the minimum wage is now at its second lowest level in four decades. After adjusting for inflation, the value of the minimum wage is above its level in 1989, but is below its level for every other year going back to 1955. The extent of the wage standard's erosion relative to its traditional level of support has been substantial. If the value of the minimum wage were to have the same purchasing power in 1995 as it averaged in the 1970s, it would need to equal about $5.75 an hour.

Recent experience with federal and state minimum wage reforms suggest that a moderate increase in the minimum wage could occur without adverse employment effects of a significant nature. This conclusion is based on an examination of important recent studies which used several different methodologies to assess the effects of raises in the federal minimum wage both across the nation and in particular states, as well as the effects of raising state minimum wages above the federal level. The conclusion is also based on a study that updated the best analysis of the employment effects of the minimum wage during the 1960s and 1970s with information through 1986.

For example, the studies of the federal minimum wage examined the effects of the 90 cent increase in two increments from 1989 to 1991. One of the state studies examined the effects of New Jersey raising its state minimum wage by 80 cents, from $4.25 an hour to $5.05 an hour in 1992; another examined the effects of California increasing its minimum wage 90 cents from $3.35 an hour in 1987 to $4.25 an hour in

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1988 (which would equal about $5.50 in 1995 dollars). All of these studies found that the minimum wage increases did *not* reduce employment opportunities.

After reviewing these and other studies of federal and state minimum wage changes in the late 1980s-early 1990s, the noted Harvard labor economist Richard Freeman concluded:

> "That moderate increases in the minimum [wage] transferred income to the lower paid without any apparent adverse effect on employment ... at the turn of the 1990s is no mean achievement for a policy tool in an era when the real earnings of the less skilled fell sharply."

This analysis examines the value of the minimum wage relative to its previous strength; summarizes the results of the recent minimum wage and employment studies; and assesses the relationship between the minimum wage and the Earned Income Tax Credit.[1] (The recent expansion in the EITC, while very helpful, falls well short of offsetting the effects of the erosion in the value of the minimum wage.) The paper begins with a discussion of the economic context in which minimum wage reforms should be considered and a profile of minimum wage workers.

The Backdrop

The deterioration in the minimum wage has been ill-timed. This trend has occurred at the same time as, and has helped contribute to, several other economic trends of concern.

One corresponding trend has been a drop in the real wages of workers at the bottom of the pay scale since the early 1970s. This drop has occurred at the same time that wages for middle class workers have been stagnant; the wage gains that have occurred have been concentrated among the wealthiest workers. As a result of these divergent trends, wage inequality has grown considerably. And there is mounting evidence that the erosion in the value of the minimum wage has contributed to the increase in wage inequality.[2]

Another trend of concern has been the enduring problem of the working poor. In 1993, some 22 million people — more than half of the poor — lived in households

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[1] The author would like to thank Larry Katz for his comments on a draft of this analysis.

[2] See, for example, John DiNardo, Nicole Fortin, and Thomas Lemieux, "Labor Market Institutions and The Distribution of Wages, 1973-1992: A Semi-parametric Approach," Unpublished paper, University of Montreal, 1994.

with a worker. Among families with children where the householder is employed, the likelihood of being poor has increased from 7.7 percent in 1977 to 11.3 percent in 1993.[3]

The Characteristics of Minimum Wage Workers

A large number of workers, but a relatively small fraction of the workforce, have earnings at or near the minimum wage. This can be seen by examining wage data for workers paid by the hour (the large majority of minimum wage workers are paid by the hour).[4]

- Some 4.2 million workers paid by the hour in 1993 had earnings at or below the minimum wage.[5] This equaled 6.6 percent of hourly workers.

- An additional 9.2 million hourly workers had earnings just above the minimum wage. These are the workers who earned between $4.25 an hour (the 1993 minimum wage level) and the average level of the minimum wage in the 1970s, after adjusting for inflation.[6]

Contrary to the popular stereotype, the large majority of minimum wage workers are not teenagers. Also of interest, most minimum wage workers are not minorities and most are women. In 1993, among workers paid by the hour with earnings at or below the minimum wage:

- Less than one in three — 31 percent — were teenagers. About one in five — 22 percent — were 20 to 24 years old. Nearly half — 47 percent — were aged 25 years or older.

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[3] A comparison of these two years is appropriate because they were at similar points in the economic cycle and had similar unemployment levels.

[4] The data on minimum wage workers paid by the hour comes from the U.S. Department of Labor, Bureau of Labor Statistics. The Bureau has not tabulated corresponding data for minimum wage workers paid on a salaried basis.

[5] Of these workers, 2.5 million received the minimum wage and 1.7 million were paid less than the minimum wage. Many of those paid less than the minimum wage were workers exempt from minimum wage law, others may have been illegally paid less than the minimum wage.

[6] In 1993, the minimum wage would need to have equaled $5.42 an hour if it were to have had the same value that it averaged during the 1970s, after adjusting for inflation.

- Although minorities are overrepresented among minimum wage workers, an estimated 70 percent of hourly workers paid at or less than the minimum wage were non-Hispanic whites.[7]

- More than three of every five minimum wage workers — 62 percent — were women.

Most minimum wage workers are able to escape poverty. This isn't because minimum wage earnings are large enough to lift a family above the poverty line; rather, this largely reflects the fact that minimum wage workers typically live in families with more than one worker. About one in five minimum wage workers live in poverty.

This should not suggest that the level of the minimum wage is of little economic consequence to households with more than one wage earner. Whether the example is a struggling moderate-income household with two earners where the minimum wage income is essential to the family's standard of living, or a young adult trying to earn enough to pay college tuition, these wages can be essential. An analysis of workers affected by the increase in the federal minimum wage from $3.35 an hour to $4.25 an hour found that minimum wage workers accounted for nearly half — 45 percent — of their household's total earnings.[8]

Although most minimum wage workers are not poor, the wage standard is of great importance to poor workers. The majority of poor workers have earnings at or near the minimum wage.[9] Jobs paying at or near the minimum wage are also the most likely ones to be available to adults receiving Aid to Families with Dependent Children benefits. A stronger minimum wage would help facilitate the transition of such families into gainful employment.

It also bears mentioning that minimum wage workers are much more likely to be poor than other workers are. Among hourly workers paid at or below the minimum

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[7] Author's calculation based on Bureau of Labor Statistics data. An estimated 75 percent of *all* hourly workers were non-Hispanic whites.

[8] David Card and Alan Krueger, *Myth and Measurement: The New Economics of the Minimum Wage*, Princeton University Press, 1995.

[9] This statement is based on an examination of the wage rates paid to hourly workers in March 1992 who were determined to be poor based on their families' income in 1991. Some 24 percent of such poor workers had earnings at or below the minimum wage of $4.25 an hour. Another 34 percent were paid between $4.26 an hour and $5.00 an hour; and nine percent more were paid between $5.01 and $5.50 an hour. Only 33 percent were paid more than $5.50 an hour. If the minimum wage in 1992 had equaled its average level of the 1970s, after adjusting for inflation, it would have equaled $5.27 an hour.

wage in March 1992, some 22 percent were poor. By contrast, only six percent of hourly workers earning more than the minimum wage were poor.

Value of the Minimum Wage

From January 1981 to April 1990, the minimum wage remained frozen at $3.35 an hour, despite a 48 percent jump in the cost of living. Legislation signed by President Bush subsequently raised the minimum wage in two steps to its current level of $4.25 an hour.[10] But these raises made up less than half of the ground that had been lost to inflation. In 1991, *after* the minimum wage was increased to $4.25 an hour, its value was 17 percent below its average level in the 1970s.

Since April 1991, the minimum wage has stood still while the cost of living has continued to rise. The purchasing power of the wage standard has deteriorated further. Absent any increase in the minimum wage, and with continued inflation, the value of the minimum wage will continue to fall with each passing month.

In combination, recent action and inaction with respect to the minimum wage has led its value to drop far below two benchmarks commonly used to assess its worth.

- The minimum wage falls well short of its traditional level of purchasing power. (See Figure 1.) If the value of the minimum wage were to have the same purchasing power in 1995 as it averaged in the 1970s, it would need to equal about $5.75 an hour. Its value is now 26 percent below its average value in the 1970s, after adjusting for inflation.

  The real value of the minimum wage is now above its value in 1989 *but is below its value for every other year going back to 1955.* In real terms, it is 35 percent below its peak value in 1968.

  Absent steps to strengthen the wage floor, and even if inflation remains moderate, in 1996 the purchasing power of the minimum wage will drop to its lowest level in four decades.

- Similarly, changes in the minimum wage have not kept pace with changes in the wages of other workers in the economy. In the 1950s and the 1960s, the minimum wage averaged more than half of the average wage of private nonsupervisory workers. In the 1970s, it averaged 46 percent of the average wage. Currently, it equals 38 percent of the average wage. (See Table 1.)

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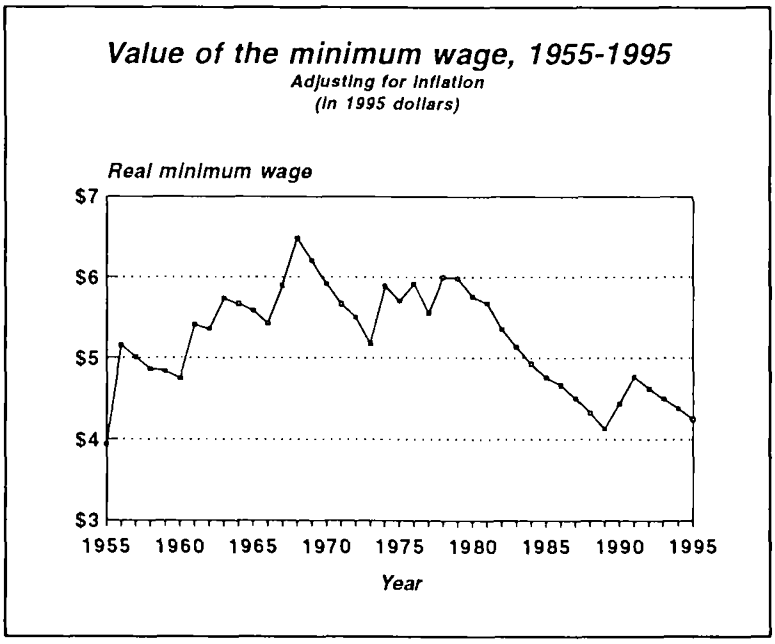
[10] This legislation passed the House by a vote of 382 to 37 and the Senate by 89 to 8. It received the support of virtually all Democratic members and the support of about 80 percent of Republican members.



Another comparison of interest is that during the 1960s and the 1970s, the earnings of a full-time minimum wage worker employed for the entire year typically were enough to lift a family of three out of poverty even without considering other sources of income. In 1995, full-time minimum wage earnings by itself will fall 27 percent below the estimated poverty line for a family of three.

In short, no matter which comparison is examined, the minimum wage currently provides much weaker support than it traditionally has in the past.

Employment Effects

The potential effect of a minimum wage increase on employment has been the principal argument raised in opposition to such an increase. The argument is made that a higher minimum wage would price a large number of workers out of the labor market. The effects are likely to be particularly harsh for teenagers, it is argued, since such a large proportion of young workers have earnings at the minimum wage and their jobs are among the most marginal.

While the potential employment effects of a minimum wage increase surely need to be considered, the weight of the empirical evidence suggests that the effects of a moderate raise from its current level are likely to be negligible. This conclusion is

Table 1. Value of the Minimum Wage		
	Purchasing Power of the Minimum Wage in 1995 dollars	Minimum Wage as a Percent of the Average Nonsupervisory Wage
1960s average	$5.65	52.2%
1970s average	$5.74	45.8%
1980s average	$4.93	40.4%
Current	$4.25	37.7%

Note: The Appendix Table includes year-by-year data for 1955-1995.

based on a variety of recent studies employing different methodologies; the studies examined the effects of raises in the federal minimum wage both across the nation and in particular states, as well as the effects of raising state minimum wages above the federal level.

One recent analysis updated what had generally been considered the best study of the employment effects of the minimum wage during the 1960s and the 1970s. The new study used information through 1986. The update found the minimum wage had just a small effect on teenage employment; a 10 percent increase in the minimum wage was associated with a decrease of six-tenths of one percent in teenage employment.[11] (In addition, the effect was not large enough to be statistically significant). The study also found that there was no significant relationship between the level of the minimum wage and the level of employment of adults aged 20 to 24.

More importantly, studies of the impact of the increases in the federal minimum wage in April 1990 and April 1991 generally found that the increases did not reduce employment. David Card of Princeton University examined the effects of the minimum wage increase in 1990 on states with differing proportions of low-wage

[11] Alison J. Wellington, "Effect of the Minimum Wage on the Employment Status of Youths: An Update," *The Journal of Human Resources*, Winter 1991. Wellington updated the study conducted by economists for the federal Minimum Wage Study Commission, which found a 10 percent increase in the minimum wage to be associated with a one percent decrease in the employment of teenagers and a one-quarter of one percent decrease in the employment of young adults (20 to 24 year olds), and found no strong evidence of any job loss for adults age 25 and over. Charles Brown, Curtis Gilroy, and Andrew Kohen, "Time-Series Evidence of the Effects of the Minimum Wage on Youth Employment and Unemployment," *The Journal of Human Resources*, Winter 1983. Many of the estimates of large job losses made during the debate over the appropriate size of the minimum wage in the late 1980s were based on the high range of studies from the 1960s and the 1970s, often ignoring the review and update of these studies by Brown, Gilroy, and Kohen.

workers. This allowed Card to test if states with relatively more minimum-wage workers fared relatively worse on the employment front when the minimum wage increased. But this was not the case. Card reported: "Comparisons of grouped and individual state data confirm that the rise in the minimum wage increased teenagers' wages. There is no evidence of corresponding losses in teenage employment."[12]

Another notable study of the impact of the recent increases in the federal minimum wage was conducted by Lawrence Katz (of Harvard University) and Alan Krueger (while at Princeton University).[13] Katz and Krueger examined the effects of the increases on the employees of fast-food restaurants in Texas. They analyzed the effects on restaurants with different levels of starting wages to test whether restaurants with lower starting wages — that is, those expected to be affected the most by an increase in the minimum wage — fared relatively worse on the employment front. This theory again did not prove true. Indeed, their findings suggest that the employment effects of the recent minimum wage increases, if anything, seem to be positive rather than negative.[14]

Card and Krueger have also examined the effects of recent increases in *state* minimum wage levels. These studies, too, found that the minimum wage increases did not reduce employment opportunities. For example, when New Jersey recently raised its minimum wage to $5.05 an hour, Card and Krueger found no evidence of a negative effect on employment.[15] (Their study approach included comparing employment trends in fast food restaurants in New Jersey to trends in eastern Pennsylvania, where the minimum wage remained constant. They found that employment trends were stronger in the New Jersey restaurants than in the Pennsylvania restaurants.)

Some recent studies of raises in the minimum wage have found that it had some negative effect on employment. All studies, however, do not deserve equal weight, and at least some of these other studies include methodological problems that affect their results. For example, one of the most widely cited of these studies was conducted

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[12] David Card, "Using Regional Variation in Wages to Measure the Effects of the Federal Minimum Wage," *Industrial & Labor Relations Review*, October 1992.

[13] Alan Krueger is currently on leave from Princeton University and is serving as Chief Economist of the U.S. Department of Labor.

[14] Lawrence Katz and Alan Krueger, "The Effect of the Minimum Wage on the Fast-Food Industry," *Industrial & Labor Relations Review*, October 1992.

[15] David Card and Alan Krueger, "Minimum Wages and Employment: A Case Study of the Fast Food Industry in New Jersey and Pennsylvania," *American Economic Review*, Volume 84, Number 4, September 1994. Also, see David Card, "Do Minimum Wages Reduce Employment? A Case Study of California, 1987-89," *Industrial and Labor Relations Review*, October 1992.

by David Neumark and William Wascher.[16] Their study, however, mistakenly assumes no teenagers are simultaneously attending school and working, when this is in fact a common occurrence. They also use a measure of the minimum wage that skews their findings. Card, Katz and Krueger reanalyzed Neumark and Wascher's data and corrected for these two problems; their reestimates find that the minimum wage does not negatively affect employment.[17]

Richard Freeman of Harvard University — long considered one of the nation's preeminent labor economists — just completed a review of the recent studies of the employment effects of the minimum wage and concluded:

> "...at the level of the minimum wage in the late 1980s, moderate legislated increases did not reduce employment and were, if anything, associated with higher employment in some locales.
>
> Studies based on employment across economic units such as states and counties yield more disparate results. Most studies, however, reject the notion that the late 1980s/early 1990s increases had adverse employment effects, and the studies that find adverse effects prior to those increases obtain small elasticities [meaning small employment effects] which confirm the effectiveness of the minimum in redistributing wage income.
>
> ...That moderate increases in the minimum transferred income to the lower paid without any apparent adverse effect on employment ... at the turn of the 1990s is no mean achievement for a policy tool in an era when the real earnings of the less skilled fell sharply."[18]

Freeman also observed that any net reduction in employment from a higher minimum wage that might occur among teenagers would be mitigated by the extremely high turnover rates of these workers. So even if a higher minimum wage means that it will take some low-wage workers a little longer to find jobs, once they do find a job they will benefit from the higher wages.

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[16] David Neumark and William Wascher, "Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws," *Industrial & Labor Relations Review*, October 1992.

[17] David Card, Lawrence F. Katz and Alan B. Krueger, "Comment on David Neumark and William Wascher, 'Employment Effects of Minimum and Subminimum Wages: Panel Data on State Minimum Wage Laws'", *Industrial and Labor Relations Review*, April 1994.

[18] Richard B. Freeman, "Minimum Wages — Again!" *International Journal of MANPOWER*, Volume 15, Numbers 2/3, 1994.

These studies do not suggest or prove that *any* increase in the minimum wage — no matter how large — would have only desirable effects. But the outcomes of the studies suggest that the labor market functions in a more complicated manner than has been assumed by those contending that virtually any rise in the minimum wage results in a significant decrease in employment levels. For example, a higher minimum wage can make it easier for employers to fill vacancies and may decrease employee turnover. Both examples suggest circumstances in which a boost in the minimum wage can boost employment.

The studies do suggest that particularly when the minimum wage is at especially low levels, as it is today, the employment effects of a moderate increase in the minimum wage may be modest or negligible.

The Minimum Wage and the EITC

The recent expansion in the federal Earned Income Tax Credit has helped offset the decline in the value of the minimum wage. But the offset has been far from complete.

The EITC is a refundable tax credit that varies by earnings and family composition. Legislation enacted in 1993 provided for a large expansion in the EITC; under the new credit structure, a family with two or more children will receive an EITC equal to 40 percent of its earnings up to $8,640.[19] The legislation also established a new credit — albeit a small one — for low-income workers without children.

Under the new law, the maximum hourly wage subsidy received through the EITC is 40 percent, since families with two or more children with earnings of less than $8,640 receive 40 cents in EITC benefits for each dollar earned. Minimum wage

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[19] The expansion for two or more children will not take full effect until tax year 1996; the figures cited here reflect the fully phased-in EITC, but they are expressed in 1995 dollars. The EITC will remain at its maximum level (40 percent of $8,640 — or $3,456) for families with two or more children and with incomes between $8,640 and $11,290. Once income exceeds $11,290 the EITC will begin to decline in size. It will fall to zero when family income hits $27,715.

The credit for families with one child is somewhat smaller. It is phased in at a 34 percent rate over a smaller earnings range and is phased out more quickly than the credit for a family with two or more children, falling to zero when family income hits $24,396. For childless workers, the maximum EITC is 7.65 percent of earnings and phases out completely when income hits $9,230.

workers living in other households will receive a smaller wage subsidy through the EITC for each hour worked or no EITC at all.[20]

The new EITC levels — while representing a significant expansion over prior law — do not fully offset the fall in the value of the minimum wage. This is true for a number of reasons.

Even for those few minimum wage workers who qualify for an EITC wage subsidy of 40 percent (those living in families with two or more children with earnings of less than $8,640 a year), the increase in the value of the EITC is less than the decline in the value of the minimum wage.[21] This can be seen by calculating the "net wage" of a minimum wage worker.

For minimum wage earners earning the new *maximum* EITC per hour, the combined value of minimum wage earnings and the EITC, minus payroll taxes, is much less than the average combined value for comparable minimum wage workers at the end of the 1970s.[22] The maximum net hourly pay of a minimum wage worker in 1996 (when the EITC is fully phased in) will be 12 percent below its value in 1979.[23]

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[20] For families with one child, the maximum hourly wage subsidy received through the EITC is 34 percent, which applies to such families with earnings of less than $6,160. For childless workers, the maximum hourly wage subsidy received through the EITC is 7.65 percent, which applies to such workers with earnings of less than $4,100.

[21] AFDC benefits to working poor families have also dropped precipitously since the 1970s. If this decline were included in the calculations in the text, the net income of minimum-wage earners would be shown to have fallen even more since the 1970s.

[22] It is standard practice to subtract out the employee's share of payroll taxes when the value of the EITC is added in; this is done both because the EITC is designed in part to offset payroll taxes and because this is consistent with moving from a *before*-tax calculation (just the value of the minimum wage) to an *after*-tax calculation (adding in the EITC and subtracting payroll taxes).

[23] In inflation-adjusted dollars, the maximum after-tax net hourly pay of a minimum wage worker living in a family with two or more children and earning less than $8,640 will be $5.45 an hour in 1996, down from $6.22 an hour in 1979. The estimates were calculated as follows. If the minimum wage remains unchanged from current law, in 1996 its purchasing power in 1995 dollars will equal $4.11 an hour, the corresponding maximum hourly EITC benefit for a family with two or more children will be $1.65 an hour and payroll taxes will be $.31, yielding a net hourly wage of $5.45. By comparison, in 1979, the minimum wage equaled $5.99 per hour, after adjusting for inflation. For a family receiving the maximum hourly EITC benefit, the hourly value of the EITC was $.60 (the EITC equaled 10 percent of hourly earnings for such families), and the hourly cost of payroll taxes was $.37, yielding a net hourly wage of $6.22.

Some have used the figure that the EITC raises the value of the minimum wage to $6 an hour for certain families with two or more children. This figure differs from the $5.45 an hour calculation both because the $6 calculation neglects to subtract out payroll taxes and because it is expressed in 1996 dollars

(continued...)

Furthermore, only a small fraction of minimum wage workers qualify for a wage subsidy of 40 percent through the EITC. Minimum wage workers who do not live in families that have two or more children and earnings of less than $8,640 will earn a smaller per-hour EITC or no EITC at all. As a result, net hourly pay has fallen much more than 12 percent since 1979 for the large majority of minimum wage workers. Many of these workers are poor themselves or live in families with modest incomes. In 1995, the estimated poverty line for a family of three is $12,192; for a family of four, it is $15,621.

In addition, unless the minimum wage is increased or indexed, the real value of the minimum wage will fall each year, and the net wage gap compared to the 1970s will grow. The EITC expansion is fully phased in as of 1996; under current EITC and minimum wage law, the net income of a minimum wage earner will begin to fall from 1997 onwards. (Although the EITC is indexed to inflation, the minimum wage will fall relative to inflation.)

The increase in the EITC does not fully offset the decline in the minimum wage for another reason as well. The delivery of EITC payments is usually not timely; virtually all EITC recipients receive their benefits in one lump sum payment when they file their taxes. Although there is interest in improving the EITC delivery system, such improvements are difficult to design, and it is unlikely that there will be much progress on this front in the near future. By contrast, the minimum wage is delivered in a more timely manner for struggling families — with each paycheck.

In short, the minimum wage and the EITC are best viewed as complementary policies and not as substitutes for each other. While criticisms of the minimum wage are typically overstated, it remains true that the EITC holds no risk of endangering employment opportunities and is adjustable by family size. On the other hand, the minimum wage has several advantages over the EITC — it does not raise marginal tax rates on any workers and is received in a timely manner throughout the year.[24] Moreover, relying on the EITC alone is likely to place too large a burden on the federal budget. A combined minimum wage/EITC approach reflects a balanced sharing of the burden of "making work pay" between the public and private sectors.

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[23] (...continued)
instead of being expressed in terms of its purchasing power in 1995.

[24] In addition, money received through a private paycheck is, in some ways, inherently preferable to money received through a government program. This is true even when the program is the EITC, where there is no stigma attached.

Conclusion

Restoring the strength of the federal minimum wage is appropriate.[25] The combination of the new EITC and a minimum wage providing closer to its traditional level of support would help "make work pay" for poor and moderate-income workers. In addition to restoring the strength of the minimum wage, Congress should consider indexing the minimum wage to provide for an automatic annual adjustment process and protect against further erosion in the wage standard.[26]

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[25] Recent news reports have indicated that the Clinton Administration is considering endorsing a minimum wage increase of as much as $1.00 per hour. A minimum wage of $5.25 an hour in 1996 would still be 11 percent below its average value during the 1970s, after adjusting for inflation. A minimum wage increase to this level would be unlikely to have detrimental employment effects of a significant nature.

[26] Among the advantages to indexation are that it would result in small, predictable changes to the minimum wage to which labor markets could more easily adjust. It also would protect workers from the long periods of erosion in the value of the minimum wage that they have experienced in recent years. If the minimum wage is indexed, it is advisable to have changes in the wage floor be equivalent to changes in a measure of average wages. This indexation approach means that minimum wage workers would share equally in whatever wage progress is occurring. It also would avoid increases of inappropriate size during periods of general wage stagnation.

Appendix Table. Value of the Minimum Wage, 1955-1995

Year	Value of the Minimum Wage, Nominal Dollars	Value of the Minimum Wage, 1995 Dollars*	Minimum Wage as a Percent of the Average Private Nonsupervisory Wage
1955	$0.75	$3.94	43.9%
1956	1.00	5.16	55.6
1957	1.00	5.01	52.9
1958	1.00	4.87	51.3
1959	1.00	4.84	49.5
1960	1.00	4.75	47.8
1961	1.15	5.41	53.7
1962	1.15	5.36	51.8
1963	1.25	5.74	54.8
1964	1.25	5.67	53.0
1965	1.25	5.59	50.8
1966	1.25	5.43	48.8
1967	1.40	5.90	52.2
1968	1.60	6.49	56.1
1969	1.60	6.21	52.6
1970	1.60	5.92	49.5
1971	1.60	5.67	46.4
1972	1.60	5.51	43.2
1973	1.60	5.18	40.6
1974	2.00	5.89	47.2
1975	2.10	5.71	46.4
1976	2.30	5.92	47.3
1977	2.30	5.56	43.8
1978	2.65	6.00	46.6
1979	2.90	5.99	47.1
1980	3.10	5.76	46.5
1981	3.35	5.68	46.2
1982	3.35	5.36	43.6
1983	3.35	5.14	41.8
1984	3.35	4.93	40.3
1985	3.35	4.76	39.1
1986	3.35	4.67	38.2
1987	3.35	4.51	37.3
1988	3.35	4.33	36.1
1989	3.35	4.13	34.7
1990	3.80	4.44	37.9
1991	4.25	4.77	41.1
1992	4.25	4.63	40.2
1993	4.25	4.50	39.2
1994	4.25	4.38	n/a
1995	4.25	4.25	n/a

*Adjusted for inflation using the CPI-U-X1.

CENTER ON BUDGET AND POLICY PRIORITIES

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MINIMUM WAGE DROPS TO SECOND LOWEST LEVEL SINCE 1955, REPORT FINDS

The purchasing power of the federal minimum wage is now at its second lowest level in four decades, according to a report released today by the Center on Budget and Policy Priorities.

The report — *Four Years and Still Falling: The Decline in the Value of the Minimum Wage* — found that after adjusting for inflation, the value of the minimum wage is above its level in 1989 but is below its level for every other year going back to 1955. If the value of the minimum wage were to have the same purchasing power in 1995 as it averaged in the 1970s, it would need to equal about $5.75 an hour. Instead, it equals $4.25 an hour.

Unless steps are taken to strengthen the wage floor, in 1996 inflation will push the purchasing power of the minimum wage below its 1989 level, thereby hitting its lowest annual level since 1955, the report said.

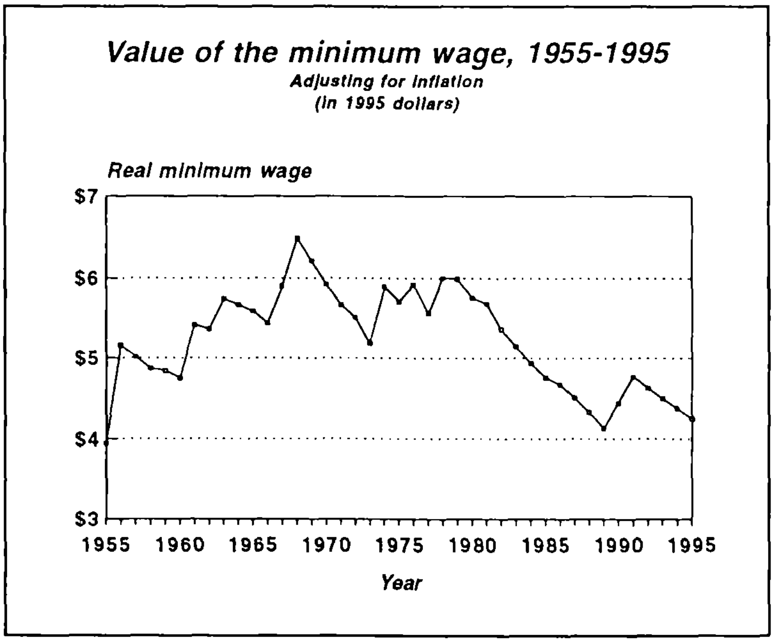
"It has been nearly four years since the minimum wage was last raised" said Isaac Shapiro, author of the Center report. "To help 'make work pay' and to assist struggling families with minimum wage workers, it's time to restore the strength of our nation's wage floor."

The report also examined studies of the effects of changes in the federal and state minimum wage in the late 1980s/early 1990s on employment opportunities. These studies, conducted by several of the nation's leading labor economists, suggest that a moderate increase in the minimum wage would have a negligible effect on employment, the Center found. After reviewing these studies, Harvard labor economist Richard Freeman, a noted expert in the area, concluded that these minimum wage increases did not have "any apparent adverse effect on employment."

The Erosion in the Value of the Minimum Wage

For more than nine years from January 1, 1981 to April 1, 1990, the minimum wage remained frozen at $3.35 an hour, the report said. Legislation signed by President Bush subsequently raised the minimum wage to its current level of $4.25 an hour. These raises, however, made up less than half of the ground that had been lost to inflation. In 1991, *after* the minimum wage was increased to $4.25 an hour, its value was 17 percent below its average level in the 1970s.

— more —



Since April 1991, the report explained, the minimum wage has stood still while the cost of living has risen another 11 percent.

As a consequence of these developments, the value of the minimum wage is now far below its traditional level, said the report. Its value is 26 percent below its average level during the 1970s, after adjusting for inflation. (See Figure.)

The wage standard has also fallen dramatically relatively to other wages, the report found. In the 1970s, the minimum wage averaged 46 percent of the average wage of private nonsupervisory workers. Currently, it equals 38 percent of the average wage.

"The only way to characterize the current value of the minimum wage is that it is extraordinarily low," said Shapiro. "Even if inflation continues at a moderate pace, the purchasing power of the minimum wage will soon drop to its lowest level since President Eisenhower's first term."

New Studies on the Minimum Wage and Employment

The report also reviewed important recent studies that used several different methodologies to assess the employment effects of increases in the federal minimum wage both across the nation and in particular states, as well as the effects of raising state minimum wages above the federal level.

— more —

The studies discussed in the report included those that examined the effects of the federal minimum wage increases in 1990 and 1991. One of the state studies examined the effects of an 80-cent increase in the New Jersey state minimum wage, from $4.25 an hour to $5.05 an hour in 1992. Another examined the effects of a 90-cent increase in California's minimum wage from $3.35 an hour in 1987 to $4.25 an hour in 1988. These studies generally found that the minimum wage increases did *not* reduce employment opportunities.

After reviewing these and other studies of federal and state minimum wage changes in the late 1980s and early 1990s, Richard Freeman of Harvard University concluded: "That moderate increases in the minimum [wage] transferred income to the lower-paid without any apparent adverse effect on employment... at the turn of the 1990s is no mean achievement for a policy tool in an era when the real earnings of the less skilled fell sharply."

The Center's report echoes Freeman's observation that any net reduction in employment from a higher minimum wage that might occur among teenagers would be mitigated by the extremely high turnover rates of these workers. That is, even if a higher minimum wage means that it will take some low-wage workers a little longer to find a job, once they do find a job they will benefit from the higher wages.

"These studies do not suggest or prove that *any* increase in the minimum wage — no matter how large — would have only desirable effects," said Shapiro. "But the outcomes of the studies suggest that the labor market functions in a more complicated manner than has been assumed by those contending that virtually any rise in the minimum wage results in a significant decrease in employment levels. The studies suggest that when the minimum wage is at a low level, as it is today, the employment effects of a moderate increase in the minimum wage are likely to be negligible."

Labor Market Backdrop

The deterioration in the minimum wage has come at an unfortunate time, the report said. Over the past two decades, there has been a drop in the real wages of workers at the bottom of the pay scale, wages for middle class workers have been stagnant, and the wage gains that have occurred have been concentrated among the wealthiest workers. As a result of these divergent trends, wage inequality has grown considerably. There is mounting evidence that the erosion in the value of the minimum wage has contributed to the increase in wage inequality.

The report also found that in 1993, some 22 million people — more than half of the poor — lived in households with a worker. Among families with children where the householder is employed, the likelihood of being poor has increased. Some 7.7 percent of these families lived in poverty in 1977; by 1993, some 11.3 percent did.

Among workers paid by the hour, the Center found that workers earning at or below the minimum wage were almost four times as likely to be poor as workers earning above the minimum wage.

"If we want to help ensure that economic gains are shared more evenly among workers and help families earn their way out of poverty, a minimum wage increase is appropriate," Shapiro said.

The Characteristics of Minimum Wage Workers

Contrary to the popular stereotype, the large majority of minimum wage workers are not teenagers, the report found. Nor are they minorities. In 1993, among workers paid by the hour with earnings at or below the minimum wage:

- Less than one in three — 31 percent — were teenagers. About one in five — 22 percent — were 20 to 24 years old. Nearly half — 47 percent — were aged 25 years or older.

- Although minorities are overrepresented among minimum wage workers, an estimated 70 percent of hourly workers paid at or less than the minimum wage were non-Hispanic whites.

- More than three of every five minimum wage workers — 62 percent — were women.

The Minimum Wage and the EITC

The report also found that while the recent expansion in the Earned Income Tax Credit has helped offset the decline in the value of the minimum wage, the offset is only partial. Only a small fraction of minimum wage workers qualify for the maximum EITC on a per-hour basis. Even for those few minimum wage workers earning this maximum EITC, the increase in the value of the EITC has not fully offset the decline in the value of the minimum wage. In 1996 (when the EITC expansion is fully phased in), the *maximum* combined hourly value of minimum wage earnings and the EITC, minus payroll taxes, will be 12 percent below its combined value in 1979, after adjusting for inflation. For most minimum wage workers, the net drop is much larger.

The Center on Budget and Policy Priorities conducts research and analysis on a range of government policies and programs, with an emphasis on those affecting low- and moderate-income people. It is supported primarily by foundation grants.

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