

Growing Diversity and Inequality in the American Family

SARA McLANAHAN and LYNNE CASPER

DRAMATIC changes have occurred in the American family over the last four decades, as reflected in popular television shows. In the 1950s the typical family portrayed in most situation comedies consisted of a breadwinner-husband, a homemaker-wife, and two or more children. This "ideal" American family was depicted in such shows as *Father Knows Best*, *Leave It to Beaver*, and *Ozzie and Harriet*. The Nelson family—Ozzie, Harriet, and their children David and Ricky—has recently received renewed fame in the press and has come to symbolize the typical American family of the 1950s. It now serves as a baseline against which to compare current family arrangements. Although the Nelson family was more of an ideal than a reality for many people, even in the 1950s, Americans did share a common image of what a family should look like and how parents and children should behave, which reinforced the importance of the family and strengthened the institution of marriage. No such common understanding exists today, for better or for worse.

Since the 1950s, families like the Nelsons have become increasingly rare, as young men and women have delayed marriage and childbearing, as wives and mothers have entered the labor force in greater numbers, and as divorce rates have soared. This does not mean that families are becoming extinct, but rather that they are taking on different forms. Along with the decline of families like the Nelsons, new types of families and living arrangements have become more dominant, including childless couples with two careers, one-parent families, and cohabiting couples with children. Nonfamily households—defined as households containing a single individual or people unrelated by either blood or marriage—have also become more prominent. Today, successful television shows, such as *thirtysomething*, *LA Law*, and *Murphy Brown*, feature divorced and never-

married characters, employed mothers, and single mothers (defined as divorced, separated, never-married, or widowed mothers raising children alone), reflecting the diversity of families that is characteristic of the 1990s. These "new families" indicate that Americans have more choices today than they did in the past about how to organize their private lives and intimate relationships (Goldscheider and Waite 1991).

At the same time, greater diversity has meant greater economic inequality across households. Some of the new, nontraditional families, such as dual-earner couples, are doing very well; others, such as single-mother families, are doing poorly. In 1991, the typical dual-earner couple with children had an annual income of \$46,629.¹ In contrast, the typical mother-only family had an income of only \$13,012. Families like that of Ozzie and Harriet (working-husband, homemaker-wife, children) had an annual income of \$33,961. The increase in single-mother families and dual-earner families during the 1970s and 1980s has led to increased inequality across households and to a feminization of poverty, with more and more of the poor being concentrated in families headed by unmarried mothers (Pearce 1978). In 1960, 24 percent of poor families were headed by unmarried mothers; in 1990, the number was 53 percent. The diversity of families has also exacerbated racial and ethnic differences in economic well-being. Whereas the fastest growing white families are dual-earner families, a relatively advantaged group, the fastest growing black families are mother-only families, a relatively disadvantaged group.

Many people are concerned about what these changes mean for children and what government can (and should) do to help families and children adjust to change. Since women are spending more of their time working outside the home, their children are spending less time with them; and mothers are confronted with conflicting demands from the workplace and family. Despite the problems encountered by working mothers, today very few people believe that mothers' employment per se is harmful to children, except perhaps during the first year of life. And yet we used to think so, 40 years ago. Today, the policy debate about mothers' employment is primarily a debate over what constitutes quality childcare, how to make quality care accessible and affordable to families, and how to design parental leave policies to suit the needs of parents as well as employers (Da Vanzo, Rahman, and Wadhwa 1994).

The public is much less sanguine about the future implications of marital disruption and single motherhood. When mothers work outside the home, children may spend less time with their parents, but the family also gains income. In contrast, when parents live in separate households, children experience a loss of parental time (typically the father's time) as well as a loss of income. Because the total loss of resources is substantial for children who live with single mothers, many people fear that this type of arrangement may be harmful to children. And indeed the empirical evidence supports their fears. Children who

grow up with only one of their parents are less successful in adulthood, on average, than children who grow up with both parents. They are more likely to drop out of high school, to become teenage and single mothers, and to have trouble finding and keeping a steady job in young adulthood, even after adjusting for differences in parents' socioeconomic background (McLanahan and Sandefur 1994). About half of the disadvantages associated with single parenthood are due to lower incomes. Most of the rest are due to too little parental involvement and supervision and too much residential mobility. Given the public concern about the growth as well as the consequences of single motherhood, the policy debate in this area is not just about how to help children adapt to family change, it is about how to reverse change. We use the word single in this chapter to refer to adults who are not currently married and living with a spouse. Many of these people were married in the past or will be in the future.

The idea that government should try to prevent single-mother families from forming is a hotly contested issue. It raises questions about the causes underlying the decline in marriage and the causes of single motherhood. Those who want government to limit the growth of single-mother families often claim that government is responsible for the growth of such families. They argue that the rise in welfare benefits during the sixties and early seventies sent the message to young men and women that if they had children and did not marry, the government would take care of the mothers and children. Thus, fewer couples married and more young women became single mothers. Charles Murray, a leading proponent of this view, argues that the only way to save families is to eliminate welfare entirely, forcing poor young women either to stop having children or to place their newborns with adoption agencies (Murray 1984, 1993).

At the other end of the political spectrum are those who believe that the decline in marriage is due to the decline in job opportunities for poor young men—jobs that would enable them to support a family (Wilson and Neckerman 1986). They argue that young men with the least education and the fewest skills were the hardest hit during the 1970s and 1980s by the loss of jobs from central cities and the restructuring of the workplaces that occurred. With no visible means of support and with bleak prospects for the future, these young men are not seen as potential marriage partners by the young women they are dating, even when the women become pregnant. Nor are the parents of the girl likely to try to arrange a "shotgun marriage" as they might have done in the 1950s, when the likelihood of finding steady work was much greater for low-skilled men. In short, marriage has declined because the pool of marriageable men has declined.

These two theories tell us something about why marriage might have declined among women from disadvantaged backgrounds during the past few decades, but they do not explain why the trend also occurred among young women from more advantaged backgrounds. To fully understand what has happened to

American families, we must look farther than welfare benefits and the loss of jobs for low-skilled men.

Another theory with considerable merit is that marriage declined because women became more economically independent; increased education, job opportunities, and hourly wages during the past three decades reduced the gains from marriage and gave women an alternative source of income outside marriage (Becker 1981). This allowed them to be more selective in choosing mates and it encouraged them to leave bad marriages. The women's independence theory incorporates the two previous arguments. Welfare benefits, like earnings, provide less-educated women with an alternative source of income outside marriage. Similarly, the decline in good jobs for low-skilled men makes marriage less attractive for these women, especially if the level of welfare benefits remains constant.

Finally, some people blame the decline in marriage and increase in single motherhood on changes in American culture (Bellah et al. 1985; Lestaege and Surkyn 1988). The cultural argument has many different facets. Some people see the sexual revolution in the 1960s as the principal engine of change. Changes in attitudes about premarital sex made it easier for young men and women to live together without being married and destigmatized single motherhood. And improved and accessible birth control methods and more widely available abortions facilitated intimate relationships without the responsibilities and commitments they once entailed.

Other analysts focus on the shift in values that has taken place throughout the twentieth century, especially after 1960. The shift in values from those favoring family commitment and self-sacrifice to those favoring individual growth and personal freedom has given rise to the so-called "me generation." Many of the characters in recent television shows, such as *Northern Exposure*, *Seinfeld*, and *thirtysomething*, show young people struggling with the tension arising from making permanent commitments to others while remaining true to their own ideals and personal growth.

The debate over the causes of family change has important policy implications. If welfare benefits are the major reason for the decline in marriage and the increase in single motherhood, reducing benefits or redesigning welfare incentives to be more marriage-neutral may have merit. If the decline in men's opportunities, the increase in women's employment opportunities, or value changes are the problem, eliminating welfare is not likely to have much effect on marriage, and it will definitely make poor children worse off economically. Ironically, if the increase in women's economic independence is a major cause of single motherhood, then encouraging welfare mothers to enter the labor force, which is a principal thrust of recent efforts to reform welfare, may actually exacerbate the trend in single motherhood, since it will increase the economic independence of women in the long run.

In this chapter we examine the changes that have made the prototypical Ozzie and Harriet family increasingly rare in the latter half of the twentieth century. We begin by focusing on four major demographic trends: the decline in marriage, the rise in marital disruption, the changes in marital and nonmarital childbearing, and the increase in mothers' labor force participation. Certain of these trends, such as the rising divorce rate, are extensions of long-term patterns that have been reshaping family life since the turn of the century. Others, such as the employment of mothers with young children, are more recent and represent a break with the past.

We also examine demographic changes in other Western industrialized countries in order to place the U.S. experience in the broadest possible context. The cross-national comparisons help us think about the causes underlying the changes in the American family, and how we might minimize the cost of change for children. Too often, commentators and political pundits in the United States speak as though the changes affecting the American family were unique to this country. As noted above, the growth of single-mother families is often attributed to the increase in welfare benefits during the 1960s and early 1970s. As we shall see, however, the United States is not unique with respect to divorce, nonmarital childbearing, and women's employment. Nor is there a simple 1:1 relationship between the prevalence of single parenthood and the level of welfare benefits across different countries. Many European countries, such as France, Great Britain, and Sweden, are much more generous toward single mothers, and yet they have less single motherhood than we do.

In the second part of the chapter, we examine family diversity and its implications for the economic well-being of American women. Census data allow us to compare the characteristics of several different types of "new families," including single-mother families, single-father families, and cohabiting couples. They also allow us to examine the prevalence of different work and family roles among American women and the standard of living commensurate with these statuses. As in the previous section, we compare the U.S. case with other industrialized countries. We find that married-couple families in which the wife is employed have the lowest poverty rates in nearly all the countries examined, whereas families headed by nonemployed single mothers have the highest poverty rates. We also find that single mothers are much worse off in the United States, relative to other families with children, than in most other countries.

The final part of the chapter directly addresses the question of why marriage has declined during the past two decades. Here we present new evidence based on our own empirical analysis of marriage market characteristics in different metropolitan areas of the United States. We find that marriage is more common in areas where women's employment opportunities and earnings are low, where welfare benefits are low, and where men's employment opportunities and earnings are high. We also find that increases in women's employment opportunities

can account for a good deal of the decline in marriage between 1970 and 1990 among white women but not among blacks. Our results do not support the argument that increases in welfare benefits or declines in men's employment opportunities have led to large declines in marriage.

FOUR DEMOGRAPHIC TRENDS

Four demographic changes have profoundly affected the American family in the past 40 years: the decline in marriage, the increase in marital instability, the change in marital and nonmarital fertility, and the increase in mothers' labor force participation. To understand what has happened to the family, we must understand what has happened in each of these domains (Da Vanzo and Rahman 1994).

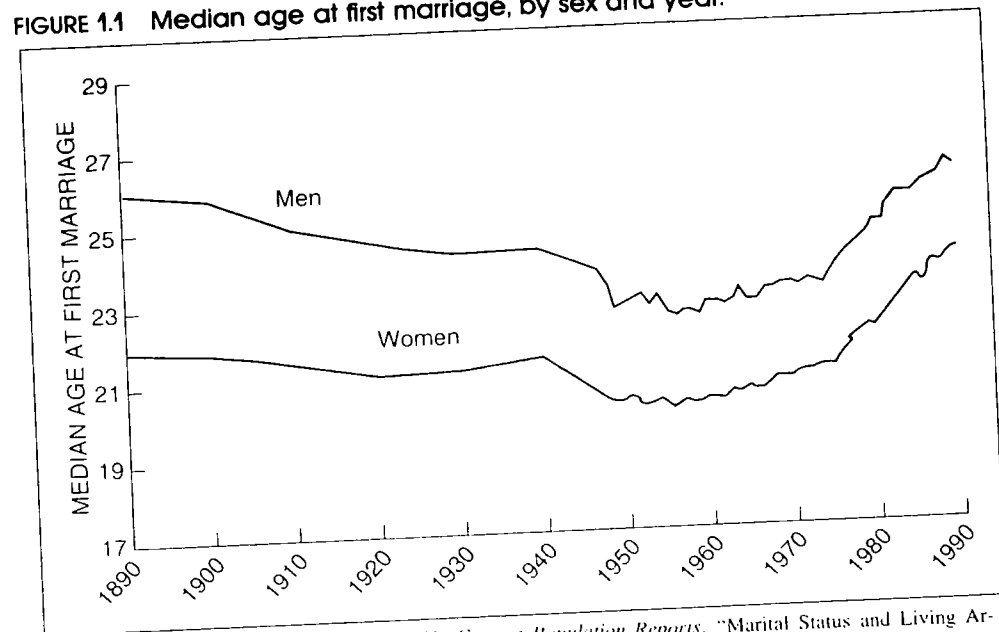
The Delay in Marriage

Throughout the 1950s, the typical young woman married when she was about 20 years old and the typical young man when he was about 23. This situation prevailed throughout the 1950s. By 1990, however, the median age at first marriage—the age at which half of the population has married for the first time—was 24 for women and 26 for men. In just three decades, the median age at first marriage increased by 4 years among women and by 3 years among men.

The postponement of marriage that took place after 1960 led to a substantial increase in the percentage of never-married young adults. In 1970, about 6 percent of women and 9 percent of men aged 30–34 had never married. By 1990, the figures were 16 percent and 27 percent, respectively.² In one sense, the rise in the age at first marriage was not as unusual as it might at first appear. Marital patterns in the 1950s and early 1960s were unique (Cherlin 1992). Never before in this century had so many people married, and never before had they married so young. Thus, using 1950 or 1960 as a benchmark against which to evaluate recent behavior makes the current situation appear much more unusual than it actually is. Had we used 1900 as our baseline, for example, we would have found a much smaller increase in the median age at first marriage—no change among men and only a 2-year increase among women.

Yet, certain aspects of the relatively high age at first marriage today differ from those at the turn of the century. In 1900 most young adults lived with their parents or other relatives until they married; today they are more likely to leave home and establish independent households. Thus, the increase in the age at first marriage after the 1960s led to a substantial increase in nonfamily households—households containing a single person or several unrelated adults. This further undermined the institution of marriage, since it provided young people

FIGURE 1.1 Median age at first marriage, by sex and year.



SOURCE: U.S. Bureau of the Census. 1991. *Current Population Reports*. "Marital Status and Living Arrangements: March 1990." Series P-20, No. 450.

NOTE: Data points after 1947 are plotted for single years.

with an alternative way of establishing their independence from their families of origin.

Living away from home prior to marriage was especially pronounced throughout the 1960s and 1970s as the baby boom generation came of age, as contraception techniques improved, and as young men and women became active in the civil rights and women's liberation movements. During the 1980s, the trend reversed as economic conditions worsened for young people, who found it harder to find jobs and become self-supporting. Even so, the proportion of unmarried adults living on their own or with unrelated adults was substantially higher in 1990 than it was in 1970.

The increasing median age at first marriage and the rising percentage of never-married adults has coincided with an increase in cohabitation—two persons of the opposite sex living together in a marriagelike relationship. In 1960 and 1970, the earliest years for which cohabitation data are available, about 2 percent of unmarried adults were cohabiting.³ After 1970, the percentage increased rapidly. Between 1980 and 1990, it grew from 5.3 percent to 7.9 percent among unmarried men and from 4.3 to 6.6 percent among unmarried women (Table 1.1). The increase in cohabitation occurred among all age groups (except people over 65), but it was greatest among men and women in their late twenties and early thirties.

TABLE 1.1 Percentage of unmarried males and females cohabiting: 1980 and 1990.^a

	Males		Females	
	1980	1990	1980	1990
15-24	2.3%	3.4%	4.0%	5.6%
25-34	11.4	13.1	11.9	16.2
35-44	10.9	13.9	5.1	10.1
45-64	7.8	9.7	3.2	4.8
65 and Over	4.6	4.5	1.4	0.8
Total	5.3	7.9	4.3	6.6

SOURCES: U.S. Bureau of the Census, 1991, *Current Population Reports*, "Marital Status and Living Arrangements: March 1990," Series P-20, No. 450; U.S. Bureau of the Census, *Current Population Reports*, "Marital Status and Living Arrangements: March 1980," Series P-20, No. 365, U.S. Bureau of the Census, Unpublished tabulations.

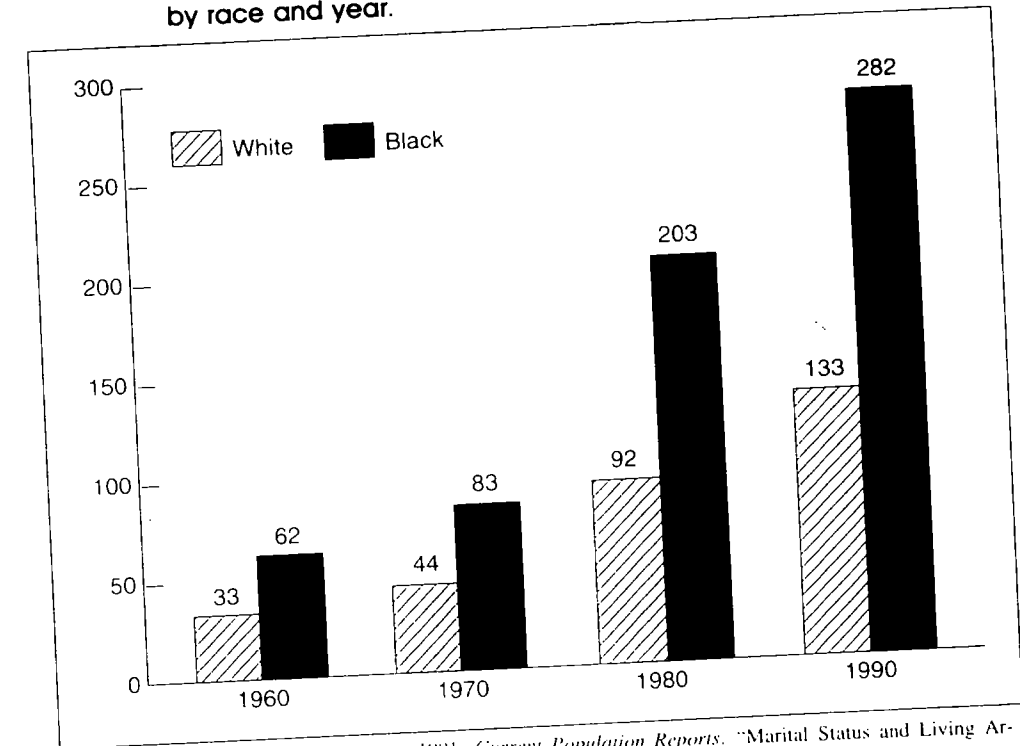
^aThe term cohabiting refers to adults living in unmarried-couple households.

Although some analysts argue that cohabitation reinforces the institution of marriage by allowing people to "try out" potential marriage partners, thereby choosing their mates more carefully, there are several reasons for believing otherwise.⁴ First, cohabiting unions are less stable than legal marriages and of much shorter duration (Bumpass, Sweet, and Cherlin 1991). Second, a sizable proportion of cohabitators (10 percent) intend to continue living together, but do not intend to marry their current partner (Casper 1992). For these couples, cohabitation is clearly an alternative rather than a precursor to marriage. There is another subset of cohabitators (7 percent) who plan to marry eventually but who do not plan to marry the person they are currently living with (Sweet and Bumpass 1992). And finally, regardless of how people view their relationship, the rights and obligations that go with legal marriage are much more difficult to enforce among cohabiting couples than among married couples. To take just one example: an unmarried woman who becomes a mother has a much weaker claim on the resources of the child's father than a woman who is married to the father. Only about 30 percent of children born outside marriage have a legally designated father (Garfinkel 1992). Although the courts have been moving in the direction of extending "marital rights and obligations" to cohabiting couples, there continues to be a large disparity between these two types of partnerships.

The increase in Marital Instability

A second major factor affecting families is the increase in divorce. Whereas in 1950, most people married once and remained married until they (or their spouses) died, as Ozzie and Harriet presumably did, today over half of all cou-

FIGURE 1.2 Ratio of divorced persons per 1,000 married persons, by race and year.



SOURCE: U.S. Bureau of the Census, 1991, *Current Population Reports*, "Marital Status and Living Arrangements: March 1990," Series P-20, No. 450.

ples end their marriages voluntarily. The divorce rate—the number of divorces each year per 1,000 married women—rose steadily during the first half of the twentieth century and increased dramatically after 1960. Over half of all marriages contracted in the mid-1980s were projected to end in divorce (Castro-Martin and Bumpass 1989). The divorce rate leveled off during the 1980s but this was not necessarily a sign of greater marital stability. We would have expected such a leveling off, given the increase in cohabitation (which means that the couples who do marry are likely to be the most committed), given the increase in the average age at first marriage, and given the fact that the large baby boom cohorts have reached middle age and passed through the period of their lives when they were most likely to divorce (Bumpass and Sweet 1989a).

The increase in divorce and the delay/decline in marriage led to a rise in the ratio of divorced to married people (Figure 1.2). In 1960, there were 35 divorced men and women for every 1,000 married adults; by 1990, there were 140. The ratio of divorced to married people is nearly twice as large for blacks as for whites, and this was true throughout the period from 1960 to 1990. In just three decades, the ratio of divorced to married adults grew over fourfold!

Although the ratio was higher for blacks than for whites, the percentage increase over time was the same for both races. The increase in the divorce ratio is likely to have a feedback effect on marriage. By increasing the chance that married and single people will interact with people who have ended their marriages through divorce, a high divorce ratio makes divorce more acceptable and marriage more uncertain. In addition, legal changes since the 1950s have made divorce easier and more accessible. For example, until the 1960s, divorce was permissible in New York State only if one partner proved the other had committed adultery.

The Shift in Marital and Nonmarital Fertility

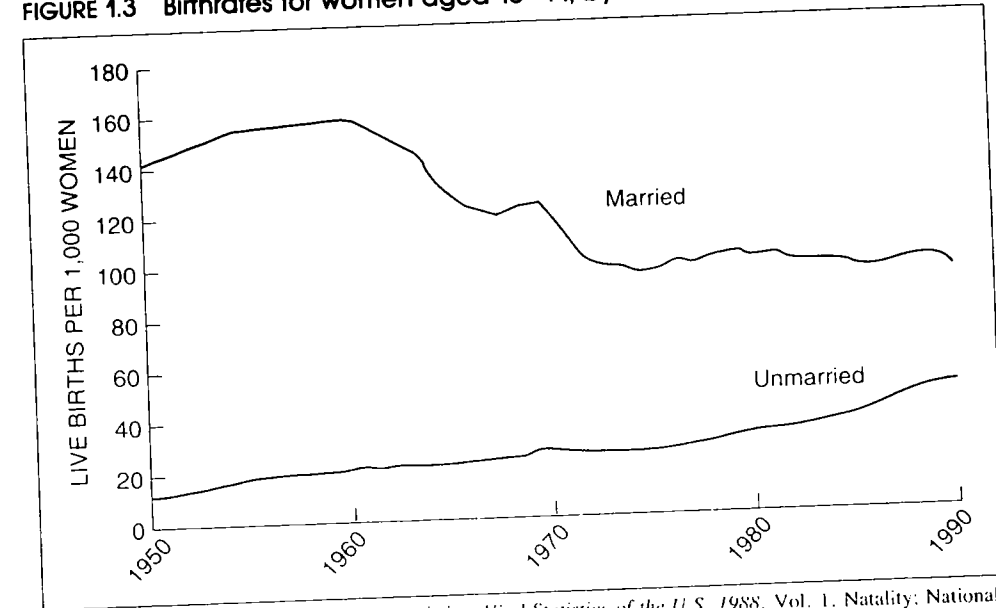
A third change affecting the American family is the shift in marital and nonmarital fertility rates. Between 1960 and 1990, marital fertility rates—births to married women between the ages of 15 and 44—declined sharply, while nonmarital fertility rates—births to unmarried women of similar ages—increased gradually. Together, these two trends represented a reduction in overall fertility while increasing the proportion of children born outside of marriage.

The rapid rise in the illegitimacy ratio—the proportion of all births each year occurring to unmarried women—has recently attracted considerable attention, as the public has become increasingly concerned about the economic and social costs of nonmarital childbearing for children, mothers, and the country at large.⁵ What is often missing from such discussions, however, is the recognition that "marital" fertility has a significant effect on the trend in the illegitimacy ratio. Since married women account for a much larger proportion of all births than do unmarried women, a change in the fertility behavior of married women can have a large impact on this measure. In addition, an increase in the proportion of women who are single can also have a large effect on the proportion of children born outside marriage.⁶ To understand why the illegitimacy ratio has gone up so fast in recent years, we must understand what is happening to both the marital and nonmarital birthrates as well as to the changing marital status composition of women, that is, the proportions of women who are married and unmarried.

The 1950s were an unusual decade. Not only did men and women marry at relatively young ages, they also became parents when they were quite young, and they gave birth to more children than in the previous decade. This increase in marital fertility caused what demographers called a baby boom from the mid-1940s to the early 1960s.

However, married women began to change their behavior in the early 1960s. Marital fertility rates declined by more than 40 percent between 1960 and 1975, from 157 births per 1,000 married women to 92 births per 1,000 married women. During this same period, nonmarital fertility hovered around 22–24

FIGURE 1.3 Birthrates for women aged 15–44, by marital status: 1950–1991.



SOURCES: National Center for Health Statistics, *Vital Statistics of the U.S.*, 1988, Vol. 1, Natality; National Center for Health Statistics, *Advance Report of Natality Statistics*, 1993, Vol. 41, No. 9.

births per 1,000 unmarried women. The increase in the illegitimacy ratio between 1960 and 1975 was due to two factors: the decline in the fertility of married women and the delaying of marriage. But not to an increasing birthrate of unmarried women.

Beginning in the mid-1970s, marital fertility rates stopped declining, nonmarital fertility rates began to rise, and the age at first marriage continued to rise. After 1975, the rise in the illegitimacy ratio was due to increases in nonmarital fertility as well as to increases in the number of women at risk of having a nonmarital birth.

The distinctions between the different forces underlying the rises in the illegitimacy ratio are crucial for understanding the recent debate over the causes of out-of-wedlock childbearing. In this debate, policymakers and political pundits often point to the rise in the illegitimacy ratio as evidence that increases in welfare benefits were responsible for the increases in nonmarital childbearing. But their explanations do not fit the data. During the period when welfare benefits were going up—from 1960 to 1975—the rise in the illegitimacy ratio was driven primarily by the *decline* in marital birthrates and *delays* in marriage. Birthrates of unmarried women rose only 13 percent during this period. Not until the late 1970s and 1980s was the rise in the illegitimacy ratio driven by an actual increase in nonmarital fertility, and by that time, welfare benefits had started to decline in value. This does not mean that welfare has no impact on

unmarried childbearing, but it does suggest that the relationship is much weaker and more complex than many people think. Clearly, the rise in the percentage of births occurring to unmarried women is not the simple consequence of more welfare benefits. And curtailing welfare benefits now will probably not reduce the illegitimacy ratio.

Changes in marital and nonmarital fertility altered family life in two major ways: they reduced the prevalence of parenthood overall, and they increased the proportion of families headed by single mothers. In 1960, 44 percent of American households contained a married couple with a minor child. Recall that a household includes all the persons who share a dwelling unit, while a family includes two or more persons who share a dwelling unit *and* are related to each other by blood, marriage, or adoption. A person living alone is counted as a household but not a family. An additional 4 percent of households contained a child and either a single parent or neither parent (Wetzel 1990). Thus, nearly half of all households included children, and nearly 90 percent of the households with children contained two parents. But by 1990, only about 35 percent of all households contained children, and an increasing proportion of households with children did not contain two parents. Between 1960 and 1990, the proportion of children living in single-parent families grew from 9 percent to 25 percent.⁷ And this number understates the proportion of children that will ever experience single parenthood. Demographers estimate that over half of all children born in the late 1970s will live in a single-parent family at some point before reaching age 18 (Bumpass and Sweet 1989a).

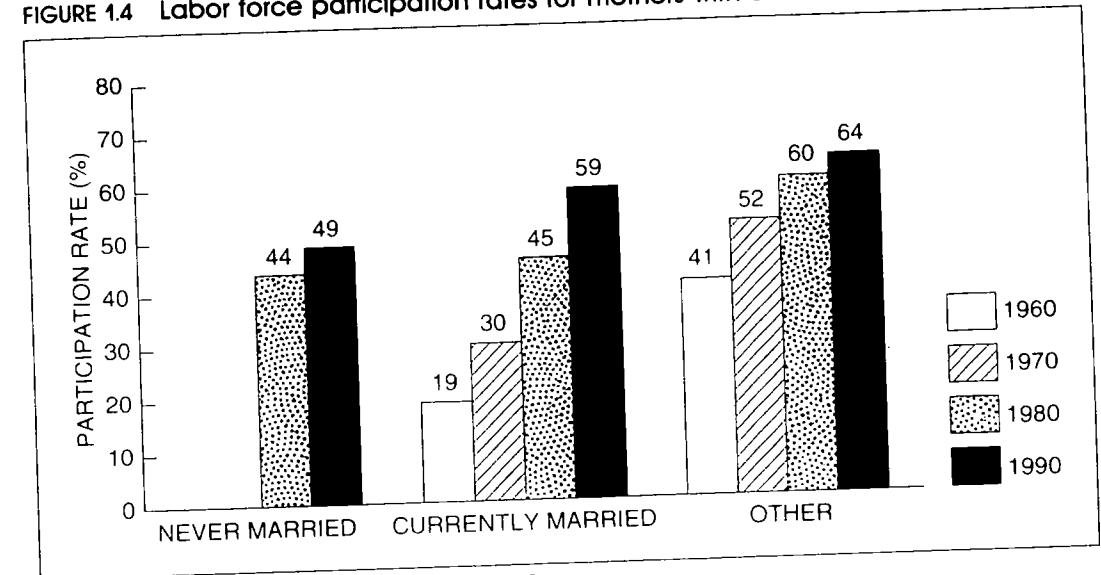
The growth of single-parent families is covered in more detail in the next section. (It is also treated in Chapter 3 in this volume.) For now, we simply note that single-parent families are very different from two-parent families in terms of their economic status, and this difference has important implications for the future well-being of children.

The Increase in Mothers' Employment

The final, and perhaps most fundamental, change affecting the American family is the increase in mothers' employment. Women's labor force participation—the percentage of women who are working or looking for work—has been going up since the beginning of the twentieth century. In the early part of the century the increase occurred primarily among young unmarried women. After 1940, married women began entering the labor force in greater numbers, and after 1960, married mothers with children at home followed suit. (See Bianchi, Chapter 3 in Volume 1 for a more thorough description of these trends.)

In the early 1950s, only about 30 percent of married mothers with school-aged children were working outside the home. By 1990, this number had risen to over 73 percent. In just four short decades, a behavior that once described

FIGURE 1.4 Labor force participation rates for mothers with children under 6.



SOURCE: Statistical Abstract of the United States, 1993.

NOTES: * Not available for 1960 and 1970.

"Other" includes widowed, divorced, and separated mothers.

only a minority of mothers now fit a large majority of mothers, and this was true of mothers of all marital statuses. The figures for mothers with preschool children (under age 6) are even more dramatic. In 1960, only 19 percent of married mothers with preschool children were in the labor force, whereas by 1990, 59 percent were employed. By 1990, currently married mothers were nearly as likely to be in the labor force as formerly married single mothers (64 percent), and they were more likely to be employed than never-married mothers (49 percent).⁸

Race Differences

Racial and ethnic groups differed considerably in 1990 with respect to the prevalence of marriage, parenthood, and employment among mothers. The trends, however, were consistent for all of the groups we examined. White women were the most likely to be married in 1990; black women the least likely; and Hispanic women fell in between. All three groups experienced a decline in the prevalence of marriage between 1980 and 1990.

The pattern for single parenthood was just the opposite. Black women were four times as likely as white women to be single mothers—28 percent versus 7 percent—and Hispanic women, again, were in the middle. Single includes women who reported they had never married or were divorced, separated, or

TABLE 1.2 Percentage of women aged 18–55 who are married, single parents,^a and employed mothers, by race: 1980 and 1990.

	Percent Married			Percent Single Mothers			Percent all Mothers Who Are Employed ^b		
	1980	1990	%Δ	1980	1990	%Δ	1980	1990	%Δ
Whites	66%	64%	–2	7%	7%	0	53%	69%	+16
Blacks	38	34	–4	26	28	+2	60	68	+8
Hispanics	60	55	–5	13	14	+1	51	58	+7

SOURCE: Public Use Microdata Sample, 1980 and 1990.

^aSingle: includes divorced, separated, widowed, and never-married mothers.^bUsually worked 20 or more hours per week outside of the home last year.

widowed at the time of the census. The prevalence of single motherhood, as a percentage of all women, did not increase among white women during the 1980s, and increased by only 2 and 1 percentage points among blacks and Hispanics, respectively. (Single motherhood grew much more rapidly in the 1960s and 1970s than in the 1980s.) With respect to mothers' employment, all three racial and ethnic groups experienced an increase in mothers' labor force participation (mothers working at least 20 hours per week) between 1980 and 1990. White mothers were the most likely to be working outside the home in 1990, and Hispanic mothers were the least likely.

Cross-National Comparisons

The United States is not the only country to have experienced significant demographic changes during the past three decades. Declines in marriage, increases in divorce, growth in the proportion of children born outside marriage, and increases in the labor force participation of women have affected family life in most European countries as well as in Canada and the United States. The average age at marriage has risen since the beginning of the 1970s in most Western countries as it has in the United States. Europeans who were born in the 1950s and who came of age during the "free-love generation" of the 1960s initiated the retreat from marriage characterized by both later and less frequent marriage (Sorrentino 1990). Indeed, the age at first marriage is actually lower in the United States than in most of the European countries.

Divorce rates have also increased throughout the Western world. While the United States had by far the highest rate of divorce in 1990, the increase over the past several decades was dramatic in nearly all of the Western countries. In Canada and the United Kingdom, the divorce rate grew from about 2 divorces per 1,000 married women in 1960 to 12 per 1,000 in 1990; in France it grew from 3 to 8 per 1,000 married women; and in the Netherlands from 2 to 8 per

TABLE 1.3 International comparisons: divorce rates, illegitimacy ratios, single parents and employed women.

	Divorce Rate ^a		Illegitimacy Ratio ^b		Single Parents ^c		Employed Women ^d	
	1960 ^e	1990 ^f	1960	1990	1960	1988	1970 ^g	1988
United States	9	21	5	28	9	23	45	73
Canada	2	12	4	24	9	15	41	75
Denmark	6	13	8	46	17	20	NA	90
France	3	8	6	30	9	12	52	75
Germany ^h	4	8	6	11	8	14	48	62
Italy	1	2	2	6	NA	NA	44	61
Netherlands	2	8	1	11	9	15	24	55
Sweden	5	12	11	47	9	13	61	89
United Kingdom	2	12	5	28	6	13	43	66

SOURCES: U.S. Bureau of the Census, Statistical Abstract of the United States, 1993; Sorrentino 1990.

NA = Not Available.

^aDivorce rate per 1,000 married women.^bPercentage of all births born to unmarried women.^cPercentage of all family households that are single-parent. 1971 and 1986 for Canada. 1976 and 1988 for Denmark. 1968 and 1988 for France. 1972 and 1988 for Germany. 1961 and 1985 for Netherlands. 1960 and 1985 for Sweden. 1961 and 1987 for the United Kingdom. Age restrictions for children differ by country.^dPercentage of women aged 25–34 (25–39 in Italy) in the labor force.^e1970 for Italy.^f1989 for France; 1988 for United Kingdom.^g1977 for Italy.^hFor former West Germany.

1,000. Italy was the only European country that did not experience a sharp rise in divorce between 1960 and the mid-1980s.

The illegitimacy ratio also rose dramatically in nearly all of the Western countries. Sweden and Denmark experienced the largest percentage point increases (from 11 to 47 percent and from 8 to 46 percent for these two countries, respectively). While some countries had much higher illegitimacy ratios than the United States, they did not have a higher percentage of single-mother families. Nearly 23 percent of all families with children in the United States were headed by a single mother in the late 1980s, whereas the percentages were 20 and 13 percent in Denmark and Sweden, respectively. The higher prevalence of single motherhood in the United States is due in part to the fact that divorce is more common in the United States than in other countries and in part because children born outside of marriage are less likely to live with both parents in the United States than in other countries. In the United States about 25 percent of nonmarital births during the 1970s and 1980s were to cohabiting couples, whereas in Denmark and Sweden nearly all nonmarital births were to cohabiting couples (Bumpass and Sweet 1989a; Sorrentino 1990).

Finally, women's labor force participation rates have been going up in nearly

all the countries. In the late 1980s, Denmark and Sweden had the highest percentage of employed women, followed by Canada, France, and the United States. The increase in employment was greatest among women in the Netherlands. The labor force participation rates of Dutch women more than doubled, increasing from 24 percent to 55 percent! Canadian women also experienced relatively large increases in employment, from 41 percent in 1970 to 75 percent in 1988.

The labor force participation rate of mothers was lower than the rate of all women in the late 1980s, but a majority of mothers were working outside the home in most countries. Germany and Italy were the only countries in which less than half of mothers were in the labor force in the mid-1980s. Comparable numbers for the Netherlands are not available, but our own estimates indicate that Holland has one of the lowest labor force participation rates for mothers of all the Western European countries (McLanahan, Casper, and Sørensen, forthcoming).

DIVERSITY AND INEQUALITY

The trends described in the previous section have led to dramatic changes in American families and households, most notably to a decline in traditional families and to an increase in nontraditional families, such as dual-earner couples and single-parent families. In 1960, over 50 percent of all families contained a breadwinner-husband and a homemaker-wife, whereas by the end of the 1980s, only 20 percent of all families fit this description. During this same period, dual-earner families grew from under 25 percent to nearly 40 percent of all families, while families headed by single mothers increased from about 9 percent to around 23 percent (Hayghe 1990).

Diversity In Women's Work and Family Status

To illustrate how these demographic forces have altered, and are continuing to alter, the lives of Americans, we examined changes in women's family statuses between 1980 and 1990. We focus on women because the trends described above had their most dramatic effects on women's behavior and family status. Focusing just on men would have obscured the growth of single-parent families, and focusing just on children would have obscured the growth of childless couples and adults in nonfamily statuses.

We identified eight different family statuses, based on women's marital, employment, and parental roles. A woman was coded as employed if she worked 20 hours or more a week. She was classified as a mother if she was living with an "own child" under 19. We restricted our sample to women between the ages

of 18 and 55 because this is the age range during which women are most likely to be raising children.

Women who were married and not employed were classified as occupying traditional family statuses. Employed married women and unmarried women raising children were classified as occupying nontraditional family statuses. We recognize that dual-earner couples and single-parent families are nontraditional in very different ways. In the first case, the traditional family form is violated by the wife's working outside the home. In the second, it is violated by the fact that one parent is not living in the household.

Women who were neither married nor raising children were classified as occupying nonfamily statuses, even though some of these women were living with parents or related adults. They occupy nonfamily statuses in the sense that they have not yet started their own families, either by marrying or having a child. Given their high levels of labor force participation, we expect most of these women to move into nontraditional family statuses once they marry or have children.

In 1980, 29 percent of white women of childrearing age were married homemakers (Table 1.4). By 1990, the figure was only 18 percent. (We assumed that most homemakers without children were either anticipating an Ozzie and Harriet family or had experienced such a family in the past.) In just one decade, the percentage of white women in traditional family statuses declined by 11 points.

Along with the decline of women in traditional family statuses came an increase in nontraditional statuses. By 1990, over half of all white women occupied nontraditional family roles, and recent trends suggest that this percentage will continue to grow in the future. For whites, the increase of women in nontraditional statuses was due entirely to increases in working wives.⁹ There was no increase in single motherhood among white women during the 1980s.

Some readers may be surprised to find that such a small percentage of white women (of childrearing age) were single mothers in 1990, given the considerable press coverage these women attract. The apparent contradiction between the public perception and the reality can be explained in part by the fact that the numbers in Table 1.4 refer to all women, whereas the numbers most frequently quoted in the press refer to all mothers or all children. The percentage of all white mothers who were single (unmarried) in 1990 was 16 percent, whereas the percentage of white women who were single mothers was only 7 percent.

The difference between the two figures illustrates a very important point: the prevalence of single-mother families (and the growth of such families) looks much more dramatic when the base is all mothers as opposed to all women. If we are concerned about the conditions under which children are being raised, mothers (or children) are the correct population to focus on. If we are concerned about the condition of women, however, or if we are trying to understand the

TABLE 1.4 Women's employment and family status, by race: 1980 and 1990.

	Percent in 1980	Percent in 1990	Percentage Point Change
Whites			
Traditional family			
Married, child, homemaker	21%	12%	-9
Married, no child, homemaker	8	6	-2
Nontraditional family			
Married, child, employed	21	26	+5
Married, no child, employed	16	20	+4
Single, child, employed	5	5	0
Single, child, homemaker	2	2	0
Nonfamily			
Single, no child, employed	21	24	+3
Single, no child, not employed	6	5	-1
Blacks			
Traditional Family			
Married, child, homemaker	9%	5%	-4
Married, no child, homemaker	4	3	-1
Nontraditional family			
Married, child, employed	17	17	0
Married, no child, employed	8	9	+1
Single, child, employed	14	17	+3
Single, child, homemaker	12	11	-1
Nonfamily			
Single, no child, employed	21	25	+4
Single, no child, not employed	15	13	-2
Hispanics			
Traditional Family			
Married, child, homemaker	22%	16%	-6
Married, no child, homemaker	6	6	0
Nontraditional Family			
Married, child, employed	22	22	0
Married, no child, employed	10	11	+1
Single, child, employed	7	8	+1
Single, child, homemaker	6	6	0
Nonfamily			
Single, no child, employed	17	21	+4
Single, no child, not employed	10	10	0

SOURCE: Public Use Microdata Sample, 1980 and 1990.

NOTES:

1. *Single* defined as never-married, separated, divorced, widowed, or cohabiting.
2. *Child* defined as women living with a natural, adopted, or stepchild under age 18.
3. *Unemployed* defined as usually worked 20 hours or more a week outside of the home last year.

reasons behind the changes in women's behavior, we should focus on all women rather than mothers.

Focusing only on women with children can be misleading, since it ignores the fact that women are less likely to be mothers today than they were in the past. In 1980, 49 percent of white women were living with a minor child, as compared to 45 percent in 1990. (Add rows 1, 3, 5, and 6 from Table 1.4.) If motherhood declines among married women and remains the same among single women, the proportion of children being raised by single mothers will necessarily increase, even though the proportion of single women who are mothers does not.

Another reason why the percentage of single mothers appears to be low is that the census provides us with only a snapshot of the population in 1990. It does not count women who have been single mothers in the past but are no longer in this status, either because their children moved away or because they married or remarried. Nor does it identify women who will be single mothers at some point in the future. The snapshot tells us only how widespread the phenomenon is at a point in time.

A final indicator of the decline of the traditional Ozzie and Harriet family is the increase in women who were neither married nor raising children—women in nonfamily statuses. Nearly 30 percent of white women between the ages of 18 and 55 occupied this status in 1990. The percentage grew by 2 percentage points (net) between 1980 and 1990. These increases reflect the delays in marriage and increases in employment among recent cohorts of women.

Black women were less likely than white women to occupy traditional family roles in both 1980 and 1990. Like their white counterparts, black women also experienced a decline in traditional statuses and an increase in nontraditional statuses during the 1980s. Black and white women differed primarily in terms of the *type* of nontraditional family roles they occupied: whereas white women were predominantly in dual-earner families, black women were predominantly in single-mother families. This difference increased during the 1980s.

Perhaps the most striking contrast between black and white women was the difference in the prevalence of marriage: nearly two-thirds (64 percent) of white women were married in 1990 as compared to only a third (34 percent) of black women (percentages calculated from Table 1.4). Furthermore, the marriage gap between whites and blacks was just as striking among women without children (47 percent versus 24 percent) as it was among women with children (84 percent versus 43 percent). Regardless of parental status, white women were twice as likely as black women to be married.

The fact that the marriage differential between white and black women was the same for nonmothers as for mothers means that whatever is causing black women to forego marriage is affecting all women, not just mothers. This finding

contradicts the argument that welfare benefits are a major cause of the racial difference in marriage. Although welfare might explain why women with children might forego marriage, it does not explain why childless women are behaving in a similar fashion.

Hispanic women were the most traditional of all women—the most likely to be married homemakers and the least likely to occupy nontraditional family statuses in 1990. They experienced the smallest decline (in relative terms) in traditional roles during the 1980s. What is most striking about Hispanic women is their relatively low levels of labor force participation. Regardless of whether they were married or single or were raising children, Hispanic women were more likely to be homemakers than were black or white women. The contrast between Hispanic and white women was especially striking in 1990. Whereas the ratio of employed women to homemakers was 3:1 among whites, it was only 1.6:1 among Hispanic women.

The only area in which Hispanic women were less traditional than white women was in the prevalence of single motherhood. Fourteen percent of Hispanic women were single mothers in 1990, as compared with only 7 percent of white women. While the prevalence of single motherhood among Hispanics did not increase significantly as a percentage of all women between 1980 and 1990, it did increase as a percentage of all mothers. In 1990, over 27 percent of Hispanic mothers were raising a child alone, up from 23 percent in 1980.

Increasing Disparities in Standards of Living

Growing diversity in family roles has given Americans more freedom about how they organize their personal lives and, at the same time, has created greater disparity in standards of living. In 1990, there were large differences in the economic status and poverty rates associated with the different work and family statuses.¹⁰ Women who were married and employed had relatively high household incomes and low poverty rates in 1990. In contrast, single mothers fared poorly, especially mothers who were not employed. Single women without children were doing about the same as women in traditional families. We do not report poverty rates for the last category of women—single, childless, and not working—since we do not believe the family income for these women accurately reflects their standard of living (some were students and others were living with roommates).

Regardless of race or ethnicity, marriage and employment were clearly associated with a higher standard of living for women in 1990, whereas motherhood was associated with a lower standard of living. Holding other factors constant, women who were living with children had higher poverty rates than women who were not living with children, employed women were better off than home-

TABLE 1.5 Total household income and poverty rate of women, by employment and family status: 1990.^a

	Household Income (\$) ^b			Poverty Rate (%) ^c		
	White	Black	Hispanic	White	Black	Hispanic
Married, Child, Homemaker	\$45,900	\$31,400	\$29,600	10%	26%	27%
Married, No Child, Homemaker	50,000	29,900	36,000	8	23	22
Married, Child, Employed	52,100	44,300	42,600	3	6	13
Married, No Child, Employed	57,500	49,000	48,800	2	3	6
Single, Child, Employed	29,100	26,000	26,700	16	27	26
Single, Child, Homemaker	16,500	13,000	15,400	63	73	71
Single, No Child, Employed	43,800	36,000	41,300	8	10	15
Single, No Child, Not Employed	41,000	25,500	30,800	NA	NA	NA

SOURCE: Public Use Microdata Sample, 1990.

^aFamily types defined by the woman's status.

^bIncomes rounded to nearest hundred dollars. Refers to income received in 1989.

^cPoverty rate is based on family income adjusted for size.

NA = Not Applicable.

makers, and married women were better off than single women (holding motherhood constant).

A notable difference between white and minority women was the income gap between traditional homemakers (with children) and employed single mothers. Among whites, the former were much better off than the latter, whereas among blacks and Hispanics, the two statuses were very similar. The total household income of married homemakers was slightly higher than the income of employed, single mothers, but the poverty rates were virtually the same. This underscores the fact that black and Hispanic women have much less to gain economically from marriage than do white women.

It is tempting to conclude from these comparisons that if all women were married and employed, poverty rates would be quite low in the United States: 2–3 percent for whites, 3–6 percent for blacks, and 6–13 percent for Hispanics. Such a conclusion would be misleading, however, since people sort themselves into different types of families, depending on what they earn or expect to earn and what their potential partners earn or expect to earn. Women are less likely to marry if their potential partners have low earnings capacity, and they are less likely to be in the labor force if their own earnings capacity is low. Thus, if all single women were married and employed, the average household income of all women would not be as high as the income of the women who are currently married and employed (and the poverty rates would not be as low).

Yet it would be wrong to conclude that marriage and employment have no effect on a person's economic status. Regardless of initial earnings capacity, on-the-job experience usually increases skills and earnings. Therefore, women

who are employed are more likely to experience increases in their earnings capacity over time than are women who are not in the labor force. Similarly, pooling resources with another adult usually leads to a higher standard of living simply because of economies of scale.

Consider the case of a two-parent family with two children. If the parents shared a household and pooled resources, the income required for the family to live above the poverty line was approximately \$14,000 in 1991, according to the official U.S. poverty thresholds.¹¹ If the parents lived apart and both children lived with the mother (or father), the same family members needed approximately \$18,000 to live above the poverty line, \$11,000 for the parent and two children and \$7,000 for the parent living alone. Thus, the parents' decision to live together reduces the amount of money required to keep the family above the poverty line.

Without making any assumptions about causality, it is clear that the diversification in women's roles and family statuses that occurred during the 1980s was associated with a growing polarization of women into high- and low-income groups (and children, since they almost always live with their mothers). If we look at the poverty rates associated with each of the work and family statuses, we see that white women in traditional statuses have moderate poverty rates (relative to other white women), white women in dual-earner families have low poverty rates, and white single mothers have high poverty rates. Employed women in nonfamily statuses fall in the middle range.¹²

Assuming that the poverty rates for different statuses were similar in 1980 and 1990, we can see that the changes in the composition of white women's family roles resulted in more women concentrated in high-income statuses and fewer women concentrated in middle-income statuses. The 11 percentage point decline in traditional homemakers—a moderate-income group—was offset by a 9 percentage point increase in employed wives—a high-income group—and a 2 percentage point (net) increase in women not living in families—a moderate-income group (see Table 1.5). Since the proportion of women in the low-income category remained constant, the overall effect of the reconfiguration of white women's roles during the 1980s was toward more polarization.

The story is somewhat different for black and Hispanic women, although here, too, changes in composition resulted in more women in high-income statuses. Among black women, the decline of women in the role of traditional homemaker was offset by an increase in employed single mothers—a group with a moderate economic status—and employed single women with no children—a group with a high economic status. Among Hispanic women, the decline of traditional homemakers was offset primarily by an increase in employed, single women with no children. What is especially noteworthy about the different racial patterns in Tables 1.4 and 1.5 is that white women improved their standard of living by moving into dual-earner families, including families

with children, whereas black and Hispanic women improved their position by moving into nonfamily statuses. This means that black and Hispanic children did not benefit from the gains in status experienced by black and Hispanic women, since the latter occurred mostly to women without children.

Not only did the shifts in family roles lead to greater inequality among women of the same race and ethnic backgrounds, they also led to greater disparities in economic status among white, black, and Hispanic women. In 1990, the poverty rate of women (aged 18–55) was 7.3 percent among whites, 19.7 percent among blacks, and 20.3 percent among Hispanics. If black and Hispanic women had occupied the same family statuses as white women (and the poverty rate associated with each status for each group had remained the same), black women's poverty rate would have been about 12.5 percent, and Hispanic women's poverty rate would have been 15.9 percent. The difference in women's family statuses accounts for about 58 percent of the poverty gap between black and white women and for about 34 percent of the gap between Hispanic and white women. The most important family status difference between white and black women is single motherhood, whereas the most important difference between white and Hispanic women is women's employment.

A Closer Look at Three Nontraditional Families

Because of its large sample size, the census allows us to examine relatively uncommon family arrangements in detail, and we took advantage of this opportunity to compare the characteristics of different types of single-parent families in 1980 and 1990 (including families headed by single mothers and single fathers). We also compared cohabiting couples with married couples in 1990.

Single Mothers. In 1990, single mothers, as a whole, did not appear to be particularly disadvantaged, in terms of their human capital characteristics—education and work experience (Table 1.6). Recall that single mothers include women with a child or children who had never married or were separated, widowed, or divorced at the time of the census. The typical white single mother was in her early thirties, had some college education, and was employed. Only 2 percent of white single mothers were less than 20 years old, only 19 percent had failed to complete high school, and only 23 percent were neither working nor looking for work. The typical black single mother was also in her early thirties, a high school graduate, and in the labor force. Only 4 percent of black single mothers were teenagers, less than a third were high school dropouts, and only 37 percent were not in the labor force. Hispanic single mothers were similar to black and white mothers with respect to age. They were different, however, with respect to education and employment status. Hispanic mothers were

TABLE 1.6 Characteristics of single mothers,^a by marital status and race:
1980 and 1990.

	All Single Mothers		1990		
	1980	1990	Never Married Mothers	Divorced/Separated Mothers	Widowed Mothers
Whites					
Education					
Percent high school dropout	25%	19%	25%	17%	25%
Percent high school grad	43	33	39	33	22
Percent at least some college	32	47	36	50	53
Employment					
Percent employed	68	67	52	72	68
Percent looking for job	6	10	16	8	10
Living Arrangements					
Percent related adult	19	11	3	12	29
Percent subfamily	11	18	40	12	13
Percent cohabiting ^b	NA	7	6	7	2
Age					
Percent under 25 years	14	14	35	9	0
Blacks					
Education					
Percent high school dropout	41	32	38	24	43
Percent high school grad	36	33	33	33	33
Percent at least some college	23	35	29	43	24
Employment					
Percent employed	49	52	42	66	44
Percent looking for job	9	12	14	8	13
Living Arrangements					
Percent related adult	26	17	11	23	46
Percent subfamily	14	23	32	12	5
Percent cohabiting	NA	5	6	4	4
Age					
Percent under 25 years	22	21	33	5	1
Hispanics					
Education					
Percent high school dropout	60	51	59	44	69
Percent high school grad	24	25	23	27	20
Percent at least some college	16	24	18	30	11
Employment					
Percent employed	46	48	38	56	34
Percent looking for job	6	10	11	10	6
Living Arrangements					
Percent related adult	22	20	13	23	36

	All Single Mothers		1990		
	1980	1990	Never Married Mothers	Divorced/Separated Mothers	Widowed Mothers
Percent subfamily	11	24	41	15	14
Percent cohabiting	NA	7	8	7	7
Age					
Percent under 25 years	18	20	41	10	0

SOURCE: Public Use Microdata Sample, 1980 and 1990.

^aUnmarried mothers living with natural, adopted, or stepchildren under age 18.^bThe response "unmarried partner" was not added as a relationship code until the 1990 census. Comparisons based on different definitions would be misleading; these estimates are not included in this table.

NA = Not Available.

much less educated—over half had not finished high school—and much less likely to be employed than white or black single mothers.

Despite the rather positive profile of the typical single mother in 1990, there was considerable diversity within this population. Some mothers, divorced or separated, had a considerable amount of education and work experience, whereas others, such as never-married mothers, were much more vulnerable—younger, less educated, and less likely to be employed.

In 1990, only 21 percent of white single mothers were never-married, which means that only a fifth of white mothers were in the "most vulnerable" category. The percentages were much higher among blacks and Hispanics—56 and 37 percent, respectively. The high percentage of black never-married mothers accounted for a good deal of the education and employment differences between black and white single mothers. If we compare black and white single mothers *within* marital status categories, the differences in education and employment are much smaller. In contrast, Hispanic single mothers have much less education and work experience than white and black mothers, regardless of their marital status.

Between 1980 and 1990, the education and employment status of single mothers increased. This occurred for whites, blacks, and Hispanics, and it occurred despite the fact that the proportion of single mothers who were never-married also rose between 1980 and 1990. In 1990, 13 percent of white never-married mothers had college degrees and 68 percent were in the labor force, up from 6 percent and 59 percent, respectively, in 1980. The fact that more single mothers had college degrees in 1990 than in 1980 does not necessarily mean that college-educated women were more likely to become single mothers in 1990 than in 1980. The level of education increased among all women during the 1980s, and the increase in education among single mothers reflects this more general trend. (See Chapter 4 in Volume 1.) In fact, the percentage of white women

with college degrees who were single mothers actually declined during the 1980s (numbers not reported in Table 1.6). But since education levels increased very rapidly, more single mothers had college degrees in 1990 than in 1980. The picture for blacks was different. Black women with college degrees were *more* likely to be single mothers in 1990 than in 1980, and the increase (in percentage terms) in single motherhood was greater among women with college degrees than among women with less education (numbers not reported in Table 1.6).¹³

Perhaps the most unexpected change affecting single mothers during the 1980s was the shift in living arrangements. After World War II and up until 1980, single mothers had increasingly established their own households as opposed to living as subfamilies, defined as living within the household of another family, such as a mother-child family living with the woman's parents (Wojtkiewicz, McLanahan, and Garfinkel 1990). By 1980, only a small percentage of single mothers were living in subfamilies. After 1980, however, the trend reversed, and by the end of the decade the percentage in subfamilies was almost twice as high as it had been in 1980. Much of the reversal was due to the fact that the proportion of never-married mothers increased, and never-married mothers have always been more likely to live in subfamilies—typically with their own parents or their own mothers—than are other single mothers. Even so, the trend toward subfamilies appears among single mothers who were formerly married as well as those who were never married.

We suspect that this reversal was a response to the worsening economic condition during the 1980s for those at the bottom end of the income distribution and the increase in the cost of housing throughout most of the country. As Bianchi and Levy point out in their chapters in Volume 1, men and women with only a high school education experienced substantial declines in wages and employment opportunities during the 1980s, as jobs for low-skilled workers disappeared or were shipped overseas. Single mothers, like other low-skilled workers, were strongly affected by these economic dislocations. Thus, it is logical that single mothers would have moved in with their parents or other relatives as a way of coping with economic insecurity.

Despite the tendency to double up with relatives during the 1980s, and despite the increase in cohabitation among young adults, single mothers still had relatively low levels of cohabitation in 1990, as compared with single mothers in other countries. In 1990, only 7 percent of white and Hispanic single mothers and only 5 percent of black mothers were cohabiting. As we noted at the beginning of this chapter, a substantial percentage of unmarried mothers in other Western countries, particularly the Scandinavian countries, live with the fathers of their children, even though they are not legally married (Sorrentino 1990).

Single Fathers. Single fathers (unmarried men living with their own or closely related children) are much less common than single mothers. In 1990

TABLE 1.7 Characteristics of single-father^a families, by race: 1980 and 1990.

	Whites		Blacks		Hispanics	
	1980	1990	1980	1990	1980	1990
Marital Status ^b						
Percent never married	13%	19%	36%	52%	34%	52%
Percent divorced/separated	70	72	50	42	55	43
Percent widowed	17	9	14	6	11	5
Education						
Percent high school dropout	29	28	43	32	53	54
Percent high school grad	39	35	31	37	22	24
Percent at least some college	32	37	26	31	25	22
Employment						
Percent employed	84	84	65	65	72	75
Percent looking for job	9	7	11	12	10	12
Living Arrangements						
Percent related adult	19	11	21	11	21	15
Percent subfamily	7	10	13	40	7	19
Percent cohabiting ^c	NA	30	NA	29	NA	45
Age						
Percent under 25	17	8	15	12	15	18

SOURCE: Public Use Microdata Sample, 1980 and 1990.

^aUnmarried fathers living with natural, adopted, or stepchildren under 18.

^bA more detailed table by marital status (see Table 1.6) is not possible due to the small sample size.

^cThe response "unmarried partner" was not added as a relationship code until the 1990 census. Comparisons based on different definitions would be misleading; these estimates are not included in this table.

NA = Not Available.

only about 13 percent of children in single-parent families were living with single fathers.¹⁴ The percentage was somewhat higher among whites (16 percent) and lower among Hispanics (10 percent) and blacks (6 percent). The number of children living in single-father families grew from 748,000 in 1970 to nearly 2 million in 1990, and the proportion of children in one-parent families who were living with their fathers increased from 9 percent to nearly 13 percent over this 20-year period.

In 1990, the typical single father was somewhat older and less educated than the typical single mother. He was also more likely to be in the labor force. The most striking difference between single mothers and single fathers was their living arrangements. A much larger percentage of single fathers than single mothers were cohabiting or living with relatives. Thirty percent of white single fathers were cohabiting, and another 21 percent were living in a subfamily or with a related adult, such as a brother or sister. The numbers for black and Hispanic fathers were even higher—approximately 80 percent. In short, most

single fathers were sharing their childrearing responsibilities with another adult.

Cohabiting Couples. In our previous discussion of women's roles and statuses (Table 1.4), cohabiting women were treated as occupying a nonfamily status, unless they were single mothers. Many people argue, however, that cohabitation represents another form of family, to be treated on an equal basis with marriage. Indeed, in producing their family statistics, France, Denmark, Sweden, and Canada sometimes treat cohabiting unions and legal marriages the same (Sorrentino 1990). In the United States there is considerable debate over whether cohabitation is a precursor of marriage, a substitute for marriage, or simply a more serious boyfriend-girlfriend type of relationship.¹⁵ Sweet and Bumpass (1989a) have shown that in the United States, adults who have cohab-

ited in the past are more likely to have egalitarian sex role attitudes than adults who have not cohabited. They are also more likely to approve of mothers of preschool children working full-time.

Given the differences in attitudes, we were not surprised to find that cohabiting couples had less traditional relationships than married couples. Among whites, cohabitators were more likely to report that the woman was the head of the household, suggesting a more egalitarian organization of roles within the household. They were also less likely to mimic the traditional gender roles of breadwinner-husband and homemaker-wife. In cohabiting couples, the woman was more likely to be the primary breadwinner in the family—defined as the partner who works more hours outside the home—and she was more likely to have more education than her partner, as compared with the woman in a married-couple family. Women in cohabiting relationships also were more likely to be older than their partners. These findings indicate that, relative to their partners, women in cohabiting couples have more human capital and are more economically independent than women in married-couple families.

The same pattern exists among black and Hispanic couples. As was true of whites, minority women in cohabiting relationships were more likely than married women to have more education than their partners, and they were more likely to be the primary breadwinners and household heads.

Minority cohabiting couples were more likely to have children than white cohabiting couples. Furthermore, the marital status difference in parenthood was much smaller among minority couples than among white couples. Cohabiting minority couples were about 80 percent as likely as married minority couples to be living with children, whereas cohabiting white couples were less than half as likely as married white couples to be raising children. This is consistent with the high percentage of never-married black and Hispanic single fathers and with the high levels of cohabitation among single fathers of these groups. The fact that parenthood was common among cohabiting minority couples suggests that cohabitation has become more of a substitute for marriage in minority communities than in white communities.

Cross-National Comparisons

The trends affecting American families have touched families in nearly all the Western industrialized countries. And the changes in families and living arrangements have also occurred in nearly all countries. As shown in Table 1.3, divorce rates, illegitimacy ratios, single motherhood, and women's employment increased in nearly all Western industrialized countries between 1960 and 1990, although some countries started from a much smaller base than others, and some countries experienced much faster growth rates than others.

We used information from the Luxembourg Income Study (LIS) to examine

TABLE 1.8 Comparison of married and cohabiting couples aged 30–34, by race^a: 1990.

	White		Black		Hispanic	
	Married	Cohabiting	Married	Cohabiting	Married	Cohabiting
Percent With Children ^b	80%	35%	85%	67%	88%	70%
Percent Female Head ^c	8	41	14	55	8	37
Education ^d						
Percent male higher	29	28	23	25	23	23
Percent same	47	42	46	42	55	48
Percent female higher	24	30	31	33	22	29
Number of Hours						
Usually Worked ^e						
Percent male higher	46	23	27	24	45	33
Percent same	51	68	66	64	50	59
Percent female higher	3	9	7	12	5	8
Age ^f						
Percent male higher	37	49	36	49	41	46
Percent same	52	28	50	29	46	31
Percent female higher	11	23	14	22	13	23

SOURCE: Public Use Microdata Sample, 1990.

^aThe race of the couple is defined by the race of the household head.

^bChildren are natural, adopted, or stepchildren under age 18 of the household head.

^cThe census form allows couples to report whom they consider to be the household head. Percent female head is the percentage of couples who reported the woman as the household head.

^dEducational attainment is divided into five groups: less than high school, high school degree, completed some college, B.A. or B.S. degree, and advanced degree. Couples who have completed the same level of education according to this classification are in the "same" category.

^eLabor force participation is divided into four groups: not in labor force, low part-time (fewer than 19 hours per week), high part-time (20–34 hours per week), and full-time (35+ hours per week). Couples who worked the same amount of hours are in the "same" category.

TABLE 1.9 International comparisons of women's employment and family status.^a

	SWE 1987	NET 1987	GER 1984	ITL 1986	CAN 1987	UK 1986	US ^b 1985
Traditional Family							
Percent married, child, homemaker	4%	29%	21%	26%	15%	18%	16%
Percent married, no child, homemaker	3	10	12	30	7	7	7
Nontraditional Family							
Percent married, child, employed	35	13	17	20	25	24	21
Percent married, no child, employed	24	10	16	14	17	20	14
Percent single, child, employed	6	2	3	2	4	4	8
Percent single, child, homemaker	1	5	2	1	3	5	6
Nonfamily							
Percent single, no child, employed	22	18	20	5	21	16	21
Percent single, no child, not employed	5	11	9	4	8	4	7

SOURCE: McLanahan, Casper, and Sorensen (forthcoming).

^aFor women aged 18-57. The family types do not sum to 100% for all countries because of missing labor force data and rounding.

^bTabulations are for all races.

tries, including the United States.¹⁶ Sweden had the lowest prevalence of women occupying traditional family roles, which is what we would expect, given the high labor force participation rates of women in that country. In contrast, Italy, the Netherlands, and Germany had the highest percentage of women in traditional statuses—similar to American women in the 1950s. Again, this was not surprising, given that divorce rates, illegitimacy ratios, and labor force participation rates were below average in these countries. Women in Canada and Great Britain were similar to women in the United States.¹⁷

In the 1980s, women in the United States were more likely to be single mothers than women in the other countries we studied. Even in Sweden, which had a low percentage of women in traditional work and family roles and a high percentage of women in nontraditional roles, women were much less likely to be single mothers than they were in the United States. In Sweden a woman with children was counted as living in a married-couple family if she was cohabiting, whereas in the United States she was classified as a single mother. Since only a small proportion of single women were cohabiting in the United States (see Table 1.6), this practice does not have much effect on the prevalence of single mothers in the United States. In contrast, if we counted cohabiting mothers in Sweden as single mothers, the prevalence of this status would have been much higher in the mid 1980s, about as high as the prevalence in the United States. It would be inappropriate to count cohabiting women in Sweden as single mothers, however, since most of these women were living with the fathers of their

TABLE 1.10 International comparisons of poverty rates for different family statuses: mid-1980s.

	Poverty Rates (%) ^a			
	Married Couple Family		Single-Mother Family	
	Employed Mother	Nonemployed Mother	Employed Mother	Nonemployed Mother
Netherlands	6%	4%	7%	10%
Germany	2	6	13	44
Sweden	2	8	3	20
Canada	6	19	21	63
Italy	4	17	9	41
United States ^b	10	19	30	69
United Kingdom	8	17	15	21

SOURCE: McLanahan, Casper, and Sorensen (forthcoming).

^aPredicted poverty rates controlling for age and education. Poverty is defined as having a total family income less than 50% of the median income for each country (adjusted for family size).

^bPredicted rates for all races.

countries were occupying nonfamily statuses. The low percentage of Italian women in this category underscores once again the continuing importance of traditional family roles in that country.

What are the relationships between family diversity and economic status in other countries? Are single mothers just as disadvantaged elsewhere as they are in the United States? The answer to this question is both "yes" and "no": "yes" in the sense that single-mother families (especially families with a nonemployed mother) have the highest poverty rates of all families in every country; "no" in the sense that the disparity between single-mother families and other families with children is much larger in the United States than in most other countries. (Canada is an exception.) In the Netherlands, for example, the difference in poverty rates between nonemployed single mothers and married homemakers with children was only 6 percentage points in the mid-1980s (Table 1.10). In Sweden, the difference between these two groups was 18 percentage points, and in the United States it was a striking 60 percentage points! Thus, while single-mother families had the highest poverty rates in all countries, they were much worse off, relatively speaking, in the United States than in the European countries.

The cross-national variation in the economic position of single mothers is due partly to differences in women's demographic characteristics and partly to different social welfare policies (and to the economic, political, and cultural differences that gave rise to these policies).¹⁸ Some countries, such as the Netherlands and Sweden, have highly developed welfare states with very generous income-transfer programs (and high tax rates). Poverty rates are relatively low among single mothers in these countries, as they are among all citizens. Other countries

single mothers in these countries, as they are among all citizens. Other nations

children. Except in Italy, between 20% and 30 percent of women in other Western

such as the United States and Canada, have a more "free-market" approach to income redistribution, and single mothers receive rather meager benefits that are income-tested. Poverty rates are high in these countries because the government does not provide much of a safety net for families with a nonemployed parent or parents.

The cross-national contrast is instructive for several reasons. Not only does it show that most other countries (except Canada) do a better job than the United States in lowering poverty rates among single-mother families, it also shows that other countries reduce poverty without creating a high prevalence of single mothers and, in some instances, without creating a class of welfare-dependent mothers. In the United States, the debate over how best to help single-mother families is often posed as a dilemma over whether to provide generous benefits, thereby minimizing the poverty of single mothers, or meager benefits, hoping to minimize the prevalence and welfare dependence of single mothers (Garfinkel and McLanahan 1994).

The Swedish and Dutch examples suggest that it is possible to circumvent these apparent trade-offs. Both countries do much more to reduce poverty among single-mother families, and yet the prevalence of single-parent families in these countries is half of what it is in the United States. This alone should tell us that reducing poverty through generous income transfers and social policies does not automatically lead to a high prevalence of single-mother families. Even more intriguing, Sweden has found a way to reduce poverty without encouraging welfare dependence. Single mothers in Sweden are more likely to be employed than single mothers in the United States are, which means that they are not dependent on government for most of their income. Sweden minimizes both poverty and dependence by providing assistance in a way that promotes mothers' employment. The Swedish welfare state provides women with low-cost childcare, flexible work schedules, and well-paying jobs. While these policies are very expensive, they keep poverty rates and welfare dependence low by encouraging mothers to enter the labor force.

The Netherlands' and Great Britain's approaches are different. These countries provide generous benefits, but they do not expect single mothers to work outside the home, just as married mothers are not expected to work. Consequently, single mothers in the Netherlands and Great Britain are not poor, but they are more dependent on government transfers than they are in Sweden.

WHY HAS MARRIAGE DECLINED?

Many explanations have been given for the decline in marriage over the past four decades. One of the major arguments focuses on women's growing economic independence (Becker 1981). According to this view, the rises in

women's employment opportunities and earning power have reduced the benefits of marriage and made divorce and single life more attractive. While marriage still offers women the benefits associated with sharing income and household costs with spouses, for some women these benefits do not outweigh other costs, whatever these may be.

There is no doubt that women's earnings have increased since the 1950s. For a while, much of the gain was due to increases in the number of hours women worked. During the 1980s, however, women's wages increased relative to men's (see Chapter 1 in Volume 1). A large body of evidence suggests that women's economic independence—measured as increases in wages as well as increases in labor force participation—is related to declines in marriage and increases in marital disruption.¹⁹

Another component of women's economic independence is the welfare benefit that is available to poor women raising children. Along with the increase in women's earnings, the value of the welfare benefit (AFDC plus food stamps) rose during the 1960s and early 1970s, which further contributed to the economic independence of women, especially poorly educated women whose earning prospects were limited. Since the mid-1970s, however, the value of welfare benefits has declined. Between 1970 and 1980, the average maximum annual welfare benefit across all states for a family of four went from \$9,595 (in 1990 \$) to \$7,723. Between 1980 and 1990, it dropped to \$7,142.²⁰ In other words, the average maximum welfare benefit for a mother with two children fell by 26 percent in 20 years.

Much has been written about the role of welfare in undermining marriage and encouraging single motherhood in the United States, and many of the proposals for reforming welfare that are currently being proposed at the state and federal levels are aimed at correcting the so-called marriage disincentives in the existing welfare system. Indeed, conservatives such as Murray (1984) often blame welfare for all of the growth of single-mother families during this period. Although welfare makes women at the bottom end of the income distribution more economically independent of the men they might marry, it is less obvious that the growth of welfare benefits can account for very much of the decline in marriage during the past two decades. We say this for several reasons. First, welfare benefits actually declined between 1970 and 1990. Second, the decline in marriage has occurred throughout the population and extends far beyond the group of women potentially eligible for welfare. It is hard to argue that middle-class and upper-middle-class women are influenced by the prospect of receiving welfare. Finally, empirical research indicates that welfare is only weakly related to marriage.²¹

A second set of explanations for the decline in marriage focuses on the availability, or lack of availability, of potential marriage partners for women. Availability is defined both in terms of the quantity and quality of potential mates.²²

The quantity problem is believed to have originated with the baby boom, which created a surplus of young women (relative to young men 2 or 3 years older) in the late sixties and early seventies. Many more women were born in 1947 than men in 1945, so when these women reached marriageable ages, they found a small pool of appropriately aged men. This phenomenon, which demographers call the "marriage squeeze," may have contributed to the delay in marriage during the late 1960s and early 1970s, but it cannot account for the continuing declines during the 1980s. Indeed, if cohort size were all that mattered, we would have seen a decline in age at first marriage beginning in the late 1970s, when there was a surplus of young men. The quantity of available males is also affected because young men have higher mortality rates than young women, due to homicide and accident rates, and also because young men are much more likely to be incarcerated than young women. Incarceration rates increased during the 1980s, especially among young black men. While not very many men are in jail at any point in time, a jail record may affect a man's chances of marriage by making it harder for him to find a steady job later on.

The quality of potential marriage partners is a function of men's job opportunities. Wilson and Neckerman (1986) define the Marriageable Male Pool Index (MMPI) as the number of employed men per 100 women of the same race and age group. They argue that deindustrialization and economic restructuring, which occurred during the 1970s and 1980s, led to a loss of jobs in the central cities of the Midwest and Northeast which, in turn, reduced the employment prospects for men, especially black men. In addition, economists have recently shown that during the 1980s there was a shift in the demand from unskilled to skilled workers, which further undermined the economic position of low-skilled men. Many of the jobs created during the 1980s were jobs for men with a college education. Men with only a high school degree did not benefit so much from the expansion during the 1980s; hence, the pool of marriageable males did not always improve despite the improvement in the economy overall. (Levy discusses this mismatch between skill and jobs in Chapter 1 in Volume 1.) The major problem with the lack of marriageable males argument is that it does not account for the decline in marriage among men with a college education. Presumably, these men would be seen as attractive marriage partners, and yet they too have experienced a decline in marriage (Lerman 1989).

The hypothesis about the decline in marriageable males is really an extension of the women's economic independence argument, since women's independence is a function of women's earning power *relative* to men's earning power. Women's independence can increase either because women's earning power goes up faster than men's or because it goes down more slowly than men's. Similarly, increases in welfare benefits make women more independent if the earning power of their potential mates does not increase as fast as welfare.

Welfare can also make women more independent if men's earnings are declining faster than welfare benefits (McLanahan 1994).

When we look at the data on men's and women's earning power together, we see that since 1970 women have become more economically independent relative to men. For educated women, this has occurred because women have done better both absolutely and relative to men. For poor women, it has occurred because women have not done as poorly as low-skilled men. Thus, while the source of independence is different for women with different educational backgrounds, the trend in independence is the same for all women. In principal, the independence argument can account for declines in marriage among men and women at all points in the income distribution.

A final set of explanations for why marriage has become less common emphasizes changes in culture, norms, and attitudes.²³ According to this view, a "revolution" in social norms occurred during the 1960s, transforming people's ideas about the importance of marriage and families. The new ideology encouraged people to put personal freedom and self-fulfillment above family commitments. It also encouraged people to expect more from their marriages and to leave "bad" marriages if their expectations were not fulfilled. One example of the change in attitudes about family responsibility is reflected in the response to the statement, "When there are children in the family, parents should stay together even if they don't get along." In the early 1960s, over half of all women agreed with this statement; by the 1980s, only 20 percent agreed (Thornton 1985).

Revolutions in sexual behavior and methods of contraception also occurred during the 1960s, reducing the stigma associated with nonmarital sexual intercourse and childbearing and making cohabitation an attractive option to marriage. The increase in cohabitation that occurred during the 1970s and 1980s, among both never-married and formerly married adults, would not have been possible in a time when sex outside marriage was seen as sinful and deviant.

Although some analysts who have studied these questions conclude that changes in social norms and values followed rather than preceded increases in divorce and delays in marriage, cultural phenomena are likely to have important feedback effects once they get started. Moreover, once women have achieved a certain level of independence—once they can support themselves outside marriage—norms and values may become increasingly important in determining their choices about marriage and childbearing.

To see if differences in women's and men's employment opportunities were related to differences in the prevalence of marriage in the United States in 1990, we selected the 100 largest metropolitan areas and created indices of men's and women's characteristics in each of the areas. We looked at the characteristics of blacks and whites separately, since the two races appear to have separate

marriage markets. To measure the level of marriage in a particular area, we used the percentage of women in their late twenties (aged 25–29) who were married. Ideally, we would have liked to have counted only women who had married during the past year—this would be the best indicator of current marriage rates—but the 1990 census does not provide information on date of marriage, and so we used women in their late twenties as a proxy for recent marriages.

We measured women's employment opportunities by the percentage of women in each area with college degrees and the percentage of women who worked full-time, year-round. We also looked at the median earnings of full-time women workers. These three measures were based on women in their late twenties. To measure the quality of potential male marriage partners, we took the percentage of men working full-time, year-round, the percentage unemployed, and the median earnings of all men. We included men with zero earnings in our measure of men's economic status so that we could measure the status of all men, as opposed to only men with jobs. We based our measures on men aged 28–33.

Each metropolitan area was assigned the maximum AFDC-food stamp guarantee for a family of four in that state. In the few cases where a metropolitan area included counties from two states, we used the higher of the two state benefits. We also created measures of the sex ratio—the number of men aged 28–33 over the number of women aged 25–29, population size, and the percentage of the population that was black in each area. We included population size in order to measure urbanization, and we included the percentage of blacks to measure racial concentration. The latter variable also measures regional differences. The marriage market characteristics for the 100 largest metropolitan areas are available from the authors.

In 1990, the Mobile, Alabama, and Tulsa, Oklahoma, metropolitan areas had the highest marriage levels (percentage of women married) among white women. Over 75 percent of young white women living in these areas were married in 1990. The Boston and San Francisco areas had the lowest marriage levels: less than 45 percent of white women aged 25–29 in these areas were married.

The metropolitan areas encompassing San Diego, California, New Brunswick–Perth Amboy, New Jersey, and San Antonio, Texas, had the highest marriage levels for black women. Nearly 50 percent of the young women in these three areas were married. New Haven, Connecticut, had the lowest marriage level—only 9 percent. After New Haven, which is an outlier, Rochester and Buffalo, New York, and Milwaukee, Wisconsin, had the lowest levels of marriage—around 15 percent. Once again we are confronted with the huge disparity in marriage between white and black women.

There was considerable variation across the different metropolitan areas with respect to women's full-time employment and education in 1990. In contrast, the range in the median earnings of full-time women workers was not very

TABLE 1.11 Marriage market characteristics in 100 largest MAs: 1970, 1980, 1990.

	1970	1980	1990
Whites			
Women's characteristics ^a			
Percent married	81%	67%	60%
Percent employed full time	18	37	48
Median earnings ^b	\$17,270	\$16,557	\$19,034
Percent college graduate	16	26	27
Men's characteristics ^c			
Percent employed full time	69	72	72
Median earnings ^d	\$26,307	\$23,309	\$23,907
Percent unemployed	2	4	4
Sex ratio ^e	.87	.96	1.06
AFDC ^f	\$9,595	\$7,724	\$7,143
Percent black	11	12	13
Population size	304,572	365,783	502,264
Blacks			
Women's characteristics ^a			
Percent married	56	42	30
Percent employed full time	22	37	38
Median earnings ^b	\$15,766	\$15,653	\$16,093
Percent college graduate	9	14	14
Men's characteristics ^c			
Percent employed full time	51	53	52
Median earnings ^d	\$17,623	\$15,676	\$13,516
Percent unemployed	6	9	11
Sex ratio ^e	.73	.78	.88
AFDC ^f	\$9,308	\$7,379	\$6,971
Percent black	15	16	15
Population size	459,129	467,602	624,100

SOURCE: Public Use Microdata Sample, 1970, 1980, and 1990.

^aThese characteristics are for women aged 25–29.

^bWomen's earnings are median full-time earnings.

^cThese characteristics are for men aged 28–33.

^dMen's earnings are for all men.

^eSex ratio compares men aged 28–33 to women aged 25–29.

^fAFDC is the state guarantee.

wide: \$14,000–\$26,000 among whites and \$12,000–\$21,522 among blacks. Welfare benefits ranged from a low of \$4,621 to a high of \$9,513. The availability of quality male marriage partners also differed dramatically across metropolitan areas. Median earnings for all males, including those not in the labor force, ranged from \$13,888–\$32,000 among whites and from \$2,200–\$22,000 among black men.

In 1990, the employment picture was much worse for black men than for

white men, especially at the low end of the range. In at least one metropolitan area, the median earnings of all black men—\$2,200—was lower than the maximum welfare benefit in that state—\$4,600. This was not the case for whites. The median income of men in the lowest income area—\$13,888—was over \$4,000 higher than the maximum welfare benefit.

Accounting for Areawide Differences in Marriage: 1990

To determine which of the marriage market characteristics were important predictors of marriage, we estimated multiple regression equations, using the MAs as our units of analysis.²⁴ Starting with the 100 largest MAs in 1990, we created variables for each characteristic in each area in 1990, 1980, and 1970. For information on the means and coefficients from these regressions,

TABLE 1.12 Effects of marriage market characteristics on proportion married.

	Whites		Blacks	
	Coef	t	Coef	t
Women's Characteristics ^a				
Proportion employed full-time	-.389	-6.181	-.003	-0.037
Median earnings ^b	-.009	-4.241	-.004	-0.848
Percent college graduate	-.199	-3.948	-.086	-0.801
Men's Characteristics ^c				
Proportion employed full-time	.234	3.929	.135	1.733
Median earnings ^b	.007	4.662	.006	2.907
Percent unemployed	-.468	-2.966	-.146	-1.266
Sex Ratio	.115	3.383	.212	5.715
AFDC ^d	-.007	-3.366	-.015	-3.297
Proportion Black	.094	2.308	.107	1.112
Population Size ^e	-.002	-3.213	-.000	-0.044
Year	-.004	-4.281	-.014	-12.606
Constant	.976	12.905	1.417	11.874

SOURCE: Public Use Microdata Sample, 1970, 1980, and 1990.

NOTE: Coefficients are based on pooled data from 1970, 1980, and 1990.

^aWomen's characteristics are based on women aged 25–29.

^bMedian earnings, AFDC (in thousands). Women's earnings are based on full-time earners. Men's earnings are based on all men.

^cMen's characteristics are based on men aged 28–33.

^dPopulation size (in 100,000).

see Tables 1.11 and 1.12. We estimated separate equations for whites and blacks.

We found that all of the indicators of women's earning potential—high education, full-time employment, and high median earnings—were strongly (and negatively) associated with marriage among white women. Marriage was less common in areas where women were well educated and where women's employment opportunities were good. Similarly, all of the indicators of men's earning power—full-time employment, low unemployment, and high median earnings—were positively associated with marriage. A high sex ratio (more men than women) and a low AFDC-food stamp benefit also increased marriage.

The results for blacks were similar to those for whites, with one important exception: none of the indicators of women's earning power were significantly related to marriage, although the signs of the coefficients were in the right direction. The effect of men's unemployment was also much weaker. Otherwise, marriage markets appear to operate the same for blacks and whites.

To get an idea of the relative importance of the different characteristics, we asked: "What if all the metropolitan areas had the same women's characteristics as the area with the most independent women?" "What if all the areas had the same characteristics as the area with the least independent women?" "What if all the areas had the same characteristics as the area with the least and most marriageable men?"

By taking the maximum and minimum values for women's education, full-time employment, and median earnings, and multiplying these values by the coefficients from our multiple regression equation, we came up with predicted marriage levels ranging from 41–76 percent among white women and ranging from 26–32 percent among black women. In short, differences in women's independence had a lot to do with differences in marriage among white women in 1990 and very little to do with differences in marriage among black women. The latter finding is not surprising, given that black women's characteristics were not good predictors of marriage to begin with.

Using the maximum and minimum values for men's earning power, we came up with predicted marriage levels ranging from 45–68 percent among whites and from 15–40 percent among blacks. Differences in men's earning power have a lot to do with differences in marriage for both blacks and whites. Finally, substituting the low and high values of the AFDC-food stamp benefit yielded marriage levels ranging from 57–61 percent among whites and from 26–33 percent among blacks. In general, welfare is less important in determining marriage levels than men's and women's earning power, and it is more important in determining marriage levels among blacks than among whites.²⁵

To see how much of the race difference in marriage levels in 1990 could be accounted for by differences in marriage market characteristics, we substituted

the means of the black marriage market characteristics into the white equation and calculated predicted percent married among white women 25–29. We performed a similar exercise using the white means and the black equation. This resulted in an 8 percentage point decline in marriage levels for whites and an 11 percentage point increase in marriage levels for blacks. About one-third of the race difference in marriage in 1990 was due to differences in marriage market characteristics, principally differences in men's employment opportunities. But the major share of the race difference in marriage was not due to differences in marriage market characteristics, rather it was a net racial difference.

Accounting for the Trend in Marriage: 1970–1990

In addition to the cross-sectional comparison, we looked at whether changes in marriage market characteristics between 1970 and 1990 could account for the decline in marriage over this period of time. We used the same equation that we used for the cross-sectional model, except that we substituted the means for women's and men's characteristics in 1970, 1980, and 1990 and calculated predicted marriage rates for each of the 3 years. Neither changes in AFDC nor changes in the sex ratio could have accounted for declines in marriage between 1970 and 1990 since these two variables changed in ways that should have increased marriage. AFDC benefits declined during the 1970s and 1980s, and the ratio of men to women increased.

FIGURE 1.5 Effects of changes in marriage market characteristics on proportion of white women married aged 25–29.

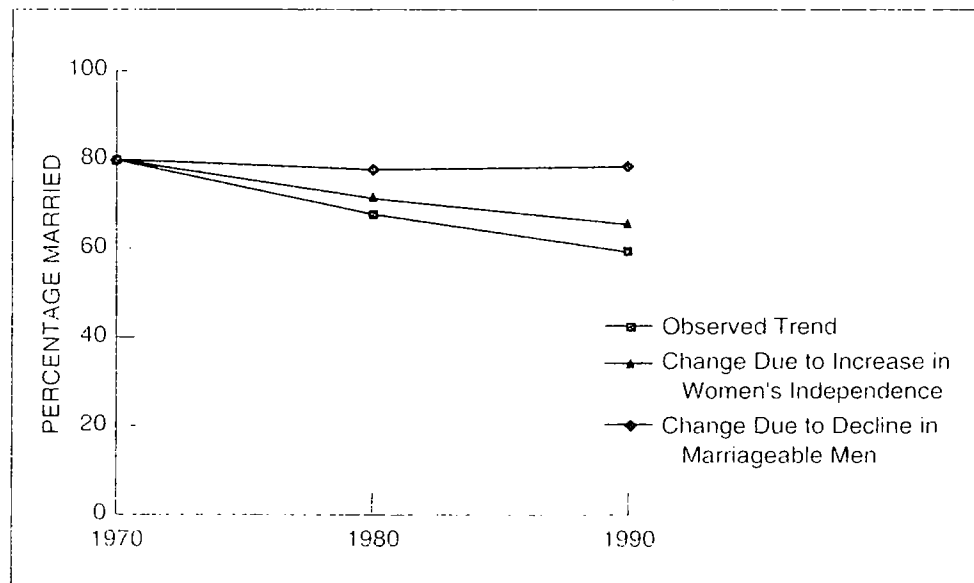
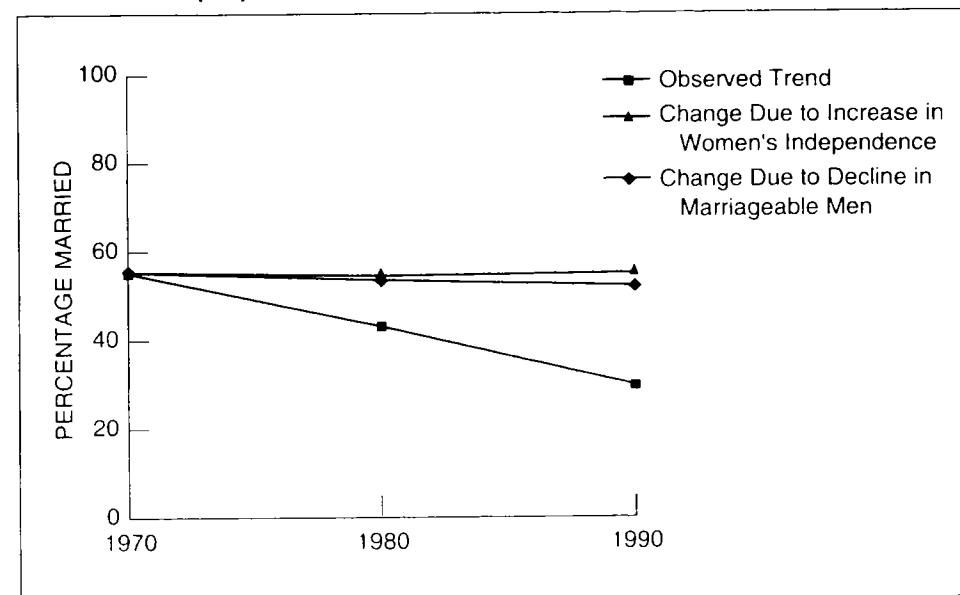


FIGURE 1.6 Effects of changes in marriage market characteristics on proportion of black women married aged 25–29.



SOURCE: Public Use Microdata Samples, 1970, 1980, and 1990.

Figure 1.5 shows the actual trend in the proportion of women married and the changes that would have occurred had there been trends only in women's independence or in the pool of marriageable men. As shown in this figure, increases in women's earning power can account for over 70 percent of the decline in marriage among white women between 1970 and 1990, whereas decreases in men's earning power can account for only about 8 percent of the decline. Most of the former effect is due to changes in women's employment rather than changes in earnings or education. Since employment may be a *consequence* of the decline in marriage as well as a cause, we must be cautious about how we interpret this relationship. Nevertheless, the fact that women's employment is strongly related to the decline in marriage for whites between 1970 and 1990 is noteworthy and merits further investigation.

For blacks, the story is different. As shown in Figure 1.6, neither changes in women's nor men's earning power account for the substantial drop in marriage rates among blacks during the 1970s and 1980s. The decline in men's employment explains about 12 percent of the decline in marriage, whereas the increase in women's earning power has no effect. This is very different from the cross-sectional results, which showed that differences in men's employment opportunities accounted for a substantial portion of the difference in marriage across MAs. The reason for the disparity is that the decline in men's employment opportunities between 1970 and 1990 was much smaller than the cross-state

ings was \$2,200 to \$22,000 in 1990, whereas the decline in men's earnings across all states between 1970 and 1990 was only \$4,000.

Our analysis of marriage markets gives the reader an idea of how census data can be used to test some of the different hypotheses about the decline in marriage. Based on preliminary findings, we believe it would be useful to analyze several distinct marriage markets within each metropolitan area: one for men and women with low education, another for men and women with a high school degree, and a third for men and women with some college education. Given the increasing inequality that has occurred during the past two decades, we suspect that a more disaggregated look at marriage opportunities might produce a stronger relationship between men's earning potential and marriage.

CONCLUSIONS

Four demographic trends underlie the changes in the American family during the past four decades: the delay (and decline) in marriage, the increase in marital instability, the change in marital and nonmarital birthrates, and increases in mothers' labor force participation. In the 1950s, the typical family consisted of a breadwinner-husband, homemaker-wife, and two children. Today, there is a much more diverse set of living arrangements, including dual-earner couples, single-parent families, childless couples, cohabiting couples, one person, and nonfamily households.

Family diversity reflects the fact that many people have more freedom and more choice about how to organize their personal lives. Greater diversity also has led to greater income inequality. While dual-earner couples enjoy a high and apparently increasing standard of living, single-mother families are under great economic stress. Diversity has also led to a wider gap in the standard of living between blacks and whites, especially in families with children. Whereas white children are increasingly being raised in dual-earner families, black children are concentrated in single-parent families.

The high poverty rates of single-parent families are not inevitable, as can be seen from the experiences of other Western countries. While marital instability and nonmarital childbearing have risen in all parts of the industrialized world, the economic consequences of single motherhood are much greater in the United States than elsewhere. Other countries are much more generous than the United States in terms of providing income and other kinds of economic support for single mothers (housing, childcare, health care). And surprisingly, their generosity has not led to high levels of single motherhood. Sweden has been especially creative in dealing with the dilemma of how to help single mothers without increasing their prevalence and without encouraging dependence on government. That nation provides generous benefits to single mothers in a way

that reduces poverty while promoting self-sufficiency. The United States has much to learn from the Swedish example.

Finally, we found that increases in women's economic independence account for a substantial part of the recent decline in marriage among whites. The independence hypothesis does not account for trends in marriage among black men and women, however. Two other economic explanations for the decline in marriage—lack of marriageable males and welfare benefits—do not account for very much of the recent trends in marriage, not because these factors are unrelated to marriage but because they have not changed in ways that would discourage marriage. White men's employment and earnings in the aggregate have remained fairly constant over the past 20 years, while black men's earnings and employment prospects have deteriorated somewhat. The value of welfare benefits has also gone down. What the census data do not tell us is whether changes in attitudes and values are related to declines in marriage. To the extent that such changes are important, they are likely to be more important among blacks than among whites.

ENDNOTES

1. U.S. Bureau of the Census (1992). "Money Income of Households, Families, and Persons in the United States: 1991."
2. U.S. Bureau of the Census (1991). "Marital Status and Living Arrangements: March 1990."
3. Percentages calculated from U.S. Bureau of the Census (1960). "Marital Status and Family Status: March 1970" (1981); "Marital Status and Living Arrangements: March 1980" (1991); and "Marital Status and Living Arrangements: Unpublished Tabulations."
4. Lynne Casper (1992). Also see Ronald R. Rindfuss and Audrey Vandenheuvell (1990).
5. The term illegitimacy is a technical term used by demographers and is not intended to be judgmental.
6. For more information on the decomposition of the illegitimacy ratio see Smith and Cutright (1988).
7. U.S. Bureau of the Census (1991). "Household and Family Characteristics: March 1990 and 1989" (1991); and "Marital Status and Living Arrangements: March 1990."
8. U.S. Bureau of the Census (1991). Statistical Abstract of the United States, 1993.
9. Most of these women were in dual-earner families. In 1980 the percentage of families in which women were the sole earners was 7 percent among whites and 13 percent among blacks. In 1990, the percentages were 8 and 12 for whites and blacks, respectively.
10. The categories in Table 1.5 are based on the same definitions as those in Table 1.4.

After sorting women into different statuses, we computed the mean income and poverty rate for each family/work status.

11. U.S. Bureau of the Census (1992). "Poverty in the United States: 1991."
12. We do not report poverty rates for single childless women who were not employed, since many of these women were students and/or living in multiperson households, which makes it difficult to measure poverty reliably. For the purpose of this discussion, we assume the poverty rate of these women is similar to that of employed single women without children.
13. These numbers are based on our own tabulations from the 1980 and 1990 microdata and are not shown here.
14. U.S. Bureau of the Census (1991). "Marital Status and Living Arrangements: March 1990."
15. Rindfuss and Vandenheuevel (1990); Casper (1992); Sweet and Bumpass (1992).
16. Where possible, we used the same countries as described in Table 1.3. Information on women's employment was not available for France, and Denmark was not included in the LIS data. We used a slightly different age cutoff for the international comparison due to restrictions in the data. For more information see McLanahan, Casper, and Sørensen (forthcoming).
17. The U.S. poverty rates in Table 1.10 are different from those reported in Table 1.7 for several reasons. First, the international comparisons are based on surveys carried out in the mid-1980s. Second, the U.S. numbers in Table 1.10 are for all racial and ethnic groups combined. And third, the poverty rates in the international comparison are based on a different definition of poverty than the rates in Table 1.7. In the international comparison, a woman was defined as poor if she lived in a family with income less than 50 percent of the median family income in that country. In Table 1.10, poverty rates are based on the official poverty thresholds used by the U.S. Bureau of the Census.
18. Wong, Garfinkel, and McLanahan (1993); Casper, McLanahan, and Garfinkel (1994). Also see McLanahan, Casper, and Sørensen (forthcoming).
19. For a review of this literature see Cherlin (1992). For conflicting results, see Mare and Winship (1991).
20. Committee on Ways and Means, U.S. House of Representatives, *Overview of Entitlement Programs*, U.S. Government, 1993.
21. For review of the empirical research on welfare effects, see Garfinkel and McLanahan (1986); Moffitt (1992).
22. For a discussion of the "available male hypothesis," see Lichter, LeClere, and McLaughlin (1991).
23. Bellah et al. (1985); Lestaghe and Surkyn (1988).
24. After combining three MAs in 1990, we ended up with 97 observations. Information from 1970 and 1980 was not available for all 97 of these areas, since some of them were newly created in 1980 and 1990, and therefore our final count of MAs was 287. In addition, we were forced to drop some areas because our sample of blacks was too small to provide stable estimates of marriage prevalence. For the analysis of white marriage markets, our final sample consisted of 252 MAs, and

for the analysis of black marriage markets, our final sample consisted of 173 observations. Missing information on the independent variables was recoded to the mean or median, and dummy variables were used to indicate that a variable had missing information.

25. Our model does not adjust for unobserved cross-state differences, which means that the welfare variable may be picking up some of these unobserved effects.

Family Report
PRELIMINARY DRAFT -- NOT FOR CITATION

References need to be completed.

Comments in italics in brackets to be removed.

Families and the Changing Labor Market

An analysis by the Council of Economic Advisers

September 1998

Report goes to extraordinary lengths to suggest things are better when they're not.

PRELIMINARY DRAFT -- NOT FOR CITATION

Families and the Changing Labor Market

Executive Summary

American families have been in the midst of change in the last three decades -- changes in time worked for pay; changes in income and who it is earned by; changes in family size; and changes in how child care and household tasks are accomplished. This report assesses these changes and the challenges and opportunities they create. Our main findings are:

- The hours American parents work in paid jobs have increased enormously since 1969, due to a dramatic shift of mothers' time from the household to the labor market. Both married mothers and single parents are working more for pay today than 30 years ago.

1/4 up 3/4 flat or down

- *Working more* Average family income has increased as a result of the increase in paid work hours, so that families can purchase more goods and services than in the past. This enables them to compensate for having less time at home by buying time-saving goods and services and to have more disposable income besides. Although a minority of families -- those with a less-educated single parent -- suffered a decline in inflation-adjusted incomes from 1969 to 1992, their situation improved as the economy expanded from 1992 through 1996. The average American family is clearly better off economically today than in 1969.

- *Not a household chore, subject to efficiency gains* At the same time, families are having fewer children, so that family income per person has increased even more. Fewer children also take less time. As a result, parental child care time available per child has increased even though total child care time has declined somewhat.

*Our ideal is not
fewest # of kids,
most work hours*

Most of the extra time spent earning income has come at the expense of housework, not child care or leisure activities. Families have also changed their lifestyles by buying more prepared foods and time-saving appliances, paying others to do some of the child care and household chores, shifting some of these tasks to fathers, and rearranging their paid work in non-traditional ways to accommodate the demands on their time at home.

- Clinton Administration policies have helped parents balance the demands of job and family while increasing their incomes and strengthened family life.

Your efficiencies are another person's stress

Hours worked by wives doubled, # of children dropped from 2.4 to 2.0

I. Introduction

Dramatic changes have occurred over the last thirty years in how families combine work and family life. During the last three decades women have devoted more and more time to market work. Combined with hourly earnings increases among women, this means women's earnings have gone up substantially, while their time available for work in the home has declined. In contrast, men's average hours of paid work and earnings have remained relatively stable. This means that families have higher incomes, but they have less time for other activities. As a result, American families have been in the midst of change -- changes in who works for pay; changes in income and who it is earned by; changes in how children are cared for and particularly in the utilization of paid child care; and changes in how household tasks are accomplished. This report assesses these changes since 1969.

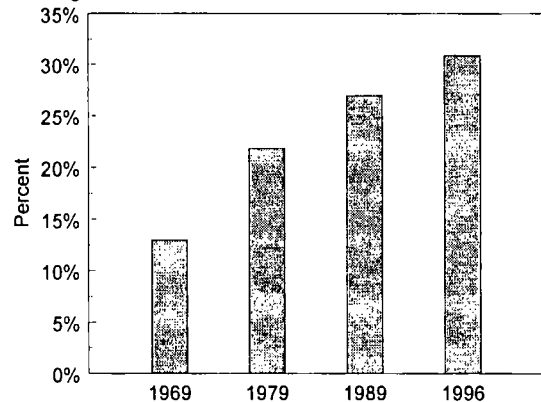
Two other trends in family structure are also likely to affect the well-being of families with children, occurring along with changes in their income and time allocations. First, the share of families headed by a single parent has increased significantly (see figure 1). Since single parents tend to have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

ND

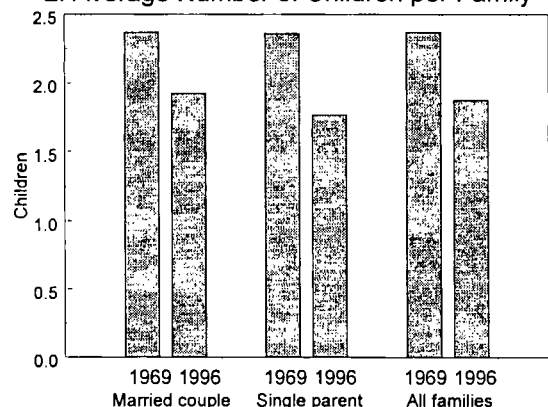
This paper will examine how families with children are faring in the face of all these changes. Key questions to be addressed include:

- How much have hours of market work increased for families?
 - How have the extra hours worked by families affected family incomes?
- How have these trends differentially affected families that differ in skill level, minority status, and number of parents in the household?

1. Single Parent Families as Share of All Families



2. Average Number of Children per Family



married
2.4 - 2

- What have these changes in market work and income meant for how families use their time in the home? In particular, how have these changes affected parental time available for children?

Some have argued that Americans are facing more and more of a “time bind” as they work longer and longer hours in order to attain an increasing standard of living [Schor 1991]. Others have argued that, even with increases in hours of paid work, families are not realizing significant income gains, or that families are working harder and harder “just to stay in the same place” [Bluestone and Rose 1997]. No such “one size fits all” characterization adequately captures the variety of experience in different segments of the population. Different types of families have experienced different changes in paid work time and income.

Overall, we find that parents today are spending more time working to earn income, yet the average child is probably getting more time from his or her parents than in 1969. The keys to this seeming paradox are smaller families and less time spent on household chores. For most groups, family income has increased. With fewer children, parents are able to buy more goods and services for themselves and their children as well as spend more time with each child. Thus, the average American child may well be better off today than in 1969 in terms of both parental time and income.

**
NO

There are some groups for whom this overall picture is not as rosy, however. The continuing increase in the share of children living in single parent families has substantially decreased the progress that families with children would otherwise have made, limiting both their income and time. Less skilled parents, who have not experienced the wage gains of other families, are working more hours without an increase in income. During the economic expansion of the 1990s, however, all families have seen income gains as their hours of work have expanded, giving all families a better opportunity to effectively combine work and family life.

II. Trends in Hours of Market Work

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

The estimates of annual hours of work presented in this section are based on the March Current Population Survey (CPS), a large representative survey of over 60,000 households each

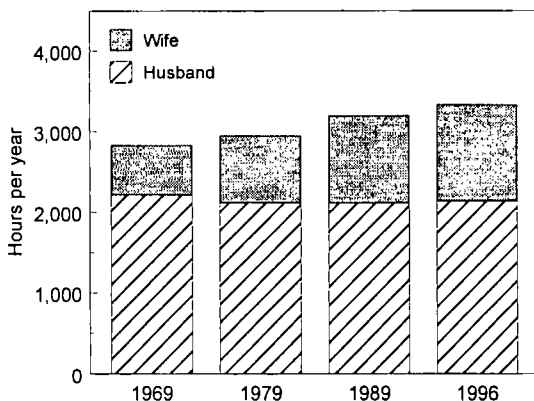
year.¹ For 1979, 1989, and 1996, information on annual hours of work was derived from two questions which ask how many weeks each individual worked in the previous year and how many hours they “usually worked” in the weeks they worked.² Multiplying weeks worked by usual hours worked per week provides a measure of annual hours of work.

For purposes of this analysis, we use the same definition of a “family” as the Census Bureau: all related individuals living together in the same household. We restrict the analysis to families whose head is at least eighteen years old and where there is a child under age 18.

While the CPS is the only large-scale representative sample which consistently measures hours of work and family incomes on an annual basis and is therefore the standard data set used for labor market analyses, some have argued that the CPS may not accurately measure hours of work because individuals may not be able to recall accurately their usual hours of work during the last year [Juster and Stafford 1991; Robinson and Godbey 1997]. In section IV of this report

we discuss alternative estimates of paid work time based upon “time diaries,” which require individuals to maintain detailed accounts of how they spent their time during a day.

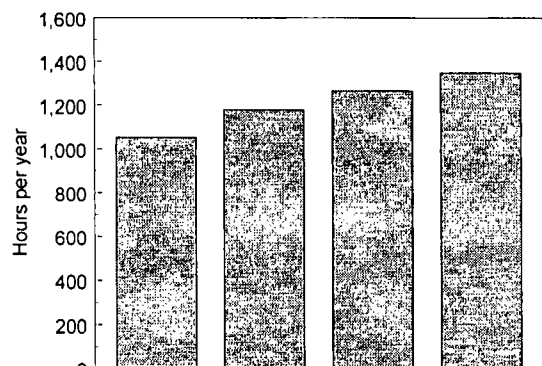
3. Annual Hours of Work, Married-Couple Families



As shown in figures 3 and 4, annual hours of paid work have increased substantially for both married-couple and single-parent families. A person who works forty hours a week for 50 weeks a year (a traditional “full-time” job) will work 2,000 hours in a year. For two-parent families (figure 3) annual hours of paid work increased by 496 hours (18 percent) from 1969 to 1996; for single-parent households (figure 4) they increased by 297 hours (28 percent).

Virtually all of the increase in families’ market hours of work has come from increases in women’s hours. Conceptually, the increase in women’s hours can be divided into three basic

4. Annual Hours of Work by Single Parents



¹We are using the March 1970, 1980, 1990, and 1997 CPS data sets. The data collected each March refer mainly to the previous calendar year. Thus we refer to data for 1969, 1979, 1989, and 1996. We chose these years because they represent peak years (or upswing, in 1996) in the business cycle and thus permit valid historical comparisons.

²The 1969 data are not strictly comparable to later years due to differences in data reporting. We have developed an imputation procedure to make these data more comparable to information in later years.

components: more women are employed, employed women are working more hours per week, and employed women are working more weeks per year. The most dramatic change has been in the percentage of women employed. In 1969, 38 percent of married women worked for pay, while in 1996, 68 percent did so -- a 30 percentage-point increase in employment. The increase in employment for single parents has been less dramatic: 53 percent worked for pay in 1969 and 66 percent in 1996. On average single parents and wives increased both weeks worked per year and hours worked per week.

While annual hours of paid work by all wives increased greatly by 576 hours (93 percent), husbands' hours of paid work decreased slightly from 1969 to 1996. This is the result of husbands working fewer weeks per year, without significantly changing the usual number of hours worked per week. These trends are consistent with estimates reported elsewhere in the literature, based on a variety of data sources.³

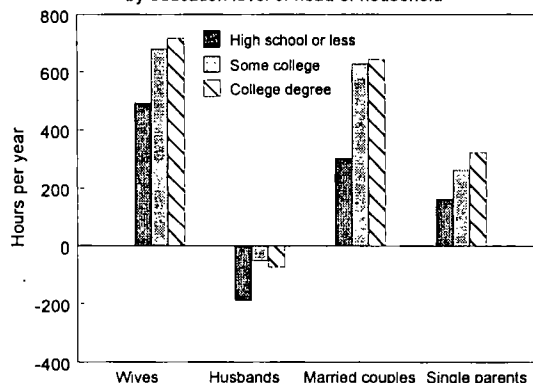
The overall increase in family hours of paid work has been widespread throughout the population. All types of families -- whether defined by the head's education level, spouse's education level, presence of young children, or race or ethnicity of the household head -- have experienced substantial increases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

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

- Families headed by a college graduate have increased their hours of paid work much more than those whose head had less education (see figure 5).

For married couples with a college-educated husband, annual hours of paid work increased by 644 hours (23 percent) -- more than twice the increase for couples in which the husband has a high school diploma or less. The difference was due to the wives' hours increasing more and the husbands' hours decreasing less in the

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



³Rones, Ilg and Gardner (1997) and Leete and Schor (1994) used CPS data, Bluestone and Rose (1997) used data from the Panel Study of Income Dynamics, and McGrattan and Rogerson (date?) used decennial Census data. All of these studies show increases in hours of work for women (or wives and single parents), and decreasing or stable hours of work for men (or husbands).

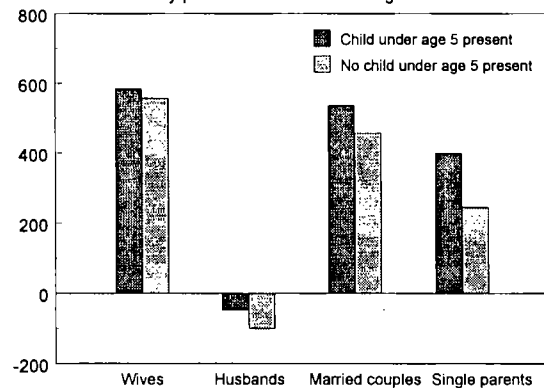
college-educated families. For single parents with a college degree, hours of paid work increased by 322 hours (20 percent), compared to 165 hours (16 percent) for single parents with a high school diploma or less.

- Families with a young child increased their hours of paid work much more than those with only school-age children (see figure 6). For single parents with a child under age five, hours of paid work

increased by 400 hours (50 percent), compared to 246 hours (21 percent) for single parents without a young child. For married couples, hours of paid work increased by 537 hours (20 percent) for families with a child under age five, compared to 457 hours (15 percent) for families without a young child.

- Married couples with a white or black husband increased their hours of paid work nearly twice as much as married couples with a Hispanic husband. By contrast, single Hispanic parents increased their hours slightly more than either white or black single parents.⁴

6. Change in Annual Hours Worked, 1969-96
by presence of child under age 5



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

Trends in hours of paid work for both men and women have roughly paralleled the trends in their wages since 1969 [Blank ?; Juhn & Murphy 1997], which will be discussed below (see section III-A). However, the magnitudes of the changes in paid work time are still not completely understood, as they are not easily “explained” by changes in key economic variables [Blau 1998, Danziger and Reed 1997]. The increases in paid work among women seem to be much more closely related to increases in their own wages than to the changes in their husband’s wages over this period. Slow growth of men’s wages does not appear to be the reason why women are increasing their market work [Juhn and Murphy 1997]. Increased work among women may also be affected by such hard-to-measure things like changes in assumptions about

⁴ Trends for Hispanic families are difficult to interpret, as changing immigration patterns resulted in significant changes in the composition of the Hispanic population over this time period.

women's role in the family, diminished discrimination against women in the workplace, or falling barriers to women entering non-traditional occupations. Highly educated women have benefitted more from diminished discrimination than have women with less education, as higher-level professional and management jobs have opened up to them. Whatever the reason, large increases in market work hours among women have substantially changed the time allocation and income of families.

III. Trends in Family Income

The upward trend in hours described above raises questions about trends in family well-being. A family's economic well-being is typically measured by its income. Earnings are the largest part of family income, which also includes transfer payments such as welfare and unemployment insurance, interest, dividends, and other unearned income such as child support. Earnings, in turn, are equal to hours worked for pay multiplied by the hourly wage. Rising work hours should lead to rising earnings, but the magnitude of this effect depends on changes in wages and other income sources that might be occurring at the same time.

A. Wages

During the same period in which hours of paid work have increased, wages have also increased for women and for college-educated men, but have declined for less-educated men. Women's wages have risen more rapidly than men's wages, and college-educated workers' wages have risen more than wages among the less educated. Men's wages have grown quite slowly on average, with wages falling for men without college educations.

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

B. Total Family Income

Putting the trends in wages and hours together, to what extent have families' increases in hours of paid work translated into increases in family income -- the measure we ultimately care about? To answer this question, we present estimates of average family incomes, by income component, to provide one assessment of how these changes in hours have affected the standard

of living of families in the United States.⁵ Our income measure, as described earlier, is based upon before-tax cash income only, and does not include other family resources, such as food stamps or the Earned Income Tax Credit (EITC). While these other resources and taxes are important, they are difficult to measure accurately or consistently for individual families. Because food stamp use grew rapidly in the 1970s and the EITC expanded greatly in the 1990s, the income measure we use omits more of the resources available to low-income families today than in the 1960s. Our estimates therefore understate the gains made by low-income families since 1969.⁶

Trends in income and in the various components of income (earnings, government transfers, other sources of income) have varied across different types of families.⁷

1. Trends in Income by Family Structure

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

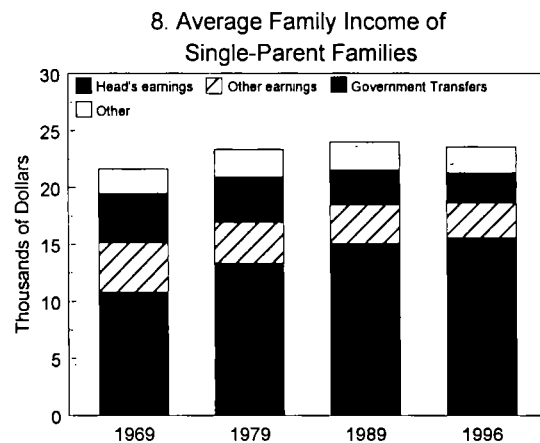
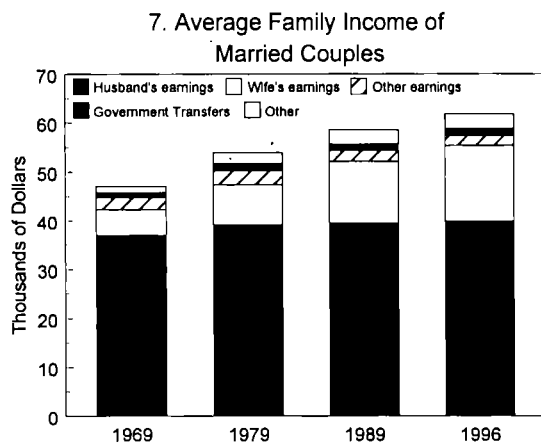
⁵To adjust for changes in prices over time, these estimates use the CPI-U-X1 price index measure, which is commonly used at present in federal statistics such as the current poverty threshold. Some have argued that this measure overestimates the actual rate of change in price levels over time. Estimates that assume a lower rate of inflation produce higher estimates of inflation-adjusted income growth over time [Ellwood 1998].

⁶ For estimates of changes in family incomes using a broader definition of income, see Levy [1996].

⁷ Throughout the following analysis we refer to mean income, rather than medians or other indicators of the distribution. There is more positive change in mean income than in median income, as disproportionate growth in the upper tail of the income distribution pulls up the mean without affecting the median.

- The incomes of married-couple families increased by more than enough to compensate for their increase in paid work time. Their average family income increased by almost a third from 1969 to 1996 (\$14,800 in 1996 dollars), while their annual hours of paid work increased by less than a fifth.
- For single-parent families, incomes increased by much less than paid work time. Average incomes of single-parent families also increased much less than incomes of married-couple families over this period, after adjusting for inflation. Income increased by less than ten percent (\$1,900 in 1996 dollars) from 1969 to 1996, while paid work hours increased by more than a quarter.

Increases in the earnings of wives and single parents generated most of the income growth from 1969 to 1996. Single parents' earnings increased more than their total family



incomes did, as earnings increases were offset by a forty percent decline in average government cash transfer payments. For two-parent families, increases in the wives' earnings represented two thirds of the increase in family income, with the remainder attributable to an increase in the husbands' earnings and an increase in unearned income from sources other than government transfer payments.

For both wives and single parents, their increased earnings reflects both an increase in hours of work and an increase in hourly earnings rates. The increase in wives' earnings reflected a 93 percent increase in wives' hours and a 53 percent increase in wives' earnings per hour. For single parents, hours of work increased by 28 percent, while hourly earnings increased by 18 percent.

2. Trends in Income by Other Demographic Characteristics

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

•
Not as much
better off
as you suggest. *

More-educated families experienced greater income growth from 1969 to 1996. Married couples experienced income growth of almost a third if the husband had a college education, but less than ten percent if the husband had a high school diploma or less. For single parents, inflation-adjusted incomes grew by eight percent if they had a college degree, but incomes *fell* by five percent for single parents with a high school diploma or less. Much of this difference in income growth reflects larger earnings increases for highly skilled wives and single parents, and larger earnings declines for low skilled husbands. The declining purchasing power of cash welfare benefits also helps explain why the inflation-adjusted incomes of less-educated single parents fell.

•
Only white
coll. educ.
are better off

Average income growth for whites was substantially higher than for blacks or Hispanics. Among families headed by a white person, average incomes grew by almost twenty percent for both married couples (19 percent) and single parents (17 percent) from 1979 to 1996.⁸ For blacks, average incomes grew by less than ten percent for both two-parent families (9 percent) and single-parent families (6 percent). Finally, for Hispanics, average incomes *fell* by almost five percent for married couples (4 percent) and single parents (3 percent). These results are striking, given the relatively large increases in hours of work by Hispanic single parents over this period. Declining wages as well as declining cash welfare benefits help explain why Hispanics' incomes fell. In addition, an increasing share of the Hispanic population were recent immigrants with little education.

• Families with a child under age five had greater average income growth than families with older children. For married couples, mean incomes increased by 38 percent for families with a child under age five, compared to 27 percent for families with only older children. For single parent families, mean incomes increased by 17 percent for those with young children, but only by 6 percent for families with only older children.⁹

3. Recent Trends in Family Income

⁸Our race and ethnicity comparisons begin in 1979 because the CPS did not identify Hispanics in 1969.

⁹Of course, having a younger child often implies being a younger parent. We do not control for the age of the parent in this analysis.

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

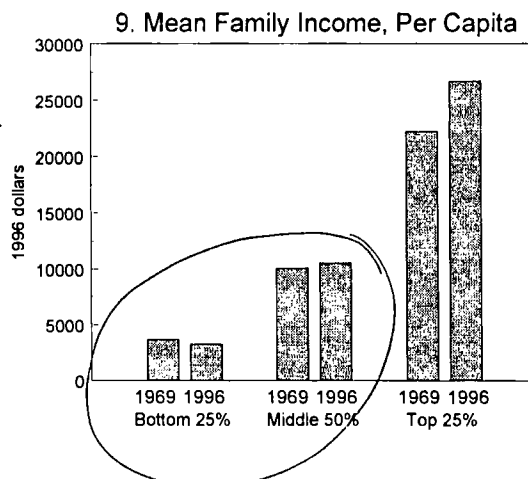
C. The Distribution of Family Per Capita Income

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

Figure 9 presents estimates which incorporate the combined effects of increases in single-parent families and decreases in average family size, to assess changes in incomes for families with children. To reflect changes in the share of single-parent families, the diagram shows changes for the *combined* family income distribution of single-parent and two-parent families. In addition, as a crude way of adjusting for the decreases in family size, family incomes are presented in per-capita terms. (This is a crude measure because two children do not cost twice as much as one, but it may be preferred to total income because two do cost more than one.) The chart shows the change in average income per person for the lowest quarter, the highest quarter, and the middle half of the distribution of all families' per-capita incomes.

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

- Since 1969, the top quarter of families gained, while the lower quarter lost and the middle half remained nearly constant in per-capita income terms, after adjusting for inflation. The top quarter gained 20 percent (\$4400 in 1996 dollars) from 1969 to 1996, while families in the lower quarter of the income distribution had declines of 11 percent (\$410). For families in the



middle half of the family per-capita income distribution, average family incomes have remained relatively constant, with income gains of 4 percent (\$452).

Since family size has been decreasing, it follows logically that the changes in mean income are less dramatic when calculated on a total family level than on a per capita basis.

IV. How Do Families Respond? Implications for Family Time Use Outside the Job

How does the increase in mothers' paid work time affect the family, and especially children? It would be wrong to assume that child-rearing necessarily suffers. There are other non-market activities -- cooking, cleaning, shopping, exercising, entertainment, watching TV, * sleeping -- that may be reduced by working mothers in order to devote time to their children. Fathers and grandparents may spend more time with the children when their mother works. Husbands may do more of the household chores. Goods and services may be purchased with some of the extra income, so that less of the parents' time is required to produce meals, clean clothes and rooms, and other things that contribute to the quality of family life. Household appliances (microwave ovens, dishwashers) also reduce the time required for household tasks. Standards of housekeeping, styles of entertaining, and even types of housing (condos without private lawns and gardens) may change in time-saving ways. Besides having fewer children, parents may space the births of their children to reduce the time required to rear each one.

you act as though there have no value

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

A. Trends in Current Population Survey Data

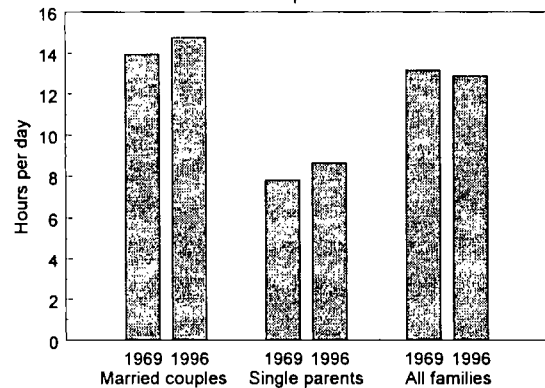
What can the CPS tell us about how these changes have affected the number of non-market hours that families have available for caring for children and maintaining a household? On the one hand, families may have less time available for child care because they are spending more time in the labor market; and because there is a growing share of single parent families. On the other hand, the number of children per family has fallen, which would tend to increase parental time per child. As paid work time increases, parents may reduce their time spent in housework, personal care, and recreation in order to have more time for children.

* Also - parental time overlaps if both work
 Better Q is how much of a child's day is spent w/ a parent around

Figure 10 shows the trends in non-market time per child that custodial parents potentially had available to spend with their children, after netting out time spent at paid work and assuming that each parent has a maximum of sixteen waking hours per day to spend either at home or at a job. This per-child calculation makes the extreme assumption that if one child receives attention from a parent, a sibling cannot receive any parental attention at the same time. As shown below, despite increases in paid work hours for each type of family, the amount of non-market time available *per child* has *increased* for both married-couple and single-parent families since 1969.

This means that the reductions in family size were large enough to outweigh the changes in time spent at work. When single-parent and married-couple families are added together, however, the amount of family time per child has remained relatively constant. This reflects the fact that a shift toward more single parents tends to decrease parental time available to children, because it reduces the number of custodial parents available to spend time with children. While parental time for children has increased *within* family type, at the same time the share of single-parent families has grown, and single parents have less time than two parents.

10. Non-work Time of Custodial Parents Available per child



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

We now turn to another source of data: time-use diary surveys, which ask respondents to keep a detailed diary recording how they spend their time during a specific day. They provide an alternative, more accurate method of measuring paid work time, as well as time spent in various kinds of unpaid activity, such as commuting, housework, child care, shopping, recreation, and personal care. The trends in hours of paid work time and non-market time described above are based on data which report individuals' estimates of their usual hours worked per week in the previous year. Such estimates may not accurately portray the actual hours worked for pay because the question is somewhat ambiguous and respondents may not be able to report accurately on a "usual" week in the few minutes allowed during the CPS interview. Time-use diary measures tend to show shorter paid work hours and sometimes even different trends than the CPS [Robinson and Godbey 1997, chapter 4].

Unfortunately, such time-use diary surveys are conducted much less frequently (not since 1985) and with much smaller samples than the CPS. They cannot be used to examine trends for smaller subgroups of the population, such as single parents or blacks. Moreover, the individuals who complete the diaries may not represent the U.S. population as well as the CPS sample does. These surveys do, however, provide information about how much time is spent in different types of unpaid work at home, such as child care and housework, in leisure pursuits, and sleep.

1. Averages

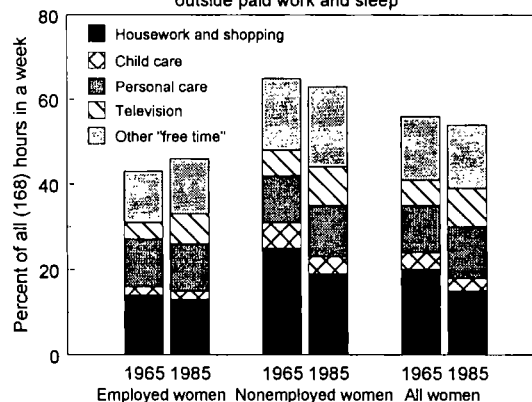
Time-use diary surveys show that most of the increase in women's formal working hours between 1965 and 1985 was offset by decreases in time spent on household chores (see figure 11). There was very little reduction in time spent with children; and "free time" spent watching TV actually increased [Robinson and Godbey 1997, chapters 6 & 8]. These trends are rather surprising, given the increased stress that some American parents are reporting.

In any single year, employed women spend about 45 percent less time on both child care and household tasks than women without paid jobs, but still have less free time [Robinson and Godbey 1997, pp.102-3]. (But note that employed women may be less likely to have young children.) However, this cross-sectional relationship is highly misleading as to the trend in child care time. Time-use surveys conducted in the U.S.

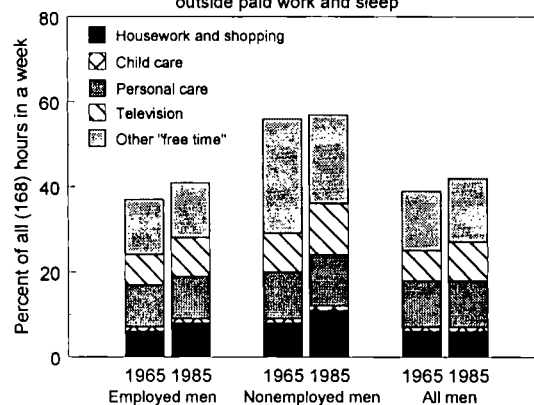
in 1965, 1975, and 1985 show that employed mothers spent virtually the same amount of time taking care of children in 1985 (6.7 hours per week) as in 1965 (6.3 hours per week). Mothers without paid jobs spent 12 hours a week in child care in both years. This is consistent with other analyses of these time-use surveys, which show no decline in child care time within mothers' employment category. When the shift of women into employment is taken into account, overall mothers' time in child care declined by 10 percent, from ten to nine hours per week. Fathers did not make up the difference; their child care time remained about 2.5 hours per week from 1965 to 1985 (see figure 12). (These estimates of parents' child care time include only "primary" care, when the child is the sole focus of the parent's attention. They omit "secondary" or "shared" time spent with children, when the child is present and perhaps participating with the parent in another activity, such as eating or watching TV. Thus, the total amount of time spent with children is estimated to be almost four times greater than the numbers shown above.)

When we take account of the decreasing number of children per family, time for each child clearly rose despite the increase in market work hours. Time spent in personal care and commuting to work did not change much. Surprisingly, "free time" activities increased by 4-5 hours per week for both men and women, due almost entirely to an increase in television-watching (including watching TV with children). What "gave" was household chores.

11. Womens' Division of Time outside paid work and sleep



12. Mens' Division of Time outside paid work and sleep



Why is that surprising?

Kids lost 1 hr on avg. but 30% of kids lost 5 hrs.

tired
driven by increase in single parents?

2. Differences among families

These estimates are based on average trends. They may miss important distinctions between high and low income groups, or between single-parent and two-parent families. The effect of women's increased hours in the labor market on families is likely to vary between college-educated parents, whose incomes have been rising because their hours and wages both increased, and less-educated parents, whose incomes may have fallen despite increased work hours because of falling wages. It may be harder for families with more limited resources to cut back on housework by buying time-saving services and appliances. The effect of women's increased hours in the labor market on families is also likely to vary between married couples, who can shift some housework and child care from working wife to husband, and single parents, who cannot. Within married-couple families, moreover, there are likely to be differences across education levels in this shifting of tasks, as child care time by fathers rises with their education.

C. Elder care

The media have paid significant attention to the so-called "sandwich generation": those adults who take care of both their own child(ren) and their elderly disabled parent(s). While a number of people are in this position, the popular press likely overstates the scope of the problem.¹⁰ Women are more likely than men, and adult children are more likely than spouses, to provide elder care. Data from 1982 and 1984 show that close to one million women had a disabled parent, a full-time job, and children under the age of 15. About 1 in 5 of these potential elder care providers were actually engaged in elder care activities while holding a job and raising children [Stone and Kemper 1989]. Of course, there are also many caregivers who do not work full-time for pay and/or do not have children at home. Relatively few parents with children at home are giving direct elder care themselves, but many more are managing the care of -- and worrying about -- their disabled parents, which is a source of stress even when it is not very time-consuming.

¹⁰Company-specific surveys have yielded estimates of as high as 20 to 30 percent of employees caring for elderly disabled parents. These surveys, however, have often used very broad definitions of care, including support which is solely financial or emotional, and may not represent a large commitment of time by the caregiver. When the definition of "caregiver" is restricted to those spending time helping elderly parents with activities of daily living (eating, transferring, toileting, dressing, and bathing) or instrumental activities of daily living (meal preparation, light housework, laundry, getting around outside, grocery shopping, telephoning, taking medication, and financial management), data from the much larger samples of the 1982 National Long-Term Care Survey and the 1984 Current Population Survey indicate that just under one percent of Americans who are working full-time provide care for elderly parents by participating in any of the activities listed above.

Financial support for elderly and disabled relatives is also a burden for some families. If a family member is spending significant amounts of time caring for the relative instead of working for money, this also contributes to the financial strain.

V. Changes in Child Care and Work Arrangements

Parents are changing their lifestyles to integrate the increase in mothers' hours of paid work and the increase in income experienced by most families. While the increase in hours of paid work for women does lower the total amount of time remaining for housework, child care, personal care, and leisure, a number of other factors determine the net effect on any individual in the family. In addition to family size, the division of tasks between husbands and wives, and other adjustments mentioned above, families are changing their behavior along two other dimensions: the utilization of paid child care and changes in the time and place of work.

A. Trends in Child Care

Most parents adjust to an increase in their paid work time by increasing their use of child care providers other than themselves. As mothers go to work, families have more income to spend. Some of it has been spent on paid child care. The availability, cost, and quality of child care which can be purchased in the market affects the employment decisions and financial status of families. The primary child care arrangements for preschool-age children of employed mothers in the fall of 1994 were divided roughly equally among care in the child's home (by a relative or nonrelative), care in another home (by a relative or nonrelative), and care in an organized child care facility. Since comparable data were first collected in 1986, the trend shows a relatively constant proportion of children receiving care in their own homes, relatively fewer children receiving care in another home, and relatively more children receiving care in an organized facility. The percent of monthly income spent on child care by those purchasing this service rose from 6.3 percent to 7.3 percent between 1986 and 1993.¹¹

B. Changes in the Time and Place of Work

The effect of parents' market work time on children also depends on when and where it is performed. While data on flexible schedules, shift work, paid work done in the home, and

¹¹ The earliest comprehensive data collection by the Bureau of the Census on families' child care arrangements was in 1977. The earliest data which are compatible with the most recent data are from fall 1986. We use the 1986 data for consistency.

alternative work arrangements are less readily available than data on traditional market work, the 1991 and 1997 May supplements to the CPS collected data that give us an overview of these non-traditional work arrangements.

1. Flexible Schedules

The conflict between hours of market work and hours required for housework and child care is intensified when the timing of market work is beyond the parent's control. Flexible work arrangements (defined as allowing workers to vary the time they begin or end work) are an increasingly popular approach to decreasing the tension between work and family. In 1997, 28 percent of full-time wage and salary workers had flexible work schedules. This was up sharply from 15 percent in 1991, the most recent prior year when data was collected. The variations by gender and age of children were small. Men were slightly more likely to have flexible schedules than were women (29 percent versus 26 percent). Parents of children under age 18 were slightly more likely to have flexible schedules than were those without children under age 18 (29 percent versus 27 percent), while 30 percent of parents of children under age 6 had flexible schedules.

2. Shift Work

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

3. Paid Work Performed in the Home

In 1997, 3.3 percent of all wage and salary workers were doing work at home for pay, up from 1.9 percent in 1991. An additional ten percent of all wage and salary workers in 1997 were doing work at home without receiving extra pay for it. (Nearly 9 out of 10 wage and salary workers who were paid for work at home were in "white-collar" occupations.) While married persons with a spouse present were more likely to do paid work at home than were single persons, married parents were no more likely to do paid work at home than were married persons without children. Single parents, however, particularly single mothers, had much higher work-at-home rates than single workers without children.

4. Alternative Work Arrangements

The nature of a worker's contract with the employer affects not only the hours he or she works in the market and the wages and benefits earned, but also the duration of the job, the worker's sense of job security, and the ability to coordinate work weeks with children's school schedules by working part-year. In 1997 6.7 percent of all employees were independent contractors, 1.6 percent were on-call workers, 1.0 percent worked for temporary help agencies, and 0.6 percent worked for contract firms.

5. Multiple Job Holding

Multiple job-holding, or "moonlighting," increased significantly during the 1980s, and then leveled off at the beginning of the 1990s. This increase, like the increase in hours overall, was generally driven by women. As women increased their multiple job-holding rate, the rate declined for men.

- In 1996, over 6 percent of all employed men and women aged 20 to 54 held multiple jobs.
- Over half of multiple job-holders worked one full-time and one or more part-time jobs, while about one fifth worked multiple part-time jobs, one fifth reported that their hours varied, and only 3 percent worked more than one full-time job.
- Men who held multiple jobs in 1996 worked an average of 52 hours per week, while women with multiple jobs averaged 43 hours per week.
- Many multiple job-holders were highly educated professionals, not necessarily driven to multiple job-holding by financial need.

C. Policies that address these issues

The enormous changes in the ways American families function create new opportunities, but also present new challenges to government policy. This Administration has helped families better balance work and family life by its policies in four major areas:

*[**We need a sentence about each of these items -- have requested Tom Freedman's input.]*

1. Easing parents' "time bind":

Family and Medical Leave

Child care

*[*Administration proposals (see ERP chapter): funding for child care tax credit for individuals, and employer day care.]*

Elder care

Flextime

2. **Improving incomes** of families that are struggling: the less educated and single parents, whose incomes are still lower than in 1969:

Earned Income Tax Credits

Minimum wage increase

Welfare-to-work and employer tax credits for hiring welfare recipients, which help people work and raise their incomes by their own efforts.

Child support enforcement, which provides income for single parents and may encourage more ongoing involvement of non-custodial parents with their children.

Steady economic growth, which creates jobs, reduces unemployment, and raises wages for all workers, especially the less skilled who are most affected when jobs are scarce.

3. **Enabling parents to choose their family size and spacing of children** -- so they can devote sufficient time to each one.

Family planning services -- contraception; access to abortion as an option of last resort.

4. **Encouraging two-parent families** to form and stay together in a supportive relationship

Child support enforcement

Eligibility rules for Medicaid and other programs

Domestic violence services for perpetrators as well as victims

VI. Conclusion

A massive shift of women's time from the home to the labor market has occurred in the last generation. For most families, increasing incomes have accompanied mothers' increasing

wrong
paid employment. Families today also have fewer children than in the past. As a result, despite the increase in parents' hours of market work, there is little indication that time spent with children has declined. These developments have created a host of changes in how families function. In particular, new arrangements for child care have been adopted and housework takes less time. These developments have created new opportunities, especially for women, but have also raised new challenges. In response to the challenges, the Clinton Administration's policy reforms since 1993 have helped parents better balance family and market work.

?
Furthermore, women's increased earning power may have other long-term positive effects. It may increase their decision-making leverage within the family, which in turn may increase resources spent on children. Moreover, as women gain more (and more continuous) market work experience, their earning potential also increases. Young women, expecting to spend more time in the labor market, increasingly prepare themselves for higher-paying non-traditional careers. These developments all work to increase the long-term economic security of women and their families.

References

- Blau, Francine, "Trends in the Well-Being of American Women, 1990-1995," *Journal of Economic Literature*, March 1998, pp. 112-165.
- Bluestone, Barry and Stephen Rose, "Unraveling an Economic Enigma: Overworked and Underemployed," *The American Prospect*, March-April 1997, pp. 58-69.
- Danziger, Sheldon and Deborah Reed, "Working Longer and Earning More: The Changing Contribution of Wives' Earnings to Family Income," February 1997.
- Ellwood, David, "Winners and Losers in America: Taking the Measure of New Economic Realities," mimeo, 1998. **(Note the paper says not for quotation or citation).**
- Juster, F. Thomas and Frank P. Stafford, "The Allocation of Time: Empirical Findings, Behavioral Models, and Problems of Measurement," *Journal of Economic Literature*, Volume XXXIX (June 1991), pp. 471-522.
- Juhn, Chinhui and Kevin Murphy, "Wage Inequality and Family Labor Supply", *Journal of Labor Economics*, 1997, vol 15(1), pt. 1 pp 72-97
- Leete, Laura and Juliet Schor, "Assessing the Time Squeeze Hypothesis: Hours Worked in the United States, 1969-1989," *Industrial Relations*, 33(1), January 1994, pp 25-43.
- Levy, Frank, "Where Did All the Money Go? A Layman's Guide to Recent Trends in U.S. Living Standards," MIT IPC Working Paper 96-008, July 1996.
- McGrattan, Ellen R., "Changes in Hours Worked Since 1950", Federal Reserve Bank of Minneapolis, *Quarterly Review*, Winter 1998, pp. 2-19.
- Robinson, John and Geoffrey Godbey, *Time for Life: the Surprising Ways Americans Use their Time*, Pennsylvania State University Press, 1997.
- Rones, Phillip L., Randy E. Ilg, and Jennifer M. Gardner, "Trends in hours of work since the mid-1970s", *Monthly Labor Review*, April 1997, pp 3-13.
- Schor, Juliet B. (1991). *The Overworked American: The Unexpected Decline of Leisure*. New York: Basic Books.
- Stinson, John F., Jr. (1997). "New data on multiple jobholding available from the CPS," *Monthly Labor Review*, March 1997, pp. 3-8.

Stone, Robyn I. and Peter Kemper (1989). "Spouses and Children of Disabled Elders: How Large a Constituency for Long-term Care Reform?" *The Milbank Quarterly*, 67(3-4), pp. 485-506.