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001. email	To Nicole R. Rabner from Ruby Shamir re: for your trip (partial) (1 page)	05/22/99	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Ruby Shamir (Subject Files)
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FOLDER TITLE:

Leave - Paid Leave - UI [Unemployment Insurance] [2]

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RESTRICTION CODES

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P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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May 24, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: NICOLE RABNER

CC: MELANNE VERVEER
SHIRLEY SAGAWA

SUBJECT: PAID LEAVE UPDATE

Following our discussion about pushing internally to address pending state proposals to use the unemployment insurance system to provide benefits to workers on some form of FMLA-covered leave, I oversaw a policy process that culminated in the President making significant policy announcements in his commencement speech yesterday at Grambling State University. The speech focused on the need to provide working families with greater tools to balance their responsibilities at home and at work. The announcements were:

(1) **Working to Make Parental Leave More Affordable.** A 1996 study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. President Clinton directed the Secretary of Labor to propose new regulations and model state legislation to enable states to develop innovative ways of using the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. Several States recently have asked the Administration whether they could use the UI system for this purpose consistent with federal law. The new regulations will authorize this expansion of the UI system, thereby allowing states that wish to use unemployment insurance to assist new parents to put their plans into effect.

(2) **Enabling Federal Workers to Take Paid Leave to Care for Sick Family Members.** In an effort to set an example for all employers, President Clinton also directed the Office of Personnel Management (OPM) to propose government-wide regulations to allow federal employees to use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter, or parent with a "serious health condition," as that term is defined for the purpose of applying the Family and Medical Leave Act. Currently, the amount of sick leave that can be used to care for a family member who is ill is limited to 13 days each year for most federal employees. By enabling federal workers to use more of the sick leave they have earned, according to conditions established by the FMLA, this measure will remove a significant barrier to caring for an ill family member. The President also directed the OPM to establish an Interagency Family Friendly Workplace Working Group to develop, promote, and evaluate federal family-friendly workplace initiatives.

(3) **A New Study on the Amount of Time Available for Families.** The President released a report by his Council of Economic Advisers (CEA) today that details the factors that have led to decreased amounts of time available for parents to spend with their children. The report, *Families and the Labor Market, 1969-1999: Analyzing the "Time Crunch,"* demonstrates that the increase in hours mothers spend in paid work, combined with the shift toward single-parent families, has resulted in families experiencing an average decrease of 22 hours a week (14 percent) in time that parents spend with their children. The report concludes that the increased time at work among parents requires policy-makers to seek new ways to promote strong families, including greater flexibility in paid work hours, more affordable child care, better support for families with low-wage earning parents, and methods for encouraging two-parent families to form and stay together.

Attached please find the President's commencement address, the press clips on the announcements, and the final CEA report.

THE WHITE HOUSE

Office of the Press Secretary
(Grambling, Louisiana)

For Immediate Release May 23, 1999

REMARKS BY THE PRESIDENT
IN COMMENCEMENT ADDRESS TO
GRAMBLING STATE UNIVERSITY GRADUATES

Eddie Robinson Stadium
Grambling, Louisiana

9:47 A.M. CDT

THE PRESIDENT: Thank you. Good morning.

THE AUDIENCE: Good morning.

THE PRESIDENT: I thank you for the wonderful, wonderful welcome. President Favors, thank you for the degree --I'm beginning to feel smarter already. (Laughter.)

My good friend, Reverend Jones, thank you for your wonderful invocation and reminding us why we are here on this Lord's day. Mayor Williams, thank you for making me feel welcome, and I thank the other mayors and councilmembers who met me. Dr. Jindal, thank you for your remarks. I must say, I was especially impressed by the remarks of your student government president, Tony Easton; and Miss Grambling, Martha Fondel. (Applause.) After they spoke I wasn't quite sure I wanted to give my speech. (Laughter.)

Let me also say that I am delighted to be joined today by your distinguished Senator, Mary Landrieu, and Congressman William Jefferson, from New Orleans. (Applause.) By our Secretary of Transportation and, like me, a neighbor of yours to the north, from Arkansas, Secretary Rodney Slater, I thank him. (Applause.)

You know, when I heard that I might be able to come to Grambling, there was very little discussion about this in the White House. Now, usually, when the President has a chance to go someplace, there's always an argument about it because they think you should be somewhere else. Somebody who works for you thinks you should be somewhere else.

But I told my staff that I wanted to take a day away from Washington, D.C. Now, Washington is a town where everybody thinks they're somebody -- (laughter and applause) -- and I wanted to come to the place where everybody is somebody. (Applause.)

I also was not about to miss a chance to hear the best band in the land. (Applause.) And I thank you for the musical tribute. And I'm glad at least the tuba players were standing up and dancing, I would have missed that, too. (Applause.)

I also -- (laughter) -- hey, I'm just getting warmed up, you know? Come on. (Laughter.)

To the last Grambling class of the 20th century -- (applause) -- this is an important day in your lives. In so many ways --

AUDIENCE MEMBER: I need a job.

THE PRESIDENT: Well, you'll be able to get one, now. (Laughter.)

In so many ways, the story of this institution embodies the whole 20th century experience of African Americans. In 1901, not a single public school in this part of Louisiana would welcome an African American into its classes. But the visionary farmers of this community, the children and grandchildren of slaves, were determined to give their children the education and pride and power to rise above bigotry and injustice. (Applause.) And so, even though they didn't have much, they scrounged around and raised some money and wrote a letter to Booker T. Washington, asking him to send a teacher to help build a school in the piney woods.

Out of that determination, Grambling has truly grown into a university for the 21st century. (Applause.) You have nurtured some of our nation's best educators and lawyers, pastors and public servants, nurses and business leaders. Of course, the NFL recruits here, thanks to Eddie Robinson and his successor, Superbowl MVP Doug Williams. (Applause.) Of course, you're known for your band and your other athletic teams.

But America's top technology firms recruit here, too -- because Grambling confers more computer and information science degrees to African Americans than any other university in the nation. (Applause.)

So you join a proud tradition today and I congratulate you all. You have gained knowledge that will enrich you for the rest of your lives and I can just see by looking at you, you've made friends who will stay with you for the rest of your lives. Through long hours in the class and late nights in the library, through moments of both self-doubt and triumph, you have today gained the prize -- an education that will help you succeed in one of the most exciting eras in all of human history.

I'd also like to congratulate and honor today your parents, your grandparents, your aunts and uncles -- (applause) -- all those who had a hand in raising you. They should be proud of you; but they should also be proud of themselves. To raise a child from infancy to college graduate is no small feat -- you hear the "amens" from the audience on that one. (Laughter.)

One of the most beloved Presidents of Grambling, Ralph Waldo Emerson Jones, I understand often said to his students, when you go home, be sure to kiss everybody -- including the mule -- (laughter) -- because the mule is the one who pulls the plow and keeps the family going. Well, I'm not going to ask the graduates to kiss any mules today, but I do ask each of you before this day is over to say a special thank you to the people who kept your families going.

I asked for some research on some of the families -- I'd just like to mention two. People like Joyce Gaines of Vallejo, California. Listen to this: even through the pain of five ruptured disks in her back, she worked three jobs and commuted 200 miles a day to put her daughter, Tieaesha, through Grambling. (Applause.) Where are you? Stand up there. (Applause.) Today, she's graduating with a degree in sociology and she plans to open a home for abused children. She is a tribute to her mother's love and sacrifice. (Applause.)

People like James and Lilly Bedford of Shreveport. James is a plumber, Lilly is a cook. Both took on extra work at night and on weekends to help their youngest son, Terrence, pay for college. She was a student at Grambling back in the '50s, but Lilly had to leave before graduating. Now Terrence is the second of the seven Bedford children to earn a Grambling degree, and he's the senior class president. Congratulations to the Bedfords. Where are you? Thank you. (Applause.)

Stories like this remind of us what people can achieve when they set their minds to it, but they also remind us of how hard it can be to raise a child right, especially today in our very busy society with its very demanding economy. Now, this is the serious part of the talk. I want you to have a good time today, but I want you to listen to this. This spring I'm going to speak to seniors about how this new economy is transforming every aspect of our lives.

Next month, at the University of Chicago, I'll talk about how we must put a human face on the dynamic but often disruptive international marketplace. But today I want to talk to you about what we as a nation must to do help families like those I just mentioned -- and those will be your families -- master the challenges of the new economy.

I've been thinking a lot about family lately, and I expect a lot of you have. In the aftermath of the terrible tragedy at Littleton and the other school shootings we've had in our country; they've forced us to confront the need not only to make guns less available to criminals and children, not only to make our culture less violent and our schools safer, but also to make the bonds that tie parents to children stronger. (Applause.)

The spate of hate crimes that we have seen, taking the lives of James Byrd Jr. in Texas, Matthew Shepard in Wyoming, and others force us to confront the need to raise our children to respect others who are different from themselves -- (applause) -- and to recognize that all hard-working, law-abiding people are part of our national family. The horrible ethnic cleansing of this decade in Bosnia, then Rwanda, now Kosovo, demonstrate in stark terms what can happen when a people raise their children without the fundamental premise embodied in our Declaration of Independence -- that we are all created equal, equally endowed by God with the right to life and liberty and the pursuit of happiness. (Applause.)

It all begins with family, with parents who love their children more than life and raise them to live their dreams. Most of you today are probably thinking more about the adventures of the work that awaits you at this marvelous time in your lives. And well you should be. But most of you also will become parents. When that happens, it will be the most important work you'll ever do. You will have the awesome responsibility of your children's physical, intellectual, emotional and spiritual development, while at the same time pursing your own lives in a society that will reward your knowledge and skills in power, and entertain you with its explosions of technology and mobility, and keep you very, very busy.

For those without your level of education in your time just earning enough to pay the bills may be a chore, especially if there are children to be raised.

Now, the class of 1999 is entering an era of unparalleled opportunity and possibility with, for example, the lowest African American unemployment and poverty rates ever recorded and the highest African American homeownership in history. To give more people like you a chance to participate fully in this economy, we've opened the doors of college to more and more Americans, with the HOPE Scholarship tax credit, larger Pell grants, lower-cost student loans -- tools many of you have used to finance your education.

Now, with your diplomas in hand, you will have the chance to reap the benefits and shape the future of this new era -- your time; to lead lives of greater accomplishment and affluence than most of your parents even dreamed of. But as you form your own families you will no doubt feel the pressure of trying to balance the demands of work and family; and doing a good job at both in a world that moves faster and faster, and often leaves parents less and less time and energy for their children.

Today's working parents too often feel enormous stress, and bring the stress home with them. This is a problem not confined -- I want to emphasize this to you -- it is not confined just to people who work for low and modest incomes. Most of the parents I know have had problems balancing work and family. And as you move through your careers, unless we act now, this problem will get worse. Therefore, I believe it is imperative that your country give you the tools to succeed not only in the work place, but also at home. If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country.

I asked the President's Council of Economic Advisors to study the sweeping changes the modern economy has brought to our families. Now, no offense to anybody on the faculty here, but you know, it's been said that if every economist on Earth were laid end to end, they still would not reach a conclusion. (Laughter.)

But on this question, these economists did reach a conclusion, one that conforms to common-sense and common experience. They found that because more and more parents were working outside the home, they have less and less time for their children. The percentage of married mothers in the work force has nearly doubled in a generation, from 38 percent in 1969 to 68 percent in 1996. Because more mothers are working outside the home, and because the number of single parent families has grown -- listen to this, because this will be your life -- parents in the average family now have 22 fewer hours each week to spend at home, that's nearly one full day less time per week for parents to devote to their children. That means by the time a child reaches the age of 18 in today's, world those 22 hours a week amount to over two years more the parents are away from home.

We as a nation must find a way to give your generation of parents some of that time back even as you've gotten an education to succeed in the work force. (Applause.)

Most of today's parents, the vast majority, are doing everything they can to do right by their kids but they still worry that no matter how hard they try it won't be enough. They worry that waking up early and staying up late to make time for their children may not be enough, when a child still has to come home to an empty house after school.

They worry that all those Sunday morning sermons about a world of love might not be enough when TV and movies their children watch, the music they listen to, the video games they play show too much hate and violence. They worry that all those nights working overtime to buy a computer so that a child can visit some of the worlds finest libraries on the Internet might not be enough, when the same Internet can also lead them to recipes for pipe bombs and explosives, or to website discussions of dark visions of life and society so very different from the ones the parents have tried to impart.

Last week Hillary and I took a sad journey to Colorado to visit with the students and the families of Columbine High School. I came away from that experience more certain than ever that as we work to strengthen our gun laws we also have to work to strengthen our families. (Applause.)

Now, it seems to me that the modern economy you're going to be a part of poses four great challenges for you as parents. The greatest and most obvious, as I've said, is time. In our around-the-world, around-the-clock economy, there just don't seem to be enough hours in the day for parents to do everything they need to do. I'm proud that the first bill I signed as President was the Family and Medical Leave Act, and since 1993, millions of Americans have used it to take up to 12 weeks of unpaid leave to care for a newborn or a sick relative without losing their jobs. It has been a great thing. (Applause.)

But to be truthful, the current law just meets a fraction of the need. Too many people, too many family obligations aren't covered at all. Too many families can't take advantage of the law because they can't afford to take the time off because they can't live without their paychecks. For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better.

On the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. (Applause.) Achieving that goal cannot come overnight and will require a significant shift in how our nation helps families to succeed at home and work. But it can make all the difference in your lives. It will demand thought and creativity, a willingness to experiment; it has to be done in a way that gives families flexibility and doesn't undermine our dynamic and growing economy.

Today, using my executive authority as President, we're going to take an important step toward that goal. I am directing the Office of Personnel Management, whose director, Janice LaChance, came down here with me today, to allow all federal workers to use the sick leave they've earned to take time off to care for other sick family members. (Applause.)

Now, what this means is on sick leave you get paid. Currently, the most sick leave a worker can use in these kinds of cases is 13 days a year. With the new policy I propose today, federal employees will be able to take up to 12 weeks paid sick leave to nurse an ailing child or parent back to health. (Applause.) If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit for their families.

We have to find other creative ways to help Americans use benefits they've worked for to finance the time off they need for their families. Let me give you another example. A few states have asked the federal government if it would be possible to try a bold idea: allow workers who have earned unemployment insurance coverage to collect unemployment payments while they're on leave caring for a newborn or a newly adopted child. This is a very promising idea.

Today, I'm directing the Secretary of Labor to issue a rule to allow states to offer paid leave to new mothers and fathers. We can do this in a way that preserves the soundness of the unemployment insurance system and continues to promote economic growth. As the First Lady said in her book, "It Takes a Village," those first weeks of life are critical to the bonding of parents and children, and they can have long-term positive developments for the children. No parent should have to miss them.

I also am challenging Congress to help. I have proposed expanding unpaid family leave to cover more workers and more parental responsibilities, and Congress ought to respond positively. Parents should not have to fear a boss's wrath because they left work to take a child to the doctor. They shouldn't have to call in sick to attend a parent-teacher conference at the school. (Applause.)

The second challenge parents face is finding affordable high-quality child care, and a lot of you will face that. Low income families spend up to a quarter of their income on child care. Studies show that only one in seven child care centers meet all the standards of good quality. Now, I'm supporting subsidies for child care and tax credits, better training for care-givers, stronger enforcement of safety standards. And I want business to do more by helping their own workers find and afford quality child care. (Applause.)

In addition to that, you know, today millions of working parents -- and a lot of them right here in north Louisiana -- start looking at the clock every day about 3:00 p.m. in the afternoon, wondering if their kids have come home from school; wondering how they'll fare at home, alone. The hours after the school bell rings and before parents come home are a perilous time for children, the time they're most tempted to try drugs and alcohol, most likely to become victims of a crime. That's why I have asked Congress to triple our investment in quality after-school programs. I challenge school districts all across this country: unlock those empty classrooms in the late afternoon, fill them with the sounds of children playing and learning. (Applause.)

The third challenge parents face, since they're more and more at work, is that they're literally physically apart from their children more. Now, because of some modern developments in the work force we can actually close that distance by bringing back a very old idea -- letting children who can be, be with their parents more at work. When I was a young child I often went to work with my grandfather, who worked as a night watchman in a sawmill outside Hope, Arkansas. And I often went to the little grocery store he ran. And I tried not to be in the way too much, or to eat too many cookies that I didn't pay for. (Laughter.)

But I learned lessons there that have stayed with me for the rest of my life. As I became President I realized that as a father, with a daughter who was then still in junior high school, I had the privilege of, in effect, living above the store. The place where I worked was only a two or three minute walk to have dinner every night with my family. When I was governor -- I still remember when I was governor, I had a little desk over in the corner of my office for my daughter. And I still have vivid memories -- I would be at my desk, she would be at hers with her crayons drawing me little pictures.

Now, because of changes in the work force we can't do this for everybody, but we can do it for more. More of America's employers can use technology to bring workers and children closer together by allowing more employees to telecommute at work; that is, work at home with a modem where it's feasible. More employers can open more on-site child care centers, and I have seen them working very well in this country. I support tax breaks to help them afford to do that.

More employers can team up with school districts to build public schools at work sites if they're large enough. Dozens of companies have already built innovative public schools. That's what you've done here at Grambling, that's what the lab school is, isn't it? It's a school at a work site, especially friendly to education. (Applause.) These are good things to do. And I challenge the employers of this country to look at them closely.

Finally, the last great challenge parents face in the modern economy is cultural. The new economy has enriched our lives with lower-priced electronic gear and a growing variety of media entertainment, and it sure is interesting. But too often, TV, radio, the Internet bombard our children with images and ideas that no parent would ever want them to see.

We need tools to protect free speech and give parents more control over what their young children see, hear and read. Under the leadership of Vice President Gore, those tools are now being crafted. Soon, half of all the TV sets sold in our country will come with V-chips, so parents can basically make the most of the new TV ratings systems. These devices enable parents to screen out violence, sex, or any program they don't want their children to see. Soon, with just a click of a mouse, parents who have the courage to learn how to use a computer will be able to take offensive websites off their children's screens.

The entertainment industry must also do its part. They should stop showing guns and violence in ads children can see, when they can't see the movies in the first place. (Applause.) They should enforce the movie rating system more strictly, and they ought to reexamine that rating system to see whether it's too loose when it comes to giving a PG-13 rating to films full of gratuitous violence. These are tools that can help working parents succeed at the most important job you'll ever have, raising children. But government's responsibility is to make tools available; your responsibility is to use them.

Doctor King once wrote, "It is quite easy for me to think of a God of love, mainly because I grew up in a family where love was central, and loving relationships were ever present." I hope and pray that the class of 1999 will have the chance to build those ever present loving relationships with your children. To raise your children well, you will have to make many sacrifices. But, then, as we learned again today and as you showed by your applause for them, your parents made many for you.

I ask you to think one more time about how you got here today, to be sitting in the hot sun. (Laughter.) I'm sort of sorry I'm in the shade; I ought to be in the sun and you ought to be in the shade, since I'm talking.

But think about this. How many of you would be here today if it weren't for one or more people in your families -- who were reading to you, or telling you stories when you were little; who were helping with your homework; who were attending your school events, even if they were dog-tired after work; imparting wisdom over dinner; working with you to give you chances they didn't have; giving you that unconditional love, support and faith that says, you are the most important person in the world to me. Your parents have worked and sacrificed. If you ask them today, was it worth it, you know what they would say.

But until you watch your own children grow up, you can't really know how proud your parents are of you today, and how sure they are that all the sacrifices were more than worth it. No matter what else you accomplish in life, and many of you will accomplish a very great deal, your children will still matter most. We have to make sure that you and they get all the benefits of this fabulous modern world and still keep the enduring gift of your devotion and love.

As you journey into the new millennium I wish you success and fulfillment at work and with your children. Congratulations, good luck and God bless you. (Applause.)

* * * * *

Let me say -- I must say when I was invited to come back and teach and I was told all about the food and all the perks of the job and then the President said he wasn't serious, I was getting into this. (Laughter.) I've got a good pension, I can work pretty cheap. (Laughter.)

Let me say one thing seriously -- I very much hate that I have to go back now but I have -- as you know, we have got a lot going on overseas and it's six hours ahead there and I have to make a lot of phone calls today and do a lot of work, otherwise I wouldn't leave. I would like to stay here until midnight -- not talk until midnight, just stay here until midnight. (Laughter.)

This has been a wonderful thing for me. I have had a lot more fun than you have so far at this. I cannot thank you. I'm so proud of you. And I like looking out there and seeing your faces and your eyes and your self-confidence. And I want you to go out and do a great job with your lives.

Thank you. God bless you.

END 10:30 A.M. CDT

Clinton Proposes Using Surpluses To Extend Family Leave Benefits

By JOHN M. BRODER

GRAMBLING, La., May 23 — Seeking to expand one of his most popular programs, President Clinton said today that he would direct the Labor Department to explore ways to allow states to use surplus unemployment insurance funds to subsidize parents who take time off to care for a new child.

The President announced the proposed expansion of the Family and Medical Leave law in a commencement address at Grambling State University, a historically black school in north-central Louisiana. Mr. Clinton used the speech to discuss the growing strains faced by working parents and to offer a few nuggets of relief.

"Today's working parents too often feel enormous stress and bring that stress home with them," the President said this morning under a roasting sun in Grambling's football stadium, as thousands fanned themselves with commencement programs. "Unless we act now, this problem will get worse."

The President said states should be permitted to broaden the definition of unemployment to include those parents who voluntarily took time off to care for newborns or newly adopted children. Many new parents do not take advantage of the unpaid leave offered under the Family and Medical Leave Act of 1993 because they cannot afford to live without their wages even for a few weeks after a child is born.

More than half the states are running surpluses in their unemployment accounts, and several are looking at ways to return the payments to employers who finance the systems or to pay for new benefits. Four states — Maryland, Massachusetts, Vermont and Washington — have asked the Federal Government to approve the use of the surpluses to expand benefits to new parents who want to take time off work.

Surpluses in states' funds for the jobless and in their medical accounts for children and the indigent are overflowing because of low unemployment and reductions in welfare and health care benefits, sparking a classic liberal-conservative political debate. The President and Democratic lawmakers believe the money should be devoted to expanded benefits. Business groups and many Republican lawmakers say the money should be returned to employers and taxpayers.

The President today also proposed allowing Federal employees to use their accumulated sick leave to care for seriously ill family members, a modest expansion of benefits that would cost the Government about $60 million a year, a White House aide said. The plan would affect 10,000 Federal workers, the aide said.

Mr. Clinton cited a new study by the White House Council of Economic Advisers. "They found that because more and more parents are working outside the home, they have less and less time with their children," he told the Grambling graduates. "I believe it is imperative that your country give you the tools to succeed not only in the workplace but also at home. If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country."

The New York Times

MONDAY, MAY 24, 1999

Clinton Expands Family Leave Act for Federal Workers

By Charles Babington
Washington Post Staff Writer

GRAMBLING, La., May 23— Federal workers will be allowed to use up to 12 weeks of accrued sick leave annually to care for a seriously ill family member, and many other employees may be able to draw unemployment benefits while caring for a baby, under orders issued today by President Clinton.

The president used his commencement address at Grambling State University to announce his latest efforts to help working parents, a favorite White House theme and one that pollsters say is popular with many voters. The new measures are essentially extensions of the Family and Medical Leave Act, the first bill that Clinton signed into law and a signature achievement of his administration.

The president, who received an honorary degree at this historically black university, released a White House report that says many parents find it increasingly difficult to maintain their jobs and spend time with their children. The report, compiled by the Council of Economic Advisers, says that since 1969, American parents, on average, have 22 fewer hours per week to spend at home.

BY CHRIS STANFIELD—ASSOCIATED PRESS

The president was given an honorary degree at Grambling State University.

A major reason, the report says, is "a dramatic shift of mothers' time from the household to the labor market."

"In our around-the-world, around-the-clock economy," Clinton said in his 24-minute speech, "there just don't seem to be enough hours in the day for parents to do everything they need to do. . . . For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better."

Currently, federal workers can use up to 13 days of accrued sick leave per year to care for a seriously ill child, parent or spouse. Clinton's directive will expand the limit to 12 weeks a year, a benefit that could help those with a fairly long history of working without taking sick days. White House officials predicted that only one-half of 1 percent of federal employees will take full advantage of the new benefit, costing the government about $60 million a year.

Clinton urged private employers to follow his lead. "If every company . . . that offers sick leave to its workers adopted the same policy we're adopting today," he said, "half of all the American work force would have this important benefit."

The president also instructed the Labor Department to draft regulations allowing states to expand the use of unemployment insurance benefits, which states maintain but federal guidelines control. The proposed changes would permit parents of newborns or newly adopted children to stay home while drawing unemployment benefits, as if they had been temporarily laid off.

Under the Family and Medical Leave Act, such parents are guaranteed unpaid leave that protects their job. Clinton said many parents cannot afford it, however, because they cannot go without a paycheck even temporarily.

Four states—Maryland, Massachusetts, Vermont and Washington—have sought federal direction in making such benefits possible. Many states have hefty surpluses in their unemployment insurance funds and therefore can expand benefits, said White House spokesman Barry Toiv.

Clinton tied major domestic and international issues to the quality of family life. Recent school shootings, he said, underscore the need "to make the bonds that tie parents to children stronger. . . . The horrible ethnic cleansing of this decade in Bosnia, then Rwanda, now Kosovo, demonstrate in stark terms what can happen when a people raise their children without the fundamental premise embodied in our Declaration of Independence: that we are all created equal."

Joining Clinton on stage was Grambling's legendary former football coach Eddie Robinson, who helped the president adjust his hood when he received the honorary doctor of laws degree. Behind Robinson was Doug Williams, the university's current football coach and former star quarterback for the Washington Redskins.

Today's commencement address was the first of three that Clinton will deliver this year. He will address Air Force Academy graduates June 2, and he will speak on the international economy at the University of Chicago on June 12.

The Washington Post
Monday, May 24, 1999

Clinton Proposes Plan to Compensate Parents for Time Off for Child Care

By JEANNE CUMMINGS
Staff Reporter of THE WALL STREET JOURNAL

GRAMBLING, La.—Parents who take time off to care for a newborn or newly adopted child may receive some government compensation under a new initiative unveiled by President Clinton.

In a commencement address at Grambling State University, Mr. Clinton also announced that the federal government will begin allowing its workers to use as many as 12 weeks of their own accrued sick leave to help family members with serious health problems; currently, employees can use 13 days. The initiative is expected to cost the government about $60 million, according to an Office of Personnel Management estimate, and the administration hopes it will prompt private industry to follow the government's lead.

"It is imperative your country give you the tools to succeed not only in the workplace, but also at home," the president told the graduates and tens of thousands of spectators. If parents are forced to choose between family and work, "you have paid a terrible price and so has your country."

Mr. Clinton's address is the first of two commencement addresses that will focus on the economy's impact on people. The Grambling address focused on the struggle of balancing work and family. Next month, the president will deliver an address at the University of Chicago that will focus on the impact expanding global trade has on labor conditions, the environment and other quality-of-life issues.

The initiatives involving family and work were prompted in part by a new Council of Economic Advisers report that found that the average time parents and children spend together has decreased by 22 hours a week in the past 30 years. The drop in family time was attributed to the increase in households with two working parents and the rise in single-parent households.

The proposal providing compensation for workers who take time off to care for new babies would be implemented through unemployment-compensation regulations and would dovetail with the Family and Medical Leave Act. Under that act, parents can take time off without pay to care for new babies. The new proposal would allow states to use surplus unemployment insurance to provide some compensation to them. The regulation change wouldn't require approval of Congress.

An administration official said the proposal was prompted by requests from four states—Maryland, Massachusetts, Washington and Vermont—all of which are now considering legislation that would allow for the payments.

THE WALL STREET JOURNAL
MONDAY, MAY 24, 1999

USA TODAY · MONDAY, MAY 24, 1999

Clinton seeks benefit for new parents taking unpaid leave

By Mimi Hall
USA TODAY

GRAMBLING, La. — President Clinton proposed Sunday that states be allowed to use unemployment insurance to pay workers who need to take time off to care for a newborn or adopted child.

Clinton told graduating students at Grambling State University that, according to new statistics, parents today spend 22 fewer hours per week with their children than they did a generation ago.

"We as a nation must find a way to give your generation of parents some of that time back," the president said.

Delivering the first of three commencement addresses he's scheduled to give this spring, Clinton told nearly 500 graduates of the historically black university that he is directing the Labor Department to propose new regulations and model state legislation to authorize expansion of the unemployment insurance program.

By Mark Wilson, Reuters

Clinton: Receives an honorary law degree Sunday from Grambling's Eddie Robinson, left, and Neri Warner

White House aides said four states — Maryland, Massachusetts, Vermont and Washington — already have asked for federal permission to use surplus unemployment money for people taking time off for child care.

"If you or any American has to choose between being good parents and successful in your careers, you have paid a terrible price, and so has your country," Clinton said.

Clinton also directed the federal Office of Personnel Management to allow federal employees to use up to 12 weeks of accrued sick leave to care for a sick spouse, child or parent. Current rules allow federal employees to take up to 13 days per year to care for a sick relative.

Under the Family and Medical Leave Act, employees are allowed to take up to 12 weeks of unpaid time. Clinton's plan would allow federal employees to take paid leave, and the White House hopes the program will set an example for private employers.

Aides said they expect that about 10,000 of the 2 million civilian federal workers would take the full 12 weeks in any given year, at a cost of about $60 million to the government.

Clinton Touts Plans to Help Working Parents

By ERIC LICHTBLAU
TIMES STAFF WRITER

GRAMBLING, La.—President Clinton on Sunday declared that America's working parents need to spend more time with their children, and he offered two government-subsidized family leave programs to help make it possible.

Citing a new federal study that says working parents must contend with a worsening "time crunch," the president said both plans aim to give people the financial flexibility they need to take time off from work to tend to family needs.

"Parents should not have to fear a boss's wrath because they left work to take a child to the doctor. They shouldn't have to call in sick to attend a parent-teacher conference at the school," Clinton told nearly 500 graduating students at Grambling State University, a historically black university in northern Louisiana.

The first plan offered by Clinton allows states to essentially underwrite family leave for parents after a birth or adoption, tapping into surplus unemployment benefits to help pay their salaries while they are off work. The plan does not require congressional approval.

In a companion idea, Clinton directed government officials to let federal employees take up to 12 weeks of accrued sick leave to care for seriously ill family members, a significant increase from the 13 days currently allowed. And he challenged private employers to follow suit.

Clinton has focused repeatedly in recent weeks on combating the roots of hatred evident in the Littleton, Colo., school massacre and the "ethnic cleansing" in Kosovo, and he expanded on that theme in the first of three commencement addresses he will deliver in coming weeks.

"It all begins with family," he

Please see PLANS, A8

PLANS

Continued from A1

told a supportive audience at Grambling.

Unveiling the results of a study conducted by his economic advisors, Clinton said Americans are suffering because they are spending far less time with their families than a generation ago. And, he warned, "unless we act now, that problem will get worse."

Clinton's plan for underwriting parental leaves reflects the interest expressed by several states in putting to use surplus unemployment insurance—a benefit of declining joblessness—to help new parents take time off from work.

Officials said Maryland, Massachusetts, Washington and Vermont have sought permission from the federal government to use their surpluses to offset the salaries of new parents taking leave from work to be with their children.

Clinton's plan directs the Labor Department to draft regulations to allow such diversions if states choose to enact legislation financing the parental leaves. More than half the states have unemployment insurance surpluses, officials said. Recent unemployment insurance figures for California were unavailable Sunday.

Associated Press

President Clinton looks pleased as he is given an honorary law doctorate by former Grambling State University football coach Eddie Robinson before delivering a commencement address at Grambling.

Clinton's directive to permit about 2 million federal civilian employees to take expanded sick leave would cost the government about $60 million a year, spread across all federal agencies.

Officials expect that about 0.5% of the federal work force, or about 10,000 employees, would use the full 12 weeks of sick time to tend to ailing family members, a White House official said.

Noting that the first bill he signed as president was the Family and Medical Leave Act of 1993, Clinton said the two new plans represent bold and significant expansions of current laws protecting workers who need to take time off.

"To be truthful, the current law just meets a fraction of the need. Too many people, too man[y] family obligations aren't covere[d] at all. Too many families can' take advantage of the law becaus[e] they can't afford to take time o[ff] because they can't live withou[t] their paychecks," he said.

"For all of this nation's pro family rhetoric, the hard truth i[s] that other countries with ad vanced economies do a lot mor[e] to support working parents tha[n] we do," Clinton said. "We mus[t] think bigger and do better."

He urged private employers t[o] develop more on-site day-car[e] programs for the children of em ployees and to expand telecom muting and other work options t[o] give working parents more flex ibility in managing their time.

The study, prepared by th[e] Council of Economic Advisors, fo cuses on a growing "time crunch" for families, tracing trends in th[e] hours that Americans are spend ing at work and home since 1969.

The report found a "dramati[c] shift" in women leaving the hom[e] to join the work force, with 68% of married mothers holding pay ing jobs in 1996, up from 38% i[n] 1969.

That, in turn, has caused a 14% reduction in parents' discretion ary time, which they might spen[d] with their children. An increase i[n] single-parent families has als[o] fueled the problem, the stud[y] said.

LOS ANGELES TIMES

MONDAY, MAY 24, 1999

FAMILIES AND THE LABOR MARKET, 1969-1999:

ANALYZING THE "TIME CRUNCH"

MAY 1999

A Report by the
Council of Economic Advisers

EXECUTIVE SUMMARY

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

- **Increase in Hours Worked.** The hours American parents work in paid jobs have increased enormously since 1969 due to a dramatic shift of mothers' time from the household to the labor market. In 1969, 38 percent of married mothers worked for pay; in 1996, 68 percent did so. Both married mothers and single parents are working more for pay today than 30 years ago.

- **Reductions in Time Available for Children.** Although the evidence on time use within families is limited and needs further study, the increase in work from 1969 to 1996 has produced a reduction in the time available for parents to spend with children. The increase in hours mothers spend in paid work, combined with the shift toward single-parent families, resulted in families on average experiencing a decrease of 22 hours a week (14 percent) in parental time available outside of paid work that they could spend with their children.

- **Burdens on Women.** Virtually all of the increase in total hours families spend on paid work has come from increases in women's hours. While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. The "time crunch" falls heavily on employed women who spend over one third less time on child care and household tasks than women without paid jobs, but still have 25 to 30 percent less free time.

- **Changes in Family Income.** The average American family is better off economically today than in 1969. Not everyone has gained by working harder, however. Since 1969, the top quarter of families gained, while the lower quarter lost and the middle has remained nearly constant in per capita income, adjusted for inflation. The situation of lower-income families has been improving, however, in the strong economic expansion of the 1990s.

- **Rise of the Single Parent.** At the same time, the share of families with a single parent has expanded greatly since 1969. Single parents have half as much total time as two parents have and typically have less than half as much potential income. The rising number of single parents has increased the proportion of families that are "cash-strapped" and "time-poor."

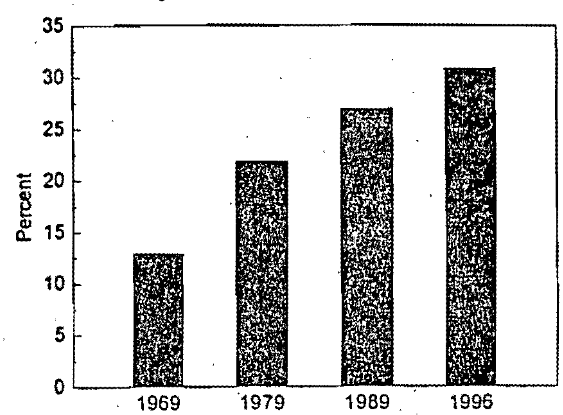
- **Need for Policies to Help Families.** Increased time in market work among parents raises a key set of challenges to policy-makers seeking to help promote strong families, including the need for flexibility in paid work hours, the need for available and affordable child care, the need for effective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

I. INTRODUCTION

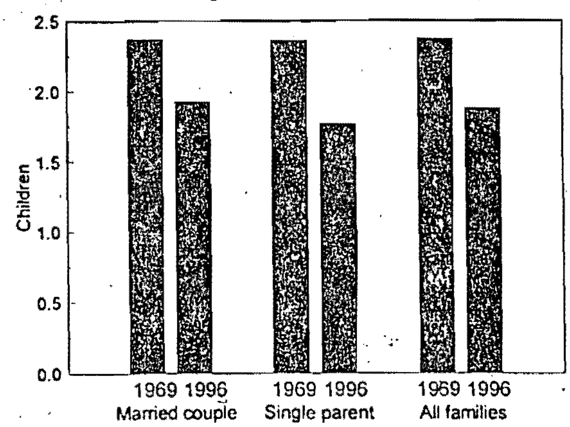
Dramatic changes have occurred over the last thirty years in how families combine work and family life. Clearly one of the most significant changes in the last three decades is the increasing amount of time women have devoted to market work – work that is performed for wages. Combined with hourly earnings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

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

1. Single Parent Families as Share of All Families



2. Average Number of Children per Family



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

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

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.[1] 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."[2] 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.

II. ECONOMIC OVERVIEW

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

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

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

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[1] Hochschild (1997); Schor (1991).

[2] Bluestone and Rose (1997).

III. TRENDS IN HOURS OF MARKET WORK

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

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

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

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

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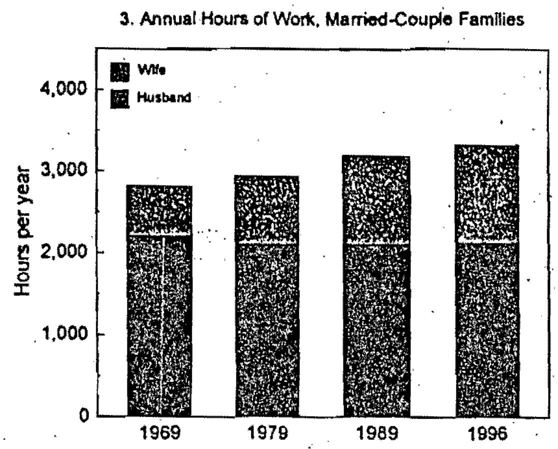
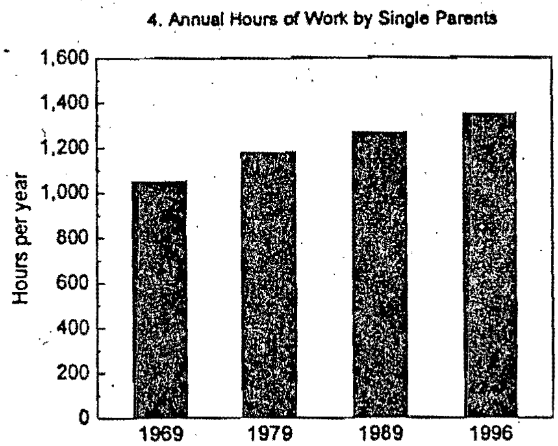
[3] We are using the March 1970, 1980, 1990, and 1997 CPS data sets. The data collected each March refer to the previous calendar year. Thus we refer to data for 1969, 1979, 1989, and 1996. We chose those years because they represent peak years (or upswing, in 1996) in the business cycle and thus permit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

[4] Juster and Stafford (1991); Robinson and Godbey (1997), chapter 4.





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

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

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

While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. This is the result of husbands working both slightly fewer weeks per year and hours per week. These trends are consistent with estimates reported elsewhere in the literature, based on a variety of data sources.[5]

The increase in families' hours of paid work has been widespread throughout the population. All types of families – whether defined by the head's education level, spouse's education level,

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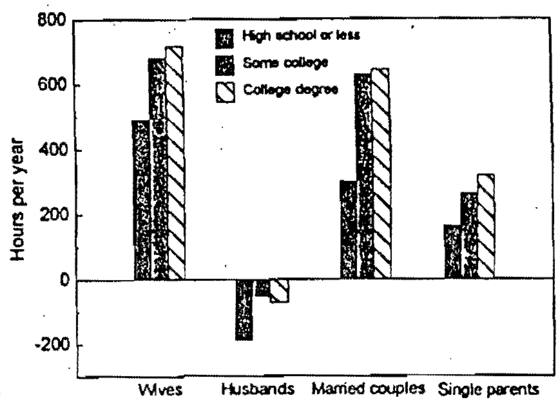
[5] Ellwood (1998), Rones, Ilg and Gardner (1997) and Leete and Schor (1994) used CPS data, Bluestone and Rose (1997) used data from the Panel Study of Income Dynamics, and McGrattan and Rogerson (1998) used decennial Census data. All of these studies show increases in hours of work for women and decreasing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

presence of young children, or race or ethnicity of the household head – have experienced substantial increases in hours of paid work from 1969 to 1996. In virtually every case, the increase in family hours of paid work reflects increases by wives and by single parents, rather than by husbands.

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

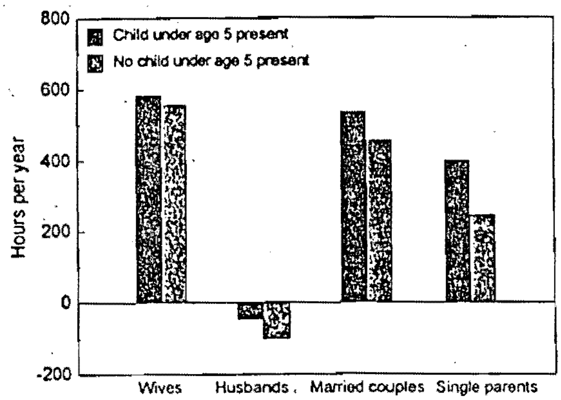
- *Families whose head had gone to college have increased their hours of paid work much more than those whose head had less education* (see figure 5). For married couples with a college-educated husband, annual hours of paid work increased by 644 hours (23 percent) – more than twice the increase for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

5. Change in Annual Hours Worked, 1969-96
by Education Level of Head of Household



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

6. Change in Annual Hours Worked, 1969-96
by Presence of Child Under Age 5



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

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

IV. TRENDS IN FAMILY INCOME

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

A. Wages

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

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[6] Blank (1997), chapter 3; Juhn and Murphy (1997).

[7] Blau (1998); Danziger and Reed (1997).

[8] Juhn and Murphy (1997).

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

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

B. Total Family Income

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

1. Trends in Income by Family Structure

Trends in income and in the various components of income (earnings, government transfers, other sources of income) have varied across different types of families.[12] Both married-couple families and single-parent families achieved increases in inflation-adjusted income from 1969 to 1996 (see figures 7 and 8). However, even though single parents had substantially higher rates of growth in paid work hours, married-couple families experienced a much larger average increase in income.

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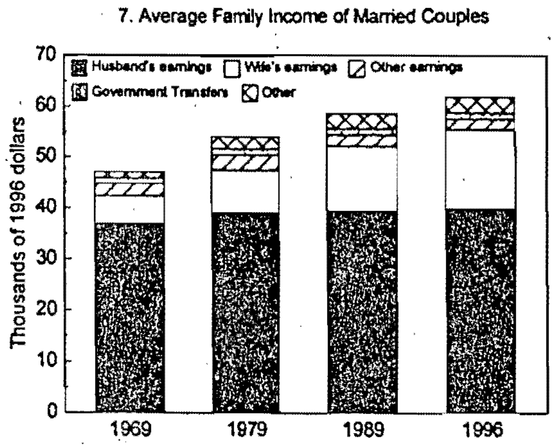
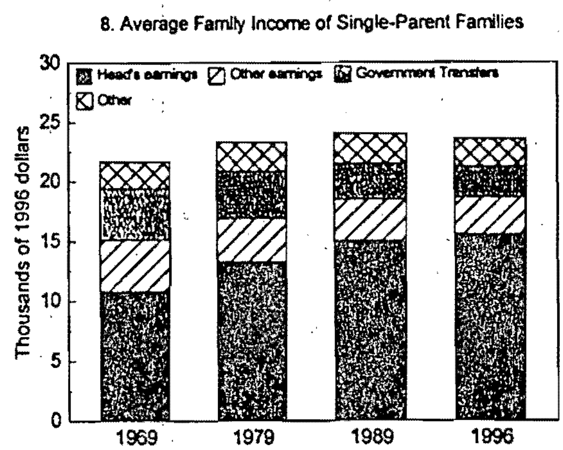
[10] To adjust for changes in prices over time, these estimates use the CPI-U-X1 price index measure. The CPI-U-X1, an alternative to the CPI-U (Consumer Price Index for Urban Consumers), uses the rental equivalence approach to improve the treatment of home ownership costs.

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

[12] Throughout the following analysis we use mean (that is, average) income, rather than the median or another indicator of the distribution. Changes in mean income can be decomposed into changes in means of the components of income, whereas changes in the median cannot. There has been a more positive change in mean income than in median income, as disproportionate growth in the upper tail of the income distribution pulls up the mean without affecting the median. We multiplied topcoded values by 1.45 before taking the means of the distributions so that the means would not be underestimated.





- *The incomes of married-couple families increased by more than their increase in paid work time.* Their average family income increased by almost a third from 1969 to 1996 ($14,800 in 1996 dollars), while their annual hours of paid work increased by less than a fifth.

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

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

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

2. Trends in Income by Other Demographic Characteristics

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

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

- *Average income growth for whites and blacks was substantially higher than for Hispanics.* Among families headed by a white person, average incomes grew for both married couples (18 percent) and single parents (2 percent) from 1979 to 1996.[13] For blacks, average incomes grew by 18 percent for two-parent families and by 6 percent for single-parent families. Finally, for Hispanics, average incomes fell for both married couples (4 percent) and single parents (3 percent). The results for single parents are striking, given the relatively large increases in hours worked for pay by Hispanic single parents over this period. The results for married couples are less surprising, given that Hispanic couples increased their hours of paid work only about half as much as white or black married couples. An increasing share of recent immigrants with lower education and wage levels in the Hispanic population also helps explain why Hispanics' incomes fell. In addition, wages and cash welfare benefits declined.

- *Families with a child under age five had greater average income growth than families with older children.* For married couples, average incomes increased by 38 percent for families with a child under age five, compared to 27 percent for families with only older children. For single parent families, mean incomes increased by 17 percent for those with young children, but by just 6 percent for families with only older children.[14]

3. Recent Trends in Family Income

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

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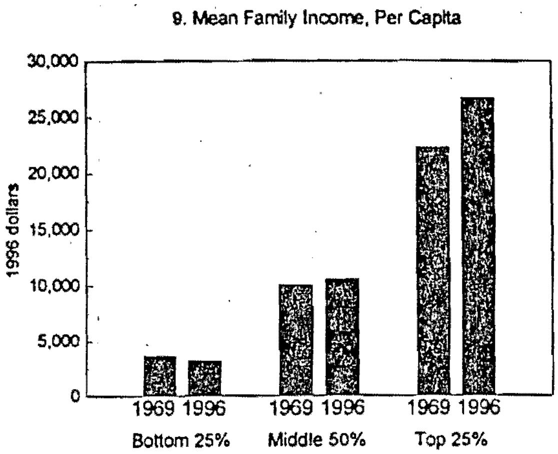
[13] Our race and ethnicity comparisons begin in 1979 because the CPS did not identify Hispanics in 1969.

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

C. The Distribution of Family Per Capita Income

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

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



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

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

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

V. HOW DO FAMILIES RESPOND? IMPLICATIONS FOR FAMILY TIME USE OUTSIDE THE JOB

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

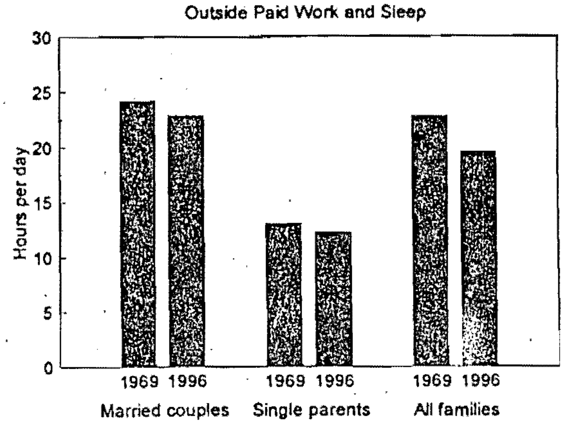
The CPS, with its larger sample size, only allows us to examine hours spent in paid work (and therefore hours available for other activities) along with changes in family size and structure. We have limited data on what people actually do with the time they do not spend in paid work, mainly from time-use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

A. Trends in Current Population Survey Data

What can the CPS tell us about how the changes of the past several decades have affected the number of home hours that families have available for caring for children and maintaining a household? The data indicate that families have less total time to devote to unpaid activities, including time with children, because they are spending more time in the labor market and because the share of families with a single parent is growing.

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

10. Available Time of Custodial Parents Outside Paid Work and Sleep



It can also be noted that changes in family size would affect the parental time potentially available per child. Statistics indicate that despite increases in paid work hours for each type of family, the amount of non-market time potentially available *per child* has increased for both married-couple and single-parent families since 1969. This measure is obviously misleading because it assumes that a single child who spends time with a parent gets twice as much parental attention as each of two children who spend that same time with a parent. In any event, the increasing number of single-parent families has meant that overall, the average amount of family time potentially available per child has remained relatively constant when single-parent and married-couple families are considered as a whole.

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

Fortunately, we have a supplementary source of data: time-use diary surveys, which ask respondents to keep a detailed diary recording how they spend their time during a specific day. These surveys provide an alternative, more accurate method of measuring paid work time, as well as time spent in various kinds of unpaid activities, such as commuting, housework, child care, shopping, recreation, and personal care. The trends in hours of paid work time and non-market time described above are based on data which report individuals' estimates of their usual hours worked per week in the previous year. Such estimates may not accurately portray the actual hours worked for pay because the question is somewhat ambiguous and respondents may not be able to report accurately on a "usual" week in the few minutes allowed during the CPS interview. Time-use diary measures tend to show shorter paid work hours and sometimes even different trends than the CPS.[15]

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

1. Averages

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

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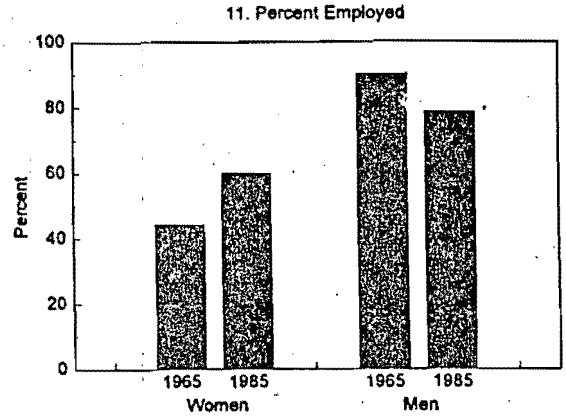
[15] Robinson and Godbey (1997), chapter 5.

[16] Robinson and Godbey (1997), Tables 3 and 6.

Time-use surveys conducted in the U.S. in 1965 and 1985 show that employed mothers spent virtually the same amount of time taking care of children in 1985 (6.7 hours per week) as in 1965 (6.3 hours per week). Mothers without paid jobs also maintained a consistent amount of time with children, spending 12 hours a week on child care in both years. The child care category in the time diaries includes only time spent on direct caregiving, not time shared with children while engaging in other activities.

When the shift of women into employment (shown in figure 11) is taken into account, mothers' time in child care declined by 10 percent overall, from ten to nine hours per week. Fathers did not make up the difference; their child care time remained about 2.6 hours per week from 1965 to 1985. This suggests that the increase in market work among women has reduced parents' total child care time.

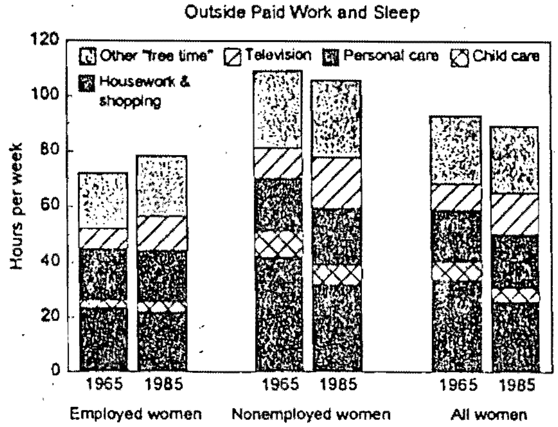
11. Percent Employed



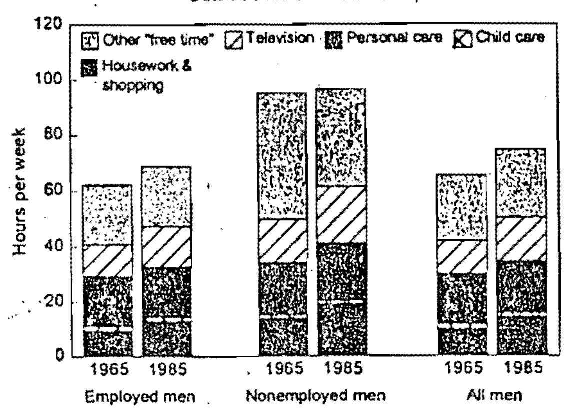
Source: Time-Use Diary Surveys (Robinson & Godbey 1997)

Mothers have reduced their child care time by much less than they have increased their time in paid work because they have cut back on other activities. Women have markedly reduced time they spend on household chores (see figure 12). Men have somewhat increased the time they spend on housework (see figure 13), but it does not make up for all of the reduction by women. Since the "child care" category only captures activities that are directly focused on taking care of the child, any reductions in time parents spend with children while they are primarily engaged in another activity, such as cooking, cleaning, or shopping, are not reflected in the time-use data.

12. Women's Division of Time Outside Paid Work and Sleep



13. Men's Division of Time Outside Paid Work and Sleep



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

2. Differences among Families

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

VI. KEY POLICY ISSUES RELATED TO THESE CHANGES IN FAMILY LIFE

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

A. Increasing the Flexibility of Paid Work

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

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

Maintaining high productivity need not be inconsistent with allowing flexibility in work arrangements, as many private sector employers have discovered. The Federal government has led by example, instituting "flextime" which allows employees some discretion in when they work their allotted hours. The President has proposed a flextime initiative that would allow *all* workers to take

[17] Data on alternative work arrangements comes from the 1991 and 1997 May supplements to the CPS.

"time-and-a-half" overtime compensation in the form of compensatory time for family and medical leave purposes or vacation instead of cash.

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

This Administration has also played a major role in increasing flexibility among families by helping enact the Family and Medical Leave Act (FMLA), which enables workers to take up to 12 weeks unpaid leave to care for a new baby or ailing family member without jeopardizing their jobs. Since its inception in 1993, millions of workers have taken advantage of the FMLA to spend necessary time with their families. The President has also proposed expanding the FMLA to cover more workers and to allow FMLA-covered workers up to 24 hours per year for parent-teacher conferences or to accompany a child, spouse, or elderly parent for routine medical and dental care.

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

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

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

- Expansions in the Earned Income Tax Credit (EITC), to ensure that persons who work hard on their jobs can take home enough money to support their families;

- Providing a $500-per-child tax credit to help offset the expense of raising children;

- Increases in the minimum wage from $4.25 in 1993 to $5.15 in 1997;

- Expanded child support enforcement provisions, which help ease the economic burden on single mothers and enforce responsibility for economic support of children on both parents;

- Major welfare reform legislation that has helped single mothers move from welfare to work;

- Employer tax credits to help create jobs for welfare recipients;

- Substantial expansions in support for vocational education, community college, and skill development among persons in lower-income families, including the creation of Hope Scholarships, increases in the maximum Pell Grant, and the passage of the Workforce Investment Act of 1998.

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

C. Improving Access to High Quality, Affordable Child Care

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

The primary child care arrangements for preschool-age children of employed mothers in the fall of 1994 were divided roughly equally among care in the child's home (by a relative or nonrelative), care in another home (by a relative or nonrelative), and care in an organized child care facility. Since comparable data were first collected in 1986, the trend shows a slight increase in the proportion of children receiving care in their own homes, relatively fewer children receiving care in another home, and relatively more children receiving care in an organized facility. In addition, the share of monthly income spent on child care by those purchasing this service rose from 6.3 percent to 7.3 percent between 1986 and 1993.[18]

The Clinton Administration has consistently emphasized the importance of child care availability and quality. Since 1993, child care subsidies for low-income families have grown by 80 percent. In addition, the Administration's budget proposal for the fiscal year 2000 includes a variety of proposals to help make child care more affordable and improve its quality, including an investment of $7.5 billion over five years in the Child Care and Development Block Grant; combined with the funds provided in welfare reform, this new investment would enable the program to serve over one million additional children by fiscal 2004. Also, the President's budget includes $5.1 billion over five years to increase the Child and Dependent Care Tax Credit for three million

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

families earning under $60,000 a year, and $3 billion over five years in a proposed Early Learning Fund to improve the quality of care children receive.

In addition, the Administration is addressing the need for after-school care for children. Since 1970 the percentage of married couples who work full time, year round and have school-age children has nearly doubled (from 18.7 percent in 1970 to 37.3 percent in 1997). Today, the parents of over 28 million school-age children work outside the home. This has led to a strong demand for quality programs to ensure that children are safe and learning in the hours in which they are not supervised by a parent. In fact, experts estimate that every day roughly 5 to 7 million children are left unattended at home. The Clinton Administration has responded to this demand by increasing its investment in after-school programs from $40 million to $200 million in the 1999 fiscal year, which is estimated to reach roughly 400,000 children this year. And the President's fiscal year 2000 budget would triple the investment in these programs to $600 million.

Together, these initiatives help parents ensure that their children are receiving quality care while they work.

D. Encouraging Two-Parent Families

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

VII. CONCLUSION

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

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

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

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

While it is beyond the scope of this study to speculate about the causes of changing work and family patterns, what is clear is the magnitude of the change and the importance of the challenge. There is no more vital task for our society than raising our children well. Parents in all different income brackets and settings face every day the extraordinary task of dividing their time to maximize familial, economic and personal well-being.

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

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PRESIDENT CLINTON: HELPING PARENTS MEET THEIR RESPONSIBILITIES AT HOME AND AT WORK

May 23, 1999

Today, in a commencement speech at Grambling State University, President Clinton announced new steps to help workers meet their responsibilities to their jobs, and their more important responsibilities to their families. The President put forward two new proposals to make leave more affordable for American workers. In addition, he released a new report that examines the "time crunch" that parents increasingly feel as they struggle to balance their responsibilities at home and at work.

Working to Make Parental Leave More Affordable. A 1996 study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. Today, President Clinton directed the Secretary of Labor to propose new regulations and model state legislation to enable states to develop innovative ways of using the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. Several States recently have asked the Administration whether they could use the UI system for this purpose consistent with federal law. The new regulations will authorize this expansion of the UI system, thereby allowing states that wish to use unemployment insurance to assist new parents to put their plans into effect.

Enabling Federal Workers to Take Paid Leave to Care for Sick Family Members. In an effort to set an example for all employers, President Clinton also today directed the Office of Personnel Management (OPM) to revise its government-wide regulations to allow federal employees to use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter, or parent with a "serious health condition," as that term is defined for the purpose of applying the Family and Medical Leave Act. Currently, the amount of sick leave that can be used to care for a family member who is ill is limited to 13 days each year for most federal employees. By enabling federal workers to use more of the sick leave they have earned, according to conditions established by the FMLA, this measure will remove a significant barrier to caring for an ill family member. The President also has directed the OPM to establish an Interagency Family Friendly Workplace Working Group to develop, promote, and evaluate federal family-friendly workplace initiatives. The President previously has taken other actions to ensure that federal government is a model employer, including: allowing federal employees to donate annual leave to other employees; expanding flexible family-friendly work arrangements, such as job sharing, career part-time employment, alternative work schedules, telecommuting, and satellite work locations; and directing improvements in the quality of federally sponsored child care.

A New Study on the Amount of Time Available for Families. The President released a report by his Council of Economic Advisers (CEA) today that details the factors that have led to decreased amounts of time available for parents to spend with their children. The report, *Families and the Labor Market, 1969-1999: Analyzing the "Time Crunch,"* demonstrates that the increase in hours mothers spend in paid work, combined with the shift toward single-parent families, has resulted in families experiencing an average decrease of 22 hours a week (14 percent) in time that parents spend with their children. The report concludes that the increased time at work among parents requires policy-makers to seek new ways to promote strong families, including greater flexibility in paid work hours, more affordable child care, better support for families with low-wage earning parents, and methods for encouraging two-parent families to form and stay together.

Advancing An Agenda To Help Parents Balance Their Responsibilities At Home And At Work. In his balanced budget request, the President put forward a bold agenda to provide families with greater tools to meet their responsibilities at home and at work. This agenda includes: an historic initiative to make child care better, safer, and more affordable for working families; a tripling of our investment in after-school programs through the 21st Century Community Learning Center program; a new tax credit to help Americans struggling with long-term care costs; and proposals to expand the Family and Medical Leave law to cover more workers and allow leave for more parental activities, including parent-teacher conferences and routine doctor's visits.

GRAMBLING COMMENCEMENT SPEECH
INTERNAL Q&A
May 23, 1999

DOL DIRECTIVE

Q. **What is this Directive to the Department of Labor?**

A. Today, President Clinton directed the Secretary of Labor to propose new regulations and model state legislation to enable states to develop innovative ways of using the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. States today have significant flexibility in designing their own UI systems. Four states this year have introduced legislation to provide UI benefits to workers on some form of leave, and others have done so in prior years. These states have asked the Administration whether they could use the UI system for this purpose consistent with Federal law. The new regulations that DOL will propose will authorize the expansion of the UI system to assist new parents, thereby allowing states that wish to use unemployment insurance in this way to do so.

Q. Why are you issuing this directive?

A. The President believes that we all must think of creative ways to enable parents to meet their responsibilities at home and at work – and to enable parents to take leave when they need to. Making leave more affordable for workers is a critical step toward that goal. The President's FY 2000 balanced budget includes a new $10 million research and evaluation fund to look at ways to make leave more affordable for workers and to work with states that are interested in pursuing that goal. This proposal provides states with one way to break down the cost barrier to new parents taking leave. We know from the Commission on Family and Medical Leave study that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child.

Q. Isn't this new benefit unfair to employers who are taxed to pay for this system of Unemployment Insurance? Why should employers have to pay for paid parental leave?

A. States may believe that using the UI system to provide benefits to workers following birth or adoption is a logical application of the unemployment insurance program and a good way to enable working parents to meet all their responsibilities. It is worth noting that today all states provide benefits to workers who are laid off but whom the employer expects to recall. Providing benefits to workers who need to take time off following birth or adoption but want and intend to go back to work is in many respects analogous.

Q. Is this an unfunded mandate to the states?

A. No. Participation in this program will be wholly voluntary by the states. The new regulation will simply allow states that wish to use Unemployment Insurance to assist new parents to implement their plans to do so.

Q. **What's your authority for advancing this proposal? Doesn't it require legislation?**

A. The Department of Labor (DOL) has the authority to determine how states can structure, and for what purposes they can use, their Unemployment Insurance programs. Four states have asked for DOL guidance in this area, and DOL will work with them in the rulemaking process.

Q. **When will individuals be able to receive benefits?**

A. That is difficult to predict. The Department must first issue regulations and model state legislation, and states must then change their own laws.

Q. **Who would qualify for the new benefits?**

A. The President has directed the Secretary to enable states to provide these benefits to parents of newborns and newly-adopted children, who also meet State unemployment insurance law requirements.

Q. **Will this effort cover the same people as the Family Medical Leave Act (FMLA)?**

A. In the process of rulemaking, DOL will address this issue.

Q. **If this new benefit was available to workers not covered by the FMLA, could they get fired for taking leave?**

A. This is a hypothetical case, since the DOL has not issued its regulation. However, if the benefit were available to workers not covered by the FMLA, they would not be guaranteed job-protected leave.

Q. **Why is the proposal limited only to parents of newborn or newly-adopted children rather than extending, for example, to individuals attending ill family members?**

A. In a 1996 study conducted by the Commission on Family and Medical Leave, lost wages was the most significant barrier to parents taking advantage of unpaid leave after the birth or adoption of a child. Also, maternity leave tends to be unpaid or partially paid, while all other types of leave are significantly more likely to be fully paid.

Q. **How long can these new benefits be collected?**

A. In the process of rulemaking, DOL will address this issue. The duration is not expected to exceed 12 weeks, which is the length of leave protected under the FMLA.

Q. **How many states can participate in the program?**

Any states that wish to will be able to take advantage of the President's directive.

Q. **Why are we doing the rule at this time?**

A. Interest has been shown this year in four State legislatures – Maryland, Massachusetts, Washington, and Vermont – as well as many others during the last two years. This rule will allow us to accommodate known interest and to encourage other states to consider similar proposals.

Q. **Four states have introduced legislation that would pay all or some of these individuals. How does the proposal affect them?**

A. The Department of Labor will work with these states in the course of issuing its regulation so that the states will be in a position to implement, at the first possible opportunity, appropriately structured plans to use UI to assist new parents.

Q. **Will this proposal be "experience-rated," meaning that employers pay into the system based on their workers' use of it?**

A. The Department of Labor will address this issue more fully in its rulemaking process. We expect that the proposal will spread costs broadly throughout the system, rather than on the particular industries or companies whose employees must use this benefit.

Q. **Who is covered by the unemployment insurance system?**

A. Specific qualifying rules vary from State to State, but individuals must generally show a certain attachment to the workforce in both length of employment and amount of earnings.

Q. **How does the unemployment insurance program work?**

A. The unemployment insurance program provides partial wage replacement to workers who are unemployed. It is authorized under the Social Security Act and the Federal Unemployment Tax Act but operates under laws specific to each state. These state laws determine how workers qualify for benefits within federal guidelines. States would need to amend their laws to participate in the program proposed by the President.

Q. **Why use the unemployment insurance program for this purpose?**

A. States interested in paying unemployment insurance to parents on leave following birth or adoption believe this is a logical application of the unemployment insurance program. All states already pay unemployment insurance to workers who are laid off but whom the employer expects to recall. Providing paid leave for employees who have just become parents and need to take some time away from the job is analogous to this and other current uses of the program.

Q. **How many people will benefit from this proposal?**

A. That is difficult to estimate. The number of people who benefit, of course, depends on how many states elect to participate in this program. Across the country, we know that there were over 3.3 million women with children under 1 in 1998; 57.9 percent of these mothers were in the workforce [1.9 m]. Depending on the design of the programs, if all 50 states passed such legislation, as many as 6 million parents a year could be eligible for assistance.

Q. **What will be the average benefit for a parent?**

A. The Department of Labor will address this issue in its rulemaking process. Today, a typical unemployed worker receiving benefits gets $200 a week.

Q. **What will be the cost of providing this new benefit?**

A. It is premature to estimate, as the Department of Labor has not designed the parameters of the program. Since participation in this program by the states will be wholly voluntary, the cost will depend on the number of states that participate.

Q. **Is cost really an obstacle for parents who want to take leave following a birth or adoption?**

A. According to the Family and Medical Leave Commission, 65% of those who needed but did not take leave to care for their newborn or newly adopted or foster child said they did not take leave because they could not afford to. Cost was, by far, the biggest reason that they did not take leave.

OPM DIRECTIVE

Q. **How is the new sick leave policy for federal employees different from the current policy on using sick leave for family care purposes?**

A. Currently, most Federal employees may use a total of up to 13 days of sick leave for family care purposes, and then must use either annual leave, donated annual leave, or leave without pay, even when they still have sick leave available. The revised regulations will permit employees caring for a spouse, son, daughter, or parent with a serious health condition to use a total of up to 12 weeks of sick leave for this purpose – the amount of unpaid leave allotted for these purposes under the Family and Medical Leave Act (FMLA).

Q. **Won't this proposal encourage the use of sick leave and therefore result in increased costs to the Government?**

A. The cost of this program will be very small (about $60 million annually, across all the agencies). This is primarily because only a small percentage of the Federal workforce will need to use large amounts of sick leave for family care purposes; we anticipate that only 0.5 percent of the Federal workforce will use the maximum amount of sick leave. Also, Federal workers only will be able to use the sick leave they have accrued over time for this purpose.

Q. **Doesn't this policy invite abuse of the leave system?**

A. No. Under the new sick leave policy, the requirements for using paid sick leave to care for a spouse, son, daughter, or parent with a serious health condition will be the same as the requirements for using unpaid leave for this purpose under the FMLA. Generally, an employee must give 30 days advance notice of his or her intent to use FMLA leave, if practicable. In addition, an agency may require an employee to provide medical certification for a serious health condition. If necessary, a second or third opinion from a health care provider may be requested.

Q. **What other actions has this Administration taken to improve the quality of workplace arrangements and family life for Federal employees?**

A. Today's action builds on a variety of initiatives the Administration has undertaken to make the workplace more family-friendly. This Administration has lead the way in introducing new work and family initiatives for the Federal workforce.

- In February 1993, the President signed the Family and Medical Leave Act providing Federal employees with 12 weeks of job-protected unpaid leave each year weeks to care for a newborn or adopted child, to attend to their own health needs or to care for a seriously ill parent, child or spouse.

- On October 8, the President signed the Federal Employees Leave Sharing Act, which allows Federal employees to donate annual leave to other employees who have personal or family medical emergencies and who have exhausted their own leave.

- On July 11, 1994, the President issued a directive to Heads of Executive Departments and Agencies, calling for expanded use of "flexible family-friendly work arrangements, including job sharing; career part-time employment; alternative work schedules; telecommuting and satellite work locations."

- In February 1995, the President issued Executive Order 12953, calling upon the Federal government to become a model employer in promoting and facilitating the establishment and enforcement of child support.

- On June 16, 1995, President Clinton directed Heads of Executive Departments and Agencies to review all of their programs, policies, and initiatives pertaining to families to ensure that they are father-friendly.

- On June 21, 1996, President Clinton reaffirmed his commitment to creating a family-friendly workplace by issuing a second memorandum to Heads of Executive Departments and Agencies to expand their programs and report back to him.

- On March 10, 1998, President Clinton issued a memorandum to Heads of Executive Departments and Agencies, "Steps to Improve Federally Sponsored Child Care" which directed the General Services Administration, Department of Defense, and OPM to take improved the quality and affordability of Federally sponsored child care centers.

CEA REPORT

Q. What does the Report say?

A. The President released a report by his Council of Economic Advisers that details the factors that have led to decreased amounts of time available for parents to spend with their children. The Report demonstrates that the increase in hours mothers spend in paid work, combined with the shift toward single-parent families, has resulted in families experiencing an average decrease of 22 hours a week (14 percent) in time that parents can spend with their children since 1969. The Report concludes that the increased time at work among parents requires policy-makers to seek new ways to promote strong families, including greater flexibility in paid work hours, more affordable child care, better support for families with low-wage earning parents, and methods for encouraging two-parent families to form and stay together.

Q. What about the burden on women?

A. Virtually all of the increase in total hours families spend on paid work has come from increases in women's hours. While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. Employed women now spend over one third less time on child care and household tasks than women without paid jobs, but still have 25 to 30 percent less free time.

Q. Do single parents have a different experience?

A. The Report shows that the share of families with a single parent has expanded greatly since 1969. Single parents have half as much total time as two parents have and typically have less than half as much potential income. The rising number of single parents has increased the proportion of families that are "cash-strapped" and "time-poor."

Q. What does the Report say about changes in the amount of time available for children?

A. Although the evidence on time use within families is limited and needs further study, the Report shows that an increase in work from 1969 to 1996 has produced a reduction in the time available for parents to spend with children. The increase in hours mothers spend in paid work, combined with the shift toward single-parent families, resulted in families on average experiencing a decrease of 22 hours a week (14 percent) in time available outside of paid work that parents could spend with their children.

Q. What does the Report recommend?

A. The Report suggests that policy-makers must seek to promote policies that help families in this challenging environment. These policies include flexibility in paid work hours, available and affordable child care, ways to support the earnings of families with low-wage earning parents, and proposals to encourage two-parent families to form and stay together.