Working Mothers’ Contributions to Family Income:
Proportions and Effects

Anne-Marie C. Fagan,
Princeton University

Dr. Maria Sophia Aguirre
Department of Economics and Business
The Catholic University of America
Washington, DC 20064

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Directed by:
Dr. Maria Sophia Aguirre
Associate Professor
Department of Business and Economics
The Catholic University of America
Washington D.C. 20064
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Part One: Introduction

Beginning in the late fifties and early sixties, the demand for child-care increased enormously with the entrance of large numbers of women into the workforce. From that point on, the number of both women leaving the home and children entering day care has steadily increased. The shift of women from home to the workplace is dramatically influencing the structure of society, and is presenting many new questions as it does so: Why has the proportion of women and children in poverty markedly increased as more women enter the workforce? How much does the gender gap in wages account for the lower income of working mothers? How are working mothers to afford quality childcare? How does childcare affect the human capital of the child and what are the economic repercussions? Although much has been written addressing many of these questions individually, there has been almost no comprehensive analysis of these subjects in the attempt to evaluate how the woman’s entrance into the workforce has affected her children, her family, and herself. This paper attempts to do so through a review of the literature on the topic and a formulation of the net income that women at various income levels working outside the home contribute to the household after work related expenses, including childcare, are taken into consideration. In concrete terms, we seek to shed some light on the question of whether the income that women earn working outside the home has significantly increased the wellbeing of the family. The data used for this purpose comes from the 1997 National Survey of Income and Expenditures.

We find that, on average, the net income added by the secondary contributor, mainly women, to the total family income is significantly different than zero. However, independent of marital status or ethnic background, it is economically insignificant. As could have been expected, this varies with the levels of income and education. We also find that income levels, marital status, and race affect the amount of childcare expenditures. At lower income levels, however, the net contribution of women tends to be negative once other work related expenditures are included. This suggests that the use of childcare, rather than helping the welfare and wellbeing of the family, is hindering it.
Understanding the importance that women place on augmenting the family income, with respect to the other reasons why they work, will define the relevance of the issue addressed in this paper. A brief historical background is helpful in introducing the topic. The division of labor according to sex seems to have been present throughout history.\(^1\) It was not until the nineteenth century, when the advance of technology brought about the Industrial Revolution, that large numbers of women began to enter the labor market. The owners of industries found it particularly profitable to employ women in place of men because they could be paid half of a man’s wage and would endure worse work conditions. One of the early purposes of the feminist movement was to protect women from having to enter the labor market, seeking to defend their prerogative to care for their families.\(^2\) The role of women in the home was respected and viewed as both necessary and honorable until the late 1950’s, when once again the advance in technology led women into the public workplace. As household appliances made running a home easier, and as school attendance became a regular occurrence for most children, a significant number of educated wives had time to devote to supplementing the family income. This ability to work was complemented by the qualifications and willingness to work that resulted from the temporary employment of many women during the Second World War. The combination of these elements prompted large numbers of women to enter the labor market. This occurred first among families facing financial difficulty, but the improvement in the quality of life these families experienced led other families with less financial problems to follow their example. This trend was greatly supported by the rising modern feminist movement to empower women. With the publication of prominent books in the 1960’s, such as Betty Friedan's *The Feminine Mystique*, the modern feminist movement greatly influenced the influx of women into the labor market. Its effect is evident today since over 60% of all married women work in the public market.\(^3\)

The large number of women entering the work force has had an unforeseen effect on family income. Before the 1960’s, most married men in the United States earned a “family wage” which was higher than that of single men and women because it was understood that he was supporting not just himself, but an entire family. Unmarried men and women advocated the idea on the understanding that they would benefit from the family wage when they married, as was the case for a large majority of the

* We are especially grateful for the assistance and input provided by William W. Beach and Patrick F. Fagan from the Heritage Foundation. The usual disclaimers apply.

\(^1\) See among others, Fuchs (1988); see also Mead (1952); Hartmann (1976), and Brown (1986).

population at the time. When married women first entered the workforce, the idea of the family wage was still upheld, because most men were still the single earners in the family. But as it became common for a family to have a double income, employers no longer felt the need to pay the family wage. Women fought against the gender gap in wages, and soon their salaries grew closer to those earned by men. The result was that as women’s incomes increased, men’s incomes decreased. Women’s income evolved from an extra income that increased the quality of life of the family to a salary needed to maintain the quality of life previously provided by her husband alone. This responsibility to support her family has been reinforced by the ideas put forth in the modern feminist ideology which upholds the glory of work in the labor force at the same time that it condemns work in the home as demeaning.

Today a woman is often considered just as responsible for providing family income as her husband, yet still retaining her responsibility for running the household and bringing up her children. This poses a dilemma since she cannot devote herself to a full time job and also give her children the comprehensive care that they deserve. As Sara Davidson, a radical feminist of the 1960’s and a mother in the 1980’s, said, “How to reconcile family and career is the crucial unresolved issue in women’s lives.”

This impasse has caused an enormous growth in the use of childcare and with it, a proliferation of the questions asked about the cost, quality, and effects of childcare on the woman, the child, and on the family as a whole.

This paper is divided into four sections. Having presented a brief historical background of women’s employment up through the present as an introduction to identifying the reasons why women work, the second section of the paper reviews the literature on maternal contribution to family income. It examines the three primary factors that determine how a woman's entrance into the labor market affects herself and her family. These factors are the amount of money she brings in by working, the monetary costs incurred by having a job, and the effect that her absence from the home has on herself and her family. The third section of the paper is a numerical analysis of the secondary incomes’ contributions to family income at various income levels. The last section of the paper presents the conclusions.

Part Two: Material Contribution to Family Income: Literature Review

The influx of women into the labor market has sparked a body of writing encompassing a wide variety of issues related to women in the workforce. The literature generally concentrates on three

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3 Furchtgott-Roth and Stolba (1984), p.27.
issues in particular: the gender gap in wages, ‘povertization’ of women, and the increasing need for childcare. Regarding the gender gap in wages, the general consensus is that it has been shrinking slowly, so that on average women today earn 74% of men’s weekly wage.\(^5\) This disparity is attributed to a covert discrimination against women, along with other influences such as social conditioning and family responsibilities. The difference in earning ability is dramatically portrayed among single women with children, whose increased likelihood to live in poverty has been referred to as the ‘povertization’ of women. This phenomenon has escalated with the rising number of divorces and births out of wedlock, and engenders the problem of women who must often single-handedly earn enough to provide for their children. Besides needing to support their children, these women experience the difficulty of ensuring that their children are well cared for during work hours. Many working mothers today share this concern for quality childcare. As more mothers work, the scarcity of quality childcare and its high cost becomes a pressing issue. The lack of professional consensus on the effects of childcare is bewildering, and far more disturbing is the absence of research on the effects of adequate or poor quality childcare. Looking at the issues associated with the woman's entrance into the work force, one distinguishes several factors that will determine her influence on her family's situation.

There are primarily three factors that determine how a woman's entrance into the labor market will affect herself and her family. These are the amount of money she brings in by working, the monetary costs incurred by having a job, and the effect that her absence from the home has on herself and her family. Broader things such as the gender gap in wages, the cost of childcare, and the effects of childcare influence these factors. Although the relevance of each varies with family structure, they tend to influence all families and are important to consider when evaluating the effect of the mother’s income on the family. The rest of the literature review will discuss these factors in detail.

\textbf{A. Factors Affecting the Working Mother’s Contribution to Family Income}

\textbf{1. Amount Worked}

The amount of income a working mother brings into the home is most fundamentally connected to the number of hours she works. In order to comprehend the general earning patterns of working

\(^5\) U.S. Department of Labor, Women’s Bureau, \textit{Facts on Working Women}. 

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mothers it is useful to look first at how many work part-time (less than 35 hours per week) and how many work full time (35 hours or more per week).

In 1998, 74% of all working mothers with children ages 18 and under worked full time.\(^6\) Because so much of the interest in working mothers centers on mothers with young children, it is also important to look at the percentage of mothers with children under age six who work full time. There is little disparity between these mothers and mothers as a whole—of working mothers with children under age six, 69.5% worked full time in 1998.\(^7\)

Fewer working mothers work part time—of all working mothers with children under the age of 18, 26% worked part time.\(^8\) As was the case for mothers working full time, the percentage of working mothers with children under the age of six was similar to all mothers who worked part time. Of women with children under age six, 31% worked part time.\(^9\)

2. **Gender Wage Gap**

It is commonly acknowledged that women usually contribute less to the family income than their husbands. While the purpose of this paper is to evaluate precisely how much that contribution is, it is important to first determine why this is so by identifying the factors that account for the smaller size of their income. The gender gap in wages is often perceived to account for this disparity. Historically there has always been evidence of a gender gap in wages. In 1890 the female/male wage ratio was about 0.45, growing to about 0.60 by 1930 where it remained for half a century.\(^10\) This has grown again since the 70’s to 0.71 in 1995. While in the past much of this disparity has been attributed to discrimination, in recent years a number of other influences have been identified as affecting women’s hourly wages. These influences are largely the result of personal choices made outside the workplace, the most significant of which is a woman’s decision to have children.

Throughout economic literature, the presence of children has been shown to have more of an effect on a woman’s earning capacity than nearly any other factor. Presser (1994) found that women in general continue to assume the primary responsibility for childcare and other household tasks, even in dual

\(^6\) Author’s calculations taken from Labor force statistics from the current population survey, Table 5, Employment status of the population by sex, marital status presence and age of own children, 1998-99 annual averages.

\(^7\) ibid.

\(^8\) ibid.

\(^9\) ibid.

earner couples. Many economists and sociologists hypothesize that women’s family responsibilities explain, at least partially, gender differences in the extent and nature of women’s employment. Where family responsibility (as indicated by being married and having children) has any effect on the status or income of married women, it is a negative one.

The effect of family and children on a woman’s income has repeatedly proven to be significant when examined from various angles. Rosenfeld and Kalleberg (1990) found that differences in family effects account for 20% of the earnings gap in the United States. However, when examining the number of children instead of the presence of children, 25% of the income gap is caused by differences in family effects. In another estimation, Neumark and Korenman (1992, 1994) found that while marriage did not lower wages, having children did. In 1991 women without children made 95% of men’s wages, all other factors accounted for, but mother’s made 75% of men’s wages.

Effects of family characteristics on women’s earnings have been interpreted as reflective of the negative consequences of certain occurrences. This includes the discontinuity in women’s labor force experience and careers as well as women choosing occupations in order to maximize coordination between home and employment rather than income. Also, reluctance among employers to invest in women’s human capital reflects negative repercussions as well as time and energy constraints on women’s commitment to work.

Despite children’s negative effect on the mother’s income, women continue choosing to have children. Women find psychological and physiological satisfaction through the love for their children. Journalist Anne Taylor Fleming describes this relationship, saying of it: There is “a yearning for closeness that isn’t always possible with a man, even a husband. That is what babies give to women, and have been giving them for centuries: love with no lines, with an intimacy that is easier and often sweeter than sex.” This strong love mothers have for their children is attested to by the large number of women who make sacrifices in their careers to have children. In 1998, 40% percent of employed women had children under the age of 18. This same relationship between mother and child is evident in a more disfigured form in the large number of women who become unwed mothers despite the availability of contraceptives and abortion, and the fact that when parents divorce and remarry,
continuing contact between the mother and child seems more important than with the biological father. Recognizing how much importance women place in having children is necessary in order to understand many facets of the gender gap in wages.

### i. Human Capital Acquisition

Differences in human capital seem to account for a significant portion of the gender gap in wages. In human capital theory, workers are seen as rational actors who make investments in their productive capacities to maximize lifetime income. The investments usually studied are education and on-the-job training, although the theory applies to other investments, such as effort, job search, geographic mobility and health. Human capital, such as education and on the job experience, is thought to reflect the acquisition of skills and other earnings-enhancing properties. Such reflections are considered important determinants of income.

There is an opposing body of thought, which holds that differences in the distribution of income, especially of human capital variables, usually do not explain much of the earnings or income gap. Estimates suggest that no more than about half the sex gap in earnings is associated with mean differences in human capital investments. Proponents of human capital theory claim that more of the wage gap would be explained if more precise and extensive measures of the qualifications of individuals associated with productivity were employed. This argument has become less persuasive as measurement of human capital has improved and at least half of the wage gap remains unexplained. However, more aspects of human capital investment, such as motivation to maximize earnings and the content and quality of education and on-the-job-training have yet to be measured. Irrespective of the precise amount, human capital is recognized as being a major factor in the gender gap in wages.

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16 Author’s calculations, based on Labor force statistics from the Current Population Survey, Table 5, “Employment status of the population by sex, marital status presence and age of own children”, 1998-99. Annual averages were used.
19 Rosenfeld & Kalleberg (1990), Mincer (1974), and Sewell & Hauser (1975).
22 Marini (1989).
ii. Education

One of the initial differences between men and women in human capital acquisition has been their education. The median number of years of schooling attained by women workers is about the same as those attained by men, but other differences in the educational distributions of the two sexes affect the sex gap in earnings.\(^23\) One such difference is the level of education each tends to reach. Although women now earn about half the Bachelor’s and Master’s degrees awarded, they are less likely than men to earn doctorates and first professional degrees.\(^24\)

Differences in education also include a tendency for men and women to lean toward different areas of study, with women being less likely to invest in wage enhancing human capital. This occurs at the level of secondary and higher education, where the sexes take different courses and specialize in different fields. For example, from high school onward, males take more advanced mathematics and natural science courses than do females.\(^25\) The distributions across vocationally oriented programs in high school also differ markedly.\(^26\) These sex differences in fields of specialization in college and graduate school have an important effect on the sex gap in earnings among college graduates.\(^27\) Although sex differences in fields of specialization at the college level have narrowed in recent years, they still remain large.\(^28\)

To some it appears strange that increases in women’s education and labor force participation have not produced a significant reduction of the wage gap over the last several decades (from 1979 to 1997, the gap in weekly wages fell from 37.5% to 25.6%).\(^29\) Economists have argued that the stability in the wage gap is consistent with the lack of change in relative skills of female and male workers.\(^30\) Between 1950 and 1970, the educational attainment of men grew more rapidly than that of women, primarily because men received college and graduate education earlier and in greater numbers than women.\(^31\) However, more recent increases in women’s educational attainment have now almost eliminated sex differences in the attainment of doctorates and advanced professional degrees. For example, while in 1960, women received 2.7% of all professional degrees and 10.5% of all doctorates;
today they receive 38.5% of all professional degrees and 40.7% of all doctorates. Furthermore, many of these degrees are awarded in fields previously entered mainly by males. In 1995, over 40% of all law degrees and all medical degrees were awarded to women. These changes are somewhat reflected in the recently declining sex gap in earnings among young workers. Among young people ages twenty-seven to thirty-three who never had a child, women’s earnings approach 98 percent of men’s earnings.

The recent changes in women’s earnings due to increases in education can be expected to be long term. American women who work full time behave according to the opportunity-cost framework, in which higher education considerably decreases the propensity of leaving full-time jobs. Each additional year of schooling decreases the exit rate by almost 5%. No statistically significant numbers have been found for exiting part time jobs, although education has a statistically significant positive effect on reentry for both full-time and part-time employment.

### iii. On Job Training

Another prominent aspect of human capital on the gender gap in wages is on the job training. On the job training occurs in formal programs provided by employers or informal training by supervisors and coworkers, and simply by doing the job. Formal on-the-job-training and labor market experience, particularly experience in the same job and with the same employer, bear positive relationships to the earnings of both men and women. However, men and women sometimes experience differences in on the job training. These differences often result in women earning less than do men. Differences in on the job training have been attributed to a number of sources.

The positive relationship of on the job training to earnings is of the same magnitude for the two sexes, although because different types of experience are not equally valuable and men spend relatively more time acquiring the more valuable types of work experience, such as formal and on-the-job-training, the relationship of overall work experience is greater for men than for women. Part-time work experience bears little relationship to earnings growth for either sex, but as women tend to work part-time more than men, their earnings are lower relative to those of men. The significance of part-time work on on-the-job training for working mothers is particularly important because in 1998, 36% of

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31 Marini (1989).
34 Women’s Figures, p.xvii.
employed mothers work part-time compared to 3% of employed fathers. This means working mothers have a reduced opportunity to contribute to family income.

The main reason for the difference regarding on-the-job training between men and women is that women complete fewer years of on-the-job-training and acquire less labor market experience than men. Skills typically increase with added years on the job and many women forgo developing these skills by leaving the labor market when their children are born. “A woman who has one child will work, on average, about 2.5 years less over her lifetime than a woman with no children. A second child results in an additional two years of withdrawal of the woman from the labor force, and one additional year for a third child.” Since American women typically raise two children, these women will have lost, on average, 4.5 critical years of labor market experience in addition to the skill depreciation that accompanies time away from work. Furthermore, the critical period of intense investments in worker skills often conflicts with a woman’s normal childbearing years, resulting in a large loss in human capital. For every year spent out of the labor force, the resulting loss in human capital decreases women’s income by as much as the income she does not earn. Other researchers found that although women experience some loss in earnings during periods of withdrawal from the labor force, possibly because of the resulting depreciation of human capital, their earnings potential is restored rapidly after reentry to the labor force.

Besides the direct influence of childbearing on women’s presence in the workforce and subsequent acquisition of on-the-job training, it also influences women’s on-the-job training indirectly. Employers are sometimes unwilling to invest job related human capital in women when they are uncertain that a mother will remain in the workforce. In this sense, women, whether or not they have children, are at more of a disadvantage than men due to their ability to bear children. This might explain why years of experience increase both the chances of receiving on-the-job-training and the skill level of one’s current job much more for men than for women. A second possibility is that, because individuals are assumed to be able to choose the timing and amount of their investments in on-the-job-training so as to maximize their lifetime earnings, women who plan to leave the labor force may defer

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38 Author’s calculations from the Bureau of the Census.
40 J.P. Smith (1989) and Marini (1989).
41 J.P. Smith (1989).
42 Fuchs (1989).
44 Fuchs (1988).
on-the-job-training and therefore experience slower wage growth prior to interruptions than do individuals who do not anticipate future interruptions. However, in opposition to both of these theories, Corcoran et al (1983) and Gronau (1988) found that there is no evidence proving that a prospective withdrawal from the labor force is associated with lower job requirements or lower wage growth prior to the interruption.46

A final prospect, little mentioned, is that women’s earnings may affect their attachment to the labor market, with lower wages decreasing this attachment.47 This becomes less of a possibility today since a woman has the ever-increasing opportunity to pursue a rewarding career.

iv. Dedication and Availability

A third aspect of human capital theory that contributes to gender gap in wages is the effort one dedicates to one’s job. Becker (1985) claimed that because women are primarily responsible for household work and childcare, they invest less effort per hour in market work than married men. Thus, even if the amount of time spent in the labor force by the two sexes were equal, their earnings would differ48. A second group of thought proposes that women dedicate less effort to their work, not because they hold it unimportant, but because children cannot be left unattended. According to Reskin and Hartmann (1986), “[t]he care of children…still appears to be largely women’s responsibility, and this responsibility undoubtedly conflicts with their entrance into and advancement in a number of occupations that routinely require overtime, job-related travel, or inflexible or irregular hours.”49 One conflict often mentioned is the case in which a child falls ill and can not attend daycare. This often times requires the mother to remain home. Leigh (1983) found that when a young child is present, women are more likely than men to be absent from work, even at equal levels of education and wages.50

However, there are pieces of evidence that do not support the above arguments. Being married and having children have been found to affect a woman’s wages only indirectly via effects on measured qualifications other than effort, such as labor force experience.51 More specifically, Corcoran & Duncan (1979) have found that sex differences in labor force attachment, including absenteeism and self-

46 Marini (1989).
imposed restrictions on job choice as well as their effect on sex differences in earnings, to be either unrelated or weakly related to earnings.  

Rather, almost the opposite phenomenon seems to be true. Social psychological research on internal standards of personal entitlement as well as sex differences in self-reports of work effort, suggests that, all else equal, women are more likely to allocate more effort to work activities than men do. This is supported by the fact that today fewer and fewer women leave their jobs while their children are very young. It seems that women’s dedication to their work will only intensify. Drobnic et al (1999) found that women who are employed and stay employed for longer periods accumulate work experience and other resources that increase their career prospects, strengthen their attachment to the labor market, and increase the opportunity costs of leaving their job.

The conclusion one draws from the literature in this area is that women are dedicated to their work and that a lack of effort does not contribute to the gender gap in wages. What it also makes clear is that women are devoted to their work in spite of their continued responsibility for their families. The result is that women are under a great deal of pressure. Stephanie Coontz (1997) makes this point stating “[w]omen are committed to job despite guilt, time stress and marital conflict in juggling work and family life.”56 Women do not lose in wages when they take on both a family and a career, but it might be argued that what they earn in income they lose in stress. This will be discussed later in the paper.

v. Occupational Choice

Aside from human capital, women’s choices in occupation also play a very large role in the gender gap in wages. Women are distributed differently across occupations and industries than men. In the United States, for example, they are more likely than men to be in clerical occupations and in service industries. The occupations women hold tend to be predominately female, often paying less than predominately male ones. 

Although traditionally female occupations pay less than traditionally male occupations, it must be recognized that these occupations are partially responsible for the decrease in the gender gap in

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52 Corcoran & Duncan, 1979; Marini, 1989.
55 Spain & Bianchi (1996)
56 Coontz (1997), p.64.
57 Reskin & Hartmen (1986).
wages. Wage inequality in the United States has been increasing among both men and women.\textsuperscript{59} It is this high level of wage inequality that puts an exceptionally large penalty on being below average in the wage distribution, which includes many predominately female jobs. However, evidence suggests that rising skill prices did not affect men and women in the same way. Katz and Murphy (1992) find that between 1979 and 1987 shifts in demand for output across industry-occupation cells favored women over men for educational levels below a college degree, and favored men over women for those with a college degree; overall, demand shifts favored women over men.\textsuperscript{60}

A number of reasons have been put forth to explain women’s tendency to fill certain occupations. The human capital model argues that women are less likely to make investments that only pay off if they sustain high-level commitment to the labor force and will depreciate during periods outside the labor force. This reasoning is often used to account for sex differences in fields of specialization and job choice. Following this reasoning, women may avoid fields where the rate of technological change is rapid and concentrate instead on fields where the pace of change is slower. Similarly, they may choose jobs that do not penalize discontinuity in labor force participation, jobs requiring less investment in on-the-job-training, particularly firm-specific training, jobs which can be expected to have lower rates of wage appreciation and higher starting wages with lower rates of depreciation during periods spent out of the labor force.\textsuperscript{61} Thus, women employed in predominately female jobs would experience lower earnings returns with each year of labor market experience, higher starting wages, and lower rates of depreciation when out of the labor force than predominately male jobs. There is little to support this: There is little mobility between predominately male and predominately female occupations. Women in predominately female occupations do not experience lower wage depreciation than women in predominately male occupations. When education is held constant, the starting wages of women in predominately female occupations are lower than the starting wages in predominately male occupations. Women with continuous labor force participation are no less likely to be in predominately female occupations than women who have experienced labor force interruptions. There is no association between women’s ages and number of children and employment in a predominately female occupation.\textsuperscript{62} Therefore, it must be concluded that the human capital model does not account for women’s tendency toward certain occupations.

\textsuperscript{59} Katz & Murphy (1992) and Blau & Kahn (1994).
\textsuperscript{60} Blau & Kahn (1994).
\textsuperscript{61} Marini (1989); Zellner (1975), Polachek (1978 & 1981).
Because women tend to continue to assume the primary responsibility for child-care and other household tasks, even in dual earner couples, economists argue that this affects their choice of occupations and their allocation of effort to household and workplace activities. While the argument that women choose jobs with higher starting salaries but a less steep rise in wages has been debunked, there is the possibility that women contribute to their own “ghettoization” because they take job choice and time for child rearing into greater consideration than men, and act accordingly. There are a number of reasons women tend to occupy jobs in the service sector: 1. There is no premium on physical strength. 2. Work hours are more flexible. 3. There are more opportunities for part-time work. 4. Such jobs are more often in or near residential areas, reducing the time spent commuting. 5. The transformation of US into a service economy has provided tens of millions of new jobs for women. (This last point is partly due to the entrance of women into the workforce, which increased the need for childcare, to eat out, and personal and professional services.)

Several other explanations have been put forth as well. Some people reason that when women are crowded into female-dominated occupations, it increases the supply of workers for these jobs and ultimately lowers the wages an employer can pay to get workers to fill such positions. Others find that the occupational goals of boys tend to be more in sync with their gender than those of girls, and even preschoolers express sex-typed occupational preferences. Men tend to place higher value on status, power, money, and freedom from supervision, and men may be more willing to take risks. Women more often value working with people, helping others, and creativity. This last point might explain the phenomenon that women who have begun work in science and engineering jobs, clearing any educational and social hurdles impeding entry, are much more likely to leave these professions than comparable men. Marriage and children do not seem to be major factors explaining the differences in occupational exit behavior. Lastly, job choice may also reflect a preference for working with one’s own sex.

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64 Fuchs (1968).
65 Bergman (1986).
67 ibid.
68 Preston (1994).
vi. Hours: part/full time

Another factor that has been identified as a possible influence is whether one works a part-time or a full-time job. In the United States women are much more likely to work part-time; in 1998 26% of all employed women and 11% of all employed men worked part-time. When one accounts for employed women and men with children under age eighteen, one finds a much bigger difference; 36% of employed mothers work part-time, as opposed to 3% of employed fathers.

Household work and the presence of young children require extensive inputs of time that are difficult to combine with full time employment. Because most women take primary responsibility for childrearing, it is proposed that working part-time should be a common strategy of mothers of young children. Part-time work may offer the flexibility required to meet family obligations and may allow women to maintain ties to the labor market. By combining two tasks – part-time work and childcare – women can maximize their investments in both sectors. According to reasoning similar to that used in occupational grouping, women take lower paying jobs in return for shorter, more flexible hours.

Evidence on the relationship between family responsibilities and part-time work remains inconclusive. Fuchs (1988) states that statistical analyses of working women show that even after controlling for age, education, and similar factors, the presence of a young child increases a woman’s probability of working part-time by almost 10 percentage points. Drobnic et al (1999) found evidence pointing in a different direction. They report that in the United States, the presence of both preschool and school aged children has a positive effect on women leaving part time work and only that women with older children show an increased statistically significant tendency to accept part-time jobs. The above corresponds to women’s explanation of why they work part-time, usually citing the need to work at home.

Other studies have looked at the role of part-time work in women’s employment by looking at its affects on women’s wages, promotions, and other benefits, or by whether women differ in their

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70 Author’s calculations, based on Labor force statistics from the current population survey, Table 5, Employment status of the population by sex, marital status presence and age of own children, 1998-99 annual averages.
employment behavior after giving birth.⁷⁴ These studies report that a direct link between family demands and part-time or full-time work has seldom been verified.⁷⁵

Although it is difficult to understand the reasons why women tend to work part time more than men, it seems to be more by preference than inability to do something else. One indication is that part time work is just as prevalent among women with considerable education as it is for women with little education. Nor does it seem to be a result of gender inequality. In Sweden, where much has been done to promote economic equality between men and women, more women work, women’s wages are closer to men’s, and there is more subsidized childcare. However, a large number of women work part time. The ratio of male to female part time workers is one to six, much higher than in the US.⁷⁶

vii. Indirect results of other factors

There is reason to believe that the gender gap in wages is partly accounted for by factors that do not stem from decisions on the part of the men and women who make up the labor force.

One such factor is the legislation and policies of a country. Treiman and Roos (1983) found similarities across countries in the processes for income determination. They interpreted these as indicating “deeply entrenched institutional arrangements that limit women’s opportunities and achievements.”⁷⁷ Rosenfeld and Kalleberg (1990) find that legislation and policies can influence women’s employment through the integration of employment and family, such as providing parental leaves and daycare, given a greater responsibility for raising children.⁷⁸ Some find the policies in the United States restrictive of women’s employment. The United States is the only industrialized country without guaranteed maternity leave. Women only receive legal protection against dismissal for taking time off from a job for childbirth. They can receive disability benefits while on maternity leave, but these and the length of leave vary from one employer to another.⁷⁹ Even these policies are viewed by some as discouraging the employment of women because while they purport to be protecting women by allowing maternal leave and providing child care policies, these are really only likely to further dissuade employers from hiring women.⁸⁰ Another facet of the current United States legislation that limits women’s employment opportunities is the difficulty it places on those who would like to work from

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⁷⁶ Fuchs (1988).
⁷⁸ Also see Kamermann (1979).
⁷⁹ Rosenfeld & Kalleberg (1990).
their homes. This would enable a large number of women to work who currently don’t want to leave their children, or who can’t afford childcare.

Another indirect influence on the gender gap in wages may be differences in socialization. Differences in the social networks of men and women may affect their access to jobs and thereby play a role in explaining the wage gap. Some evidence indicates that personal contacts constitute important sources of information and influence in the job search process; studies suggest that such contacts are likely to be used more by men than by women. Granovetter (1974) found that men who heard about their jobs through a personal contact had higher incomes than those who used more formal means of finding a job, although Corcoran et al. (1980) found that the use of personal contacts by either sex produced only short-term wage advantage.

A third factor that might have an effect on women’s earning ability is their age. The relative earnings of women under 35 began to increase during the 1970’s, and it is the earnings of women in this age group that have shown particularly substantial increases since 1980. As previously mentioned, data from the National Longitudinal Survey of Youth show that among people ages twenty-seven to thirty-three who have never had a child, women’s earnings approach 98% of men’s earnings. Analysis of age related differentials in relative earnings within cohorts suggests that at least some of the improvement in the relative economic position of younger women will be retained.

viii. Discrimination

A very prevalent view is that women earn less not because of their own choices, but as the result of sex discrimination. Labor market discrimination by sex exists when “two equally qualified individuals are treated differently solely on the basis of their sex.” Several theories of discrimination exist.

Becker provided the basis for the modern neoclassical analysis of discrimination, viewing it as derived from a personal prejudice or “taste” for not associating with members of a particular group. Such tastes might be held by employers, coworkers, or customers and could result in employers not hiring someone from that group. In the case of sex discrimination, employers with tastes for

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80 Folbre (1994).
81 See also Campbell (1988).
82 Marini (1989), Granovetter (1974), and Corcoran et al. (1980).
85 Marini (1989), Bianchi & Spain (1986), and Blau & Ferber (1986).
discrimination act as if there is a non-pecuniary cost to associating with women in socially inappropriate roles. They hire women only at a lower wage than men. When discrimination is widespread and the number of women seeking jobs is high, some women must accept lower wages to obtain jobs.\textsuperscript{87}

Bergman (1974) has argued that an aversion to hiring women has resulted in the crowding of women in a limited set of predominately female occupations. He claims that this crowding reduced the wages of women in these occupations relative to the wages of men whose employment is not as restricted.\textsuperscript{88}

A third view proffers that when men restrict women to lesser paying jobs, they pay the small price of a reduction in women’s earned contribution to the family in order to preserve their bargaining power in the household and the labor market. According to this way of thinking, men preserve their advantage without any coordinated effect by making women’s subordination seem necessary – someone must sacrifice his individual interest to keep the home (and society) together. They believe women are more suited to such work, therefore they should look after the home while the men are employed. However, this reasoning does not seem to hold true because it does not explain why women are at an economic disadvantage. One does not see this disadvantage in other partnerships where jobs are decided by comparative skill. If women were better at caring for children but did not want to, while men were concerned that it be done, men would have to pay highly to have their preference, and it would be the women who have the bargaining power. This is not the case, it must be concluded that women have a higher demand for children at an economic disadvantage.\textsuperscript{89}

Some models of statistical discrimination develop the possibility that employers discriminate not out of personal prejudice but because they perceive that, on average, women are less productive and/or less stable employees than men. Due to a lack of prior knowledge of the applicants, employers will sometimes depend on such stereotypes. Such statistical discrimination is thought likely to be pervasive because the existence of consensual beliefs about differences between the sexes, or sex stereotypes, is well documented.\textsuperscript{90}

The problem with theories about discrimination is that there has been little attempt to evaluate empirically and to compare alternative theories of discrimination. Most research on discrimination has

\textsuperscript{86} Blau & Ferber (1986), p.229
\textsuperscript{87} Marini (1989).
\textsuperscript{88} See also Marini (1989).
\textsuperscript{89} Fuchs (1988), p.67.
\textsuperscript{90} Marini (1989), Phelps (1972), Arrow (1973), Aigner & Cain (1977), Broverman \textit{et al} (1972), and Williams & Bennet (1975).
sought to document the existence and extent of discrimination. Attempts to measure sex discrimination in earnings usually employ the very unscientific “residual” approach, whereby sex differences in earnings that cannot be accounted for by sex differences in productivity-related characteristics are attributed to discrimination. Analyses employing the residual approach suggest that discrimination not only exists but is extensive. However, this approach has numerous problems, which make meaningful conclusions about discrimination impossible to draw.

B. Reasons for Income of Married Women

1. In Married Couple Husbands Income not Sufficient

A number of women work in order to supplement their husband’s insufficient contribution to the family income. This situation has become increasingly common as real wages fell for men and families needed additional income to stay afloat. One can trace the events that lead to this state of affairs. Until 1969 the highest percentage of working wives was among the families of lower earning husbands. With the advent of the working woman as a common phenomenon, employers no longer viewed the husband as the sole provider for his family and stopped paying men the family wage. As the median family income began to fall below the family wage standard and the need for additional family income became more evenly distributed across the husband’s income spectrum, the wives of median- and high-earning husbands began supplementing the family income.

One point often raised in relation to women’s entrance into the labor market is that between 1969 and 1989, the movement of women into the workforce was dominated by women earning high salaries who were married to men with high salaries, suggesting that the husband’s earnings don’t always strongly affect a wife’s decision to work. Part of this, as we have just seen, is because a number of lower income women were already working. However, it is interesting to look at the percent of income that high earning wives contribute to the family: the wives’ contribution to the family income is the same percentage of total family income in the top, middle and bottom levels. As income increases so does the number of working wives; less than 1/3 in the lowest sector work, whereas 60-70% in the upper two do. Mothers contribute the same percentage to the family income now as they did in the early years.

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92 Robertson (2000).
93 ibid.
1900’s when only 5% of mothers worked, roughly 20% of total family income.\textsuperscript{94} Other sources, however, mention higher percentages for married women working full time, earning 41% of family income, and 23% of women who contribute over 50%.\textsuperscript{95}

The decrease in husband’s wages has been accompanied by government policies which don’t acknowledge the necessity of protecting the family, since the family is no longer valued as the basis of economy, but rather as individuals. The difficulty of families to thrive under such policies is made clear in a Congressional Budget Office (CBO) (February 1988) report showing that families with children have not done nearly as well economically as have other households. While the median family income rose 20\% between 1970 and 1986, the median income for married-couples with children rose only 13\%, despite the dramatic rise in maternal employment. The CBO concedes that families with children needed more workers to reach a given income level: married couples with two full time workers had a median income roughly equal to that of childless families with just one worker.\textsuperscript{96}

Under such circumstances the financial cost to families in which the wife chooses to focus her efforts on the home and children has become significantly steeper, with median family income of those families falling by 3.5\% compared with a rise of almost 5\% for families in which the wife works.\textsuperscript{97} Carlson (1993) calculated that in 1976, 40\% of all jobs still paid enough to support a family of five in minimal comfort. By 1987, only 25\% of jobs paid such a wage. The difficulty experienced by single earner families becomes more evident when viewed with respect to dual-earner families. In 1969, dual earner couples made up only 41\% of married couple families with incomes over one-hundred thousand dollars, today they make up 98\% of that category.\textsuperscript{98}

One of the difficulties confronting families is that, as the family wage ceases to be the norm, prices are adjusted to dual-income family standards across the income spectrum. Carlson (1993) shows that between 1970 and 1988 the cost of housing for families where the wife is not in the paid labor force rose by 64\% of family income, compared with a 38\% increase for families with working wives. He maintains that similar shifts in the terms of trade, to the disadvantage of single earner families, could be plotted for other commodities.\textsuperscript{99} Similar shifts have been reflected in the inflation of the price of homes.

\textsuperscript{94} Income Packaging in the Welfare State
\textsuperscript{95} Spain & Bianchi (1996).
\textsuperscript{96} Carlson (1988) and Congressional Budget Office Report, February 1988.
\textsuperscript{97} Calculated by Robertson, Bureau of the Census.
\textsuperscript{98} Robertson (2000), Carlson (1993), and Furchgott-Roth (1995);
\textsuperscript{99} Carlson (1993), p.84)
In 1989, nearly 80% of all homebuyers came from two income households. At the same time the cost of education rose nearly three times faster than household income between 1980 and 1994.\textsuperscript{100}

The above trends illustrate the increasing need for mothers to enter employment in order to supplement their husband’s income and maintain a constant standard of living for their family. Ironically, rather than bettering the situation for families, an increase in dual earner couples seems to have denied a large number of women the freedom to choose between raising children and work. Often times nowadays, certain circumstances many dictate that they work.

\textit{2. In Single Parent Family, Only Alternative to Poverty}

Another very prominent reason that mothers work is that in a single parent family the mother’s income is the only income and the only insurance against poverty. Nevertheless, even with a woman’s ability to work, numerous studies show that divorce usually impoverishes women and children while enriching men.\textsuperscript{101} Because women’s advocates have effectively abolished all remaining protections for women in the law on the theory that the principle of “equal treatment” is essential for women’s advancement, courts are less likely to award custody of children to the wife in a divorce proceeding. This makes women more likely to agree to a reduced settlement in order to retain custody.\textsuperscript{102}

One reason that a single mother’s income is the only alternative to poverty is that child support is not enforced. Child support is defined as a transfer of income to a child living apart from a parent. The traditional private child-support system condoned and thereby fostered parental irresponsibility, was rife with iniquity and contributed to the poverty and welfare and poverty dependence of single mothers and their children. Only six of ten mothers potentially eligible for child support had an award. Of those legally entitled to support, only half received the full amount, and one-quarter received nothing. Awards were too low and too frequently updated to keep pace with either inflation or increases in the nonresidential parent’s income.\textsuperscript{103}

Although many people believe that non-resident fathers did not pay child support because they were too poor, research indicates that poverty is a small part of the problem. According to the two most widely used child support guidelines, based on the incomes of nonresident fathers and the share of income that should be devoted to child support, in 1983 nonresident fathers should have been paying

\begin{footnotes}
\textsuperscript{100} American Council on Education (1998).
\textsuperscript{101} Gallagher & Defoe Whitehead (1997).
\textsuperscript{102} Robertson (2000).
\textsuperscript{103} Garfinkle (1994).
\end{footnotes}
between $25 billion and $32 billion in child support, when in fact they owed only $9 billion and paid only $7 billion. The majority of nonresident fathers paid no child support during the course of the year and suffered no consequences. At the same time thousands of nonresident parents were jailed for failure to pay support.\textsuperscript{104}

3. Sense of Fulfillment of Mother

Another reason many women pursue a career is for their own development and sense of fulfillment. Women who do paid work, researchers have consistently found, feel less depressed, think better of themselves, and are more satisfied with life than women who do not do paid work. One reason some workers may feel this way at work is that they feel more appreciated and more competent there. Women were not more likely than men to say they felt more appreciated at home. Besides the satisfaction their work affords them, employment opens another social network to women. Women were far more likely than men to have the most friends at work. Paid work, psychologist Grace Baruch argues, “offers such benefits as challenge, control, structure, positive feedback, self-esteem…and social ties.”\textsuperscript{105}

The problem with this view is that it defines the person by, and limits his importance to, his or her earning ability. It is based on the assumption that a woman cannot respect herself unless she is a successful member of the labor market. Inherent in such an assumption is the idea that one’s home and family do not provide the opportunities for personal development that the workplace offers. It encourages a woman to think primarily of herself above the family, which she has brought into being.

Although many women work for the satisfaction they receive from it, their families still make demands of them, which they cannot ignore; the attempt to balance work and family often leads to high levels of stress, which undermine the very sense of fulfillment that is its cause. This aspect of women’s work force attachment will be addressed later in the paper.

4. Bargaining Power

A fourth reason why many women become employed is in an attempt to increase their power within the marriage. Wives have more power in marriage when they have higher earnings.\textsuperscript{106} However,

\textsuperscript{104} Garfinkle (1994).
\textsuperscript{105} Hochschild (1997) and Baruch (1987).
\textsuperscript{106} Blood & Wolfe (1960), Blumberg & Coleman (1989) and Scanzoni (1972).
contrary to anticipations, traditional expectations within marriage, especially regarding the division of labor and breadwinning, are resilient.\textsuperscript{107}

As more women have moved into paid labor, research on marital power has demonstrated that these resources have a relatively minimal impact on women’s power in terms of control over money, decision-making, and the division of domestic labor. However, these studies were of conventional couples in which the husband earns more than the wife.\textsuperscript{108}

It is in couples where the woman earns more than the man that women would be expected to have the most bargaining power concerning the housework they do and the decisions that are made. Surprisingly, this is far from true. Most spouses, especially husbands, dismiss the idea that a link exists between money and power, and status reversal wives seem to be the most uncomfortable with the idea. Status reversal women eschew any attempt to paint themselves as superior to their husbands, as staking some claim to an extra measure of control over money or decision making, some doing so even while realizing that, if they were in that position, their husbands would have that kind of control.\textsuperscript{109}

Decision-making patterns don’t seem to be related to income and status variables or expertise, but they are strongly influenced by gender, affording the husband with greater control. Many of these status reversal wives back away from whatever power they might derive from their income and status, either giving up control or adopting strategies that make it appear that their husbands are in control.\textsuperscript{110}

The increase in earnings ability seems to have as little effect on the care of the house. Wives in both status reversal and conventional couples maintained responsibility for running the household and making sure things got done. Furthermore, despite the economic and domestic contributions that status-reversal wives make to their families, many of these women feel they don’t contribute enough. Half the status reversal wives feel they should be doing more housework and childcare and a significant proportion already carry out most of the household burden. This is an expectation they have for themselves because their husbands think they do “plenty”, and because status reversal wives tend to receive more help from their husbands than do conventional wives.\textsuperscript{111}

Rather than increasing women’s satisfaction with their marriage high earning ability seems to have a negative effect. More than half (64%) of status-reversal couples are dissatisfied with their


\textsuperscript{109} Tichenor (1999) and Rogers (1999).

\textsuperscript{110} Tichenor (1999) and Blumberg (1991).

\textsuperscript{111} Tichenor (1999).
relationship on some level, and for both husbands and wives the tension revolves around the fact that husbands are not meeting their traditional obligations of income and status. Couples achieved more equitable relationships because of the spouse’s determination to subvert traditionally gendered divisions of labor and power not as a goal, but as a part of their efforts to create more companionate, collaborative marriages.\footnote{112 Tichenor (1999), Risman & Johnson-Sumerford (1983), and Shwartz (1994).}

**C. Expenditures Incurred as a Consequence of Holding a Job**

When women, particularly mothers, enter the workforce, they do not receive the full benefit of their earnings because of the expenses which arise upon their exit from the home into the workplace. The greater the women’s position within the home, the greater the costs of working since more of the women’s role must be supplemented. The purpose of this next section is to identify the costs accrued when a woman goes to work and the role that these costs play in the woman’s ability to contribute to the family income.

**1. Childcare**

i. *Amount*

The amount of childcare a family employs shows little relation to total family income, but is directly proportional to the amount a mother works. Mothers who can earn more are likely to have children who receive non-maternal care earlier and in greater quantity. Mothers in low income families also tend to employ extensive amounts of childcare. Their income comprises an important part of family income and so they return to work shortly after childbirth. Mothers with high levels of work commitment tend to return to work more quickly after childbirth than those who are less committed and they also use childcare early and in great quantity. Mothers who report relatively high levels of separation anxiety are likely to stay home full time with their children.\footnote{113 NICHD (1997), Leibowitz et al (1992), Symons & McLeod (1993), Symons & McLeod (1994), Volling & Belsky (1993), Hock et al (1988), and McBride & Belsky (1988).}
ii. Type

Of mothers with preschoolers: ¼ use center-based care, ¼ use non-relative family care, and ½ use relative care.\textsuperscript{114} Because some types of childcare are expensive and because desirable childcare arrangements are not always available,\textsuperscript{115} parents do not always select the childcare that they consider ideal. Mason and Kuhlthau (1989) found that care by the mother clearly remains the ideal type of care for a majority of women, especially when infants and toddlers are involved. Even when the mother cannot care for her child, most of the women do not regard a modern day-care center as ideal, the majority viewing the father as the ideal caregiver when the mother is unavailable.\textsuperscript{116} However, the entrance of mothers into the labor force has not been accompanied by much increase in fathers’ participation in domestic labor, though modest increases have been noted in two parent households.\textsuperscript{117}

The type of childcare used varies according to parental characteristics. Higher education and higher income enhance the family’s demand for (or ability to produce) “child quality”. Mothers with higher levels of education and income choose in-home care for their infants but center care for their preschoolers. Mothers with upper-middle incomes believe exposure to other adults and children is beneficial, and they are more likely to choose center care. Families with very low incomes tend to choose center care more frequently than other forms of care. Many mothers, particularly those living in poverty, report that they would change their arrangements if they could.\textsuperscript{118}

The type of childcare used is also affected by the work patterns of the mother. A disproportionate amount of center-based care is used by mothers employed full time (30%) as opposed to 17% used by mothers employed part time. For family based care the percentages are 27% and 14% respectively. Relative care is predominately used by mothers working part time (59% vs. 44%).\textsuperscript{119}

iii. Quality

One aspect of childcare which is often discussed in a one sided manner is the quality of childcare. A great deal of the literature on child care and on the effects of child care is based on good quality childcare, but less often discussed is the actual state of child care in the United States. The actual quality of childcare tends to be much less than good, and the small extent to which this is

\textsuperscript{116} Carlson (1989).
\textsuperscript{119} Blau (1985).
discussed raises concerns that a large number of families are acting on incomplete knowledge and may be harming their children.

Most studies conclude that the quality of childcare in the United States ranges from mediocre to poor. Love et al. (1996) reviewed the research on child care and found that the quality of experience in the child care centers and in family child care homes in the United States is mediocre. Most day care centers failed to provide adequate contexts for child development. This occurs despite the fact that the average family spends a significant portion of their total earnings on childcare. More specifically, child care at most centers in the United States, especially for infants and toddlers, does not meet children’s needs for health, safety, warm relationships, and learning. These findings, show that only 14% of centers received a rating of developmentally appropriate, while 12% were found to be of such poor quality that basic sanitary conditions were not met, children’s safety was endangered, or caregivers offered little or no response to children’s attempts to communicate; 40% of infant or toddler rooms were observed to offer poor quality care. The study was based on data from 400 childcare centers in California, Colorado, Connecticut and North Carolina. There is reason to believe that reports on day care quality do not even include the worst cases. One study that made multiple assessments of 227 infant and preschool centers in five major metropolitan cities noted that ‘the quality of services provided by most centers was rated as barely adequate and because of the refusal of some centers to participate, the 227 centers subject to intensive scrutiny ‘consist[ed] of higher quality centers than in the eligible population as a whole.’

Family and relative care rate as little better. Only 9% of the family child cares homes in the Study of Children in Family Child Care and Relative Care rated as good quality; 56% of the homes rated as adequate/custodial; and 35% of the homes in the study rated as inadequate.

There are several factors contributing to the widespread lack of quality in childcare. One reason is that staff compensation, including wages and benefits, is exceptionally low. Childcare staff are among the lowest paid of all classes of workers in the United States. Staff compensation is significantly related to the quality of care provided. Another contributor to low quality is the high rate of staff turnover,

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120 Patten (1999).
123 NICCIC (2000).
126 Galmisky (1994).
127 Patten (1999).
ranging from 25% - 50% each year. This means that children are constantly adapting to new caregivers, and administrators are constantly training and orienting new staff.\textsuperscript{128} A third factor may be deficiencies in state regulation to ensure adequate care. All states regulate center-based care, and most oversee home-based care to some degree, but regulations vary significantly and often don’t require good quality care as defined by professional consensus: 22% meet child/staff ratio (CSR), 16% meet group size regulations, 63% had in service training, 18% had parent conferences.\textsuperscript{129}

Income seems to play some role in determining who receives a particular quality of childcare. The major factor in the selection of childcare is the earning power of the mother, the husband’s presence and income has no effect on the input attributes of the childcare chosen. A nationwide survey of childcare centers found no difference in quality among infant classrooms in centers serving low-, middle-, or upper-income families. This does not seem to be the case for other types of care. A study of infants and toddlers receiving home-based care show clear associations between family income and the quality of care observed.\textsuperscript{130} Poor quality care is of particular concern for children of a disadvantaged background, who would most likely benefit significantly from an enriching childcare program. Unfortunately, it is these children who appear to suffer the most from low quality childcare. For low-income families, the quality of family and relative care providers was found to be quite deficient: 74 percent of children living in families with annual incomes below $20,000 were observed to be in unsafe, unsanitary, and unresponsive child care\textsuperscript{131}. Other studies found no significant effects for demographic variables other than income.\textsuperscript{132}

Surprisingly, parental satisfaction with day care does not correspond to the numerous reports of low quality care. About 70% of women parents say they are satisfied with the quality of care for their child.\textsuperscript{133} However, many economists have serious reservations with studies asking parents about percent of satisfaction with current arrangements if cost were not a factor. While there is no obvious incentive for parents to behave in a manner consistent with the response to a hypothetical question, many parents may very well be reluctant to admit dissatisfaction because it could be interpreted as an admission of poor parental performance. Another explanation for the disparity between quality and parental satisfaction may be differences in professional and parental definitions of quality. Professionals define

\textsuperscript{129} Blau (1985).
\textsuperscript{131} Deborah (1996), and Howes and Smith (1994).
\textsuperscript{133} Krisker \textit{et al} (1989).
quality as depending on: 1. Group size, staff-child ratios, and caregiver qualifications as contributing to child/caregiver interactions, 2. Structure and content of daily activity as related to cognitive development, and 3. Space and facilities as affecting social interactions and development. Parent’s idea of quality differed in definition. They were primarily concerned that there be 1. Safe and healthy environment (there is a worry over child abuse), 2. An environment that promotes learning, especially with older children, 3. Convenience (location within 10 to 15 minutes of home or work), and 4. Hours that mesh with mother’s work schedule (shift or overtime work). The National Academy of Science Panel on childcare policy concluded that many parents may not be able to weigh considerations of quality in comparison to considerations of cost and convenience because 1. Looking for out of home childcare is new and unfamiliar 2. The childcare delivery system is decentralized, and 3. Resource and referral services aren’t universally available.\textsuperscript{134} Similarly, Kisker (1989) found that most parents apply criteria on basis of limited knowledge about the quality of childcare options, and do not look at alternate arrangements before placing a child in childcare.

\textit{iv. Costs of actual service}

Almost all aspects of childcare, including quality and accessibility, are really a question of cost. While a large proportion of families in which the mother works use child care, not all families pay for childcare, some relying on the presence of relatives or government subsidies for child care. For children under five, the ages most likely to be in childcare, fifty six percent of mothers actually pay for childcare. The proportion of families who pay for childcare varies by employment status of the wife. Of these, full-time employed mothers are more likely than part-time employed mothers to pay for childcare. High-income families are much more likely to pay for childcare than low-income families, regardless of maternal employment status.\textsuperscript{135}

Of those paying for care, families with an employed mother spend, on average, $1.56 per hour for the primary care of the youngest child under five years old. This adds up to an average of $63 per week, although full-time employed mothers pay more than part-time employed mothers - $68 compared to $51. Part-time employed mothers may pay more per hour ($2.24), but they require fewer hours of childcare, on average, than full-time employed mothers.\textsuperscript{136}

\textsuperscript{134} Hayes \textit{et al} (1990) and Sonstein (1991).
\textsuperscript{135} Hofferth \textit{et al} (1990).
\textsuperscript{136} \textit{ibid.}
Far more important than the amount of money spent on childcare is the proportion of family income spent. On average, employed mothers with a youngest child under five years old spend 10% of their family income on the care of all their children, with no differences between full-time and part-time employed mothers. However, the percent of income devoted to childcare differs greatly with family income, the percentage of total income increasing as family income decreases. Although low income employed mothers are less likely to pay for childcare and pay a smaller amount per week for it than high-income employed mothers, those with a family income under $15,000 who pay for care spend a substantially larger share of their financial resources. Families with incomes under $10,000 paid an average of 27% of family income, despite the fact that they are using less expensive care. Families with incomes greater than $50,000 spend only 4% of the family income.\textsuperscript{137}

2. Effects on Children

The effects of childcare on the children of an employed mother are barely addressed as another very real form of expenditure. They should be addressed in such a manner though because these effects are a price one must pay for working out of the home. This aspect of expenditure will be addressed further in this paper under the section on the effects of maternal employment in the family (Section II.D.)

3. Taxes

A large amount of most earners’ income is taken in taxes and this money can also be included as an “expenditure” related to employment. While the tax system is very complex and varies considerably with earnings and family situation, one way of discerning how it affects maternal employment and the income a women brings into the home is by looking at the aspects of the tax code that directly concern working wives and mothers.

The “marriage penalty” in the tax system is one aspect that affects the earnings of a very large group of working mothers. A marriage “penalty” or “subsidy” occurs when a change in marital status generates a change, negative or positive, in disposable income. In general, any tax or transfer program can create a marriage penalty or subsidy if two conditions are satisfied: the program imposes taxes or gives subsidies that are based on household income or wealth; and the program imposes different marginal rates at different income levels. The magnitude of the marriage tax penalty or subsidy depends

\textsuperscript{137} Blau (1985).
on a number of specific tax features including rate schedule, standard deduction, and EITC, in total 59 provisions throughout the individual income tax code.\textsuperscript{138}

The federal individual income tax system has a progressive marginal tax rate structure with features that vary with legal marital status. Early in the history of the income tax, the individual was the unit of taxation and thus taxes were largely unaffected by marriage. However, the Revenue Act of 1948 made the family the unit of taxation by instituting “income splitting,” in which a couple’s tax liability is the same as the combined taxes of two individuals each with half of the couple’s combined income. This change tended to give large subsidies to married couples and support the institution of the family, protecting its well-being. The introduction of a new schedule for single individuals in the Tax Reform Act of 1969 reversed the situation and instituted for the first time a tax penalty for many married couples, in a sense attacking families in which both parents had to work. It had the effect of discouraging the second earner from working, and if she works, discouraging her working for long hours. Although many changes have been made since its inception, the basic premise of the Tax Reform Act of 1969 remains the same.\textsuperscript{139}

However, what has been termed the “marriage penalty” is not always a negative thing; in many cases it can actually be a kind of subsidy. It does stipulate that when people with similar earnings marry, their combined income pushes them into higher tax brackets than they face as singles, so they pay correspondingly higher income taxes. However, when people with disparate incomes marry, their combined income actually lowers the taxes they pay. Thus, what acts as a marriage penalty for a dual earner family is a subsidy for single earner families and for dual earner families where the secondary earner makes less than $20,000/year. This aspect of the tax system is currently being criticized due to the belief that the single earner couple has a greater ability to pay taxes than a two earner couple because the non-working spouse provides household services that are not taxed; resource sharing gives them a greater ability to pay. It doesn’t recognize the burden of supporting the entire family alone, and some are considering taxing the mother for time spent at home.\textsuperscript{140}

Other aspects of the tax system also act as sources of marriage non-neutrality that may either penalize or subsidize it. At the lower end of the income scale, the Earned Income Tax Credit (EITC) largely dissuades marriage. It specifies that a single parent cohabiting with another earner can receive Temporary Assistance for Needy Families (TANF) because it is assumed that the other earner is not

\textsuperscript{138} Alm \textit{et al} (1999).
\textsuperscript{139} Alm \textit{et al} (1999). See MaCurdy \textit{et al} for a review of the literature on this point.
\textsuperscript{140} Alm \textit{et al} (1999)
contributing to a family that is not his own; but, as soon as they marry, this assumption is reversed and the family often loses the TANF. Although in circumstances such as the above a family will often switch from TANF to EITC, that credit combined with exemptions is often less than the TANF.\textsuperscript{141}

The influence of the “marriage penalty” is widespread. Recent studies showed the percentage of couples experiencing the penalty to be sixty percent, with the average penalty being $1,200. The number of couples who get a subsidy has fallen to 30\% in 1994, with the average subsidy being $1,100. This decline is due to the rising number of working age married couples with two earners, which has risen from 48\% in 1969 to 72\% in 1995.\textsuperscript{142}

The increasing number of couples experiencing the marriage penalty is not encouraging when one considers the negative effects it has on marriage. The marriage tax penalty affects the probability of marriage: at the mean values of the variable, a 10\% increase in the tax leads to a 2.3\% reduction in marriage, while at the level of the highest tax penalty a 10\% tax increase leads to a 12.5 \% reduction in the probability in marriage. Besides influencing the rate of marriage, the marriage penalty affects the probability of divorce, especially for women and low-income individuals.\textsuperscript{143}

Included within the tax code are a number of credits, reductions, and subsidies that affect a mother’s ability and need to seek employment. They are summarized below:\textsuperscript{144}

\textit{Income Tax Exclusion for Dependent Care Assistance:} the federal income tax exclusion for dependent care assistance program allows a taxpayer to exclude a limited amount of payments from his or her income for dependent care made under an employer’s dependent care assistance program. This income is not subject to federal income or payroll taxes. Payments for dependent care qualify for the income exclusion if the payments are for the care of a dependent child under the age of 13 or for a spouse who is physically or mentally incapable of caring for him or herself. The ITEDCA reduced federal tax payments by an estimated $910 million. (Federal Programs for Children & Families)

\textit{Child Tax Credit:} for tax years after 1998, families with qualifying children are allowed a credit against their federal income tax of $500 for each qualifying child. To qualify for the credit, the child must be the son, daughter, grandson, granddaughter, stepson, stepdaughter or an eligible foster child of the taxpayer. The Child Tax Credit is phased out for taxpayers whose adjusted gross incomes exceed

\textsuperscript{143} Wittington & Alm (1997) and Dickert-Conlin (1999).
certain thresholds, phase out beginning at: $110,000 for married couples filing jointly, $55,000 for married couples filing separately, and at $75,000 for single persons with one qualifying child. In 1998, the Child Tax Credit was estimated to reduce federal income tax revenue by $2.7 billion, and in the year 1999, when the credit was fully phased in, it was estimated to reduce federal income tax revenue by $18 billion. (Federal Programs for Children & Families)

*Earned Income Tax Credit (EITC)*: offers cash aid and/or tax relief to working parents with relatively low incomes who care for dependent children. The EITC is the only federal cash aid program available to all poor working families with children. The credit doesn’t apply if parent provides less that half of the money needed to support the family. It is payable in two ways: (1) as a reduction in federal income tax liability and/or (2) as a direct payment from the federal Treasury. Most credits are paid in the second form, as “refunds”. Credits are generally disregarded in federally assisted public assistance programs, although, under the Temporary Assistance for Needy Families (TANF) block grant, states may treat EITC payments as they wish. Credits for families with children depend on their earned income, adjusted gross income (AGI), and number of children. The average credit for tax year 1998 is estimated at $1,810 per family. An estimated 15.7 million families claimed the credit for the 1998 tax year.145

*Temporary Assistance for Needy Families (TANF)*: TANF block grants are administered by states and local governmental units in order to aid needy families so that children may be cared for in their own homes or those of relatives. It also aims to end the dependence of needy parents on public benefits as well as to prevent and reduce the incidence of out-of-wedlock pregnancies. TANF also plans to encourage the formation and maintenance of two-parent families. TANF block grants give states freedom to set benefit levels and decide what categories of families to help. With some exceptions, states are free to design many other program elements, such as the kind of assistance provided (e.g., child care). However, they must impose a 5-year lifetime limit on TANF-funded benefits and require parents and caretakers to engage in work, as defined by the state, after a maximum of 24 months of aid. The estimated monthly average enrollment in the first 9 months of 1998 was 6.5 million children in 3.3 million families; the estimated federal funding (outlays) for the year 1998 was $13.3 billion dollars.146

*Child and Dependent Care Tax Credit*: reduces a taxpayer’s federal income tax by offsetting a portion of the work-related costs of care for a dependent child under the age of 13, or for a spouse or

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145 Congress research program (1999).
146 ibid.
dependent who is physically or mentally incapable of caring for him or herself. This tax credit is limited to a percentage of a taxpayer’s work-related expenses. A taxpayer whose adjusted gross income is $10,000 or less, is allowed a credit equal to 30% of work-related expenses. The credit percentage is reduced by one percent for each additional $2,000 in adjusted gross income. For tax year 1996, the Child and Dependent Care Tax Credit was claimed on 6 million income tax returns, reducing federal income tax payments by an estimated $2.5 billion. The amount for the care of children is not available.147

Income Tax Exemption for Dependents: when calculating federal income tax, a taxpayer and his or her spouse are each allowed a personal exemption. In addition, a taxpayer is allowed a “dependency” exemption for each dependent. In order to be claimed as a dependent, an individual must (1) live with the taxpayer for an entire year as a member of his household or be related to the taxpayer (2) earn a gross income less than the exemption amount, unless the person is under 19 or a full-time student under the age of 24 (3) have at least half his support furnished by the taxpayer (4) must not have filed a joint income tax return (5) be a citizen or resident of the United States, or a resident of Canada or Mexico. In tax year 1995 (the most recent year for which data is available), 74.9 million exemptions for children occurred, reducing federal income tax payments by an estimated $25-$30 billion. (Federal Programs for Children & Families)

The above descriptions demonstrate that the tax code contains some aspects that help mothers enter the workforce by supplementing the expenses (such as child care) that accrue when she does so. This is especially true for low-income families. However, it does not offer an equal aid to families in which the mother is not employed. While the child tax credit and the income tax exemption for dependents applies to them, it applies equally to dual earner families as well, leaving single earner families with the least aid. Some argue that these families have no need for such assistance because they spend less in taxes because the mother is not an earner. Having seen in a previous section that it is the single earner families who are struggling while the dual earner families continue to prosper belies this assumption.

147 ibid.
4. Housekeeping

Another expenditure mothers are forced to make when they enter the workforce is a large decrease in leisure due to housework. Women work much longer hours than men when they add income-earning tasks to their traditional family responsibilities.\(^{148}\) Although there appears to be an increase in the number of egalitarian, that is, two earner couples who share the “second shift”, many women continue to work full time in the labor force and do more than 60% of the housework.\(^{149}\) It is true that as women have increased the number of hours spent in the paid labor force, their time on housework has declined, decreasing from about 30 hours per week to about 20 hours per week, although studies show that women still do significantly more housework than men. Married fathers have made up only some of the difference – increasing their household work from about five hours a week to about ten hours a week.\(^{150}\)

When one measures economic well-being per hour of work as the combination of effective income (which measures access to goods and services) and leisure (the time left after market and non-market work hours), women are worse off on average after entering employment. Woman’s effective income, taking into account equal sharing between a husband and wife, increased from $10.55 (in 1985 dollars) to $13.80 in 1986, reflecting an increase in economic productivity. Women’s economic well-being, also taking into account equal sharing between a husband and wife, fell relative to men’s, due to the increasing amount of work within the labor force, as well as being kept from responsibilities at home. Even assuming no equal sharing, women’s level of economic well being as compared to men’s is much worse, although effective income per hour shows a small (0.59-0.62) increase due to the increase in women’s wages. This data refutes the fact that women have made great progress in economic well-being by entering the workforce.\(^{151}\)

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\(^{151}\) Fuchs (1988).
5. Work-related Expenses

Although some literature has acknowledged the presence of work-related expenses other than childcare, very little work has been done to identify their nature and magnitude. Several authors\textsuperscript{152} have suggested that dual-earner families accrue a number of additional work-related costs such as food away from home, transportation, and personal care. Some empirical examinations of expenditure trends suggest that differences in these expenditures depend on income level. In the low-income group all buyers will be more likely to stress economy and will therefore minimize employment related expenses. In the middle-income group the wife’s added earnings allow the family to purchase work-related goods that make life easier. Finally, in the upper income group, income is much less of a restraint and families have more freedom to develop whatever spending patterns they might choose, independent of whether the mother is employed\textsuperscript{153}.

Few calculations have been done to find what percentage of the mother’s income is spent on work related expenses. In the one study mentioned, Perzeszty found that when certain costs, such as lunches, clothing, personal care, laundry service, carfare, union dues, taxes and insurance, were taken into account, the employed wives’ salary was reduced by 46%\textsuperscript{154}. However, this is not a comprehensive view because it does not include childcare. It is because so little research has been done in this area that this study is being done, and the issue of work related expenses will be addressed again later in the paper after the data has been presented.

C. Effects on the Family

1. Increase in Income\textsuperscript{155}

A number of studies have attempted to assess the magnitude of the contributions of wives’ earnings to family income\textsuperscript{156}. Wives’ earnings generally remain relatively low, ranging from one-fourth to one-third of total husband-wife earnings. Nevertheless, wives’ incomes benefit the family in a number of ways.

\textsuperscript{152} Strober and Weinberg (1977).
\textsuperscript{153} Hanson & Ooms (1991) and Waldman and Jacobs (1987).
\textsuperscript{154} Hanson & Ooms (1991) and Perzeszty (1986).
\textsuperscript{155} This section draws heavily from Hanson (1991), pp. 622-634.
\textsuperscript{156} Blau (1986), Danziger & Gaottschalk (1986), and Lazear & Michael (1980).
The wife’s employment has a considerable impact on families’ economic stability by increasing the chances that the family will earn an income that keeps them above the poverty line. Danziger and Gottschalk (1986) calculated that the poverty rate for two-parent families was 35% lower in 1984 than it would have been had wives not worked. In addition to the protection against poverty, wives’ earnings provide a buffer against economic hardships associated with family crises such as unemployment, illness, or family dissolution through death or divorce.

Another potential benefit of maternal employment is increased savings. However, there has been little research on this topic. In one of the few analyses of family saving behavior and working wives, Hefferan (1979) showed that conclusions about which type of family (single- or dual-earner) saved more were dependent on the definition of saving. Single earner families have greater savings when savings are defined as an increase in liquid assets such as checking and savings accounts as well as cash holdings. However, dual-earner families have greater savings when saving is defined as increases in net worth such as liquid accounts, durable goods, and negotiable as well as debt obligations.

A third aspect of a family’s economic position that is often positively influenced by maternal employment is home ownership. Research by Levy and Michael (1985) and others shows that the rising home prices and stagnant wages have made it increasingly difficult for families to buy a home. The increasing number of dual-earner families is one of the factors that explain the quite modest decline in rates of home ownership in households with heads under 35 during a period of declining real income.

2. Marital Problems

There is substantial research on the relationship between married women’s changing economic opportunity and the quality and stability of marriage; conclusions remain both controversial and equivocal.

i. Wife’s Income Negatively Affects Marriage

One view concerning the relationship of wives’ employment and marriage holds that a wife’s income has adverse affects on marriage. Some studies suggest that wives’ income negatively affects marital satisfaction by threatening the spouse’s complementary role, thus emphasizing the necessity of

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157 Danziger and Gottschalk (1986).
159 Hefferan (1979).
160 See Manchester (1988).
traditional division of labor for ensuring marital quality and stability.\textsuperscript{161} According to this view, Becker argues that wives’ incomes reduce spouses’ gains from the efficiency that is inherent in traditional divisions of labor.\textsuperscript{162}

A wife’s income may also have negative effects on marital quality to the extent that it challenges a husband’s prerogative as the primary breadwinner. This view is supported by the fact that wives’ income is most problematic for husbands who have higher earnings, for whom their wives’ economic contributions are often less necessary.\textsuperscript{163}

Others hold that traditional marriage arrangements and wives’ increasing income may lead to conflict, given that women with more income expect more equity in decision making\textsuperscript{164} and housework. Wives may view requests for change as overdue, but husbands may view them as challenges to their privileges. Husbands may be especially likely to report any negative effects that wives’ employment and income have had on marital quality.\textsuperscript{165} However, as we have already seen, this view has been shown to be inaccurate (see previous section on the reasons women work, bargaining power within the marriage).

\textit{ii. Wife’s income positively affects marriage}

A second body of thought argues that declines in the complementing of roles in the family and increases in equity have positive consequences for marriage. Hood found that wives’ employment and income were associated with more equal sharing of childcare, more shared interests, and spouses’ greater interest in each other as individuals and confidants. All this contributed to greater marital satisfaction among the people in her research. Similar findings by Hochschild (1989) and Gerson (1993) indicated that spouses report happier marriages when marital and work roles are shared equally.\textsuperscript{166} However, as we have seen previously in this paper (in the section on reasons why women work), this usually occurs not as a result of the wife working, but as a result of spouse’s determination to subvert traditionally gendered divisions of labor and power as a part of their efforts to create more companionate and collaborative marriages.

\textsuperscript{161} Rogers (1999), Durkinheim (1893 & 1984), Parsons & Bales (1955), and Kingsbury & Scanzoni (1993), for an analysis of this position.
\textsuperscript{162} Rogers (1999) and Becker (1981).
\textsuperscript{163} Rogers (1999) and Hood (1983).
\textsuperscript{164} Blumstein & Schwartz (1983).
\textsuperscript{165} Rogers (1999), Booth \textit{et al} (1984), Hochschild (1989), Goode (1992), and Scanzoni (1972).
\textsuperscript{166} Similar results were found by Rogers (1999), Hood (1983), and Scanzoni (1972 and 1978).
Wives’ income may also lessen economic hardship and improve a spouse’s well-being. Economic hardship has consistent, detrimental effects on spousal interaction and marital quality. Research on rural families in the 1980’s indicates that economic hardship contributes to patterns of marital interactions that are more hostile and less warm, patterns significantly associated with reports of lower marital quality. Research suggests that wives’ economic contributions to the household are more likely to be accepted and even welcomed by husbands with lower earnings.167

iii. Marital quality affects wives’ income

It remains unclear whether increases in wives’ participation in the labor force and increases in wives’ income primarily affect marital quality or whether declines in marital quality primarily affect wives’ labor force behavior and income. In their research on women’s employment and divorce, Booth and colleagues suggest that wives entrance into the labor market “may have reflected the presence of marital instability”. Longitudinal research with married women in the 1970’s found that women who subsequently divorced had increased their work hours in the three years before marital separation.168

Research emphasizes the importance of historic increases in women’s economic resources at both the individual and aggregate level for reducing their dependence on marriage.169 This perspective is consistent with the feminist framework that views employment as a mechanism through which women can escape the patriarchal system that keeps wives economically dependent on husbands. This is also consistent with the work of Oppenheimer (1997), who has argued that women’s employment and income do not undermine marital quality or stability.

Even among women not contemplating divorce declines in marital stability may lead to increases in employment, which is now recognized as an appropriate, normative, and intrinsically rewarding aspect of woman’s adult life. The rewards vary depending on occupational and workplace characteristics as well as the level of family demands. Wives may also alter their employment behavior in order to change their marital relationships by increasing their power within the marriage.170

iv. Wife’s income increase the likelihood of divorce

Little research has been done on the effect of wives’ income on divorce. Only four studies before Heckert et al (1998) directly examined the association between relative income and marital disruption, and the empirical results were “inclusive and do not provide an adequate test for evaluating the effect of income dependency on marital disruption.” Other studies have focused on the effects of relative earnings on thoughts of divorce and commitment. Huber and Spitze (1980) found no evidence that wives earnings, as a percentage of family income, affected whether the thought of divorce ever crossed the mind of either spouse. They speculated, though, that it may still affect the actual decision to dissolve the marriage.

A recent study by Heckert et al (1985) reported that economic dependence, as measured by respondent’s earnings, is positively related to expressed commitment to marriage for both sexes, but the effect is stronger for women. Although the magnitude of the effect is small, the greater one’s share of total family income, the smaller amount of commitment to marriage.

For nontraditional couples, in which the wife earns 50-75% of the family income, the odds of separation or divorce are 2.02 times greater than for traditional couples. Reverse traditional couples, in which the wife earns substantially more than the husband, are less than half (0.40) likely to divorce, although the difference is not significant due to the small number of couples in this category. For new traditional couples in which the wife contributes a significant supplemental income the odds that they will divorce are 1.10 times greater than for traditional couples. Again, the difference is not significant. Reciprocally, the husband’s relative contribution to the overall number of labor-force hours was negatively associated with dissolution. The more the wife depends on the husband for labor-force contributions, the lower the likelihood of dissolution.

It would seem that the woman’s increased income does not so much incite her to divorce because of the economic advantage it would place her in, as is argued by many human capitalists, but rather that it gives her the economic dependence to separate from her husband. This conclusion is supported by the lack of evidence that wives earnings as a percentage of family income affected whether the thought of divorce ever crossed the mind of either spouse, including the wife. Another reason why high-income employment may be related to an increased likelihood for divorce is that higher paying jobs generally

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173 Heckert Nowak, & Snyder, 1998.
involve longer work hours and more pressure, elements that conflict with a woman’s obligation to her family. Such a conflict leads to high levels of stress and marital dissatisfaction, which would increase the demand for a divorce at the same time that it economically allows for one to occur.

3. Povertization of Women and Their Children

“It is through gainful employment that woman has traversed most of the distance that separated her from the male, and nothing else can guarantee her liberty in practice” – Simone de Beauvoir (1949/1961 p.361)

This statement has been shown to be far from true fifty years later. In fact, women’s employment and the resulting increase in single mothers lead to a trend of women’s confinement within the bonds of poverty. A study by Verum statistically shows that becoming a member of a female-headed household is associated with a decline in income position and that becoming a member of a female-headed household is associated with declines in income mobility. Garfinkel & McLanahan (1986) noted that families headed by single mothers are poor for three reasons. The first is that the earning power of the primary breadwinner, the mother, is relatively low. Also, they are poor because the contributions of other family members – the non-custodial father in particular – are low and because public transfers to women who head such families, with the exception of those who are widows, are meager.

Single mothers earn lower wages for the reasons mentioned in the section on the gender gap in wages. However, even more important in accounting for their low wages is that a large proportion of poor single mothers bore their first child as teenagers. Moore and Burt (1982) have estimated that nearly 60% of all women on welfare in 1975 had been teenage mothers. Early childbirth is associated with lower education and higher fertility, both of which limit the development of skills and relevant experience and reduce earnings capacity. Another factor contributing to the small income of single mothers as a whole is that single mothers participate in the labor force substantially less than married fathers.

Similar results are found in the data used in this paper. Figure 1, presents the percentage of women in poverty by family structure and race. Clearly, single mothers have a higher probability of being victims of poverty than those who live in a stable married situation.

This may account for a large portion of the poverty among single women. Ellwood (1985) has shown that only about 6% of single mothers who worked full time year round during the 70’s were poor in any given year. Others find that the same would not hold true for the average single mother in poverty. Sawhill (1976) has found that women on welfare in the early 70’s had very low earnings capacity and that even if they worked full time, more than half would still earn less than their welfare grants.

Common sense and economic theory both suggest that public benefits to mother-only families will contribute to the rising number of such families. Studies by Honig (1973), by Ross and Sawhill (1982), and by Danziger et al (1982) find that benefit levels are associated with single female family headship, although their estimates of the magnitude of the effects are widely varied. Garfinkel & McLanahan (1986) concluded that the increase in welfare benefits can account for some of the growth of mother-only families. Relative to other factors, though, the effect of this growth is small.

One of the most important factors in the dramatic increase in poverty among women and their children is found in changing family structure. Eggebeen and Lichter (1991) detect in the dramatic rise

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175 Honig (1973), Ross & Sawhill (1982), and Danziger et al (1982).
in poverty “the economic effects of changing family composition.”\textsuperscript{176} Specifically, the analysis shows that many more children are living in poverty now than in 1970 because fewer children are living in married-couple families. The researchers conclude that 51\% of the increase in poverty among children between 1980 and 1988 “can be accounted for by changes in family structure during the 1980’s.”\textsuperscript{177} Similar results are reflected in the data used for this study. Figure 2, presents the percentage of children who are in poverty by family structure.

**Figure 2**

**Percentage of Children who are in Poverty by Family Structure**

![Bar chart showing percentage of children in poverty by family structure](chart.png)


The patterns for blacks and whites are similar in a sense since most of the growth in single parenthood is due to changes in marital behavior. The difference is that whites marry and increasingly divorce, whereas blacks are increasingly likely to never marry at all. For whites, the major factor has been the increase in women’s labor force participation and the economic independence that accompanied it; for blacks, the major factor has been the decline in employment opportunities among males. Research concludes that social norms and attitudes about single parenthood tend to follow rather

\textsuperscript{176} Eggebeen and Lichter (1991), p. 47.

\textsuperscript{177} \textit{ibid.} Similar results are presented by Pushed into Poverty (1992).
than lead to changes in family behavior. Once a trend is established, however, attitudes play an important feedback function in sustaining and augmenting earlier growth.\textsuperscript{178}

\section*{4. Psychological/Emotional Effects on Parents}

Maternal employment is often accompanied by an increase in psychological or emotional effects in the parents because of the stress brought on by a high level of responsibility and gender conflicts. These effects tend to be quite prevalent and can be very detrimental in a number of ways.

\subsection*{i. Relationship between multiple roles and psychological distress}

One of the greatest challenges of maternal employment is that mothers must try to balance a number of demanding roles including that of employee, parent, and housekeeper. There are several views as to the effect that this has on the woman. The role-strain approach proposes that the greater the role accumulation, the greater the demands and role incompatibility, meaning the greater the role strain and conflict.\textsuperscript{179} Role strain and conflict are positively related to psychological distress and have negative effects on the woman’s well-being.\textsuperscript{180}

Other views acknowledge the difficulties that are inherent in fulfilling so many roles, but deny that this has an overall negative effect on the mother. The role-enhancement approach suggests that performing multiple roles provides rewards and privileges that assist in the management of these roles and outweigh the negative effects of role accumulation.\textsuperscript{181} In this case role strain and conflict are negatively associated with psychological distress.

A third view, the sex-role hypothesis, predicts that due to gender differences in role demands and salience, gender moderates relationships between role involvement and psychological distress. This view is opposed by the social-role hypothesis, which predicts that stress related effects of social roles are inherent in the roles themselves; comparable role involvements should have similar effects on psychological distress for men and women. In general, research provides more support for the social-role hypothesis than for the sex-role hypothesis.\textsuperscript{182} Voydanoff and Donnelly (1999a) suggest that this may be due to a convergence in the role patterns of men and women over the past decades.

\textsuperscript{178} Garfinkel & McLanahan (1986).
\textsuperscript{179} Burr \textit{et al} (1979) and Goode (1960).
\textsuperscript{180} Voydanoff & Donnelly (1999a).
\textsuperscript{181} Voydanoff & Donnelly (1999a), Marks (1977), and Sieber (1974).
Another study, the only one of its kind, gives some credence to the sex-role hypotheses. The study tested for curvilinear relationships, and reported that husband’s paid work hours and household work hours are positively related to depression with no curvilinear effects. For wives, spending more than 46 hours per week in paid work, was found to be positively related to depression. For hours of household work, the curvilinear relationship with depression is such that the number of household work hours is positively related to depression with a diminishing effect as hours increase.\(^{183}\)

Limited research on perceived unfairness in the performance of household chores and paid work to self or spouse has shown that it is positively associated with psychological distress for wives but not for husbands. Perceived fairness of paid work is negatively related to depression for husbands, but not for wives.\(^{184}\)

\textit{ii. Hours worked and perception of equity}

A second cause of parental stress in dual-earner couples is the division of household labor. Clinical research reveals that the distribution of family work is one of the most critical issues faced by distressed dual-earner couples. The distribution of family work is a crucial issue in marital satisfaction among non-distressed couples as well.\(^{185}\)

European and American reviews point out that women still do the largest part of the housework, regardless of their own or their husband’s employment status.\(^{186}\) However, the issue of fairness is important because some research suggests that perceptions of equity or the meanings that spouses attach to the division of domestic labor may be more important than the actual or objective division of labor itself.\(^{187}\) Scholars examining perceptions of the equity and fairness of the unequal division of labor do not find a simple relationship between men’s lack of contribution and a sense of unfairness. Women and men generally say the division is equitable and fair, although nontraditional women are more likely to perceive inequities as well as those who work more hours in the paid labor force.\(^{188}\) Yet when unfairness is perceived, negative associations such as depression, thoughts of divorce, and actual breakups have been found in both women and men.\(^{189}\) Although women appear to be in less conflict

\(^{183}\) Voydanoff & Donnelly (1999a) and Glass & Fujimoto (1994).
\(^{185}\) Price-Bonham & Murphy (1980), Rice (1979), Yoge (1983), and Yoge and Brett (1985).
with men surrounding the issue of housework than might be expected, some level of it is present and possibly with potentially serious consequences such as divorce.\textsuperscript{190} Although this does not seem to be as much of a problem for women with traditional ideologies, the number of hours spent on household chores and childcare is negatively related to marital stability for women with nontraditional gender ideologies.\textsuperscript{191}

\textit{iii. Due to upsetting gender perceptions}

Another factor of maternal employment mentioned as leading to psychological distress is that it can upset gender perceptions. Recent work on masculinities and the social construction of gender suggests the gendered division of labor – practices that assign men to activities outside the home and women to activities inside the home – is a primary basis for construction of gender. For men in particular, working is a critical means of constructing masculinity.\textsuperscript{192} Notions of masculinity remain strongly tied to beliefs about being a good provider and breadwinner.\textsuperscript{193} Yet, because masculinity is always constructed in reference to femininity, the crucial issue is not simply male employment but male employment in relation to female employment. For this reason, women’s employment, as distinguished from their income or occupational status, have strong effects on their husband’s mental health, most detrimental being the loss of their role as sole breadwinner.\textsuperscript{194} This idea is upheld by statistical patterns, which show that: “When married men become unemployed, their wives tend also to withdraw from paid work.”\textsuperscript{195} Among the several possible reasons noted for wives’ dropping out of the work force was that “one of the consequences of unemployment in men is a feeling of having failed in the role of father-as-breadwinner. This may make wives reluctant to take on the breadwinner role….[I]n some communities a wife will not become an earner while her husband is out of work because of the danger of further undermining his self respect.”\textsuperscript{196}

Although gender based psychological distress is little predicted for women, Bergman \textit{et al} (1975) propose that a woman’s workforce participation may lead to such distress. They note: “Once a women acquires an economically productive professional position, a woman’s opinion of her husband shifts, so that he is now no longer seen (as formerly) as a brilliant student but as a co-worker. The husband’s

\begin{itemize}
\item \textsuperscript{191} Voydanoff & Donnelly, 1999b; Greenstein,1995.
\item \textsuperscript{192} MacMillan & Gartner, 1999. Connell, 1995;Thoits, 1992.
\item \textsuperscript{193} Thoits, 1992.
\item \textsuperscript{194} MacMillan & Gartner, 1999; Kessler& McRae, 1982.
\item \textsuperscript{195} Cooke (1987), p. 378
\end{itemize}
changes in his self-perception and in his appearance to the outside world tend to be far less dramatic than those of his wife…the effect on the marriage of this sudden shift in the husband’s apparent status occasioned by the wife’s rise to being a fellow-professional and the husband’s apparent drop in “superior” rating is in itself confusing to both, but particularly for the wife. She is still demanding unconsciously that her husband be her superior (her old conditioning) while consciously she expects him to be her equal (her new ideals). Therefore, the husband who is now truly an equal is seen as weak and less desirable at a time when other men around the wife (colleagues in particular) appear strong and challenging. She of course can not move either way, because if he attempts to re-establish his superiority, she balks; yet his willingness to accept her new status tends to be perceived as weakness.”

This idea, though plausible in some cases within our society, is based on a view that the person is defined and given his worth solely by his or her ability to produce an income. It is this ability that causes the wife to admire her husband and because this is a very superficial quality, if it is all that she sees of him, when he loses this quality in her eyes she can not see the worth he retains by the simple fact that he is a human being. The same applies to the woman’s view of herself. She only views herself as a person of real worth once she starts earning money, not aware of the fact that she is equally capable of developing herself as a person no matter what she is doing. Whether it be in the marketplace or in work of the home a woman can undergo development of herself because it is the way that she chooses to do things rather that what she does that defines her.

iv. Resulting in violence against wife

One result of distress caused by attacks on gender differentiations is an increase in violence against the wife. Employment almost triples a woman’s risk of being systematically abused when her male partner is unemployed, yet the risk is moderately decreased when her partner is employed.

There are two theories put forth to explain this phenomenon. The idea of resource deprivation suggests that diminished resources lead to stress, frustration, and conflict that can accumulate in violence between spouses. This explanation does not seem entirely plausible, because if employment is simply an indicator of economic resources, it should have little effect on spousal violence, independent of more direct measures of economic resources such as household income.
Straus (1990) argue that employed women are less dependent on their husbands, whereas unemployed women lack the resources to leave abusive relationships or negotiate changes in their partner’s behavior. In this case, a wife’s employment rather than a husband’s should reduce spousal violence.\footnote{See also MacMillan & Gartner (1999) and Kalmus and Straus (1990).}

5. **Decrease Number of Children When Mothers Work**\footnote{This section takes much of its content from Aguirre (1999)}

Sander (1990) discovered a clear and consistent relationship between women’s wages and fertility between 1950 and 1980. As wages for women have risen, fertility has dropped. “An increase in the earning ability of women increases the price of children” and consequently “reduces fertility.”\footnote{Sunder (1990), p.56.} This trend has been augmented by the extensive use of contraception and abortion, which make it easier to restrict family size.

While a decrease in fertility is mentioned as often accompanying women’s employment, the far-reaching effects of a decrease in population are little spoken of in relation to the entrance of women into the workforce. For some twenty years, decreasing fertility has affected developed countries such as Northern and Western Europe, Canada, US, Japan, Australia, and New Zealand. The reversal of the age pyramid affects virtually all societies today, but more so the industrialized countries. The causes of the present aging population are complex. Some sources have been found in the living conditions and socio-cultural changes that countries have faced in the past 30 years. Among these are:

- Decreased infant mortality rates. (Contributing to a growth in the number of older people)
- The marriage rate has declined in an environment that is hostile to matrimony.
- The mean age at which women first give birth has sharply increased.
- Labor codes do not facilitate women’s desire to harmoniously integrate their family life and professional activity.
- A lack of true family policies does not allow families to have the number of children that they would like.
- In developed countries, there is a widespread attitude that keeping a certain quality of life is more important than having children.
- There is a diversion between pessimism and hope experienced by the population.

Results of decreasing population are widespread:
• A smaller population needs to support an aging population that is less active and has a greater need of healthcare and medical services. If one adds to this the fact that most social security systems are predominately of the pay-as-you-go type, the absence of younger generations endangers the possibility of supporting the elder generation.
• Solutions proposed to alleviate the situation include resorting to euthanasia. In fact, some EU countries have already legalized it.
• Within the active population there is a tension between the young and somewhat older people, as the latter try to protect their jobs while younger generations enter into reduced job markets.
• An impact on education in order to provide for the economic burden of the elderly, there is a great temptation to cut down on the money allocated for the training of new generations. Consequently, the transmission of cultural, scientific, technical, artistic, moral and religious common goods is thereby endangered.
• Danger of “moroseness” or a lack of intellectual, economic, scientific, and social dynamism as well as reduced creativity, which results in systematic stagnation.
• Population growth expands the market and facilitates creativity and dynamism. An important question arises regarding whether it is possible to maintain economic growth with population implosion.
• The problem of increasing illegal immigration into imploding countries.
• Increased loneliness among the population because of small families and reduction of extended family.203

6. Time Spent with Children

In general, questions about how much parental time children need are difficult to research and remain largely unanswered.204 However, findings show that much more time was spent with children in households with a mother at home full time – even though relatively little of that time was spent directly interacting with children. The care of children was an auxiliary or secondary activity to other tasks like doing housework. Nevertheless, employed mothers did not fully compensate for quantity with quality. Mothers who were not in the labor force also spent more time in quality activities, such as reading to and playing with children.205

Nock and Kingston (1988) found that maternal employment significantly cuts down time with children. Full time mothers with young children spent about two hours more per weekday with them than did their employed counterparts. The gap in maternal involvement showed up across a wide range of activities, with the traditional mothers spending more time with their children than employed mothers in play, education, child care, homemaking, and “fun.” This occurrence is consistent with an ecological perspective\(^{206}\) and the notion of spillover as stressful job conditions have been associated with less positive family dynamics after work, including reduced time spent with children.\(^{207}\)

There also exists a body of research that claims there is little difference in time spent with children by maternal employment. Robinson (1993) found that mothers in his 1985 national survey spent just as much time with children on average as mothers in a 1965 national survey. Taking the higher 1985 maternal employment levels into account, it could be argued that mothers gave children slightly more of their available time at the later point.\(^{208}\)

Most literature finds that fathers’ time with children is uninfluenced by maternal employment. Fathers in dual-earner homes spend approximately the same amount of time with their children as fathers in traditional homes. The only significant difference showed up at mealtime and on Sundays, when fathers of preschoolers in traditional families spend more time with their children than their counterparts in dual-earner families.\(^{209}\)

The decrease in time that mothers spend with children when they enter the workforce can have potentially harmful effects on the children as parental monitoring is an important predictor of children’s and adolescents’ psychosocial functioning.\(^{210}\)

### 7. On children

Nearly every mother with children not yet in school employs some sort of childcare when she enters employment. Therefore, a summary of the effects of maternal employment must include the effects of childcare on children. The following section does this. The effects of non-maternal care on child development, such as daycare, continues to be controversial in both popular and scholarly press.\(^{211}\) However, the overall effects tend to be negative.

\(^{208}\) Bianchi & Robinson (1997).
\(^{209}\) Carlson (1989).
i. Health

The effects of childcare on children’s health are not widely publicized, partly because they are usually not extremely serious although they have been consistently negative. Childcare greatly increases a child’s risk of contracting a number of infectious diseases including respiratory tract illnesses that lead to hospitalization, invasive bacterial illnesses such as *Neisseria Menengitidis* and *Haemophilus Influenzae* type B, hepatitis A, acute gastrointestinal illnesses, streptococcus pneumonia, and ear infections that can necessitate hospitalization and can cause hearing loss and consequent delays in cognitive, language and emotional development.\(^{212}\)

Increased risk of contracting these diseases due to higher contact with potential carriers is not the only factor that raises children’s incidence of getting sick. Nyquist (1999) highlights the overuse of antimicrobials by pediatricians, which has resulted in a dramatic emergence of illness caused by multi-drug resistant streptococcus pneumonia. He notes “the major reason cited by 54% of pediatricians surveyed for inappropriate use of oral antibiotics was parental pressure. [adding that]…physicians felt pressure from mothers to prescribe an antibiotic and wanted to allow parents to return to work earlier.”\(^{213}\)

ii. Cognitive and behavioral skills

a. Social confidence/competence

Most research literature finds that children from their high quality, university-based center appeared more socially confident during testing throughout the first and second year of life than did those without infant care experience.\(^{214}\) Some research shows that social confidence depends on the strength of the mother-child attachment with the home-reared securely attached children functioning in a more competent fashion in day-care than the securely attached children. However, when the mother-child attachment is weak, day-care children who were insecurely attached were less socially withdrawn than home-reared insecurely attached children.\(^{215}\)

\(^{212}\) Nyquist (1999).


b. Behavior

Attendance of daycare has a decidedly negative effect on children’s behavior. In contrast to children reared at home, children who have been brought up in childcare are consistently identified as having a number of behavioral problems. This includes an increased likelihood to use aggressive acts, such as hitting, kicking, and pushing, than children in the control group. They are also more likely to threaten, swear, and argue. They demonstrate these propensities in several school settings—the playground, the hallway, the lunchroom, and the classroom. Teachers were more likely to rate these children as having aggressiveness as a serious deficit in social behavior and viewed these children as less likely to use such strategies such as walking away or discussion to avoid or extract themselves from situations that could lead to aggression.216

Several studies held that the negative behavioral effects associated with childcare were not permanent, finding that there was no evidence that this aggression persisted.217 Indeed, three of those studies found that program children had better classroom behavior later.218 Other studies found no significant effects on primary grade teacher ratings of classroom behavior.219

In some cases, particularly those dealing with children from very low income families, certain kinds of childcare can have significant positive behavioral effects. Four evaluations, all focusing on programs that combined early childhood education with family support services, assessed the long-term (more than five years post-program) effects of antisocial behavior and/or actual delinquency records on parent or teacher ratings. These programs offered both home visits and center-based educational child care or preschool. All four demonstrated positive effects.220

c. Cognitive skills

Research on the relationship between childcare and cognitive development remains inconclusive, often showing effects that are neither strong nor consistent.221

Some research suggests that, net of socioeconomic status; maternal employment negatively affects student achievement and teacher’s rating of the cognitive abilities of elementary school age children.222

A large body of literature contends that childcare can have positive effects on children’s
cognitive ability. One study found that children who took part in a high-quality center-based program
had significantly higher IQ and verbal ability scores than children who did not, regardless of the welfare
status of their parents. Several studies have estimated that ECCE had a large effect on the graduation
rate, though the three studies with larger sample sizes found the effect to be statistically significant.
However, added support is provided by the other studies that find effects of childcare on achievement,
grade retention, or special education placement—all of which are predictive of high school
graduation.

Other research contends that the effect of childcare on cognitive development is related to the
quality of the child’s home environment. For children from impoverished homes, earlier entry and/or
more years in care produced a larger effect on reading scores than fewer years. Conversely, effects were
negative for children in the highest-income families. The key may be differences in the quality of the
children’s home environments rather than income per se: children whose home environments were very
highly supportive of cognitive development and socialization actually had lower scores if they had been
in care outside their homes. Children whose home environments were relatively poor gained the most
from outside care.

Others found maternal employment to be unrelated to child outcomes, or related only to
outcomes for select subgroups: the relation is negative for high income, negative for boys in single-
parent families, negative if employment is full time and occurs in the first year or two of life, but
positive if it occurs in subsequent preschool years.

Although one might expect the findings on cognitive development to follow the same trend of
negative results found in the effects of childcare on socialization and behavior, Rutter (1985) concludes
from a very large body of evidence that the experiences most important for supporting optimal cognitive
development differ greatly from the experiences which have the most impact on socio-emotional and
behavioral development.

Grossberg (1992), and Bianchi & Robinson (1997).
228 Cohn (1991) and Rutter (1985).
iii. Psychological/emotional effects on children

The largest body of literature on the effects of childcare deals with the influence of childcare on mother-child attachment. Attachment refers to the emotional bond that develops between a parent and child. The central tenet of attachment theory is that disruptions to the affectionate bond produce an instinctive fear response in the child that, if unattended, might disrupt the formation of a secure attachment and increase a child’s vulnerability to psychological disorder. It is argued that on the basis of early parent-child interactions, children develop mental representations or internal working models of their relationships with their parents.

These attachment styles are believed to become increasingly stable and resistant to change over the course of development, providing a prototype for expectations, strategies, and behavior in later relationships.

Four possible types of attachment have been identified:

SECURE: Securely attached babies are able to use the attachment figure as an effective secure base from which to explore the world. When moderately stressful events, such as brief (3-minute) separations in an unfamiliar environment occur, these securely attached babies approach or signal the attachment figure at reunion and achieve a degree of proximity or contact that suffices to terminate the attachment behavior. They accomplish this with little or no open or masked anger, and soon return to exploration or play.

AVOIDANT: Babies with avoidant attachments are covertly anxious about the attachment figure's responsiveness and have developed a defensive strategy for managing their anxiety. Upon the attachment figure's return after the same moderately stressful events, these avoidant babies show mild versions of the "detachment" behavior that characterizes many infants after separations of two or three weeks. That is, they fail to greet the mother, they ignore her overtures, and they act as if she is of little importance.

AMBIVALENT: in babies with anxious/ambivalent attachments, both anxiety and mixed feelings about the attachment figure are readily observable. At reunion after brief separations in an unfamiliar environment, they mingle openly angry behavior with their attachment behavior.

230 ibid.
DISORGANIZED/DISORGENTED: Babies classified into this group appear to have no consistent strategy for managing separation from, and reunion with, the attachment figure. Some appear to be clinically depressed while some show mixtures of avoidant behavior, openly angry behavior, and attachment behavior. Some children show odd, often uncomfortable and disturbing behaviors and behavior sequences.

In the debate over the effects of childcare on attachment, a number of researchers have expressed concern about infant daycare in particular. Here it is believed that infants in daycare are particularly at risk since it is at this time that attachment to a principle caregiver is being formed. If the principle caregiver (e.g. mother) is absent for long periods of time (e.g. due to employment commitments) the infant is at an increased risk for insecure attachment and subsequent development problems. There is very little consensus on this view, and conflicting and confusing conclusions continue.

The tendency for infants to experience attachment disorders, when left in daycare at an early age and for considerable amounts of time, is well documented. 701 cases from 16 different studies reported a 23% rate of attachment insecurity for children under the age of one experiencing less than 20 hours of non-maternal care/week, and a 43% rate of attachment insecurity for children under one experiencing more than 20 hours of non-maternal care/week. This evidence has been confirmed time and time again in numerous studies that have found that early and extensive childcare results in attachment disorders. The risk of such disorders increases with the amount of hours spent in childcare. The most concern is expressed for infants in daycare as being particularly vulnerable to attachment disorders and similar findings have been reported for preschool-aged children in daycare as well.

Other research finds little to no difference in mother-child attachments between children in daycare and children cared for by their mothers. This is reported of both infants, and preschool-aged children, although such evidence is less numerous than that supporting the relationship between child care and mother-child attachment.

There is some evidence that all attachment data is not an absolute but it bears exceptions. One researcher found that when families enrolled in the research process after the child’s first year, no effects

on attachment were discerned. When families were enrolled before they knew how daycare and family relationships developed, the rates of insecurity were much higher among children experiencing 20 hours or more of non-parental childcare within their first year.\textsuperscript{241} Fuchs (1998) notes that 50\% of mothers are employed within the first year of their child’s birth, and of these 75\% are employed full time. Therefore, it is very convenient to minimize the magnitude of the assessment relating childcare and attachment insecurity.

The effects of secure and insecure attachments are visible in children later in the child’s life. Securely attached infants engage in more imaginative, symbolic play than both avoidant and ambivalent infants.\textsuperscript{242} Furthermore, securely attached infants were more enthusiastic and compiled with maternal requests more frequently than insecure babies; they ignored the mother less, spent less time away from the task, and exhibited fewer frustration behaviors. Other tests indicated that infants classified as securely attached at 18 months were also higher on positive affect and lower on saying “no,” crying or whining, negative affect, and engaging in aggression toward mother.\textsuperscript{243} In a test which presented children with the stressful scenario of the parents leaving for a two week vacation, insecurely-attached children responded by acting strained and tense during the test. Some denied that the child in the picture had any feelings of vulnerability. Some were overly pessimistic. A few even said that the parents might never come back. Most of the coping behaviors these defended children suggested were unrelated to the reported feelings or were plainly unrealistic.\textsuperscript{244} There is evidence that the effects of mother-child attachment are far reaching and extend over a long period of time.\textsuperscript{245}

\textit{iv. Long term effects of working mothers on children}

Research literature includes findings on the long term effects of maternal employment on children aside from the affects of childcare. Studies of adolescents or high school students are less positive with respect to the effect of work.

Stafford concluded that mother’s work has a significantly negative effect on school performance. The pattern appears pervasive, showing up strongly on four of the seven scales used by teachers to evaluate student performance. Mother’s time doesn’t seem to matter. Milne \textit{et al} (1986) reported that the fact that the mother works has negative effects on reading and mathematics scores; Krein and Beller

\textsuperscript{240} NICHD (1998).
\textsuperscript{241} Belsky & Rovine (1988).
\textsuperscript{242} Matas \textit{et al} (1978).
\textsuperscript{243} \textit{ibid}.
\textsuperscript{244} Grossmann & Grossmann (1991) and Colin (1996).
\textsuperscript{245} Grossmann and Grossmann, 1991.
(1998), using the NLS youth sample, reported that the mother’s working has negative consequences for the educational attainment of sons.

Behavioral problems accompany maternal employment into the child’s adolescent years and beyond. Hagen et al (1985) found that in more egalitarian families, in which mothers and fathers both have authority in the workplace, daughters show levels of delinquency, which are increasing to the much higher delinquency rates of young males.246

Maternal employment seems to affect gender perceptions and gender relations in their children as well. Ellis found that androgynous students were more likely to have a mother who worked outside the home than students defined as distinctly masculine or feminine. Statistical analyses of the data showed that results indicated a relationship between mothers’ working outside the home and the development of androgynous characteristics in children. Booth and Amato (1994) report that children from marriages based on egalitarian sex roles often have poor relationships with their fathers, and daughters of nontraditional marriages are more likely to cohabit.247

However, there are some who find that maternal employment has little negative effect. Hoffman (1979) concluded that there is no evidence that maternal employment has harmful effects on children, and some evidence that effects are positive, especially for daughters. Heyns (1985) reached similar conclusions.

Garfinkle and McLanahan (1986) recommend that literature on the mother’s working be interpreted with caution. In particular, they state, one should be cautious about positive findings. First, since working is highly correlated with earnings capacity, any positive effects may be due simply to selection into the labor force. This would be especially true of mothers with small children, where selection would be the strongest (due to the high costs of child care) and where observed effects are most positive. Second, positive effects may be due to higher income since mother-only families in which the mother works are clearly better off than those in which she stays home. Heyns and Catsambis (1986) note that most of the difference disappears once income is taken into account. This does not mean that the positive benefits of earned income are unimportant, but simply that the mother’s working itself may not have any particular benefits beyond those of income. Finally, it is possible that positive effects come through a “modeling effect,” rather than through the effect of outside work itself. Some

246 See also Carlson (1987).
studies have found that the mother’s employment and occupational status have positive effects on the career expectations and aspirations of high school girls.\textsuperscript{248}

**Part Three: Working Mother’s Net Income Contributions to the Family**

This section presents an empirical analysis of the net income contribution of the secondary income, which for the most part comes from women, to total family income. The framework used is a cross-section estimation of the net income provided by the secondary income in the family. Net income is calculated by deducting taxes, other expenses of the secondary earner related to their work, and childcare from the income received. A one-period approach is used.

The review of the literature, as presented in the previous section, clearly shows that a mother and a father in a stable relationship is the best for the development of the human person. The literature also reveals that the presence of the parents is very important for the child, especially during the first years of his or her life. Yet, since the 1960s, the number of two income families has continued to increase and with it, the use of childcare of different kinds. The literature has extensively studied child-care including its availability, quality cost, the appropriate role of the government and the family in providing care for children, and the labor supply and child care demand, among other topics. It has also extensively studied the conditions under which women are working. Yet, little studies are available where the economic impact of the contribution of the women working outside the home is considered.

**A. Theoretical Framework**

For a family with young children, the working of both parents outside of the home requires the need to ensure the care of the children while they are not in school. In addition, other expenses are incurred, such as clothing and housekeeping. The model is intended to apply to households in which young children requiring continuous childcare are present and in which the one or two adults present in the house are employed. This assumption does not eliminate the possibility of every household having some source of free care, but it does get rid of the possibility of having access to all the needed childcare from a free source. This source can include, within our sample, teenagers or other relatives and friends who live elsewhere.

The household is assumed to maximize the value of the utility function \( U = U(L_M, L_o, G, Q) \), where \( L_M \) is the mother’s time spent with their children (i.e., all non-market activity), \( L_o \) is the non-

\textsuperscript{248} Garfinkle & McLanahan (1986).
market activity of the free potential childcare provider, $G$ is the composite market good, and $Q$ is the average childcare per hour.\footnote{For simplicity all children in a given household are assumed to receive the same quality childcare and the number of children requiring care is taken as exogenous and given by $N$.} The three potential sources of childcare are the mother, the potential free childcare provider, and market childcare. Every hour that the mother works in the market requires an hour care by someone else.\footnote{This is a simplifying assumption but seems to be consistent with customary practice, in which the mother is the main child-care provider.} The free childcare provided is denoted by $T_O$. Finally, it is assumed that a continuum of market childcare is available at price $P_Q$ per unit, which $Q_P$ representing the childcare purchased.\footnote{It is straightforward to incorporate into the model a fixed price of using market or informal childcare in addition to the variable cost $P_q$, but this would leave the analysis essentially unchanged.}

The household faces the following constrain: $L_M + M_M = L_o + H_o + T_o + Q_P = 1$, where $H_M$ and $H_o$ are hours worked by the mother and other, respectively. Given the normalization of total available time to unity, average childcare, $Q$, is just a weighted sum of the different sources of childcare provided. $Q = L_M Q + Q_P (H_o - T_o) + H_o - T_o$, where the weights are the number of hours of each type of care used and are sum to one and where $H_m - T_o \geq 0$. The budget constraint is $G = E + W_m H_m + W_o H_o - N P_Q Q_P (H_M - T_o) - O$, where $E$ is the net exogenous income (including earning of the husband if he is not a potential child-care provider, in which case $W_o H_o = 0$), $O$ are other expenses related to the secondary earner work, $W_m$, and $W_o$ are exogenous wage rates, and $G$ is the total net income.

The household chooses $L_M$, $T_o$ and $Q_P$ to maximize the utility function subject to the time and budget constraints. Two possible solutions, given the constraints included in the model, are: (1) the mother works and all childcare is purchased in the market and (2) the mother works and some care is provided by the market and some by the mother and/or the free provider.

One can derive the effects of changes in the choice of childcare providers and the hours worked in the market by the secondary earner on the total net income of the household. Presumably, given the empirical evidence on the poor quality and harmful effects that the use of market childcare has on children, the main reason for a potential secondary earner to work in the market place is an economic need. Thus, it is relevant to determine whether this contribution is significantly different from zero, and if so, what are the relevant factors affecting the behavior of the net secondary earner’s income.
B. Data and Methodology

The quarterly data used is from the 1997 Consumer Expenditure Survey. The survey collected extensive information from a sample of 22,184 households on family labor, childcare expenditures and use, and a wide variety of other relevant variables. This empirical analysis was performed on a sample of 1,589 households in which there were two earners if two adults were present in the household or one earner if the head of the household was single or separated/divorced, where children were present and all under 18, and where paid childcare was used. Of the 1,589 households included in the study, 76% contained married couples and 24% did not. The ethnic distribution of the survey includes 84% of White/Hispanic, 12% of Blacks, 12% of American Indians, and 3% of Asians. The education distribution is more evenly distributed: 15% of the households have only primary education, 29% high school education, 33% some level of college education but no degree, 25% have a bachelor’s degree, and 13% have a masters degree or higher. As previously mentioned, weights have been used that permit nationally representative estimates to be obtained.

The data used was seasonally adjusted. The survey provides the amount of childcare spent, as well as data that allows for the calculation of income and expenditures related to the secondary earner’s income. It also provides, among other things, information on marital status, race, income level, and education. Table 1 presents the table characteristics of secondary earner’s income, net secondary earner’s net income, childcare expenditures, and other secondary earner’s work related expenditures.

Figures 3-5 present the quarterly distribution of a household’s secondary earner income, childcare and other work related expenditures, and net secondary earner income respectively. For 95% of the sample the quarterly secondary income is below $2,000 (Figure 3). Those receiving above $2,000 fall in the highest three income brackets ($35,000 and higher per quarter.)

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252 The sample is not random with respect to the national population. Low income households are overrepresented. It also oversamples and undersamples certain demographic groups. Weights are available, however, that permit nationally representative estimates to be obtained.

253 The literature has suggested that the present of relatives as a substitute for the presence of the mother is more helpful the normal development of the child than external childcare. In addition, the childcare provided by grandparents is typically free,
Table 1: Sample Characteristics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secondary Income</td>
<td>552.76</td>
<td>18.51</td>
</tr>
<tr>
<td>Net Secondary Income</td>
<td>43.51</td>
<td>5.30</td>
</tr>
<tr>
<td>Childcare Expenditures</td>
<td>493.55</td>
<td>16.57</td>
</tr>
<tr>
<td>Other Work Related Expenditures</td>
<td>15.63</td>
<td>1.88</td>
</tr>
</tbody>
</table>

When analyzing the childcare cost (CCEXP) together with other related expenditures (OTHEXP), the range follows closely to that of the secondary income (Figure 4). The highest childcare expenditure is $9,440, and the value spreads down to as low as two digit figures. Work related expenditures are significantly lower than this, reaching at most $1,460 per quarter. This is an indication and thus no cost is involved in such childcare. Hence, our criteria for selection require not only the absence of any other adult beside the parents, but that childcare is paid.
of the significant burden that childcare costs have on the capacity for the secondary income’s earner to significantly increase the household income. Therefore, it is not surprising for the quarterly net secondary earner’s income to have the shape it has (Figure 5). For the most part, the net income contributed is close to zero with the exception of the highest and lowest income levels. The lowest one actually generates negative net income.

**Figure 4**

Quarterly Child Care and Other Work Related Expenditures

**Figure 5**

Quarterly Household Secondary Net Income
In order to determine whether, on average, the contribution of the secondary earner to household income is significant, we used a t-test to compare them across marital status and other characteristics; we use either t-tests or one way and two-way analyses of variance (ANOVA).

C. Empirical Results

When testing for the statistical significance of the average net secondary earner’s income ($H_0: \mu=0$ versus $H_A \neq 0$), we find significant results at the 1% level; on average, the income earned by the secondary income earner increases the total net income of the family. Yet, in absolute numbers, the mean is $43.41, and therefore, economically insignificant. It would be a mistake, however, to conclude that the contribution of the secondary earner’s income is always economically insignificant, as can be observed Figure 5. This suggests that other factors play an important role in determining the secondary earner’s income level. We also tested for the statistical significance of average childcare costs. We also found this significant at the 1% level. (Means and standard deviations were reported in Table 1.)

In order to further understand the dynamics of both net income and child care cost, some of the variables identified by the literature as factors determining the demand for childcare and women’s wages were incorporated into the analysis. Specifically, we controlled for levels of education, marital status, race, and income levels. We first tested for the independent impact of each of these variables on net income and childcare expenditures. Then, we examined the interactions of these variables. To test the significance of the effect of these variables on net secondary income of the households, we used one and two way ANOVA tests respectively. These results are reported in tables Table 2 and 3.

When analyzing the impact of each of these variables on net secondary income, we find that all of these variables are significant in determining it (Table 2.) Overall, we find that married couples consistently perform better than not married couples. On average, the first one is twice as high as the second one (Figure 6). Race and education, although they provide different levels of income, do not significantly differentiate the level of income of married vs. not married secondary earners (see Table 3, Row 1). The level of income, however, significantly differentiates in the net income of married versus not married couples. The first of these groups performed significantly better than the second one, with the exception of the lowest percentile and those households whose income is above $50,000. Figure 7 present three graphical representations of these results. Results also suggest that the difference in net
### Table 2

One-Way ANOVA

<table>
<thead>
<tr>
<th>Variable</th>
<th>F (t) statistic</th>
<th>p-value</th>
<th>Null Hypothesis Tested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marital Status</td>
<td>2.26</td>
<td>0.024</td>
<td>$\mu_M = \mu_{NM}$</td>
</tr>
<tr>
<td>Race</td>
<td>3.95</td>
<td>0.09</td>
<td>average income equal among races</td>
</tr>
<tr>
<td>Level of Income</td>
<td>97.14</td>
<td>0.00</td>
<td>average income equal levels of income</td>
</tr>
<tr>
<td>Education</td>
<td>66.53</td>
<td>0.00</td>
<td>average income equal among different levels of education</td>
</tr>
</tbody>
</table>

### Table 3

Two-Way ANOVA

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race</td>
<td>1.23</td>
<td>1.32</td>
<td>10.04*</td>
</tr>
<tr>
<td>Level of Income</td>
<td>7.7*</td>
<td>24.59*</td>
<td>0.03</td>
</tr>
<tr>
<td>Education</td>
<td>3.31*</td>
<td>2.51**</td>
<td>2.72**</td>
</tr>
</tbody>
</table>

**Notes:**
1. The first F statistic correspond to the variable in the row and the second statistics correspond to the variable in the column.
2. * and ** indicate significance at 5%, and 10% levels respectively.
secondary earner’s income caused by race is not as strong as it is significant only at the 10% level (Table 2). The highest income corresponds to whites (W), followed by Asians (AS). The contribution of the Black (B) secondary earner is ¼ of the White’s contribution. This is not as surprising when one controls for income and race.

**Figure 6**

\[
\text{Average Quarterly Net Secondary Earner's Income by Marital Status}
\]

Asians and Whites perform significantly better than the Blacks and the American Indians, these last ones reporting the lowest income (Figure 7).

The household level of income is also a significant factor in the determination of the net secondary income. The variable is significant in all cases (Table 3, Rows 1-3). The higher the level of household income, the higher is the net secondary income. This pattern holds for the interaction of all the explanatory variables analyzed. Once again, married households fair the best, the highest net income corresponding to whites, then to Asians, followed by Blacks and American Indians. Figure 8 presents the graphical results.

After the household income level, it is the level of education of the secondary earner which significantly affects the net secondary income (Table 3, Row 3 and Column 3). Secondary earners’ with only grade school education have average net income that is negative, and it increases by a factor of 4 when an earner possess a graduate degree (Figure 9).

Once again, when levels of education are combined with race and levels of income, Whites register the highest net secondary income (Figure 8) and highest education, followed by Asians and Blacks. When the level of education is compared *vis a vis* marital status,
Figure 7
Average Quarterly Net Secondary Income and Marital Status Interactions
Figure 8
Average Quarterly Net Secondary Income and Household Income Level Interactions
married secondary earners have a higher income than those not married if they have a junior college degree or lower. The situation reverses when the secondary earner posses a bachelor or a higher degree. Since single households have only one source of income, they tend to dedicate themselves to their careers with more continuity than their married counterpart. This is reflected in a higher income received by the former (Figure10).

So far, the data seems to suggest that though significant, the net secondary income provided by the second earner does not amount to much at lower levels of income. The data also seems to suggest that marriage status contributes to increasing the value of this secondary contribution. The levels of education as well as levels of household income are also relevant.

We now turn to childcare expenditures. The data suggest that childcare is the single most important expense incurred by working parents. As previously mentioned, the sample used in this study assumes that parents need to access to some degree the childcare market, as it does not consider those with a full time childcare provider. Table 2 reports the results from the One-Way ANOVA test carried out on education, race, level of income, and education. All are found significant in explaining different levels of childcare expenditures. Table 3 presents the Two-Way ANOVA results, which shed some light on the interaction of these variables on childcare expenditures. With the exception of the overlap between race and education, all other statistics are significant at the 5% significance level. As could be expected,
childcare expenditures increase with the level of education of the secondary earner. The gap between the amount spent by a worker with a grade school level education per quarter ($310), and a worker who possess a graduate degree ($550), is $240 per quarter, an increase of almost 44% in expenditures. Yet
the amount spent is also affected by the marital status and income level of the household. Non-married households spent significantly more in childcare than married couples (Table 2). This is especially true for the lowest three income brackets. Not only does the non-married head of household typically have a lower income than the married secondary worker, but also since it is not considered with a spouse, the non-married worker needs to pay for longer hours of childcare. This puts additional pressure on the net income that a non married household is able to bring to the home. Figure 11 shows these results in graphical form.

Figure 11

![Quarterly Childcare Expenditures](chart.png)

This pattern is also captured when levels of income and education are combined. Independent of the level of education, the lower the income level, the higher the amount spent on childcare. Similarly, the higher the level of education, the higher the total spent on childcare. An exception to this was found in the highest income bracket ($50,000 a quarter or higher). One explanation for this could be that secondary earners in this bracket have full-time help at home, and thus, do not require additional childcare (Figure 12).
Results in Table 2 regarding the role of race suggest that the effect of ethnicity in the expenditure is not due to race but to the prevalence of non-married households, especially single mothers, among the black population. As it was previously mentioned, this constitutes a serious problem since single mother households tend to be at the highest risk of poverty (Figures 1 and 2) and possessing the highest childcare burden.

PART IV: CONCLUSIONS

Much has been carried out regarding the cost and quality of childcare in the United States. Also, much has been researched regarding the determinants of women working. The literature thus far suggests that the use of childcare as a substitute for the presence of the mother in the rearing of children, or of some close relative, is far from optimal. The reasons why households continue to seek childcare in spite of such evidence are many and diverse, and have been previously addressed in the paper. Among them, two relevant ones are often advocated: economic needs of the family, and the needs of the mothers to develop professionally outside the home. Among the economic needs, especially difficult is
the situation of single mothers and their children, all of whom are at high risk of falling into poverty. In order to be able to work, single mothers require, for the most part, the use of some type of paid childcare. In the case of married couples, economic need has taken the lead among the reasons provided by the second earner as to why they entered the work force.

This paper aimed to fill a gap in the literature by analyzing the net income contribution of the secondary earner -or only earner in the case of single mothers- to the total income of the household. Net secondary income has been defined as the difference between the disposable income, the childcare expenditures, and other expenditures directly incurred due to the work carried out outside the home and for pay by the second earner, in most cases the mother. If it is worthwhile economically, this income should be greater than zero. We find that this is, in fact, the case. Yet, we also find that for the most part, the net income is economically insignificant. Furthermore, the results suggest that the lower the income and the education of the secondary earner, the higher the probability of the net contribution to the total income of the household to be zero, or possibly negative.

This is relevant at both the microeconomic and the macroeconomic level. On a microeconomic level, it is relevant because the results suggest that a mother might want to weigh the meager income she might be able to access versus the well-documented negative effects that the absence of a parent can have in the normal development of children. They also suggest the convenience of children coming into the world within a stable family, as the data consistently reveals that it is in this structure where the net secondary income is maximized.

From a policy point of view, the results of this study speak to the importance of reinforcing the family through public programs as well as through private sector initiatives. It does not only respond to a normal development of society, but to an optimal way of preventing future social ills and high welfare costs. In doing so, the government contributes towards the maximization of the human and social capital of society while it minimizes its social welfare costs. It also speaks to the important role that the extended family plays in the lives of those who need to use childcare services for their children. The lack of viable childcare provisions not only hamper the normal development of children, but also undermine any efforts to help single mothers overcome poverty. The literature, however, suggests against government provision of such service, as this seems to be of poor quality when it is provided. An alternative could be either the provision of childcare services by private employers, or some type of government assistance that would help women in need afford childcare, thus bringing to their households a net positive primary or secondary income.
Bibliography


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