

# Committee on Ways and Means Subcommittee on Income Security and Family Support United States House of Representatives

Families and Workplaces in the Twenty-First Century: Multiple Roles Place Heavy Demands on American Workers

Statement of

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**September 11, 2008** 

# Families and Workplaces in the Twenty-First Century: Multiple Roles Place Heavy Demands on American Workers

I am honored by the opportunity to testify here today. I am a senior policy analyst at the Center for Law and Social Policy (CLASP). CLASP is a national nonprofit organization engaged in research, analysis, technical assistance, and advocacy for policies that improve the lives of low-income people. Our work is nonpartisan and based on research and evidence. One of our areas of focus is the quality of jobs available to workers, including work-life issues, and strategies to improve jobs and help workers succeed in all their roles.

I have been asked to complement the data that has been presented on the economic challenges facing American workers with information about how workers are being caught between the demands of their jobs and their responsibilities as family members. I want to thank this Committee for your recognition that workers are experiencing a time squeeze, as well as a financial squeeze, and that both are fundamental to the well-being of American workers and their families.

I will show how the demographics of the American workforce have changed, such that many workers also have caregiving responsibilities. I will also address the ways that the demands of the workplace have increased in our highly competitive 24/7 economy. And I will discuss the failure of our institutions and employment standards to keep up with these changes.

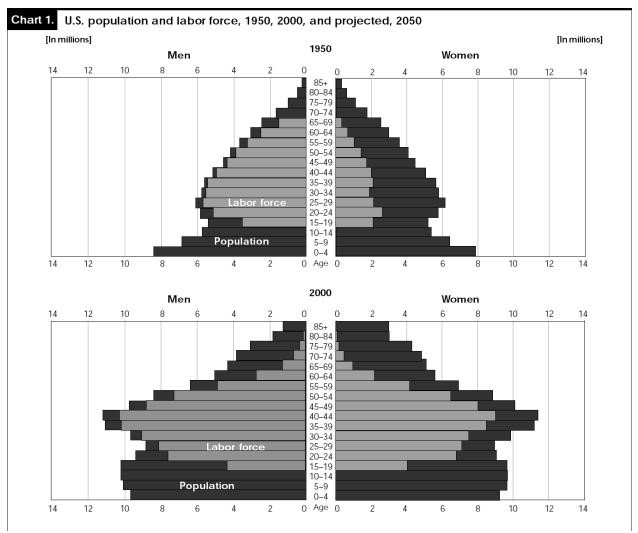
### Changing demographics of the American workforce

Over the last half century, the American labor force has grown dramatically, from 62 million workers in 1950 to 152.3 million workers in 2007. As shown in Figure 1, this growth was driven largely by two factors – growth in the working age population due to the baby boom generation, and increases in women's labor force participation rate, which grew from 34 percent in 1950, to 43 percent in 1970, to nearly 60 percent today. Women now constitute 47 percent of all workers. The workforce has also gotten older, on average, and more racially and ethnically diverse.<sup>1</sup>

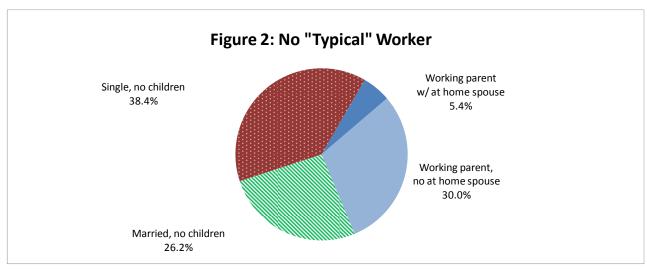
Figure 2 shows that there is no "typical" worker in terms of marital status and parenting role. But workers at all stages of life need work-life flexibility. We often talk about it in terms of parents with young children, but it is also an issue for those caring for elderly parents or spouses, as well as for those who need to go back to school to develop new skills and move into better jobs, but can't afford to stop working, and for those who are nearing retirement but wish to keep working.

With more mothers employed – and more fathers sharing in parental responsibilities – more workers are balancing – or juggling – these two roles. As shown in Figure 2, more than one-third of all workers currently have children under the age of 18. Eighty-five percent of these working parents do not have an at-home spouse to take care of all parenting responsibilities, either because both parents are working or because they are single parents.<sup>2</sup> It's worth noting that while fewer than half of workers have minor children at a given time, 80 percent of American women will have children at some point in their life.<sup>3</sup> Most workers will move between different categories at different stages in their lives; they will need work-life policies that allow them to respond appropriately to their changing circumstances.

As the population ages, an increasing share of workers are also responsible for providing care to elderly parents, spouses, or other adult family members. There's a broad range of estimates as to how many, because there is no clear definition of what constitutes caregiving for adults, but surveys suggest that 17



Mitra Toosa, "A century of change: the US labor force, 1950-2050," Monthly Labor Review, May 2002.



Author's analysis of unpublished data from the Current Population Survey, tabulated by the Bureau of Labor Statistics, DSG-03-2007.

to 35 percent of workers are either currently providing or have recently provided care for an adult family member. While most of these workers are not providing ongoing daily care, the need to respond to a sudden crisis situation can be even more disruptive at work.

And, of course, any worker can get sick, or suffer an injury, causing him or her to miss work. In fact, the majority of workers taking family or medical leave do so as a result of their own health issues, rather than as caregivers.<sup>5</sup>

# Changing demands of the workplace

It is not just American families that have changed—the nature of the workplace is also evolving. There is a reason it has become a cliché to say that we live in a 24/7 economy. Consumers expect stores and service providers to be open evenings and weekends, which requires more and more workers to cover those hours. Companies that have invested in expensive capital equipment want it to be in use around the clock.

Thus a recent nationally representative survey of employers found that employees' willingness to work odd or flexible hours mattered "a lot" for 49 percent of employers in their choice of who to hire for noncollege jobs. It mattered "not at all" for only 19 percent of employers. Thirty percent of recently hired less-skilled workers frequently work weekend hours, with another 24 percent working them occasionally or sometimes. Fifteen percent work evening shifts, 4 percent night shifts, and 11 percent rotating shifts. Most workers report that they work these shifts for their employers' convenience, not their own. While in some cases workers welcome non-traditional shifts because they allow them to forgo the use of paid child care, such split-shift schedules can put significant strain on workers' marriages and families, as well as on their health.

Even for people who work during traditional work hours, the hours of work have become less predictable. With "just-in-time scheduling," sophisticated computer systems allow firms to fine-tune staffing levels hour by hour, in order to provide peak coverage as needed while minimizing the total payroll. This shifts the cost of inconsistent demands for labor onto the workers, requiring some workers to work mandatory overtime, while keeping others on call but paying them only for the hours in which their labor is needed. Many workers face unpredictable schedules, often provided no more than a few days in advance.

Obviously, this is a challenge for workers with caregiving responsibilities. One study found that retail workers used as many as four different child care providers in the course of a single week in order to cover their varying hours of work. This reduced the stability of the relationships between children and caregivers, and parents were sometimes forced to accept less than ideal care situations in order to cover all the hours needed.<sup>8</sup>

In the current recession, workers' inability to get enough hours of work to pay their bills is an increasing problem. As of August, 5.7 million workers reported working part-time hours involuntarily, up 1.2 million from a year before. This figure does *not* include workers who usually work part-time, and are also experiencing reduced hours.

At the other end of the labor market, professionals often find themselves working more and more hours. One in 12 working-age married couples now works a total of more than 100 hours per week -- more than twice the percentage that did so in 1970. 10 Electronic devices such as BlackBerries allow

greater flexibility for working from remote locations, but also make it harder to avoid workplace demands while trying to meet family responsibilities. Sixty-seven percent of employed parents say they do not have enough time with their children, according to the Families and Work Institute.<sup>11</sup>

### US lags behind in recognizing that workers are also caregivers

In spite of these changes, the United States has made only limited progress towards recognizing that many workers are also caregivers.

One of the biggest steps was the enactment of the Family and Medical Leave Act (FMLA) in 1993. This law allows workers to take up to 12 weeks of job-protected unpaid leave in the case of a major medical need, or to provide care to a family member. This law substantially increased workers' access to unpaid leave. However, because this law only applies to companies with 50 or more employees, and because workers must have worked at least 1,250 hours for their employer in the past year, fewer than half of private-sector workers are covered and eligible.<sup>12</sup>

The fact that FMLA does not provide for pay during leave also creates a major hardship for many of the workers who *are* covered by it. The last time use of FMLA was studied in detail, about one-third of those taking leave received no pay, and more than half of leave-takers worried about not having enough money to pay bills. Lack of pay is a particular issue for low-income workers (those with annual family incomes of less than \$20,000), of whom more than two-thirds received no pay during their leave.<sup>13</sup> The United States is one of the only countries in the world that does not provide any form of paid leave for childbirth.<sup>14</sup>

Historically, one program that provided a minimal level of income support for poor single mothers during periods of unemployment or caregiving was Aid to Families with Dependent Children, AFDC. In the wake of welfare reform, it is clear that Temporary Assistance for Needy Families (TANF), which replaced AFDC, fills this role to a greatly diminished degree. In 2004, just 3.3 percent of women who had babies during that year received TANF cash assistance, compared to 11.6 percent in 1996. More broadly, HHS calculates that only 42 percent of eligible families received TANF benefits in 2004, down from 84 percent in 1996. 16

A few states – California, Washington, and New Jersey – have taken an important next step by developing family-leave insurance programs which provide *income replacement* for workers who take family leave. These are important models to consider both for other states and for federal policy. Importantly, because the cost of providing this wage replacement is spread among employees, these policies do not place disproportionate costs on those employers who hire workers who are most likely to need to take family leave.

Another area in which the public policy response has been limited is that of sick days. While millions of workers take it for granted that they can stay home with full pay when the flu strikes, the only places in the U.S. where such protection is guaranteed by law are San Francisco and Washington, D.C. Barely half of all workers (51 percent) have paid sick days, and only one in three can use these days to care for a sick family member.<sup>17</sup> And access to this benefit varies greatly by income, as only 39 percent of lowwage, low-income workers receive any paid time off that they can use for a personal illness, compared to 90 percent of high-wage and high-income workers.<sup>18</sup> Such workers can also least afford to forgo a day's wages. Staying home sick may mean falling behind on the rent, or risking having the electricity or heat shut off.

Lack of paid sick days causes negative health effects for workers, and their families, increased spread of disease among coworkers, customers and school children, and higher turnover. Without paid leave, workers are more likely to come to work sick, send children to child care or school when sick, and postpone needed medical treatment. Lack of a right to paid sick days can also threaten job security. A recent survey conducted for the Public Welfare Foundation found that one of six respondents reported that the worker or a family member had been fired, suspended, punished or threatened with being fired for taking time off due to personal illness or to care for a sick child or other relative. <sup>20</sup>

# Large penalties for those who do not fit the old "ideal worker" model

In spite of the many changes in the workforce, there remains a common assumption that workers should be available to work full-time, year-round, without interruption. Joan Williams refers to this as the "ideal worker" model, and argues that workers who deviate from it pay large penalties.<sup>21</sup>

Workers who take even relatively short breaks from employment pay for it in the form of lasting impacts on earnings. One study found that prime-age women who left the labor market for a single year during a 15-year period made 20 percent less than women who worked every single year, even after adjusting for differences in their education levels and the number of hours worked. Fewer men had such interruptions in their work histories, but those who did paid a similar penalty in lower earnings. Given that workers may well have more than 45 years to spend in the workforce, it does not make sense that taking a year or two off due to childrearing or other responsibilities should lower a worker's earnings for the rest of her or his worklife. But it often does.

One strategy that many families have used to meet their dual responsibilities as workers and caregivers is to limit one member's paid employment to part-time. But workers who are unavailable for full-time work often pay dearly for that flexibility in lower wages, lesser benefits, and limited advancement opportunities. Part-time workers earn, on average, 20 percent less per hour than other workers with the same levels of education and experience, and are much less likely to receive either health insurance or pension benefits from their employers. This is in part due to the concentration of part-time jobs in a limited number of low-paying industries.<sup>23</sup> In many occupations, the only part-time opportunities are those negotiated on an individual basis, often as a way to retain stellar performers, but not available to the workforce as a whole.

It is not just private employers who economically penalize part-time workers; public policy does so as well. In half of the states, workers who are available only for part-time work are categorically ineligible to receive unemployment insurance, even though their wages are subject to the unemployment insurance tax. Even when not categorically excluded, part-time workers often fail to meet the minimum hours or earnings requirements to qualify for benefits. The result is that only about one in eight part-time workers who becomes unemployed receives unemployment benefits. Similarly, the FMLA does not cover workers who have worked less than about 60 percent time for a single employer over the previous year. These policies are based on outdated notions that part-time workers' earnings are not essential to their families' well-being.

### Other systems have failed to keep up with the changing workforce and work environment

The burden placed on people who are balancing work and family responsibilities is increased by the many aspects of our economy that have failed to keep up with these changes. I draw attention to three in particular: health care, schools, and child care.

Health care: Today's health care system does more medical procedures on an out-patient basis, and releases patients from the hospital sooner and sicker. From 1970 to 2004, the average length of a hospital stay declined from 7.8 days to 4.8 days overall, and from 12.6 to 5.6 days for patients over 65. While this trend saves the health care system millions of dollars, it is based on an implicit assumption that patients have family or friends who are able to provide care that would once have been provided by professionals. Informal caregivers are frequently expected to change wound dressings and monitor healing, administer medication, assist with activities of daily living such as feeding and toileting, and transport patients to follow-up appointments.

Schools: Our schools, with few exceptions, are open 30 hours a week and continue to run on an agricultural calendar that assumes that children are needed to work in the fields during the summer months. This places a burden on parents who must patch together child care for after school and school breaks. At the same time, the expectations for parents to be active participants in their children's education have increased. Parents believe that we are failing our children if we don't read with them, monitor their homework, help them sell popcorn or wrapping paper to raise funds for their schools, watch them play sports and perform in school plays, and attend parent-teacher meetings. If a child is struggling in school or has a disability that qualifies for an Individualized Education Program, parents will need to attend multiple additional meetings. Parents are responding to these demands: for example, education department statistics show that the number of students whose parents attended a general school meeting increased by 10 percentage points just from 1996 to 2003.<sup>26</sup>

Child care: Reliable, high quality early childhood opportunities and care for school-age children give working parents the support and peace of mind they need to be productive at work. Unfortunately, the cost of child care has increased faster than inflation, and for too many low-income parents affordable child care is out of reach. Even after expansions during the late 1990s, the Child Care and Development Block Grant, which helps low-income working families pay for child care, only reaches about one in seven eligible families. In recent years, deficits have forced states to make substantial cuts to their child care assistance programs. Further, the tax credit for dependent care expenses is non-refundable, so it is useless for families earning less than about \$22,000, and the expense limit is not adjusted for inflation. 28

### Conclusion

Work-life issues are sometimes thought of as less serious than the economic challenges that workers face. But the two are inextricably linked. It is only by increasing their hours of work that American families have gained economic ground over the past thirty years. <sup>29</sup> Without access to paid leave or the opportunity to adjust one's hours of work, hard-won economic progress can be set back by a joyous event – the birth of a child – as well as by a sad one – the major illness of a spouse.

While a great deal of attention has been paid to companies' increasing efforts to accommodate the work-life needs of their workers, the vast majority of these efforts have been limited to highly paid employees, with "competing for top talent" and "retaining professionals" among the commonly cited benefits. Few of these initiatives reach down to lower-paid hourly workers. Such workers are particularly vulnerable: They have the least flexibility and security at work, the least ability to pay for help, and the least ability to afford missing some of their pay.

Policies such as establishing minimum floors for paid family leave and paid sick days, ensuring equity for part-time workers, supporting those who need to temporarily interrupt their employment, and

expanding child care funding are thus a matter of justice. Public policy can not add more than 24 hours to the day, but it can help ensure that workers are not forced to make unbearable choices between caring for their loved ones, and keeping the jobs that they need to pay the bills.

Such policies would also be an important step towards breaking a cycle of disinvestment in low-wage workers. Too many companies assume that high turnover of hourly workers is inevitable, and thus fail to invest in the training, technology or management practices that would make them more productive. Both workers and our economy are worse off as a result. By using labor standards to set expectations for the workplace, government can take the "low road" option off the table, and give companies trying to do the right thing a little bit of breathing room, so that they are not immediately undercut by competitors taking the most brutal cost-cutting approach. In the long run, companies that take the "high road" by treating their hourly workers well can thrive in the marketplace by reducing turnover, increasing productivity, and improving customer service. <sup>31</sup>

Thank you for providing me the opportunity to testify.

<sup>&</sup>lt;sup>1</sup> Mitra Toosa, "A Century of Change: the US Labor Force, 1950-2050," *Monthly Labor Review,* May 2002. Marlene A. Lee and Mark Mather, *US Labor Force Trends*. Population Bulletin Vol 63, No 2, 2008.

<sup>&</sup>lt;sup>2</sup> Author's calculation from unpublished Census tabulation of Current Population Survey data, DSG3-07.

<sup>&</sup>lt;sup>3</sup> Jane Lawler Dye, *Fertility of American Women: 2006*, P20-558, US Census Bureau, August 2008.

<sup>&</sup>lt;sup>4</sup> Family Caregiver Alliance, *Selected Caregiver Statistics*, <a href="http://www.caregiver.org/caregiver/jsp/content">http://www.caregiver.org/caregiver/jsp/content</a> node.jsp?nodeid=439. National Alliance for Caregiving, *The MetLife Caregiving Cost Study: Productivity Losses to U.S. Businesses*, July 2006. <a href="http://www.caregiving.org/data/Caregiver%20Cost%20Study.pdf">http://www.caregiving.org/data/Caregiver%20Cost%20Study.pdf</a>

<sup>&</sup>lt;sup>5</sup> Jane Waldfogel, "Family and Medical Leave: Evidence from the 2000 Surveys." *Monthly Labor Review*, September 2001. See also Society for Human Resource Management, *An Overview of the 2007 FMLA Survey*, May 2007.

<sup>&</sup>lt;sup>6</sup> Gregory Acs and Pamela Loprest, Understanding the Demand Side of the Low-Wage Labor Market, The Urban Institute, April 2008.

<sup>&</sup>lt;sup>7</sup> Kelleen Kaye and David Grey, *The Stress of Balancing Work and Family,* New America Foundation, October 2007.

<sup>&</sup>lt;sup>8</sup> Julia Henly and Susan Lambert, "Nonstandard Work and Child Care Needs of Low-income Parents." In S.M. Bianchi, L.M., Casper, K.E. Christensen, & R.B King (Eds.), *Workforce/Workplace Mismatch? Work, Family, Health, & Well-being*. Lawrence Erlbaum Associates, Inc. 2005.

<sup>&</sup>lt;sup>9</sup> Bureau of Labor Statistics, *Employment Situation Summary*, September 5, 2008.

<sup>&</sup>lt;sup>10</sup> Jerry A. Jacobs and Kathleen Gerson, "Overworked Individuals or Overworked Families? Explaining Trends in Work, Leisure, and Family Time," *Work and Occupations*, Vol. 28 No. 1, February 2001.

<sup>&</sup>lt;sup>11</sup> James T Bond, Ellen Galinsky and Jeffrey E. Hill. *When Work Works: a Status Report on Workplace Flexibility.* IBM and the Families and Work Institute, 2004.

<sup>&</sup>lt;sup>12</sup> Wen-Jui Han and Jane Waldfogel. "Parental Leave: The Impact of Recent Legislation on Parents' Leave Taking." *Demography*, Vol 40, No. 1, February 2003.

<sup>&</sup>lt;sup>13</sup> Waldfogel. "Family and Medical Leave."

<sup>&</sup>lt;sup>14</sup> Jody Heymann, *Forgotten Families*, Oxford University Press, 2006.

<sup>&</sup>lt;sup>15</sup> Jane Lawler Dye, *Fertility and Program Participation in the United States: 1996.* Current Population Reports, P70-82. U.S.Census Bureau, 2001 and Jane Lawler Dye, 2008. *Participation of Mothers in Government Assistance Programs: 2004.* Current Population Reports, P70-116. U.S. Census Bureau, 2008.

<sup>16</sup> US Department of Health and Human Services, *Indicators of Welfare Dependence, Annual Report to Congress,* 2007.

<sup>17</sup> Vicky Lovell, *No Time to be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*, Institute for Women's Policy Research, Washington, DC, 2004.

<sup>18</sup> James T. Bond and Ellen Galinsky. *What Workplace Flexibility is Available to Entry-level, Hourly Employees.* 2006.

<sup>19</sup> Vicky Lovell, *No Time to Be Sick: Why Everyone Suffers When Workers Don't have Paid Sick Leave.* Institute for Women's Policy Research.

<sup>20</sup> Public Welfare Foundation, American Workers Overwhelmingly Support Paid Sick Days, Labor Day Survey Finds, August 29, 2008. <a href="http://publicwelfare.org/AboutUs/documents/PollNRFINALa.pdf">http://publicwelfare.org/AboutUs/documents/PollNRFINALa.pdf</a>

<sup>21</sup> Joan Williams, *Unbending Gender: Why Family and Work Conflict and What to Do About It,* Oxford University Press, 1999.

<sup>22</sup> Stephen J. Rose and Heidi I. Hartmann, *Still a Man's Labor Market: The Long-Term Earnings Gap,* Institute for Women's Poicy Research,

<sup>23</sup> Jeffrey Wegner, *The Continuing Problems with Part-Time Jobs,* Issue Brief #155, Economic Policy Institute, April 2001

<sup>24</sup> National Employment Law Project, *Part-time Workers and Unemployment Insurance*, March 2004. http://www.nelp.org/ui/initiatives/part\_time/parttimeui0304.cfm

<sup>25</sup> National Center for Health Statistics, *National Hospital Discharge Survey: 2004 Annual Summary With Detailed Diagnosis and Procedure Data, Vital and Health Statistics*, Series 13, Number 162, October 2006.

http://www.childtrendsdatabank.org/indicators/39ParentalInvolvementinSchools.cfm

<sup>27</sup> Jennifer Meazey, Mark Greenberg, and Rachel Schumacher, *The Vast Majority of Federally Eligible Children Did Not Receive Child Care Assistance in FY 2000—Increased Child Care Funding Needed to Help More Families*, Center for Law and Social Policy, 2002.

<sup>28</sup> Leonard E. Burman, Elaine Maag, and Jeffrey Rohaly, *Tax Subsidies to Help Low-Income Families Pay for Child Care*, Tax Policy Center Discussion Paper #23, June 2005.

<sup>29</sup> Jared Bernstein and Karen Kornbluh, *Running Faster to Stay in Place: The Growth of Family Work Hours and Incomes.* New America Foundation, June 2005.

<sup>30</sup> Corporate Voices for Working Families, *Business Impacts of Flexibility*.

<sup>31</sup> Elizabeth Lower-Basch, *Opportunity at Work: Improving Job Quality,* Center for Law and Social Policy, September 2007.