11 Accommodating families

Joyce P. Jacobsen

1 Introduction

One of the most significant workplace trends over the past quarter-century, in both developed and developing countries, has been the increased number of women in the workforce. This has led to increased attention and interest regarding how work may be structured so as to accommodate both family and worklife. While the difficulties that both dual-career families and single-parent families (and even dual-parent, single-career families) face in balancing work and family life are numerous and to a degree insurmountable, a number of initiatives at both the governmental and firm levels have been instituted to try to ease this balancing act for families.

This chapter first covers the rationales for governmental and firm actions on this front. It then focuses on the economic theory regarding the effects such policies can have on various measurable outcomes, including perverse effects that were not intended by policymakers. The next section describes the main types of laws and firm-initiated policies that have been instituted to date. The following section considers the empirical evidence regarding what effects such laws and policies have had on measurable outcomes. The conclusion considers directions for the future, including different types of policy approaches that might mitigate some of the problems with the existing menu of policy options.

2 Rationales for intervention

Why should governments and firms care about instituting ‘family-friendly’ policies? Such policies may be justified on multiple grounds, of which economic grounds constitute only one of several fundamental categories.

One category is that of social justice, where one might argue that people with families should be treated either the same as people without families, or differently from people without families (note: I am using the term ‘family’ loosely to cover any type of dependency/interdependency structure, though the most common consideration is of nuclear families, which would include an individual, the individual’s spouse or formally recognized partner, and any children that reside with the individual or are still financially dependent on the individual or the individual’s spouse or partner). While most societies appear to have subscribed to an ex ante approach in which all persons are considered equally likely to find themselves in a
situation where they need accommodation for family-related obligations, *ex post* some individuals may not ever need such accommodation, and may resent having to ‘pick up the slack’ at the workplace for other employees with families, or end up literally receiving fewer benefits due to not having a family structure that would entitle them to receive them. This latter concern could be mitigated by having cafeteria-style benefit plans – plans where employees can choose from a menu of benefits and/or receive pecuniary compensation if they do not utilize fully the nonpecuniary benefits offered.

Another category is that of maintaining social and cultural structures, including transmission of values to the younger generations (Dau-Schmidt and Brun 2006). Assuming both women and men continue to work outside the home, the issue arises of ensuring that sufficient adult attention is paid to children to make sure that they are raised well. This may require substitution of other adult time for the mother’s time, as will be discussed below, and also substitution of formerly home-produced goods and services by commercial services (Bittman 1999). Given that there are positive externalities to society of having well-educated productive citizens, there is justification for society’s subsidizing or requiring certain actions (such as providing compulsory public schooling) so as to encourage development of this human capital, as it is unlikely that the optimal level would arise without intervention.

This previous category relates also to simple demographic concerns, which is that countries with high rates of women’s employment participation also appear to have low fertility rates, with rates well below replacement levels in many of the more prosperous European countries in particular (Jacobsen 2007, chapter 10). For the 30 countries that comprise the Organisation for Economic Co-operation and Development (OECD), a reasonable proxy for the set of industrialized countries, their average female employment rate has risen from about 44 percent in 1970 to 57 percent in 2006 (Jacobsen 2007, chapter 10, p. 318; OECD 2007, table 1.1), while their total fertility rate has fallen from 2.7 births per woman in 1970 to 1.6 in 2005 (OECD 2007, table 2.2). Again, assuming that women in particular continue to work in the formal sector, family-friendly policies may be needed in order to encourage families to continue to have sufficient children to maintain stable population sizes. This will lead to some issues regarding competing incentive effects of family-friendly policies, as will be discussed below.

Finally, economic concerns would relate to the maximization of societal output, whether measured as only the formal sector economic output or as total societal output, and maintaining good growth of economic measures (though a broader view would be to maximize total societal utility or
wellbeing, a controversial concept regarding its measurement). In particular, if society invests in educating women, particularly in skills that are only of significant use in the formal workforce (that is, tertiary education and professional/vocational training), then in order to increase returns on this human capital investment, it is important to keep women in the workforce for more years and in a more continuous fashion (in part so as to maintain one’s skills and learn new skills). Again, it is unrealistic to expect any particular employer to bear this burden voluntarily, particularly if the skills involved are general rather than firm-specific, so this opens the door to suggesting legislation that will compel firms to act in particular ways so as to preserve human capital and provide incentives for potential employees to invest in human capital in the first place.

3 Economic theory
What would a firm consider to be a perfect employee? Often an analogy is drawn to machines when talking about a perfect employee. It is true, for instance, if I consider my car, that it is in many ways an ideal employee. It is available 24 hours a day, seven days a week, to do my bidding without complaint. It can work any length of shift, and can work as many shifts as I require in a given time period. On the other hand, I have to service it regularly or it will eventually break down or at a minimum, perform less efficiently. I also have to fuel it up regularly and occasionally shovel snow off of it before I can use it. I could use a bicycle instead for transportation, which would require less maintenance and no fuel, but I lose efficiency in the reduced transportation speed.

Thus neither the ideal machine nor the ideal employee exists. All require maintenance in order to perform consistently for long periods of time. Employers must trade off between the various dimensions of cost, efficiency, availability and reliability in choosing how to staff both their labor and capital needs. In particular, if the preferred form of labor is more expensive, they may instead choose to structure their production processes to use cheaper labor. Thus firms often trade off in particular between a high-turnover, low-skill, low-wage model (for example, fast-food establishments) and a low-turnover, high-skill, high-wage model (for example, university faculties).

It follows that economists often view the outcomes observed in the labor market as being driven by relative labor supply availability as well as by the ability of employers to alter the dimensions of their labor demand. Therefore the existence of various employer policies, such as increased availability of part-time work, which has enabled more women in particular to engage in formal work participation, can be viewed both as an attempt to attract additional labor supply and as evidence that at least
some forms of work were amenable to restructuring. Other such family-accommodating policies that some employers voluntarily adopt for at least some categories of workers include flexible hours, job-sharing, subsidized child care, paid vacations, and leave/sick/personal days. One interesting question is whether such policies reduce, increase or have no effect on worker productivity.

Nonetheless, as mentioned above, societies may also choose, based on one or more of the listed justifications, to pass legislation that affects firms’ abilities to structure their own policies. In particular, family leave legislation (sometimes paid, sometimes unpaid), mandating that firms must allow employees time off for childbearing or other family matters, has become very common. An even more obvious family-accommodating policy that is not necessarily thought of in this way is a requirement that firms provide paid vacation days, as is the case in many European countries, where European workers often have seven weeks of paid holidays annually due to either statutory fiat or collective agreement (OECD 2007, table 7.1).

Other legislation may not operate directly through firms but may still be thought of as affecting work–family balance. This includes public childcare and schooling provision, where again schooling is not necessarily thought of in this way, unlike pre-school care. The tax code, especially in choosing to treat people as individuals versus as members of family units, can also affect family structure and thus work patterns as well.

It is interesting to consider the various effects that such family-related laws and policies may have on labor market outcomes. Notably, much of both theoretical and empirical work has concentrated on the effects on female labor market outcomes. This interest is consistent with the general pattern that prime-age males tend to show very little elasticity of labor supply in response to their family situation, though marriage has a positive effect on men’s earnings (Korenman and Neumark 1991; Ginther and Zavodny 2001; Antonovics and Town 2004), and also a literature that discusses whether having a working spouse relative to nonworking spouse decreases male earnings (Jacobsen and Rayack 1996; Song 2007). On the other hand, presence of children, young children in particular, is generally associated with reduced female labor supply and lower earnings in empirical studies that measure this effect (Sigle-Rushton and Waldfogel 2007); marriage does not appear to have a direct effect, but rather an indirect effect through tending to lead to childbearing. Much of the lower earnings appears to be directly related to the ‘gap effect’ of taking a break in employment at childbirth (Joshi et al. 1999), often followed by a change in occupation (Jacobsen and Levin 1995), and recent work (Miller 2007; Buckles 2008) shows a big return in terms of earnings to even one year of delay in childbearing. In the United States, the most recent cohort of
young women reaching marriage and childbearing age is so far exhibiting both higher fertility and lower labor supply than the two preceding cohorts (Vere 2007); this pattern does not appear to be occurring in the other developed countries or in the developing world, where the overall trends are a rising age at first marriage and declining fertility (Jacobsen 2007). For the OECD countries, the mean age of women at first marriage has risen from 23 in 1980 to nearly 28 in 2004 (OECD 2007, table 2.2).

Hence, while on the one hand, one would expect a family-accommodating policy like childbearing leave to increase both the magnitude and continuity of female labor supply by reducing employers’ ability to alter women’s careers, to the extent that such policies increase the propensity of women to have children, it theoretically might have the effect of reducing labor supply through the direct negative effect that increased fertility has on female labor supply. It may also be that women work more continuously, but in part-time or lower-paying career paths or occupations that do not raise their earnings rate substantially relative to men. It may also be, particularly in economic downturns, that employers might view women as more likely to take advantage of family-accommodating policies and therefore view them as more expensive employees relative to men. This may then depress their hiring and retention rates and thereby their overall employment rate as well as their average length of service with any one employer and their overall work experience.

Alternatively, if family-accommodating policies make it easier for women to continue in their careers, to the extent that increased female labor supply reduces total fertility, overall fertility rates for societies with such policies may fall or continue to stay low (including below replacement). Therefore it becomes an interesting issue, as will be discussed in the empirical work section below, what the net effects of family-accommodating policies appear to be on female labor supply, female earnings, and fertility rates. An even more complicated issue is the effect such policies might have on household creation and dissolution, to the extent that changes in female labor supply can affect marriage, cohabitation, partnership, and divorce rates (a topic not covered below, as it is complicated and would afford an entire chapter in and of itself).

4 Existing laws and policies
It was not so long ago that restrictions existed – and indeed, in many developing countries, still exist – making it very difficult for women to either become employed in the first place, or to remain employed once they either became married or became pregnant. Marriage and pregnancy bars – rules dictating women employees’ allowable family status and relating to hiring and/or retention – are quite common. In the US, these bars arose
particularly in teaching and clerical work, and they became common practice for employers in the late 1800s through the 1930s, a period of relative economic depression. A 1940 survey found that about 87 percent of local school districts and over 50 percent of office workers were working under some marriage or pregnancy bar (Goldin 1990, pp. 160–78).

In the 1950s, US firms began to evince a preference for reliable older married women over young single women. This striking change in attitude appears to have been dictated to a large extent by the relative shortage of young single women, particularly as the age at first marriage dropped in the 1950s. This change led to the dropping of marriage and pregnancy bars, as well as to a large increase in the availability of part-time work, again in order to attract married women workers. While there is still a pregnancy bar in some workplaces (generally related to work with chemicals or other conditions that may be hazardous to the developing baby), the only marriage bar that persisted until more recently in the US was for flight attendants, although marriage bars were prohibited in Japan only in 1985.

But even today in developed countries, there are still legal employer policies that make it difficult in at least some cases for families to balance family and work life. For example, while anti-nepotism policies are not as widespread (at least in academia, where they were widely found in public universities in the 1950s and 1960s) as they used to be (thus often consigning the ‘trailing academic spouse’ to employment off-campus or in a non-faculty position on campus), anti-fraternization policies and/or policies prohibiting married persons working together still exist in many companies, particularly in situations where one person may be the supervisor of the other. And in many developing countries, there are numerous restrictions on women’s ability to enter into paid work, including requirements that there be complete gender segregation in many workplaces (though this can also create opportunities for women to work, for instance as teachers in girls’ schools, or as doctors for women). Thus it is clear that the legal employment structure and/or social strictures can tip the family-accommodation balance for women such that there is no work, only family.

However, more recent trends are to legislate and/or encourage employer policies that allow women to continue working after they marry and bear children (OECD 2002, 2003, 2004, 2005, 2007). The most obvious and widespread such policy is to mandate either paid or unpaid family leave (see OECD 2007, chart 5.1, for a summary of current leave entitlements for the OECD countries). The structure of such policies varies greatly from country to country (and even among subnational units, like provinces and states, within countries). They have come into widespread use by now, with leave durations rising rapidly in Europe during the 1970s in particular and...
with little accompanying dissatisfaction voiced by employers, apparently because they either had no impact or a slight beneficial impact on productivity (Ruhm and Teague 1997). Some of the most generous policies exist in the Scandinavian countries – which notably also have the highest rates of female employment participation in the OECD, with an average of 72 percent of women employed in Norway, Sweden and Denmark as of 2006 (OECD 2007, table 1.1). Sweden, which gave women the right to four weeks of unpaid maternity leave in 1901, by now allows for up to 480 days of paid parental leave, 60 of which are reserved for each parent and cannot be transferred between them. Notably, it appears that only mandatory paternal leave, such as both Norway and Sweden have instituted, increases fathers’ use of parental leave significantly (Lappegard 2008). Sweden also entitles parents of small children to six-hour workdays and allows for up to 120 days of leave to care for a sick child (nonparents are eligible for this leave as well) (Statistics Sweden 2004).

The US was late to move to a legal requirement of family leave. The Family and Medical Leave Act (FMLA) of February 1993 mandated formal family leave for employees fulfilling certain employment conditions (in particular, having worked at least 12 months for the employer, though not necessarily consecutively), in companies with 50 or more employees. Eligible employees can receive up to 12 workweeks of unpaid leave within any 12-month period for one or more of a set of reasons: childbirth and child care of a newborn child or newly adopted child of the employee; to care for an immediate family member (whether spouse, child or parent) who has a serious health condition; for personal medical leave due to a serious health condition. While Ruhm (1997) argues that this legislation had little effect due to limits on coverage and many workers already being able to take leave, it is notable that the offering of this benefit has thus risen substantially, from only 3 percent of workers covered in a 1989 survey to over 93 percent of comparable workers by 2004 (US Department of Commerce 1991, p. 420; US Department of Labor 2004). The expansion of leave has increased the amount of time that new parents spend on child-bearing-related leave (Waldfogel 2001; Baum 2003; Berger and Waldfogel 2004; Han et al. 2007), though more for women than for men (Han and Waldfogel 2003), even though paternity leave coverage increased substantially after 1993, as did state legislation covering smaller firms exempted by the FMLA (Waldfogel 1999b).

Note that the family leave concept has now moved well beyond simply incorporating consideration of childbirth and the immediate needs of child raising and maternal health related to childbirth. Thus it can increasingly cover situations where other dependants need assistance, including elder care. Additional possible future expansions would be for care of ill siblings.
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and other family members, as well as for ill partners (whether same or opposite sex).

The other main area of formal legislation, though not in the US, covers subsidized child care. This is generally provided by the government rather than by employers. Publicly provided childcare service levels vary across the developed countries (and are generally nonexistent in the developing countries), with the highest levels of subsidy found in Scandinavia and France, and low rates in the United Kingdom and the Netherlands. Usage rates vary widely as well: for OECD countries, in France, Italy, and Belgium, 100 percent of children aged three to five years of age are in preschool, ranging down to 11 percent in Turkey (OECD 2007, chart 6.2). The Scandinavian countries have the highest enrollment rates for children newborn to three years old, with Iceland the highest at 59 percent, ranging down to 3 percent in the Czech Republic (OECD 2007, chart 6.2).

Other than these two formal areas (while child allowances could also be considered as family policies, they are not tied to paid work), most of the other ways in which employers accommodate families are done by the employers choosing to do so (even if dictated by competition for desirable employees) rather than by government mandate. This includes offering fringe benefits related to families (including a shift from employee sick days to the more flexible concept of personal days), and altering the structure of the workday by allowing for flexible hours, job-sharing, telecommuting, varying shifts and reduced work-related travel. In 2003 some employees in the UK received the legal right to request flexible working arrangements (Dancaster 2006); it is too early to assess the effects of this program, but it will be interesting to see if many other countries follow this legislated lead.

A concern in some professions, including lawyers, managers and professors, is the existence of early-on decisions regarding partnership, promotion or tenure. These decisions can often occur during an employee’s prime childbearing years, thus setting up serious career–family conflict. Some firms have allowed for ‘mommy tracking’, whereby an employee makes a stated choice to forego partnership or promotion, at least at the usual early point, in exchange for continued job security (and generally reduced work hours). Some colleges and universities have allowed parents of newborns to delay their tenure decision by a semester or even a year for each child born during their probationary period (Shellenbarger 2006). However, it is clear that some careers, particularly high-paid professional ones, now demand more rather than fewer work hours than in the past in order to achieve career success (Jacobs and Madden 2004). For instance, while nearly all large law firms offer part-time schedules (97 percent), only 4 percent of attorneys in these large law firms actually work part-time (National...
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Association for Law Placement 2004). Given that less than half of first-year associates eventually make partner at the firms they begin work at, in such a competitive atmosphere, many associates are apparently loath to give up the edge they may attain by working the customary 16-hour days, and partners appear in many cases to continue working long hours if they stay in such firms.

One trend that has been much noted by commentators is the evolution of the home into a high-tech workplace. While many women have engaged in paid homework in the past and continue to do so in lower-technology jobs such as assembly work, now – through the miracle of telecommunications – many white-collar jobs can be performed at least partially at home. Cell phones, Blackberries, faxes, wireless internet access and laptop computers all serve to liberate persons from workdays tied to the office (or even from the indoors, or any stationary location). Additionally, it is possible in some occupations (college teaching, for one) to do some work at night and on weekends so as to free up blocks of time and maintain some flexibility during weekdays. There may, however, be trade-offs involved for those who use these work strategies. To the extent that they are not the norm, workers who spend greater periods of time away from the office may end up being penalized in terms of being considered less available for relatively inflexible assignments that can lead to promotions.

Working conditions still present a problem for women who consider entering and remaining in those professions that require much overnight travel. For some jobs, it seems unlikely that this dilemma can be solved through the reduction of such travel (without invention of instantaneous matter transporters à la Star Trek), although teleconferencing, either audio or video, is becoming both technically feasible and somewhat more popular. While hotels often provide childcare referral services (the use of which could be subsidized by employers), which make it theoretically possible for women to engage in business travel with young children, this approach is still difficult to coordinate. However, in two-parent households one spouse can choose not to have a traveling job, so as to stay home with children, and it need not be the woman who has the sedentary job.

5 Empirical work

There is some interesting empirical work relevant to the laws and policies discussed above, though much work remains to be done and results to date are far from definitive. In particular, researchers have looked for measurable effects of family leave legislation and for measurable effects of subsidizing child care. Outcome variables of interest have included female labor supply (whether participation, continuity of participation or hours worked), female earnings and fertility rates. Some of this research
has used a cross-national comparative approach, while other research has used cross-sectional within-country variation (say between a covered and uncovered sector) or time-series evidence (say comparing cohorts before and after legislation has been passed). There have also been some surveys that use employers rather than individuals as units of observation to see how employers have responded with various policy initiatives, whether legislated or voluntary.

Regarding studies of the effects of family leaves, one area of interest lies in the net effect of the competing directions on female labor supply. On the one hand, family leaves, whether paid or unpaid, appear likely to lead to sustained or increased female labor supply in the life-cycle sense of allowing women who wanted to stay with their current employer to avoid having to quit work and subsequently find a new job after caring for an infant; on the other hand, they may reduce total labor supply through encouraging accommodation of parents through part-time work, and through the indirect effect that women with children are less likely to work (as both a participation and an hours effect). Another area of interest is their effect on earnings, where on the one hand, allowing for more continuous attachment to both the labor force and the particular employer should lead to higher earnings, but on the other hand, it may be that, because of the effect of becoming a mother, if women enter mommy tracks within occupations or more family-friendly occupations, their earnings will not be as high. The final main area of interest is the effect of family-friendly policies on the birth rate, which is again ambiguous as discussed above: on the one hand, they may raise the birth rate through causing more working women to have children; on the other hand, they may lower the birth rate by causing more women to work more than they would have otherwise, and working women tend to have fewer children.

Regarding the net labor supply effects, Allen (1988) compares family leave policies and outcomes for Sweden, West Germany and France, finding a slight effect of increasing female labor supply at that relatively early point. Ruhm (1998), studying nine European countries from 1969 to 1993, also finds that paid parental leave policies cause small increases in female labor supply (and more in participation than in hours), but that lengthier leave policies had some effect in lowering women’s wages relative to men. Dex and Joshi (1999) attribute the rise in UK women’s participation rates mainly to their returning to work after childbirth at much shorter intervals. Gregg et al. (2007) come out more strongly in attributing this shortened interval in the UK to expanded maternity leave rights (as does Baum (2003), using US data), though they, as well as Joshi et al. (1996), emphasize the uneven effects and outcomes of employment continuity across women. Waldfogel et al. (1999) compare the US, Britain
and Japan, and find an increased likelihood that the woman returns to her employer after childbirth and thus a positive effect on women’s wages. Waldfogel (1999a) takes a more cautious approach, finding no significant negative effects of the FMLA on women’s employment or wages, although in her earlier work comparing the US to Britain, she argues that the wage premium related to returning to work sooner due to having leave coverage offsets the negative wage effect of having a child (Waldfogel 1998). Kenjoh (2005) finds increased participation rates for first-time mothers using data for the UK, Germany, the Netherlands, Sweden and Japan, though she credits much of this to the availability of good part-time employment opportunities. Notably, while the average percentage of employed women who are working part-time across the OECD countries is 26 percent, these five countries average 39 percent of employed women working part-time, with a range from 19 percent in Sweden to 60 percent in the Netherlands (OECD 2007, table 1.1). Jaumotte (2003) and Tsounta (2006), using data on various OECD countries, both find a large positive effect on female labor force participation, though they also both include other reforms (including changes in the tax system) as determinants. Burgess et al. (2008) concentrate only on maternity leave, using UK data, and find a strong effect on the timing of returning to work.

In summary, there is little evidence of significant negative effects of leave policies on women’s labor force attachment, and fairly substantial evidence of positive effects on both labor force attachment and attachment to particular employers and occupations. Thus the direct effect on labor supply appears to outweigh any indirect effect occurring through fertility, or any disemployment effect due to employers’ viewing women as more costly employees.

Regarding direct evidence on the net fertility effect, Allen (1988) finds no effect on the birth rate for his three countries. Averett and Whittington (2001), using US data, do find that the probability of a birth increases as a result of the availability of maternity leave at one’s employer and that there is a slight net fertility effect. Thus, for countries hoping that these policies will encourage fertility, there is no evidence that it discourages it, even as there is little evidence of large positive effects on fertility.

Turning now to measuring the effects of subsidized childcare, to the extent that the subsidies are tied to staying in paid labor (that is, employer-provided) one would expect them not to decrease female labor supply. On the other hand, both employer- and government-provided childcare subsidies lower the cost of having children and thus may lead to more investment in children (assuming they are a normal good in the combined quantity-quality dimensions) and perhaps less in work. For instance, Teal (1992) found that in Australia, many nonemployed women utilized childcare
services (particularly pre-school). So there is a potentially ambiguous effect on female labor supply, particularly for government-provided subsidies, as well as an ambiguous effect on female earnings and on the birth rate (similar to the arguments made regarding family leave effects above).

Jaumotte (2003), using OECD data, gets a positive effect on participation of childcare subsidies. However, Anderson and Levine (2000), using US data, find relatively inelastic female labor force participation with respect to the market price of child care, though it is larger (but still in the inelastic range) for less-skilled women. Chone et al. (2003), using French household data, also find little impact of childcare costs on mothers’ labor market participation, and Rammohan and Whelan (2007), using Australian data, also find minimal impact of childcare costs on mothers’ labor force participation, including the decision as to whether to work full- or part-time. The bulk of the evidence may be read as that the price and availability of formal child care affects modal usage (that is, substituting formal child care for informal care by relatives) rather than total amount used and thus has little effect on female labor force participation.

Relatedly, Baker and Milligan (2008) find evidence that the increased maternal care that accompanied the expansion of Canadian maternity leave entitlement mainly ‘crowded out home-based care by unlicensed non-relatives’, but no significant effect of this increased maternal care on child development indicators. On the other hand, Ruhm (2000) finds significant positive effects of parental leave duration on infant and young child health, including drops in mortality, as does a later study by Tanaka (2005) using OECD country data.

Overall, the net effect of the various pro-natalist policies in most of the developed world (including child allowances along with family leave and subsidized child care) does not seem to have reversed their fertility decline. For instance, in France, which has perhaps the most explicitly pro-natalist policy stance, the fertility rate has been declining since 1961. Although it has leveled off recently, it is still below replacement level. The rest of Western Europe also continues to have fertility below replacement level, although it is certainly possible that rates might be even lower, were it not for these policies. It appears that other aspects of the labor market, in particular the continuing high unemployment rates for women and a shortage of part-time jobs in many countries, have had a significant effect in keeping the fertility rate low in these countries (Adsera 2005).

There are also some studies that look at effects across firms on both the employers and the employees rather than focusing on the types of questions that are answered using household survey data. There is certainly increased publicity and public interest regarding the level of family-friendliness of various firms, at least large corporations. Lists exist touting
progressive firms, including the US magazine *Working Mother* (2008), which publishes annual lists of the top 100 firms based on its family-friendly criteria, and the Families and Work Institute, which highlights innovative family-friendly programs instituted by US firms (Galinsky et al. 2008). Government agencies also provide positive publicity by citing firms that have made efforts to improve equal employment opportunity, often through installing family-friendly policies (Australian Equal Opportunity for Women in the Workplace Agency 2008; US Department of Labor 2008). Thus firms garner potentially not only gains from current and potential customers from this positive publicity, but also access to a larger labor pool as workers may be more willing to apply to such firms and more knowledgeable as to which firms are progressive in these ways (Haddock et al. 2006).

It is also clear that many firms lag behind these leaders in providing family-friendly policies. Whitehouse and Zetlin (1999) point out that family-friendly rhetoric has become high profile in Australia, but find uneven access to such policies in the workforce, and suggest that the impact of such policies, even in exemplary cases of provision, is moderate on alleviating the work–family conflict. It also appears that fathers are more likely to have high family-friendly quality jobs than mothers in Australia (Strazdins et al. 2007), in part because women are much more likely than men to be found in part-time work and are encouraged to take this route so as to accommodate their family responsibilities even though it reduces their wage growth (Chalmers and Hill 2007). Interestingly, Anderson et al. (2002), in comparing a US sample of university to corporate employees, found ‘that the university sample employees were significantly more negative about their workplace’s work-family climate than were the corporate sample employees’. Also, Caputo (2000) finds differential access to family-friendly employee benefits by race, with black women being significantly less likely to work for such employers, even though they had greater labor market attachment (measured in both years worked and hours per year worked). However, Budd and Mumford (2004), using UK data, find that labor unions can assist in both affecting change and by providing assistance to workers in the form of information and assistance with using policies.

One area of interest where hopefully more research will occur is in comparing outcomes for workers in firms with nonmandated family-friendly policies to those without. One issue is whether use or availability of family-friendly benefits helps or hinders women’s progression up the promotion ladder. For instance, one study found that firms touting family-friendly benefits are not always the most likely ones to promote women, while other firms that got relatively low ‘family-friendly’ ratings had a high proportion of women managers (Sharpe 1994).
Another issue is whether the existence of family-friendly benefits can have a negative effect on wages, which could conceivably reduce women’s wages more than men’s if women are more likely to seek employment with firms offering these benefits, and more likely to utilize these benefits. Two theoretical perspectives guide the economists’ view of the potential effects of these policies on wages. One, the compensating wage differential perspective, views there as being a trade-off between these benefits and wages (that is, that the benefits are a quasi-fixed or variable cost for the employer). The second perspective argues that these benefits may have productivity-enhancing effects through allowing employees to operate more efficiently and/or making it possible for firms to attract the more productive workers. Therefore, wages would stay the same or even increase.

One early study using US data (Johnson and Provan 1995) concludes that the latter effect predominates. However, another study using more recent UK data (Heywood et al. 2007) finds a compensating wage differential of around 20 percent, mainly associated with flexible working schedules, so the former effect predominates, and another more recent US study (albeit with a limited sample) finds that employers using family-friendly benefits can benefit both from reduced turnover and from being able to pay lower entry-level wages (Baughman et al. 2003). Another UK study that focused on low-income parents also found that there was a perceived trade-off between family-friendly working conditions and income and career prospects (Coulter and Dean 2006). Meanwhile, Bloom et al. (2006) compared manufacturing firms in the US, France, Germany and the UK and found that ‘it depends’: for some firms, use of work–life balance policies improved productivity, while for others, it didn’t (relative to the case of firms that did not utilize such policies). Another US study (Arthur and Cook 2004) takes a different tack in looking for productivity effects by looking to see if share prices rise after announcements that various Fortune 500 firms were adopting family-family policies, and indeed finds positive effects on share prices. Overall the evidence is clearly mixed but promising in arguing that there need not be any negative effect on either firms or workers of instituting such policies.

A final question regarding outcomes: are people generally satisfied with the increased availability of such policies, which would imply that they approve of their being part of the general social contract, perhaps regardless of personal effects that they have experienced? By this measure, family-accommodating policies appear to be a success. Allen (1988) found a widespread view that such policies improve working conditions for women. US firms also do not report dissatisfaction with the FMLA mandate in particular (Waldfogel 2001).
6 Conclusion
Clearly the degree to which either legislation or widespread employer-initiated policies has affected family life has been significant for many individuals, but more needs to be done to make it easier for families – and for women in particular – to balance the many competing uses of their time, some of which are relatively less flexible.

One approach is to change the structure of daily life so as to ease the nonmarket work burden by reducing the amount of nonmarket work to be done. Consider four areas of social organization in which fundamental changes would need to occur in order to accomplish this goal, of which the workplace is but one; the other three are transportation, housing and schooling. These suggested changes must be judged on other grounds as well, such as cost-efficiency and desirability relative to other alternatives. One major consideration that has arisen to the forefront is how we might structure our daily lives so as to reduce our carbon footprint. Many of the changes below would have the effect of reducing our energy usage as well.

Regarding workplaces, it is ironic that more formally organized paid work is often less family-friendly because children are generally frowned upon if not outright barred from being on the premises on any day other than ‘take a child to work day’. In contrast, many work settings in developing countries and more informal work settings in developed countries have a much more flexible attitude towards the presence of children at the workplace (which may of course also be the child’s home in some situations). One might imagine the development of more family-friendly formal work settings, both to accommodate the need of workers to attend to family responsibilities and to allow workers to bring some of those responsibilities into the office. Concrete policies already aimed in this direction include ‘personal days’ and on-site childcare centers. A more flexible attitude towards workers’ family duties could be fostered in many offices. While many workplaces turn a blind eye towards employees’ taking care of personal business while at the office, including using the internet to make household purchases and making personal phone calls and emails, other offices actively discourage such activities. Indeed, family-friendly offices now exist where one can bring in infants or schoolchildren (as is the case in some nonprofit settings). Workplaces could create homework centers for children, an effort that could be as simple as setting aside a small room for children or as complex as developing small on-site libraries where children could do research for their homework.

Regarding transportation, the US has developed a predominantly car-based transportation system, both within and between cities that has clear disadvantages, particularly in an age of rising fuel prices. Other countries have not only developed a more extensive public transportation system
but, in some cases, businesses have stepped in to help fill transportation needs. This can include employer-provided bus or van service on a regular route to serve commuting employees, and company buses used to transport employees’ children to nearby childcare centers or schools. Companies located in clusters such as industrial parks could pool resources to provide such services.

Another way to reduce the time spent in daily transportation, a big problem even with public transportation systems, is to create policies that encourage the location of housing closer to both workplaces and other often-visited sites, including encouraging in general a smaller amount of land devoted to housing, by building at higher densities per square mile (by building up, by reducing yard sizes and by reducing square feet of housing per person). Schools and after-school activities could be located near workplaces and/or near homes. The opportunity to create communities with greater integration of alternative uses requires relaxation of zoning laws regarding residential housing and encouragement of mixed-use zoning. Also, greater reliance on public transportation (or bicycles and walking) would allow communities to reduce the amount of space required for roadways, allowing for higher-density communities. Again, some European cities have achieved such structures more effectively.

Both the extent of suburbanization and the type of housing commonly found in suburbs (though not just in suburbs) are problematic for freeing families from nonmarket work. Houses (and many possessions) require much maintenance, and it is apparent that architects and designers are not necessarily driven to create designs that reduce maintenance. One could argue that these outcomes reflect free choice on the part of individual families. But this argument both ignores zoning codes, which may not operate to the benefit of the majority, and the existence of a sizable housing stock, which codifies past decisions about housing style that may now be outmoded, but is too costly to replace wholesale (as is the case with existing transportation systems).

Numerous housing alternatives have been envisioned to alleviate some of the perceived drawbacks of the current housing stock (Hayden 1981; Weisman 1992). These designs tend to incorporate two key features: reduced square footage per family and promotion of facilities to be shared across families. These features are considered desirable by the designers in large part because they reduce time spent in home maintenance. However, there is a clear trade-off in such designs between privacy and communality, as well as between cost-cutting and the desire to consume more household services; after all, having more housing space is not necessarily bad. Europeans and Japanese appear accustomed to having less space, but that does not mean they would not prefer more housing space if it were cheaper.
Since space is more costly in European and Japanese cities, housing prices are higher for them than for Americans, so they consume relatively more of other goods. One could interpret the movement away from boarding houses in America as incomes rose as a clear sign of preference for non-communal living.

Various aspects of communal and cluster housing developments can reduce nonmarket work: communal eating facilities, where persons can take turns preparing meals for the community or can pool resources to hire a kitchen staff; rooms in a central facility for special occasions such as large dinner parties, so that families do not need so much space (which then requires upkeep) devoted to low-use areas (for example, formal dining rooms) in their individual units; a central laundry facility, staffed or unstaffed; and an on-site childcare center, possibly rotating childcare responsibilities among parents in the complex. It appears that such systems are relatively more attractive to women. In Sweden, where there is a relatively long history of experimental communal multifamily living, the public housing authorities have introduced communal options into rental housing; those communal option projects that are not specifically for the elderly attract disproportionately higher numbers of women and single-parent households than public housing in general (Woodward 1987).

Another way to reduce nonmarket work is to set up service houses – locations near homes that serve as clearing houses for messages, package delivery and repair calls. They can even serve as a place to drop off and retrieve laundry or to pick up hot meals upon returning home from work. Some single-family housing developments, cooperatives and condominium complexes already provide some services of this nature. This approach may allow for a better integration of the desire for privacy and roomy housing with the desire for reduced housing upkeep.

Finally, for parents in countries where the school calendar includes shorter schooldays than workdays (and sometimes sends children home for lunch) and long breaks (up to three months in the summer in many systems), this schedule (developed generally to accommodate an agricultural routine where children were needed during the summer to do farm work) does not currently operate to the advantage of many parents and children. Parents who are employed year-round full-time either must make plans for after-school and summer activities that will occupy the children during the rest of the workday, or face the spectacle of unsupervised ‘latchkey’ children. School schedules that run more days, more hours per day and stagger vacation time over the course of the year would be helpful to such parents.

In the US, the limited amount of formal schooling currently offered – beginning in kindergarten, which is still often a half-day program – seems
surprising, given national concern over declining or stagnant educational achievement levels. There is much evidence, both from school systems in other countries such as Japan that run for more days per year, more hours per day, and from the small but growing number of systems in the United States that run year-round schools (often as an optional school within a large school district), that these innovations are welcomed by parents and are helpful in raising children’s educational achievement levels. Given the growing number of children currently attending all-day year-round day care and pre-school programs, this drop in time upon entry into kindergarten also seems unwarranted if based on the idea that children cannot bear a full day away from their parents. While formal teaching may be tedious if maintained over the full day, a more flexible schedule involving extended periods of play could be used (as it is in Japan). Many schools, both public and private, have started optional after-school programs for children. This practice supplements the existing range of extracurricular activities, mainly for older children, such as music practice, dance lessons and sports, that help fill up the hours between the end of the school day and the end of the work day. To the extent these activities are school-provided rather than privately provided, it reduces (though generally not completely) the need for parents to coordinate transportation schedules for the children’s extracurricular activities.

In my career to date, I have certainly benefited from a number of family-accommodating policies from my employers, including a reduced teaching load option when I had my second child, the flexible hours inherent in the academic lifestyle (when you do not yet have tenure, you can work whenever you feel like it other than meeting your classes, so long as you work 60 or 70 hours a week!), and the ability to use employer-provided internet and email services to carry out personal errands and correspondence while at the office. However, my first academic employer did not offer parental leave at the time I had my first child (in 1990), and I was fortunate that she arrived right after spring semester classes ended so that I was able to care for her full-time during the ensuing summer break (in contrast, one of my colleagues who had a baby in October had to pay out of her own pocket for a replacement to cover her classes for a few weeks). Having a short commute and healthy children has also helped, as well as the many labor-saving devices that make home maintenance much easier for me than it was for my mother (who stayed at home until I was nine, and worked part-time after that). Good availability of quality day care and a supportive husband who reduced his working hours as mine increased, and who had jobs that did not require overnight travel while mine did, were also key elements. I am constantly aware of how lucky I have been to have found relative balance in my life between work and family, and how difficult it is for so
many other women and men, particularly those living in harsh economic and social conditions. I can only hope that societies throughout the world will increasingly be able to move to conditions that will make attainment of both work and family success, however that is personally defined, an achievable pair of goals for all persons.

Bibliography


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