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ECONOMICS OF THE FAMILY: WHO MAXIMIZES WHAT?

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In the traditional family the husband was the breadwinner, while the wife stayed at home and baked the bread.¹ Today it is increasingly acceptable for the woman to work outside the home as well, especially before there are children, and again after they grow up. There is also evidence that the husband is beginning to "help" somewhat more with household chores.² But essentially it is still his responsibility to be the provider, and hers to be the homemaker. This presumably enables each to concentrate on what he or she does best, the family's welfare is maximized, and everyone lives happily forever after. Or do they?

There are, in reality, a number of serious problems with the simple model underlying the above conclusions. It ignores the extent to which satisfaction (and dissatisfaction) is derived from work directly, not only from the consumption which work makes possible. The family is treated as though it did not change over time, and children did not grow up and leave home. No attention is paid to the status of the individual within the family. Last, but not least, there is the implied assumption that the family is a permanent, indivisible unit. Each of these issues will be critically examined in this paper.

First, the division of labor where spouses specialize completely in market and homework respectively has the disadvantage that any type of work is likely to become less pleasant and more tedious as one spends increasingly more time on it.³ To the extent that variety is the spice of life, both husband and wife might find it more rewarding to share both types of work. Particularly, she is likely to appreciate the opportunity to get out of the house, and spend some of her time with other adults, while he may well enjoy the chance to get to know his children better.

Second, the wife who devotes much or all or her working time to the household finds the value of her contribution declining sharply as children grow up and require less care. At that time she may well consider reentering the labor market.⁴ But during the years she was a

¹ What is viewed as the "traditional family" today actually has a rather brief history. In the days before industrialization most production took place in family enterprises, small shops, businesses, and particularly farms. While there was some specialization, the husband perhaps raising grain and looking after cattle, while the wife grew vegetables and took care of chickens, she was nonetheless a partner, not a housewife in the modern sense. This is still true to a degree of farm women today, but less so with the disappearance of mixed farming.

² John P. Robinson, "Changes in Americans' Use of Time, 1965-75: A Progress Report." August 1977.

³ Although housework, and often market work as well, is itself heterogeneous, the differences between market and housework tend to be far greater than those within either category.

⁴ The term reentry is used because the great majority of women today were in the labor market before their first child was born.

full-time homemaker her labor market skills became rusty. It may now be difficult for her to find work, let alone an interesting and well-paid position. The seriousness of this problem will vary according to occupational category, and the length of absence from the labor market. In any case, however, the wife who stays home when the children are young is far less likely to maximize family well-being in the long run, over the whole life cycle, even if she does so in the short run, during the early years of marriage.

A recent study of lifetime earnings of clerical workers with various patterns of labor force participation⁵ indicates that a woman with two children and a high school education reduces her lifetime earnings by about 29 percent by dropping out of the labor market for 10 years. The comparable figure for a college graduate is 32 percent.

The losses in earnings are partially offset by the greater value of housework of the woman while she is out of the labor market. Using data from Robinson⁶ to determine the difference in time spent, and census data on earnings of housekeepers (with the same level of education as the woman concerned) to estimate the value of that time, we find that the total lifetime contribution of the high school graduate is nonetheless 18 percent lower, and of the college graduate 21 percent lower when she interrupts employment for 10 years.

The same study found that the total lifetime contribution of a high school graduate who leaves the labor market permanently after the birth of her first child is reduced by 57 percent compared to one who never leaves the labor market. The comparable figure for a college graduate is 50 percent.

The above estimates are based on a single occupational category, and would clearly vary for other occupations. Since the earnings profiles of clerical workers are relatively flat as compared, for instance, to most professionals, these estimates are rather conservative. The number of children would also influence the size of the gap, as would other individual variations in lifestyle. But there can be no doubt that the woman who continues to work outside the home makes a far larger contribution to the real income of the family, calculated as money income plus the market value of housework, than does the woman who spends any significant number of years as a full-time homemaker.

Third, in the family where the husband is the sole wage earner he is generally also the dominant decisionmaker. The wife with no money income of her own is less likely to have her own charge or bank accounts, has less say on when and how money is to be spent or where the family is to live.

From the wife's point of view it is also particularly unfortunate that the value of the homemaker to her family peaks at an early stage of the life cycle. A woman in her forties or fifties may well ask herself what she has done for her family, lately. Worse than that, she may begin to wonder whether the same question is on their minds. During

⁵ Earnings of clerical workers with various patterns of labor force participation are reported in Marianne A. Ferber and Bonnie G. Birnbaum, "Labor Force Participation Patterns and Earnings of Clerical Women," unpublished paper, 1979. Estimates of the value of the total contribution to the household of women with different patterns of labor force participation are reported in Marlane A. Ferber and Bonnie G. Birnbaum, "One Job or Two Jobs: That Is the Question," unpublished paper, 1979.

⁶ John P. Robinson, "How Americans Use Time: A Socio-Psychological Analysis of Everyday Behavior," Praeger Publishers, New York, 1977.

these years the husband's earnings typically continue to increase, especially if he is in management or one of the professions. The relationship becomes more and more not one of two partners but that of the head of the household and a wife dependent on his economic contribution. It is easy to see what such a situation may do to her own perception of self-worth, and her status within the family.

This brings us to the fourth and most serious problem: The dependent homemaker who must suddenly fend for herself. The great majority of wives are sooner or later left without a husband, whether because of separation, divorce or death. Others find themselves in a position, temporarily or permanently, where they have to try to support a husband who is unemployed or disabled. Such women, and their dependents, almost invariably find themselves faced by a severe reduction in their standard of living, and are frequently confronted by dire poverty. The most common case is that of the divorced woman, generally with children, who collects little if any alimony or child support and rarely manages to improve her economic status significantly except through remarriage.⁷

The husband, too, is disadvantaged when he has done virtually no housework previously and must suddenly manage on his own. Since courts frequently do award alimony to a wife who is unable to support herself, he may also feel that financial pinch if he is one of the conscientious minority, or at least be inconvenienced by the legal maneuvers that are necessary to avoid making the payments. Nonetheless, his earning power remains the same and his work goes on as before, so that he is far less vulnerable than the woman who becomes a displaced homemaker.

In addition to the disadvantages to the couple of such specialization, there are costs to the taxpayer as well. The loss of job experience and depreciation of skills which accompany the long-term absence from the labor market make it difficult for a woman to support her family, should the need arise. Hence female-headed families constitute a substantial proportion of families in need of public support.⁸

On the basis of all these considerations we must conclude that complete specialization by husband and wife in market and housework respectively will not necessarily achieve optimal results for society, the family, or the husband. It is, however, the wife who most of all faces disadvantages and potential risks. She is deprived of the opportunity to lead what many consider a richer life by having more varied work experience. While there are those who prefer full-time homemaking, and while some market jobs are dull, monotonous, or even unpleasant, many nonetheless find the more varied work experience when they enter the labor market more rewarding. Wives who stay home also fail to maintain or acquire skills which would enable them to make a greater contribution to family income during the long years when there are no small children in the home. In addition, the wife is at a disadvantage vis-a-vis the husband with regard to status and power within the family when her contribution to the household is relatively

⁷ According to the Census Bureau Report "Divorce, Child Custody, and Child Support," series P23, the amount of child support paid to most women is small: two-fifths received less than \$1,000 during 1975 and three-fifths less than \$1,500.

⁸ Heather L. Ross and Isabell V. Sawbill, "Time of Transition: The Growth of Families Headed by Women," Urban Institute, 1975.

small and when she is far more economically dependent on her husband than vice versa. She may have to remain in a unhappy marriage, and will be in an extremely vulnerable position if she has to fend for herself, and often for her children as well.

Thus it is hardly surprising that women increasingly reject the traditional housewife role, and continue to enter the labor market in ever larger numbers. More than half of all married women with husbands present today work outside the home.⁹ It is perhaps more puzzling why almost half of them still opt for full-time homemaking. The explanation must be sought by examining the situation of the husband as well as the wife, since both influence the division of labor within the household.

As mentioned earlier, it is the woman who has the responsibility of looking after the household and caring for the children, whether or not she is in the labor market. Table 1 shows the total workweek—market work plus home production (child care and housework)—of a mother of two children who is employed 40 hours a week.¹⁰ This estimate also includes an additional 5 hours a week of commuting time. The total time spent varies by age and by level of education, but the estimates are in the range of 71–83 hours per week, or approximately double the standard workweek. Moreover these totals tend to be downward biased, in that child care time was counted only when it was a primary activity. Hours spent when the wife was primarily engaged in a leisure activity, but also looking after the children are not included.

The burden of this double load can be reduced somewhat by substituting more goods and services purchased in the market for home production, for example, switching to prepared foods, restaurant meals, and hired help for cleaning and child care. Planned spacing of children to accommodate the mother's work plans is also helpful. But so long as it is the wife who is, in the last analysis, responsible for the functioning of the household, and the mother who must cope with childhood illnesses, unreliable help and other domestic emergencies, the dual role will continue to present a formidable challenge for her. Not all women have the determination, stamina, and good health required to cope with this.

The husband does not face these problems. He does little or no additional housework when the wife enters the labor market, and stands to gain from the additional income and financial security a second wage earner provides. Nonetheless, we find that men have a consistently less favorable attitude toward women working in the labor market than women do. According to data collected on young Midwestern couples, 92 percent of the women, but only 60 percent of the men agreed that the wife should work if the family needs money. Sixty percent of women, and 82 percent of men agreed that if there are young children the wife should not work unless there is serious financial need.¹¹

⁹ It is often suggested that inflation is an important factor causing women to work outside the home, since higher prices have reduced real income. There are certainly cases where this is so. But, on the whole, real earnings of men have not declined over time.

¹⁰ Data based on Robinson, 1977.

¹¹ Marianne A. Ferber, "Labor Market Participation of Young Married Women." Unpublished paper, 1978.

We can only speculate why this is so. It may be that the husband values the services he gets from the full-time housewife very highly. He may object to the small amount of additional household work he does, or resent feeling guilty because he does not do more of it. More than likely some husbands also regret the loss of their dominant position. Whatever the reason, it is clear that women cannot always count on moral support from their husbands, any more than they can count on their willingness to undertake a more or less equal share of housework. As long as this is so, they are confronted not with a choice whether to do housework or marketwork, but whether to do marketwork in addition to housework.

TABLE 1.—HOURS PER WEEK SPENT IN HOME PRODUCTION PLUS 40-HOUR MARKET WORKWEEK FOR MARRIED WOMEN WITH 2 CHILDREN¹

High School graduate, 1 child born when mother age 23, 1 when she is 25		College graduate ² 1 child born when mother age 25, 1 when she is 27	
Age	Hours worked per week	Age	Hours worked per week
23 to 24	73	25 to 26	76
25 to 28	78	27 to 29	81
29 to 39	71	30	83
		31 to 39	74

¹ Home production time estimates based on John P. Robinson, *How Americans Use Time: A Social-Psychological Analysis Everyday Behavior*. To the standard 40-hr market workweek we have also added 5-hr a week commuting time.

² The higher number of hours worked by college graduates is entirely due to more time spent on child care.