

## Work-Family Council Initiative Working Paper Series

# The State of Working Families in Massachusetts

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#0001WFC

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### *Massachusetts Work-Family Council Initiative*

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## Preface

The aim of the Massachusetts Work-Family Council Initiative is to establish a non-governmental organization to promote the integration of work lives and family lives for the people of the state. The basis for the Council's mission is recognition that the difficulties of combining work and family in satisfactory ways affect everyone, on all sides of the problem—women and men, workers and employers of all kinds, state and local governments, community organizations and services. The Council's function is to bring together the full range of stakeholders involved in work-family issues to identify current barriers to solutions and to develop coordinated responses.

Part of the Council's ongoing efforts is to produce a series of background papers exploring in depth the complicated components of work-family conflict. The papers will variously provide such material as expert analysis of specific problems, reports on the operation of relevant public policies, discussions of programs developed by Council working groups, and communications from stakeholder groups.

This paper, "The State of Working Families in Massachusetts: A Background Paper for the Massachusetts Work-Family Council," by Neeta Fogg, Paul Harrington, and Thomas A. Kochan, is the first in a series. It analyses labor market pressures affecting work-family issues in the first decade of the 21st century.

## Executive Summary

The Massachusetts economy, workforce, and families have all undergone substantial changes over the past two decades. The net effect is to highlight and tighten the connections among these elements of society. This paper, focusing on the labor market pressures facing families, employers, and their communities, summarizes these trends and their interconnections.

Recently, as the economy has continued to shift from manufacturing to services, real wages have stagnated for many middle class workers, declined for less educated and lower wage earners, and increased for highly educated professionals. Given these trends in *individual* employee wages, *family* incomes increased the most in the subset of highly educated, two parent households in which wives could add more hours to the paid labor force. Income differentials, therefore, increased substantially between highly educated, two parent households and single parent and less educated households.

For example, between 1980 and 2000:

- Median incomes of families with children increased by \$11,000 or 22 percent.
- Two parent family incomes increased by \$18,000, compared to a \$5,500 increase for single mothers and a \$5,800 decrease for single fathers.
- Family income growth varied greatly by educational level, ranging from an income decline of \$3,400 for families headed by parents with less than a high school education to \$28,000 or a 36 percent increase for families headed by parents with a bachelor's degree or more education.

Single and dual parent families across all levels of education and income increased the hours devoted to paid work in the past two decades. Both the Massachusetts economy and family living standards benefited greatly from this increased work effort. Three fourths of the increase in family incomes in two parent families comes from the increased hours worked by mothers. Specifically:

- Between 1980 and 2000 employment rates of married mothers increased 16 percentage points, from 62 to 78 percent while single mothers' employment rates increased by 15 percentage points, from 65 to 80 percent.
- The number of hours worked by mothers with children under 18 increased by 25 percent, from 1,190 in 1979 to 1,530 in 1999. Single mothers increased their hours of work by 19 percent, from 1,420 in 1979 to 1,690 in 1999.
- Two parent families increased their total working hours over the past two decades by 14 percent. Today these families work an average of 3,800 hours, nearly the equivalent of two full time jobs.
- Three-fourths of the increased median incomes of married couples (\$13,800 out of \$18,400) were attributable to the increased labor market participation and hours of work of Massachusetts' wives.

These data demonstrate that working families in Massachusetts have now reached their limits. They have no more hours available to add to the labor force or to improve family income. This reality has increased demands for affordable and high quality

***These data demonstrate that working families in Massachusetts have now reached their limits.***

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childcare and related community services. Most recently, these increased demands have come when public service budgets and staff cuts are calling for more financial support and volunteer effort from parents and others in the community.<sup>2</sup>

These pressures are now being felt back at the workplace. Low wage employees often have to work multiple jobs to meet basic family needs and struggle to dovetail work schedules they do not control with those of other family members or friends to cover childcare responsibilities. These employees therefore need both improved wages and benefits and more control over their hours of work. Higher educated employees under onerous time demands face the need to gain greater flexibility and control over how, when, and how long they work. Young professionals, particularly women, need to be able to reduce their working hours, to allow them to remain in the careers their education has prepared them to pursue. Added to the escalating costs of housing and education,

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<sup>2</sup> For a summary of the cuts in funding of family and community services, see "Three Years of Spending Cuts and Their Effects on Low-and Moderate-Income People," *Massachusetts Budget and Policy Center*, [www.masbudget.org](http://www.masbudget.org), August, 2003.

these various pressures are among the major factors worrying parents about their children's futures. One symptom of the failure of Massachusetts to address them is the notable out-migration of young people to lower cost regions of the country.<sup>3</sup>

Looking ahead, several questions and challenges loom large for Massachusetts.

- Where will future growth in family income come from, given that we have now exhausted the ability to add more household hours to the labor force? Is Massachusetts destined to experience a period of intensified pressures for wage and benefit improvements? If so, how can industry meet these pressures without making Massachusetts a more expensive place to do business and to start a career and family?
- How can the increased demand for childcare and related community services be met in an era of shrinking budgets and staff?
- How can flexibility be made to work well for both Massachusetts businesses and extended to all employees in ways that improve the quality of family life and community services?

The data presented in this paper lead us to see work, family, and community issues as tightly joined. They need to be addressed in an integrated fashion for the Massachusetts economy to prosper and for the state be an affordable and attractive place to live.

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<sup>3</sup> See "Mass.Migration," MassINC, December 2003, [www.massinc.org](http://www.massinc.org).

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## **Introduction**

This paper presents a detailed analysis of changes in Massachusetts' households and in the economic and labor market fortunes of families with children under age 18. The data support the need to treat these as interrelated challenges and therefore reinforce the call for formation of a broad-based Massachusetts Work-Family Council. In what follows, we review changes in the make-up of households and families in Massachusetts and then examine trends in family income, education, and working hours from 1980 to 2000.

### **The Composition of Households in Massachusetts, 1980-2000**

The total number of households in the state increased approximately 20 percent over the past two decades, from 2.033 million in 1980 to 2.447 million in 2000. The Census Bureau differentiates between family and nonfamily households. A family household is one consisting of two or more persons who are related to each other by blood, marriage, or adoption.

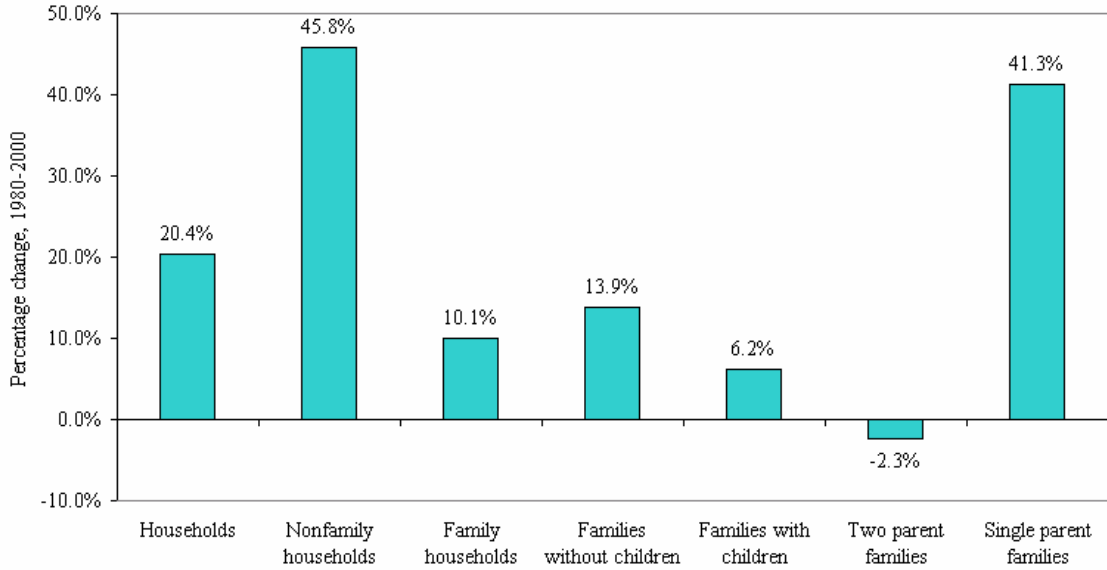
Patterns of household formation in the state indicate a sharp change in the living arrangements of the population. Non-family living arrangements have become more common as marriage is postponed and the number of elderly individuals living by themselves increased in the state. In 1980, over 71 percent of all households in Massachusetts consisted of family households. In 2000, this ratio declined to 65 percent. The number of family households increased by only 10 percent whereas nonfamily households (total households minus family households) increased by nearly 46 percent in the past 20 years.

Within family households, the number of families without children increased at twice the rate of growth of their counterparts with children (14 percent versus 6 percent). Moreover, all the growth in the state's families with children occurred among single parent families. At the same time as the number of two parent families declined by 2 percent, the number of single parent families increased by over 41 percent.

Families in the state are less likely to have children under 18 in 2000 than in 1980. Those families that have children are more likely to be single parent families today.

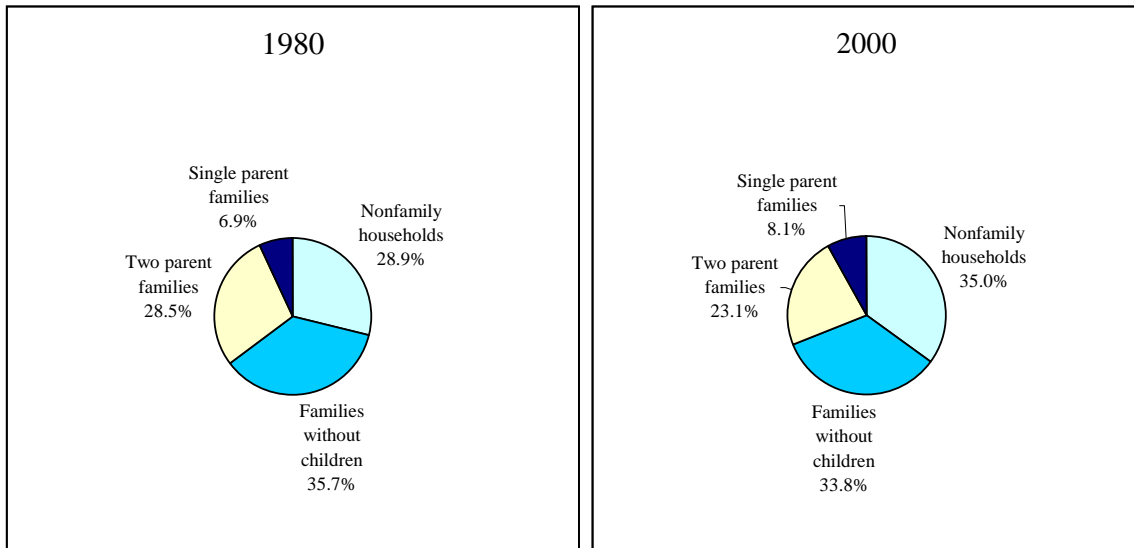
**Chart 1**

**Percentage Change in Number of Households in Massachusetts  
by Type of Household, 1980-2000**



**Chart 2:**

**Distribution of Households in Massachusetts, 1980 and 2000**



Two parent families accounted for only 23 percent of all households in the state in 2000, down from nearly 29 percent in 1980.



Decline in the shares of families with children in the state means that issues pertaining to these families are not as important to the self interest of most households in the state. Advocates of families with children need to work harder to bring the issues and problems of these families to the forefront of most communities. Families with children and two-parent families have become a small minority when examined with all households in the state.

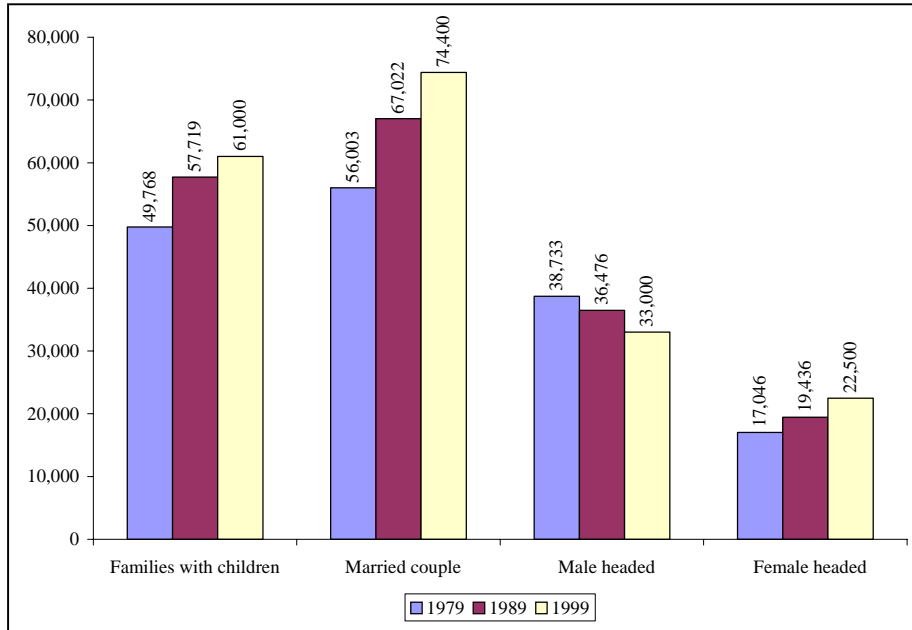
## **Family Income Growth**

Annual family income is frequently used to measure the economic well being of families. The total income of a family consists of the combined annual earnings and non-earned income of all members of the family. We analyzed trends in the median income of families to assess changes in their economic well being over time. Findings are presented in Chart 3. The real median income of families with children in Massachusetts grew by \$11,000 or 22 percent between 1979 and 1999. Most of this growth in family income occurred between 1979 and 1989 when the real median income grew by nearly \$8,000 or 16 percent. The 1990s saw a slowdown in income growth among the state's families with children. The real median family income in the state grew by only \$3,300 or 6 percent during the 1990s.

Larger increases were experienced in the median incomes of two parent families. Between 1979 and 1989, the real median income of these families increased by \$18,000 or nearly 33 percent. Again, most of this income growth occurred during the 1980s when the real median income of two parent families increased by more than \$11,000 or 20 percent, compared to \$7,400 or 11 percent increases between 1989 and 1999.

The real median income of single mother families in the state increased during the 1980s as well as the 1990s. In contrast to the trends in the growth of median income of two parent families, single mother families in the state saw slightly higher income growth during the 1990s than during the 1980s. Part of this higher income growth is attributable to the increased labor force participation rate and increased hours of work of single mothers after the passage of the welfare reform act in 1996.

**Chart 3:**  
**Trends in the Real Median Income of Families with Children Under 18 in Massachusetts, 1979-1999**



In contrast to the trends among married couple and single mother families, the families of single (custodial) fathers in Massachusetts saw a steady deterioration in their real median income. The median income of these families declined from \$38,800 in 1979 to \$36,500 in 1989 and further down to \$33,000 in 1999. In 2000, 18 percent of single fathers in Massachusetts had failed to complete high school compared to only 9 percent of married fathers. Single fathers were less than half as likely as married fathers to possess a college degree (18 percent versus 43 percent). Given the lower levels of education among single fathers and the deterioration of the economic fortunes of poorly educated men, it is not surprising to find a decline in the median income of single father families.

With the exception of single father families, the incomes of all families with children in Massachusetts grew during the 1980s and the 1990s. The rate of growth varied over each decade and varied by type of family. The median income of two parent families grew at the fastest rate. As a result, the gap between the median income of all families with children and two parent families in the state increased from 13 percent in

1979 to 22 percent in 1999. In 1999, the median income of married couple families with children in Massachusetts was 2.3 times higher than that of custodial father families, and 3.3 times as high as the income of single mother families.

Within the group of married couple families, the income growth varied sharply by the educational attainment of the householder and spouse. The real median income of families in which both spouses had failed to complete high school fell by \$3,400 or 8 percent between 1979 and 1999 whereas their counterpart families where both spouses had graduated from high school with no postsecondary education saw their median income increase by nearly \$4,100 or 8 percent over the 20-year time period. Two parent families where both parents had completed some college but not earned a bachelor's degree enjoyed a 24 percent increase in real median income. The biggest absolute and relative increase in median income was among married couple families where both spouses had earned a bachelor's degree or more. The median income of these families stood at \$106,600 in 1999, a level that was \$28,000 or 36 percent higher than their income in 1979.

The educational attainment of married couple families increased sharply between 1980 and 2000. Evidence points to a sharp increase in the proportion of all two-parent families that consisted of two college graduate spouses. As noted above, these families (with both spouses college graduates) were also the ones that saw the highest increase in real median family income. In 2000, 30 percent of two parent families in Massachusetts had a college graduate householder

***The biggest absolute and relative increase in median income was among married couple families where both spouses had earned a bachelor's degree or more.***

and spouse, up from only 13 percent in 1980. The share of all married couple families with children where both spouses had failed to complete high school fell from 10 percent in 1980 to only 4 percent in 2000.

Spouses in married couple families are increasingly likely to have the same level of education. In 2000, 56 percent of two parent families in Massachusetts had both spouses with the same level of education, up from 53 percent in 1980. The proportion of families where the wife was better educated than the husband increased from under 18

percent in 1980 to 23 percent in 2000. Only one-fifth of married couple families had a better-educated husband, down from nearly 30 percent in 1980.

**Table 1:**

**Trends in the Real Median Income of Married Couple Families with Children Under 18, by Educational Attainment of Both Spouses, 1979-1999**

	1980	2000	Absolute Change	Relative Change
<b>Median income by educational attainment of both spouses</b>				
Both less than high school	\$41,340	\$38,000	-\$3,340	-8.1%
Both high school graduates only	51,915	56,000	4,085	7.9%
Both with some college	54,310	67,420	13,110	24.1%
Both college graduates	78,292	106,600	28,308	36.2%
<b>Percent of married couple families with same education of husband and wife</b>				
Both less than high school	9.9	4.2	-5.7	-57.7%
Both high school only	23.0	10.1	-12.9	-56.1%
Both with some college	5.7	11.8	6.1	106.9%
Both college graduates	12.7	30.1	17.4	137.2%
Total (percent spouses with same education)	51.3	56.2	4.9	9.6%
<b>Percent with better educated husband</b>	30.3	20.8	-9.5	-31.4%
<b>Percent with better educated wife</b>	18.4	23.0	4.6	25.1%

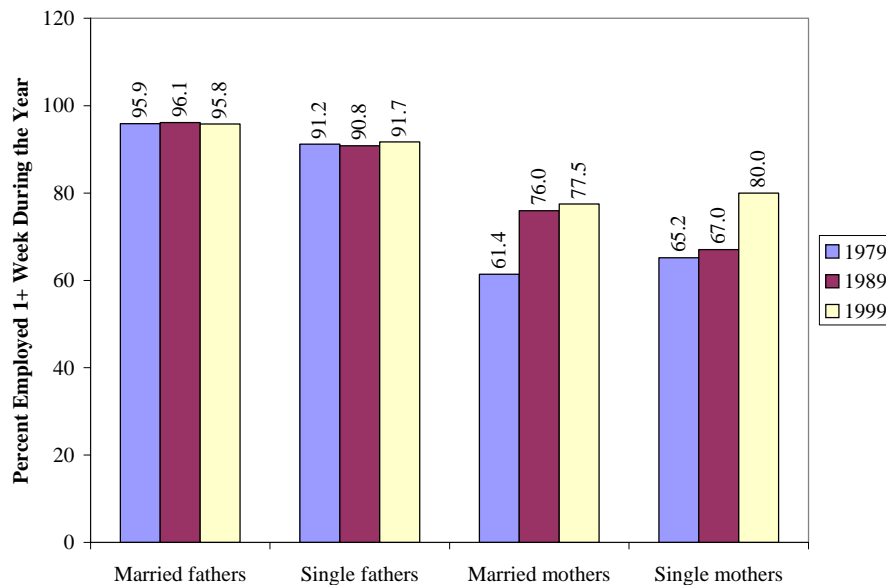
## Trends in Labor Market Attachment of Families

The income growth of families summarized above is largely attributable to the increased labor force efforts of parents, particularly mothers. Labor force attachment is measured by the *rate* and *intensity* of employment. We measured the *rate* of employment as the proportion of each group that was employed for pay for one or more weeks during a calendar year. The *intensity* of employment was measured by the annual hours of employment during a calendar year.

Data on the rate of employment among single and married fathers and mothers are presented in Chart 4. Married fathers and single fathers were employed at very high rates. Over 95 percent of married fathers in Massachusetts were employed for at least one week during the year during 1979, 1989, and 1999 compared to 91 and 92 percent among the state's custodial fathers. Over 95 percent of married fathers in Massachusetts were employed for at least one week during the year during 1979, 1989, and 1999 compared to 91 and 92 percent among the state's custodial fathers.

**Chart 4:**

### Percent of Fathers and Mothers of Children Under 18 in Massachusetts That Were Employed for 1+ Weeks During the Year, 1979, 1989, and 1999



The employment rates of both married and single mothers of children under 18 have increased sharply. By 1999, nearly 78 percent of married mothers and 80 percent of single mothers in Massachusetts were employed for at least one week of the year. A more detailed examination of the data show the rates and timing of these increases vary by marital status and education.

For example in 1979, 62 percent of the state's married mothers were employed for at least one week, compared to 65 percent of single mothers. Employment rates of married mothers increased 14 percent reaching 76 percent in 1989. Employment among single mothers increased from 65 percent in 1979 to 67 percent in 1989, an increase of just 2 percentage points.

The 1990s saw a reversal of the pace of growth in employment among the state's married mothers and single mothers. Between 1989 and 1999, the employment rate of single mothers increased by 13 percentage points. By the end of the 1990s, 80 percent of the state's single mothers were employed for at least one week during the year. Much of this can be attributed to the welfare reform act of 1996. The strong emphasis on employment directed by the "work first" nature of the reform combined with increased employment opportunities in an expanding economy, resulted in the entry into the labor market of a large number of single mothers who were previously on welfare. Married women on the other hand, saw their likelihood of employment during the year increase by just 1.5 percentage points, from 76 percent in 1989 to 77.5 percent in 1999. Thus, the increase in the labor force attachment of married mothers leveled off during the 1990s after sharply increasing during the 1980s.

Increases in employment of married mothers and single mothers occurred in different decades and varied by their levels of educational attainment. Among married mothers, most of the increase in employment occurred between 1979 and 1989 and was somewhat concentrated among women with higher levels of education.

**Table 2:**  
**Trends in Employment Rates of Single and Married Mothers**  
**by Educational Attainment, Massachusetts, 1979-1999**

Marital status and educational attainment	1979	1989	1999	Change, 1979-89	Change, 1989-99	Change, 1979-99
<b>Married mothers:</b>						
Less than high school	56.6	65.0	64.0	8.4	-1.0	7.4
High school graduate	60.5	72.6	75.0	12.1	2.4	14.5
Some college	63.4	79.4	79.4	16.0	0.0	16.0
College graduate	66.3	79.9	79.8	13.6	-0.1	13.5
<b>Single mothers:</b>						
Less than high school	44.9	39.7	59.6	-5.2	19.9	14.7
High school graduate	69.8	67.6	77.6	-2.2	10.0	7.8
Some college	80.0	81.0	87.0	1.0	6.0	7.0
College graduate	87.2	91.8	91.7	4.6	-0.1	4.5

In contrast, the increase in employment rate and the level of employment among married and single women vary by their educational attainment. Among married mothers who were college graduates, the likelihood of employment in 1999 was nearly 16-percentage points higher than among their counterparts who failed to complete high school (80 percent versus 64 percent). The gap in employment rates between these two educational groups was considerably larger among single mothers. While nearly 92 percent of single mothers in Massachusetts were employed in 1999, only 60 percent of single mothers with less than a high school education were employed.

The lower employment rates among poorly educated mothers in 1999 indicate that there may be some room to increase the labor supply of women by increasing employment among poorly educated women. While it may be possible to increase the labor force participation of less educated women, it will require private and public efforts to

***This group [less educated women], more than any other, illustrates the tight interconnections among the Work-Family Council priority issues—addressing job and financial security pressures, making childcare and community services available and affordable, and increasing flexibility at work.***

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upgrade their education and skills, provide more affordable childcare and family services, improve their wages and benefits, and ensure that these workers have the flexibility to adjust their working hours and schedules to meet their work and family responsibilities. This group, more than any other, illustrates the tight interconnections among the Work-Family Council priority issues—addressing job and financial security pressures, making childcare and community services available and affordable, and increasing flexibility at work.

### **Intensity of Employment: Annual Hours of Employment**

The above data show clearly that the employment rates of mothers with children under 18 increased sharply in Massachusetts. However, a complete picture of the amount of time that parents spend at work requires examination of the total hours of employment during a year. We have measured the mean annual hours of employment among parents who worked for at least one week during the year. Findings are presented in Table 3. These findings reveal that parents in Massachusetts worked longer hours in 1999 than they did in 1989 or 1979. Between 1979 and 1999, the mean annual hours of employment among married fathers in Massachusetts increased from 2,160 to 2,300, representing an increase of 136 hours or 6 percent. Employment of 2,300 hours is equivalent to year round work (52 weeks) of 45 hours per week. The mean annual hours of employment among single fathers also increased by 6 percent over the 20-year time period. In 1999, the mean annual hours of work among employed single fathers in Massachusetts was 2,120 hours.



Between 1979 and 1999, the mean annual hours of work among working married mothers increased from 1,190 hours to 1,530 hours, representing an increase of 300 hours or nearly 25 percent. The mean annual hours of labor market work of the state's employed single mothers increased from 1,420 hours in 1979 to 1,690 hours in 1999, representing an increase of 272 hours or 19 percent. . In 1999 married mothers and single mothers who were employed worked 1,530 and 1,690 hours, respectively. This level of employment amounts to year-round work (52 weeks) of 30 hours per week among married women and 33 hours per week among single mothers.

***Mothers in Massachusetts increased their labor market work sharply.***

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**Table 3:  
Mean Annual Hours of Employed among Parents of Children Under 18 Who Were Employed for One or More Weeks During the Year, Massachusetts, 1979-1999**

	1979	1989	1999	Absolute Change 1979-99	Relative Change 1979-99
Married fathers	2,163	2,221	2,299	136	6.3%
Single fathers	1,999	2,068	2,123	125	6.2%
Married mothers	1,189	1,348	1,528	339	28.5%
Single mothers	1,419	1,565	1,690	272	19.2%
Married couples (combined)	3,327	3,545	3,799	472	14.2%

In two parent families, the combined mean annual hours of employment of both spouses increased from 3,330 in 1979 to 3,800 in 1999. Between husband and wife there was 472 additional hours of labor supply between 1979 and 1999, representing an increase of 14 percent. In 1999, nearly three-quarters of all married couples with children in the Commonwealth had two working spouses and the mean combined hours of employment among these couples was 3,800 hours which amounts to both spouses working year-round (52 weeks) for 75 hours per week. Thus, the opportunity to improve

the standard of living of families through increased labor force attachment of mothers or fathers (married or single) appears to now be exhausted.

Parents of children under 18 in Massachusetts are spending an extraordinary amount of time in the labor market and their work effort

*... the opportunity to improve the standard of living of families through increased labor force attachment of mothers or fathers (married or single) appears to now be exhausted.*

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has clearly increased over time. This kind of work effort must encroach upon the time left over for the family and children resulting in difficult work-family tradeoffs for these families.

### Earnings of Employed Parents

These increases in labor supply of mothers with children under 18 accounted for approximately three-fourths of the improvements in family incomes over the past two decades. The real (inflation-adjusted) earnings of working married mothers nearly doubled from \$11,800 in 1979 to \$23,000 in 1999. Single working mothers also saw their real median earnings increase by nearly 50 percent or \$6,900 over the 20 years between 1979 and 1999.

**Table 4:**

**Real Median Annual Earnings of Employed Mothers and Fathers of Children under 18 in Massachusetts, 1979 to 1999**

	1979	1999	Absolute Change	Relative Change
Married fathers	42,478	49,000	6,522	15.4%
Single fathers	35,401	32,000	-3,401	-9.6%
Married mothers	11,808	23,000	11,192	94.8%
Single mothers	14,427	21,300	6,873	47.6%
Married couples (combined)	54,286	73,500	19,214	35.4%

The real median earnings of married fathers increased at a slower pace than that of married mothers. This is not surprising since growth in fathers' earnings had to come mostly from increases in hourly wages (which grew slowly) than from increased hours of

work. The median annual earnings of working married fathers increased by 15 percent, from \$42,500 in 1979 to \$49,000 in 1999. In sharp contrast, working single fathers many of whom are young and poorly educated, witnessed a 10 percent decline in their annual earnings between 1979 and 1999.

### **Wife’s Contributions to Income Growth of Married Couple Families**

To show how much of the increase in family income has come from increased hours of work by wives we compare the level of income for each two-parent family first including and then excluding the annual earnings of the wife. Findings are presented in Table 5.

**Table 5:**

**Real Median Income of Married Couple Families with Children Under 18, Including and Excluding the Earnings of Wives, 1979-1999**

<b>Real median family income:</b>		
	<u>1979</u>	<u>1999</u>
Including wives' earnings	\$56,003	\$74,400
Excluding wives' earnings	\$47,197	\$51,800
<b>Change in real median income, 1979-1999:</b>		
	<u>Absolute</u>	<u>Relative</u>
	<u>Change</u>	<u>Change</u>
Including wives' earnings	\$18,397	32.9%
Excluding wives' earnings	\$4,603	9.8%
<b>Median income growth between 1979 and 1999</b>		
attributable to wives’ earnings	\$13,794	
Share of median income growth between 1979 and 1999 attributable to wives’ earnings	75.0%	

Between 1979 and 1999, the real median income of two parent families in Massachusetts increased by \$18,400 or 33 percent. If the earnings of wives were subtracted from the total income of two parent families, the real median income increased

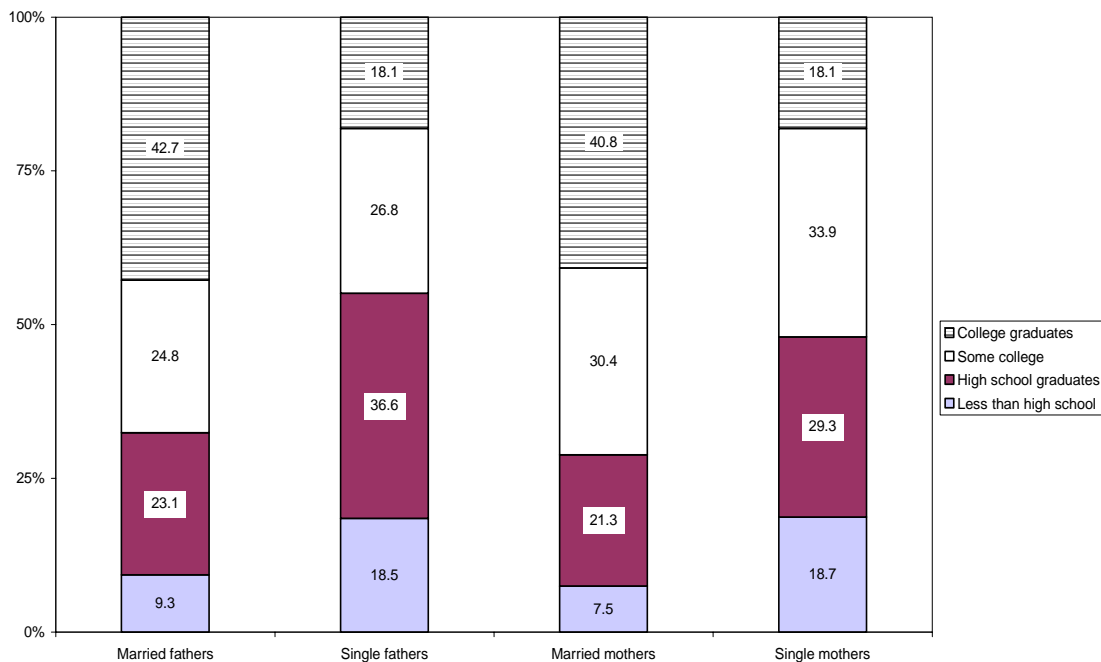
by only \$4,600 or 10 percent. Thus, nearly three-quarters of the increase in the median income of married couple families in Massachusetts between 1979 and 1999 (\$13,800 out of \$18,400) was attributable to the increased labor market participation and hours or work of wives.

## Education and Family Earnings Growth

Educational differences also contributed to differential rates of growth in the earnings of parents in Massachusetts. Increased demand for higher levels of literacy proficiencies in the economy resulted in increased employment opportunities and earnings premiums for college educated workers. Each of the four groups of parents in Massachusetts (single and married mothers and fathers) had distinctly different levels of educational attainment (Chart 5).

**Chart 5:**

**Percentage Distribution of Parents of Children Under 18 in Massachusetts, by Educational Attainment, 2000**



In 2000, only 7.5 percent of married mothers and a little over 9 percent of married fathers in Massachusetts had failed to complete high school. In contrast, 18 percent of single mothers and single fathers had failed to complete high school. Married mothers

and fathers were more likely to have completed some postsecondary education compared to their single counterparts. Nearly two-thirds of married fathers and over 71 percent of married mothers had completed some postsecondary schooling compared to just 45 percent of single fathers and 52 percent of single mothers. Possession of a four-year or higher college degree was most prevalent among married fathers (43 percent) closely followed by married mothers among whom 41 percent had a bachelor's degree or more. Among single mothers and single fathers, only 18 percent had earned a bachelor's degree or more.

These differences in educational attainment provide married couple families with a double advantage compared to single parent families—a higher level of educational capital combined with the opportunity for both spouses to work produces considerably higher family income.

## **Effects on Family Outlooks**

These trends in household composition, hours, and incomes combine to have significant effects on how people in Massachusetts view the quality of their lives and future prospects. Their effects are especially noticeable in the worries parents have for their children's future. A 2002 survey conducted for MassINC shows, for example, that while a majority of Massachusetts residents rate the quality of life in the state as good or excellent, only 15% say it has improved in recent years; the rest see it either declining or staying about the same. Parents are particularly concerned for their children's futures. Eighty-six percent say that the state needs to improve the affordability of a college education. Seventy-three percent worry that their children won't have access to good jobs. The interest in out migration continues to be strong. One third of the respondents indicated they would move out of state if given the opportunity to do so. The report issues a specific concern about the young talented pool of “newcomers” to the state:

“Newcomers - a diverse, young, educated population who moved to Massachusetts in the last decade - emerge as a group to watch because of their economic and social value to the state. Their specific concerns about the state's cost of living endanger their longevity as residents. One-third state they would leave if given the opportunity.” (MassINC, 2003; 1)<sup>4</sup>

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<sup>4</sup> “The Pursuit of Happiness: The Survey of the Quality of Life in Massachusetts,” MassINC, May 2002, [www.massinc.org](http://www.massinc.org).

## Summary and Conclusions

As the state's economy underwent structural changes over the past two decades, the state's workforce, particularly women, adjusted their behavior to place themselves in the best position to exploit the opportunities offered by the growth in college labor market jobs that require higher levels of literacy proficiencies and educational attainment. Women graduated from high school at higher rates, enrolled in postsecondary education, and earned college degrees, entered the labor market and increased their intensity of workforce participation in the form of increased annual hours of labor supply. Many of the new female labor market entrants consisted of mothers with children under age 18.

The Massachusetts economy and its families have benefited greatly over the past two decades because of the increased labor force contributions of these women. Three-quarters of the increase in the median income of two parent families between 1979 and 1999 is attributable to the increased labor market efforts and earnings of wives in these families.

But these trends cannot continue indefinitely, and in fact, have already begun to slow down. The labor market attachment of married mothers increased sharply during the 1980s and leveled off during the 1990s. Single mothers increased their labor market attachment during the 1990s as a result of welfare reform. The state has now exhausted this source of increase in the family income and faces the problem of finding the next source of increase in labor supply, family income, and improvement of family living standards.

These developments have worsened the work-family tradeoffs faced by families with children. In 1999, three-quarters of the state's married couple families with children had two employed spouses. The average

***This level of labor market efforts among parents leaves very little time for the family, children, and the community.***

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combined hours of employment of the husband and wife in 1999 was nearly 3,800 hours, which is nearly equivalent to two full-time year-round workers. The mean annual hours of employed single parents was nearly 1,700 hours among single mothers and over 2,100 hours among single fathers in the state. This level of labor market efforts among parents leaves very little time for the family, children, and the community. As the state's families

with children went through a sharp transformation in the way in which parents' time was divided between the labor market and the home, demands for public childcare and related family services grew in an environment of shrinking public service budgets. Not surprisingly, the cumulative effects of these pressures lead the majority of the state's residents to indicate that their quality of life has either not improved or is getting worse. It also leads parents to worry whether their children will be able to afford the costs of achieving the high levels of education required to get ahead in the labor market and the costs of starting their careers and families in Massachusetts.

We believe that only a coordinated effort that brings together leaders of business, workforce, government, and community organizations is needed to address these problems. Among those that we believe have the highest potential leverage are ones that work directly at making flexibility in working hours a real option for the full workforce, from low to high income levels. That is why we have chosen to make this one of the top priority issues for the Massachusetts Work-Family Council.

But flexibility alone will not be sufficient. Efforts to ensure that Massachusetts creates and sustains high quality well paying jobs are equally essential. This likewise requires a new dialogue among these same stakeholders. One

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important step that the Council hopes to take is to articulate a vision for the workplace of the future. What do we expect and need from work and what standards for work should we require of Massachusetts's employers, employees, unions, and government policy makers? Similarly, what standards should we set for childcare and related family services in Massachusetts and how do we work toward achieving them?

These are the challenges and questions that we derived from the data presented in this paper and that we will be taking up in the months ahead at the Massachusetts Work-Family Council.