

# The Economics of Fatherhood and Work

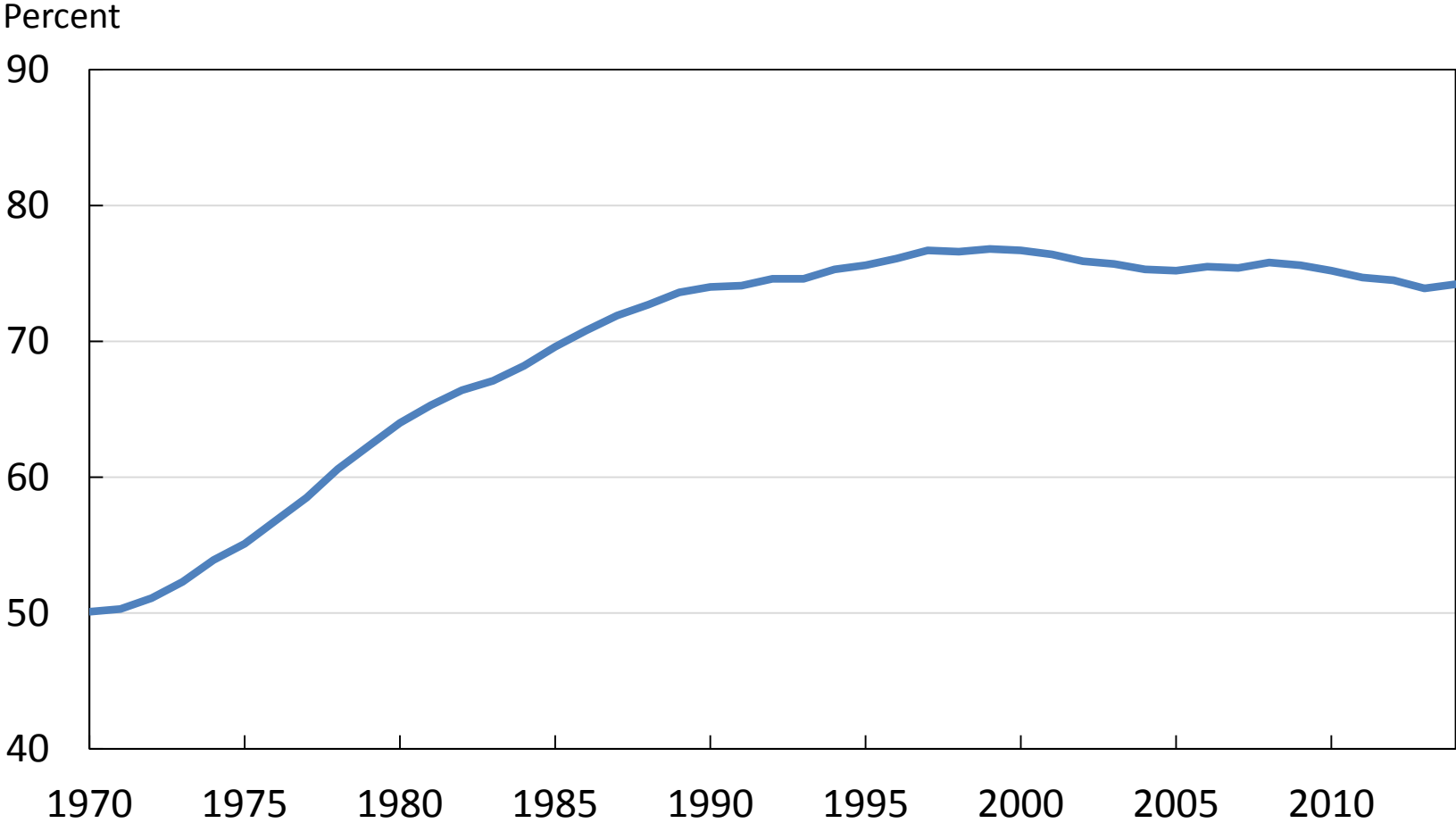
Council of Economic Advisers



June 9, 2014

# There has been a large shift as women have entered the workforce

## Labor Market Participation of Women, Age 25-54

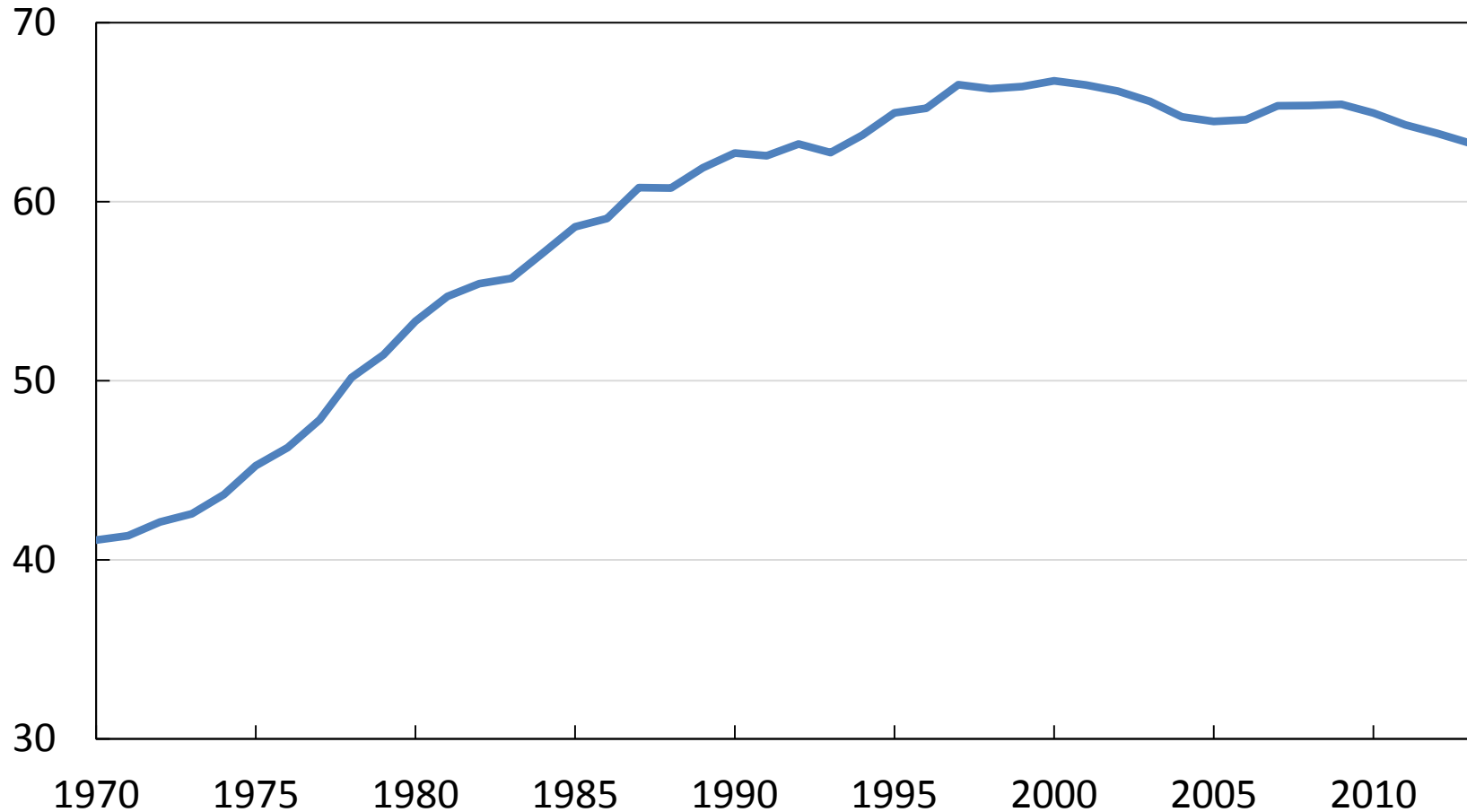


Source: Bureau of Labor Statistics

# All parents are working in more than 60 percent of families with children

## Percentage of Families with Children Under 18 in Which all Parents Work

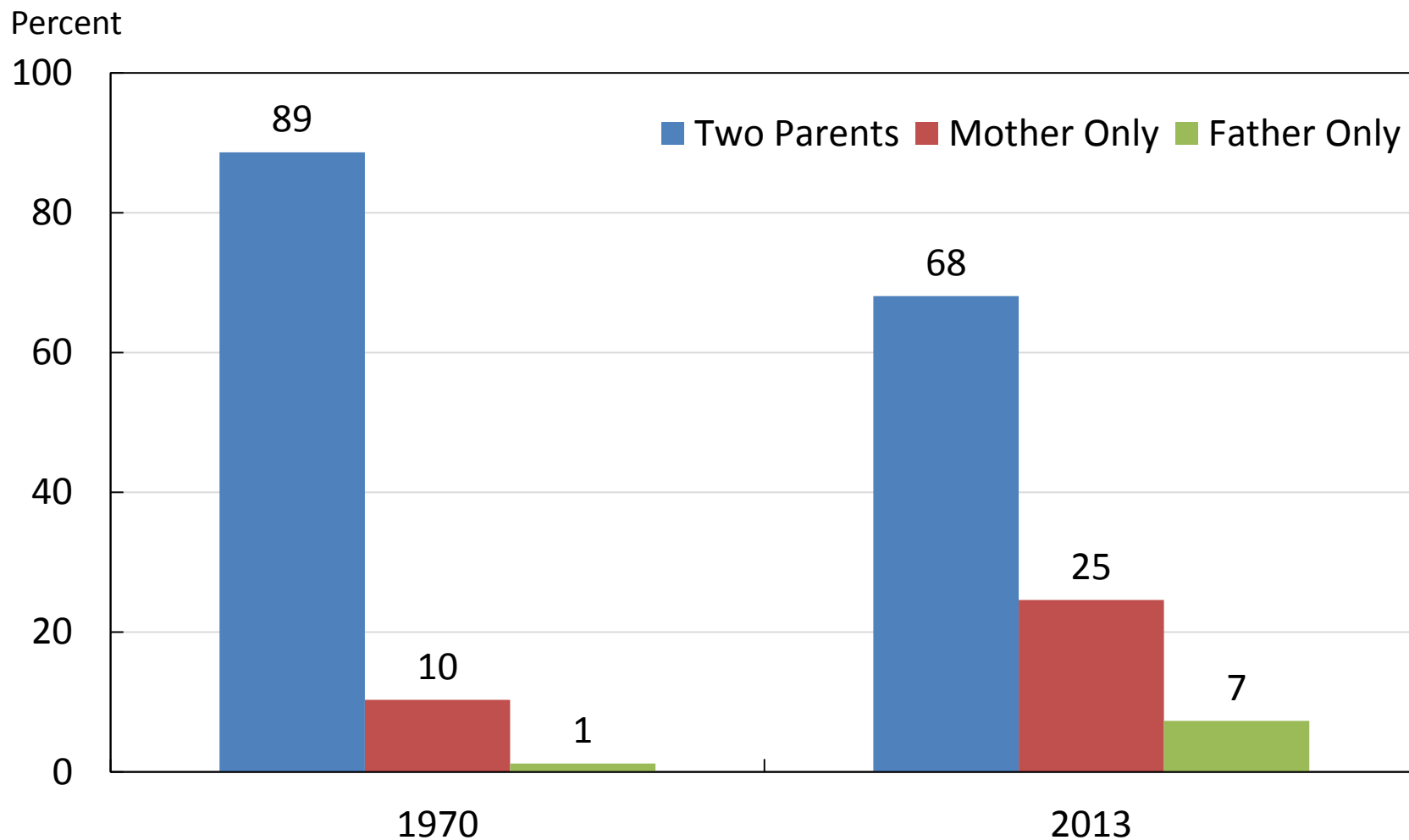
Percent



Source: CEA calculation from Current Population Survey  
Note: Mother and father includes biological, step or adoptive parents.

# Father-only families have gone from 1 percent of families in 1970 to 7 percent of families today

## Living Arrangements of Families with Children under 18

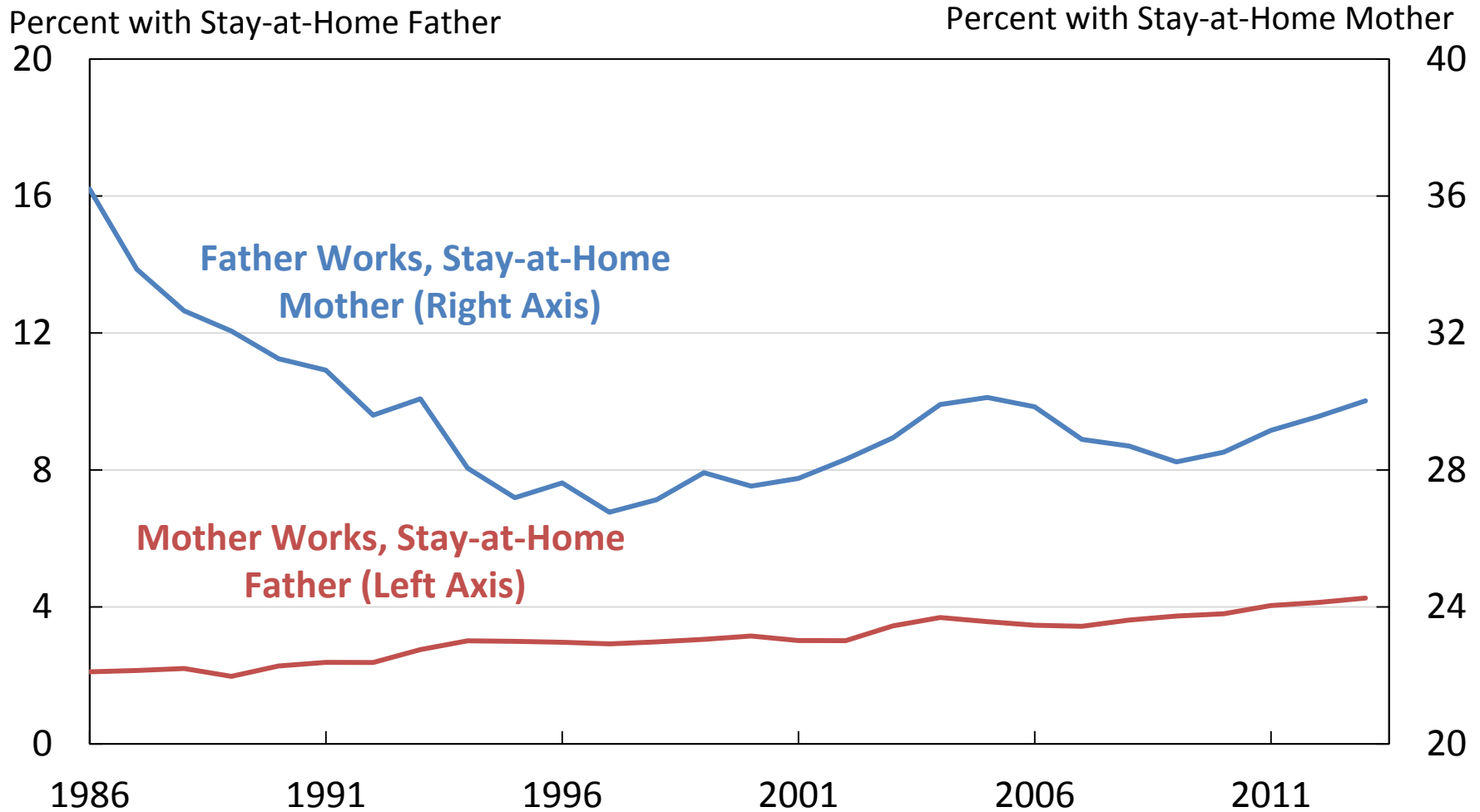


Source: Census Bureau

Note: Mother and father includes biological, step or adoptive parents.

# The number of stay-at-home fathers has doubled in the last 25 years

## Percent of Stay-at-Home Parents with Children Under 18



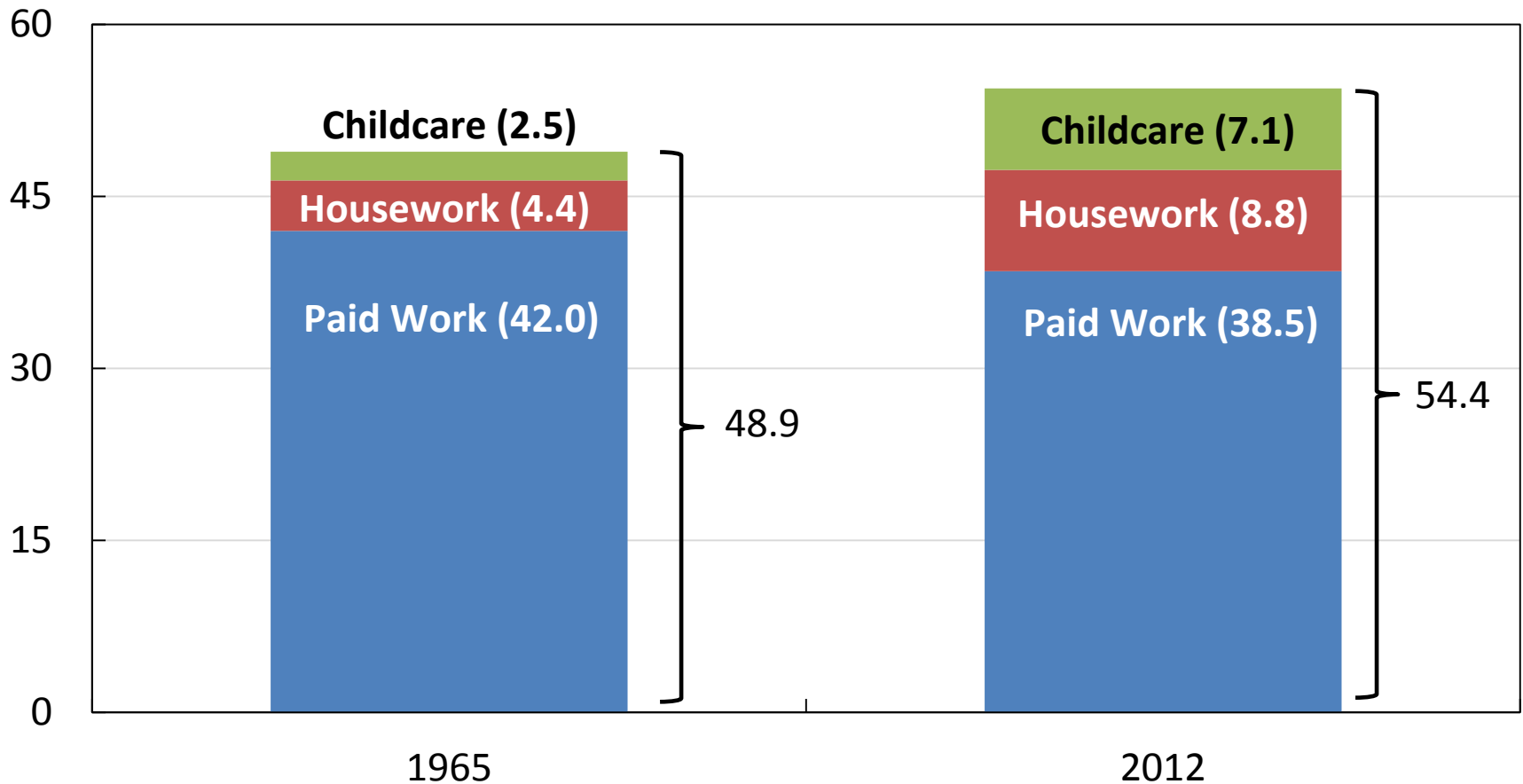
Source: Bureau of Labor Statistics

Note: A stay-at-home parent is one who is not in the labor force. Unemployed workers are not included.

# Due to increases in the time spent on housework and childcare, fathers now have less free time

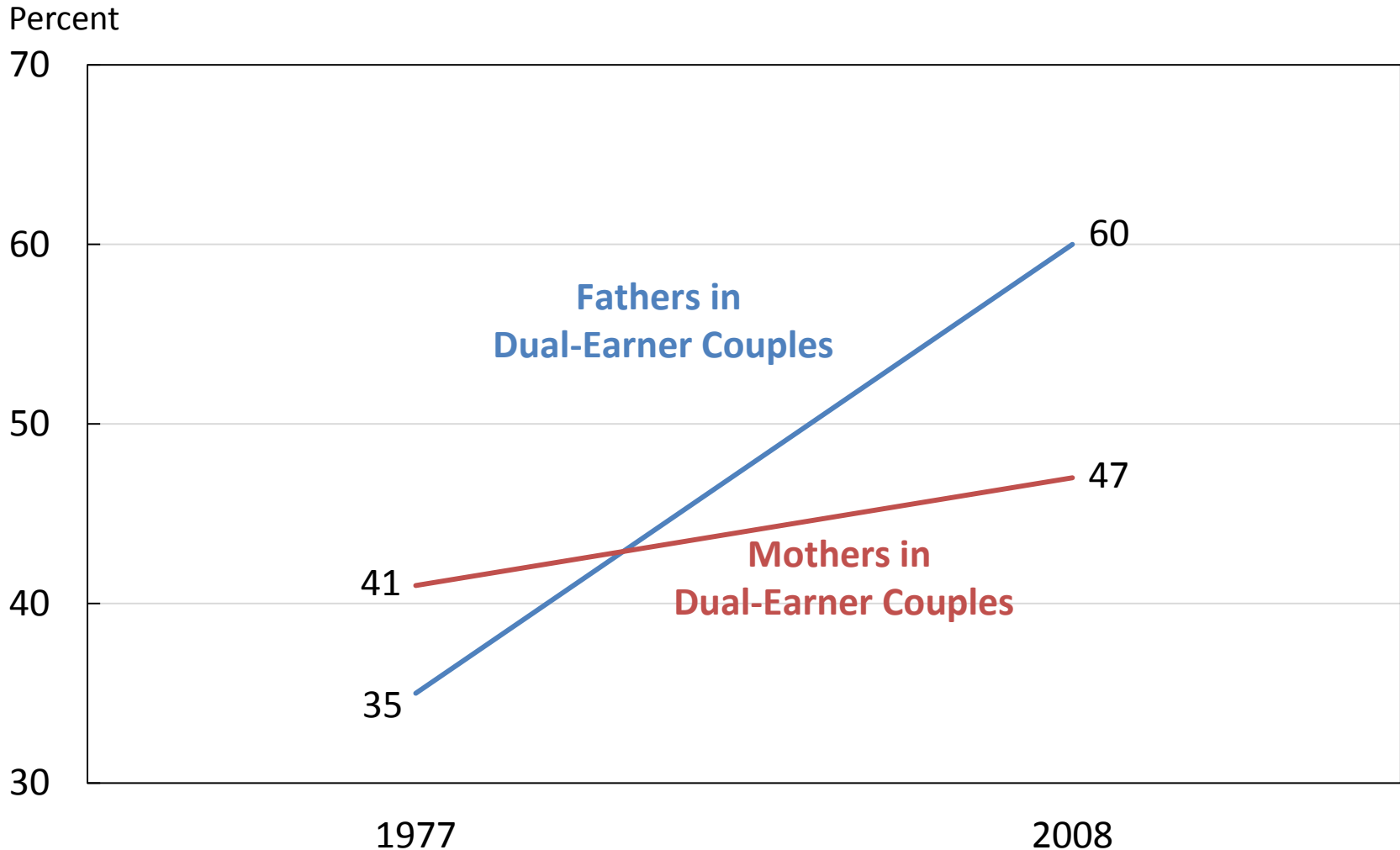
## Fathers' Average Weekly Time Use

Hours Per Week Spent on Activity

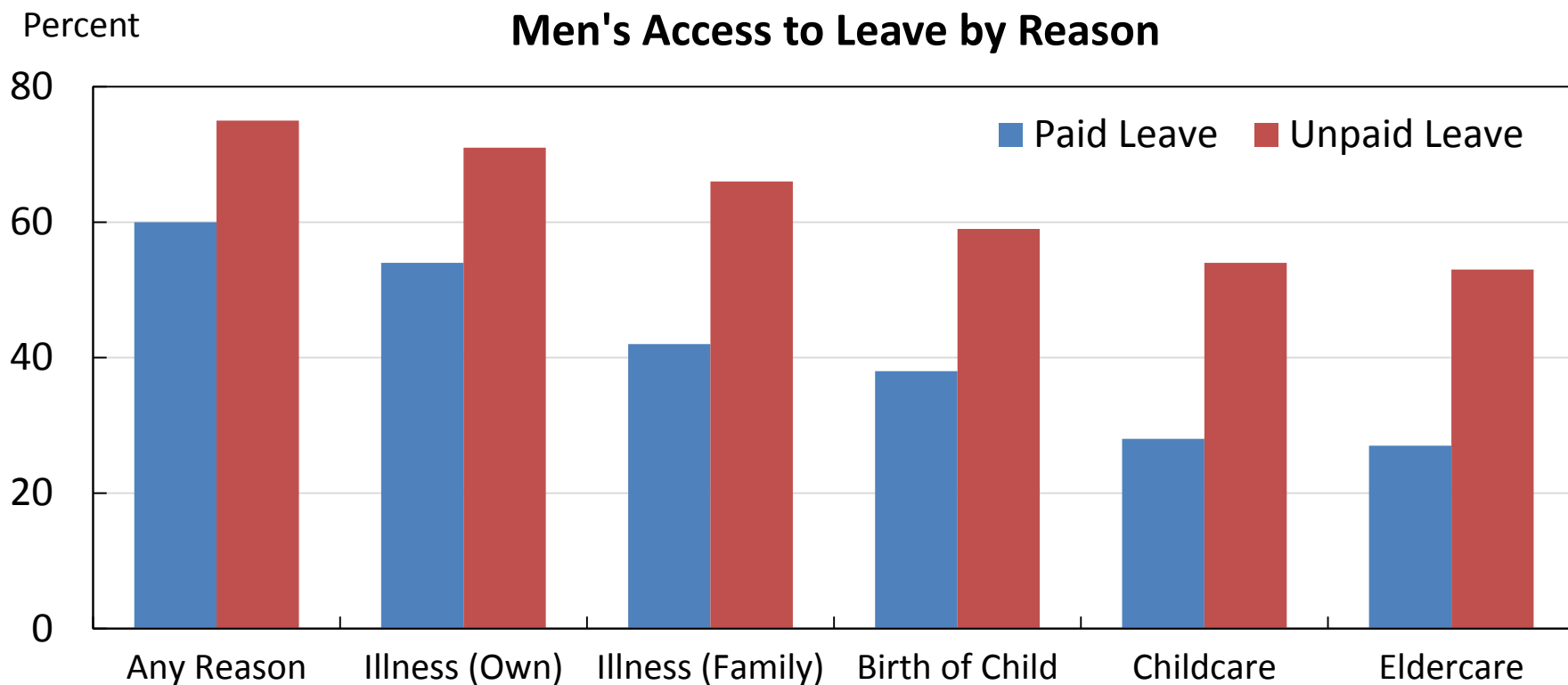


# Fathers are reporting more work/family conflict

## Percentage of Mothers and Fathers Reporting Work/Family Conflict



# Like women, many men lack access to paid leave that would allow them to better balance work and family

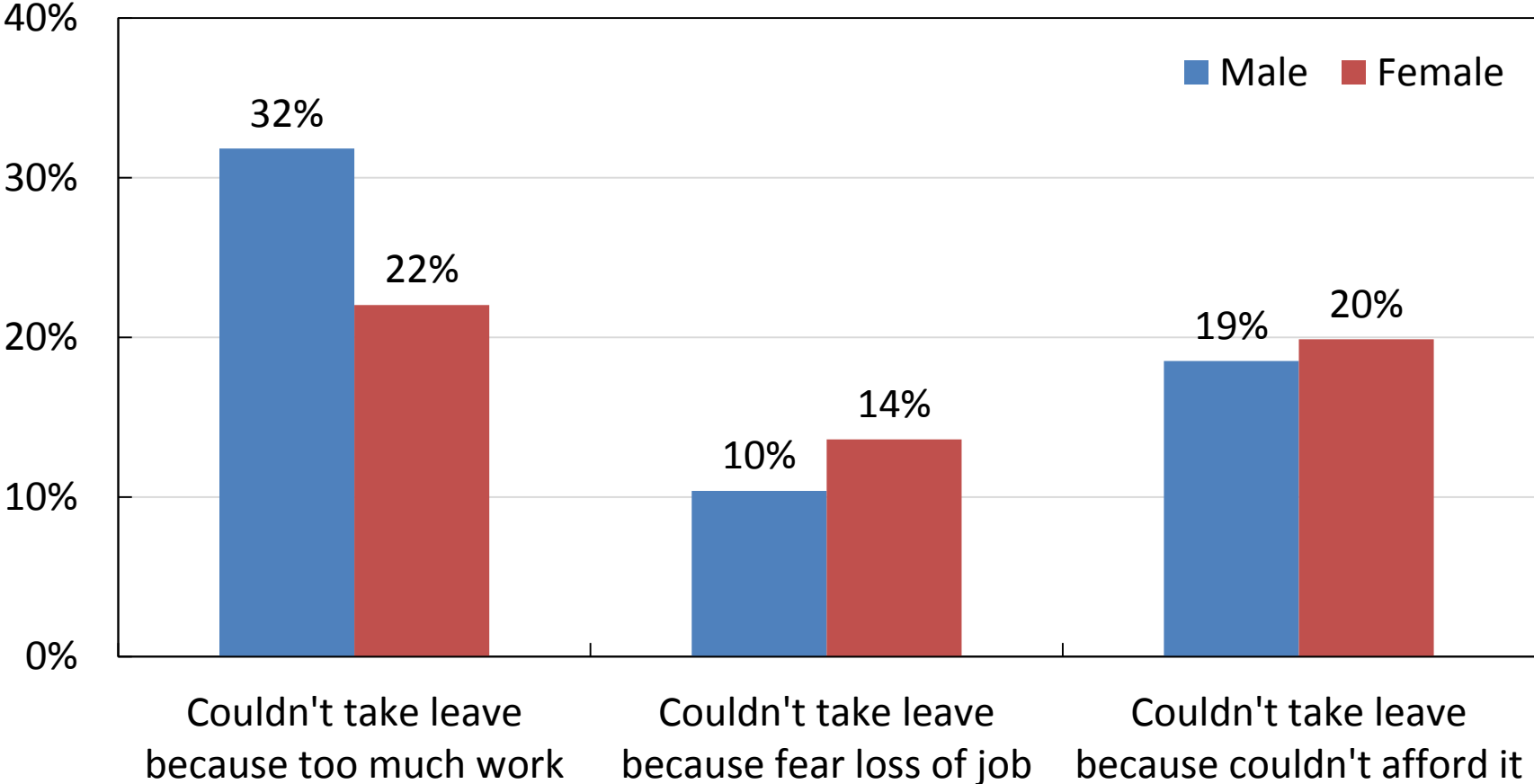


- 29% of men have NO access to leave of any kind for birth of a child.
- 22% of men have NO access to leave of any kind for a family member's illness.
- An employer survey suggests that only 15% of organizations offered a formal paid paternity leave program, down from 17% in 2010.
- Almost half of men report that they cannot change their starting and quitting time.



# Men are more likely than women to report that they cannot take leave because they have too much work

## Reason Why Men and Women Cannot Take Time Off when They Need It



Source: CEA analysis of 2011 American Time Use Survey

# There is a strong business case for policies that allow for greater workplace flexibility

Studies show that work-life balance policies such as paid leave and workplace flexibility:

- **Increase employee morale and productivity.** Employees at businesses that lack work-life balance policies report lower job satisfaction, lower engagement and worse morale. Researchers have found that companies with low employee morale have stock returns that are 20 percent lower. (Henry 2009; Sirota, Mischkind, & Meltzer 2005)
- **Lower worker turnover.** Employee turnover costs firms an average of 20% of the employee's annual salary – and more than 200% for executive level positions. (Baughman, DiNardi, & Holtz-Eakin 2003; Boushey & Glynn 2012)
- **Increase shareholder returns.** Immediately after Fortune 500 companies announced new work-life balance policies, their stock prices rose an average of 0.36 percent indicating that investors view these policies as profitable investments. (Arthur 2003)
- **Are associated with good management and business success.** A study of 700 firms found that these policies are linked to business competitiveness, even after controlling for differences across companies. (Bloom, Liang, Roberts, & Ying 2013)

# State paid family leave policies are successful and employers do not report burdens

- California and New Jersey provide 6 weeks of paid family leave while Rhode Island provides 4 weeks of paid leave, all funded through temporary disability insurance contributions.
- Studies of California's paid leave program found that it:
  - **Benefited workers' careers.** Compared to recent mothers in states without paid leave, mothers in California were more likely to return to work and earn a higher income after taking paid leave. (Rossin-Slater, Ruhm, & Waldfogel 2013)
  - **Was not overused.** Although some businesses were initially concerned about workers using benefits when it was not necessary, over 90 percent of businesses surveyed after implementation reported that this was not an issue. (Appelbaum 2011)
  - **Did not hurt businesses.** 9 out of 10 surveyed businesses reported that the paid leave law had either no effect or a positive effect on profitability, turnover, productivity, and morale. (Appelbaum 2011)