Family-Friendly Policies Help Working Mothers

"Family-friendly' policies ... can provide parents with flexibility and time off that they need to balance their [work and family lives]."

In the following viewpoint, Heather Boushey, economist for the Center for Economic and Policy Research, argues that family-friendly workplace polices that allow for flexible scheduling and paid maternity leave can make a big difference in the lives of working mothers. She points to the lack of family-friendly polices as being partially responsible for the "family gap," the monetary gap that exists between households with children and households without children. Boushey notes that companies cannot support family-friendly polices on their own and so the federal government must complement their efforts with funding and regulations.

As you read, consider the following questions:

1. How much higher are the salaries of mothers who took paid maternity leave than mothers who did not?

2. Over their lifetimes, women earn how much less than men?

3. How much is the estimated cost for the paid parental leave program in Massachusetts?

Family-friendly policies allow workers to meet their family responsibilities, along with their work responsibilities. Family-friendly policies often entail a "flexible workplace," where the workday or workplace can be altered according to the family and caring responsibilities of the worker. This report looks at two types of flexible workplace policies—scheduling flexibility and access to leave for the birth of a child (a form of anticipated leave)—and finds that they have either positive effects or little to no effect on wages.

Workplace flexibility can take the following forms:

- **Scheduling flexibility.** Allows workers to set or alter their day-to-day schedule.
- **Unanticipated leave.** Allows workers to take leave for personal obligations, such as taking care of a sick child or attending a parent-teacher meeting.
- **Anticipated paid leave.** Gives workers time off for vacations, longer-term illnesses, and family caregiving.
- **Work location.** Offers flexibility in the location of work, allowing employees to telecommute.
- **Career flexibility.** Offers workers the chance to move in and out of the labor market, as necessary, to balance their work and family life....

Mothers in the Workplace

Women's earnings are an increasingly important part of total family income. Over the past few decades, mothers' employment rates have risen considerably and their earnings now comprise about two-fifths of family income. As more mothers now remain in the labor market while they have children...
in the home, new questions have arisen concerning how parents can balance their work responsibilities with the caring needs of their families.

Most workers arrive on the job at times that suit their employer, having little or no say about their schedule. For parents, this can pose difficulties, as they may need to coordinate their work hours with their child's daycare provider or school schedule. Further, most workers do not have access to paid sick leave or other paid leave that would allow them to take time off work when they—or their children—need extra care.

"Family-friendly" policies, in the form of workplace flexibility, can provide parents with the flexibility and time off that they need to balance their work responsibilities with their commitment to their family. Workplace flexibility policies range from reduced hours or flexible schedules to time off to care for a family member.

Taking advantage of workplace flexibility may, however, entail costs such as lower wages or fewer fringe benefits. For example, it is often noted that part-time work, which parents may choose in order to have more family time, results in lower wages compared to other comparably skilled workers. On the other hand, these policies may increase the ability of mothers to remain in the labor market, thus improving their earnings over time compared to those mothers who drop out of the labor force.

### Effects on Wages

This report looks at two specific kinds of workplace flexibility—scheduling flexibility and access to leave for the birth of a child (a form of anticipated leave)—and finds that they have either positive effects or little or no effect on mothers' wages. Mothers who worked before the birth of their first child and had access to paid leave for maternity have present-day wages that are 9 percent higher than mothers who had not taken leave, controlling for the mother's personal and job-related characteristics. There was no effect on wages for mothers who self-financed their maternity leave.

Being able to choose a schedule that fits with caring responsibilities does not appear to lower wages. Mothers who reported that they were working a particular schedule because it fit in with their caring responsibilities have wages that are not statistically different from mothers who have no choice about their schedules. Thus, having this kind of flexibility does not entail a price for mothers, once we account for part-time status.

These findings should focus policymakers’ attention on what "works" for working parents, and the role that social policy can play in improving labor market outcomes for workers across the wage distribution. If workplace flexibility can help parents by improving their options for work/family balance without creating wage penalties, then policymakers should focus on ways to extend these policies to more workers and to create labor standards that recognize the importance of work/family balance for working families....

Under the Family and Medical Leave Act (FMLA), about half of women in the U.S. labor market currently [as of 2005] have access to unpaid leave for the birth or adoption of a child or to care for a
sick family member. However, just over half do not have access. Moving towards universality in access to leave could help to close the gap in women's pay and could help more women stay in the labor market over time.

The Family Gap

Over their lifetimes, women earn less than half of what men earn; over a 15 year period, prime-age women workers earn 38 percent of what men earn. Recent research has pointed to the presence of children and the lack of family-friendly policies as one of the most important factors explaining women's lower lifetime earnings. The "family gap" is the gap among women between those with and without children. As with the gender gap, much of the family gap is explained by workers' demographics, educational attainment, job characteristics, and years of experience. The unexplained portion of the family gap—the gap due to the presence of children—is about 5 percent, some of which may be due to leave-taking or breaks in employment for caring for families.

Family-friendly policies may mitigate the family gap in pay. A cross-country comparison of seven industrialized nations finds that the family gap is largest in the United Kingdom, followed by the other Anglo-American nations and Germany. Parents in Anglo-American nations have less access to family-friendly policies. Researchers point to these differences in maternity and child care policies in creating differences in the family gap across countries.

The returns to having paid maternity leave are high; however, the costs of providing this leave are relatively low. A recent [as of 2005] estimate for the state of Massachusetts found that implementing a paid parental leave program of 12 weeks at 50 percent of wages would incur an annual cost on every worker in the state of between $19 and $22—about the price of two movie tickets. Thus, a small investment up front can lead to significant gains for working mothers over the rest of their careers.

The Government Must Help

One thing is certain: We cannot rely on the private sector to voluntarily provide all workers with workplace flexibility. This analysis finds that most mothers—especially those without any college—did not have pay during maternity leave for the birth of their first child. Workplaces have not created broad paid family leave programs on the heels of the FMLA. We can no longer view the rigidities of the workplace as an individual problem; rather, we must view them as something that poses a threat to all families and is something that must be dealt with by policy.

There is some movement in this direction. In 2002, California governor Gray Davis signed a bill providing workers with paid leave to care for a sick family member or bond with a new child. This legislation, which took effect in June 2004, is the first of its kind in the United States. This law pays workers 55 to 60 percent of wages (subject to a cap) for six weeks of leave and is financed entirely by payroll taxes on employees. Other states are working towards implementing their own paid leave legislation; such legislation just passed the Senate in Washington State, for example.

Workers need access to workplace flexibility to allow them [to] coordinate their personal lives with
their work lives. Employers need government intervention to level the playing field. Employers who offer workplace flexibility should not bear the full costs of implementing good workplace practices, while other employers are allowed to ignore their employees' needs. Nationally applicable labor standards should include workplace flexibility policies, such as access to paid leaves and flexible scheduling. Relying on the goodwill of employers has meant that many workers, especially low-wage workers, do not have access to any kind of flexibility. The solutions to this problem are to be found not only in employer policies, but through broader universal policy solutions as well.

**Further Readings**

**Books**


• Tina Schwager and Michele Schuerger *Cool Women, Hot Jobs ... and How You Can Go for It, Too!* Minneapolis, MN: Free Spirit, 2002.


**Periodicals**


• *CQ Researcher* "Future of Feminism," April 14, 2006.


• Diane Weathers "Is Your 9-to-5 a 24/7?" *Essence*, March 2004.
