



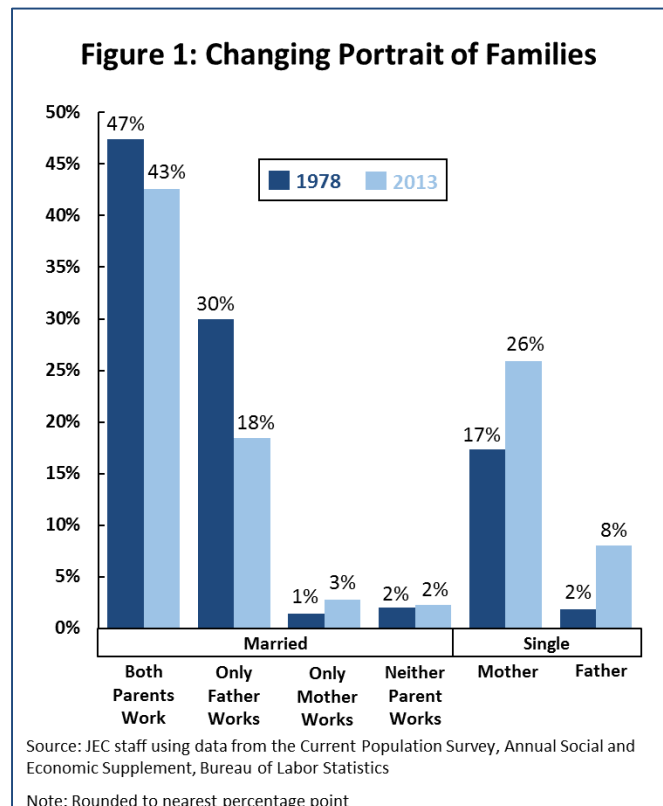
How Working Mothers Contribute to the Economic Security of American Families May 2015

The portrait of the typical American family has changed dramatically over the past 50 years. Long gone is the stereotypical model of a father going to work every day to support his family while a mother stays home to care for their children. Today, 70 percent of mothers are in the labor force, contributing significantly to the economic security of their families.¹

For most households, the earnings of working mothers are not a luxury—they are a necessity. The cost of living has skyrocketed in the United States over the past half century, with dramatic increases in the price of child care, health care and higher education. Meanwhile, real (inflation-adjusted) median income for men has decreased.² As a result, the financial contributions of working mothers have become more important than ever to the economic security of their families.

Key Facts

- In 1975, **less than one-half** of mothers were in the labor force. Today, that share has grown to **more than two-thirds**.³
- Mothers collectively earned **\$960 billion dollars** for their families in 2013.⁴
- In the typical family with a working mother, a mother contributes nearly **40 percent** to her household's income.⁵ In the poorest families, mothers contribute **86 percent** of the total income.
- **One in three** mothers working outside the home is their family's only wage earner.⁶
- Fewer than **one in five families** currently fit the 1950s stereotype of a father going to work and a mother staying at home (see *Figure 1*).⁷
- Mothers in the workforce pay a financial penalty, earning **3 percent less** than women without children, while fathers in the workforce receive a bonus, earning **15 percent more** than men without children.⁸



Mothers' Presence in the Workforce Has Increased Significantly

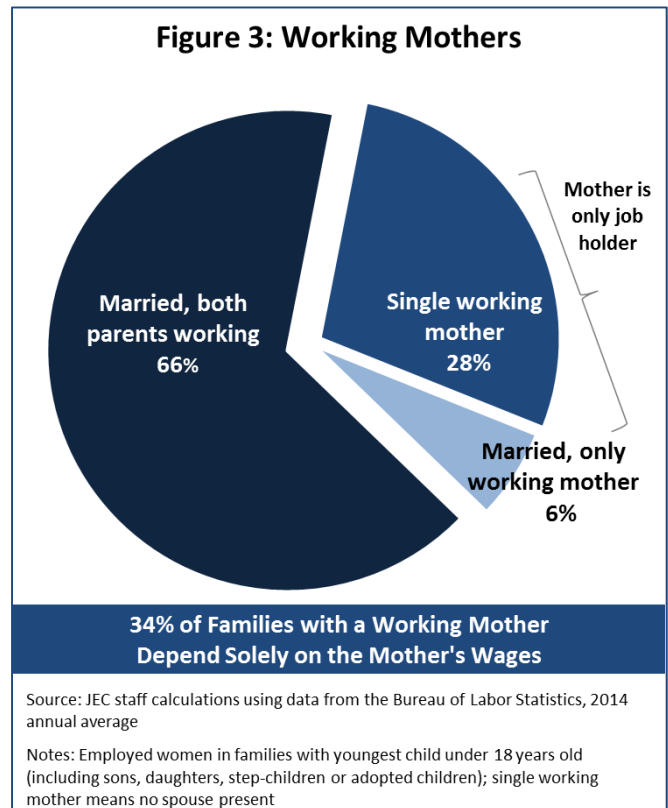
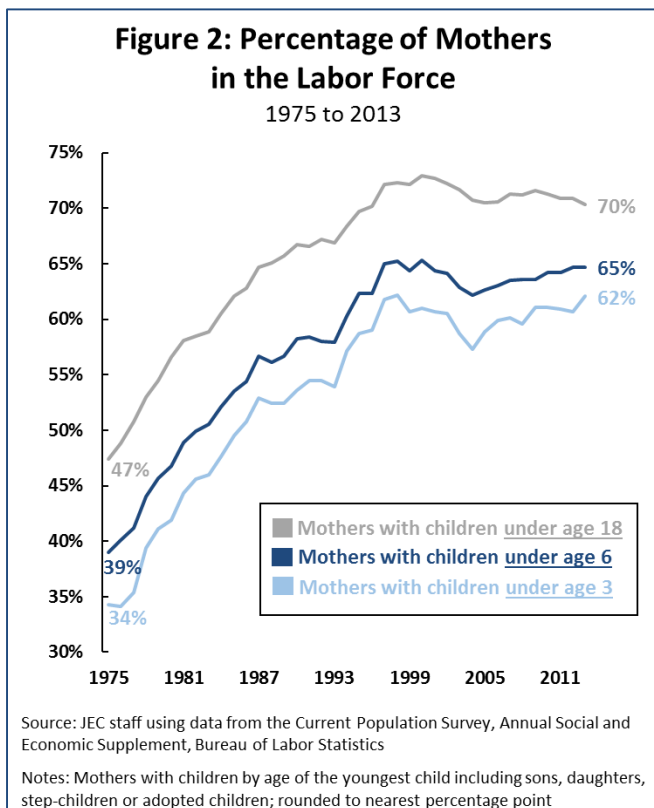
During the 1970s and 1980s, mothers increasingly added the title of breadwinner to their role as homemaker. In 1975, the first year for which consistent data on mothers' employment are available, just over 47 percent of mothers with children under the age of 18 were in the labor force. Today, that figure is over 70 percent.⁹

In 1975, slightly more than 34 percent of mothers with children under the age of three worked outside the home—that share has ballooned to over 62 percent today. Over the same period, the percent of mothers with children under the age of six in the labor force leapt from 39 percent to almost 65 percent (see *Figure 2*).¹⁰

Today, one in three employed mothers is the only wage earner in her family. Of these mothers, 1.3 million are married but have a spouse who is either unemployed or not in the labor force. Almost 6 million are single mothers (see *Figure 3*).¹¹

Single mothers are even more likely than married mothers to be in the labor force because they are their family's sole source of earnings. Three-quarters (75 percent) of single mothers work outside the home, compared to just over two-thirds (68 percent) of married mothers.¹²

As a result of the increase in mothers' labor force participation, the majority of U.S. children today are growing up in a household without a stay-at-home parent. In 1965, 60 percent of children lived with a stay-at-home parent.¹³ Today, only 32 percent of children live with a stay-at-home parent.¹⁴



Mothers' Earnings Are Critical For Families

The importance of mothers' incomes to the economic security of their families varies widely across the income distribution. In the typical (median) household with a mother working outside the home, women's earnings account for nearly 40 percent of family income.¹⁵

For families at the highest end of the income scale, mothers' earnings typically account for 30 percent of family income (see *Figure 4*). Most of those wealthier households are married-couple families in which the father is the primary earner.¹⁶

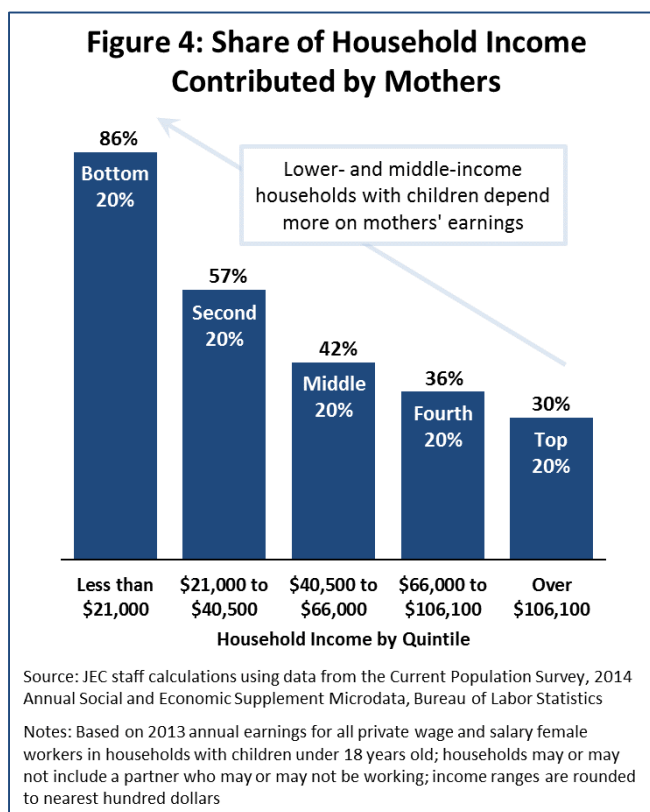
Mothers' earnings are even more important to lower-income families. Mothers in families in the bottom 20 percent of the income distribution typically contribute 86 percent of their family's income. The vast majority (83 percent) of these families are supported solely by a mother.¹⁷

However, many single mothers work at jobs that pay at or near the minimum wage—42 percent of single mothers would benefit from increasing the minimum wage to \$12 per hour.¹⁸ Moreover, even though single mothers are more likely to be in the labor force than married mothers, they face a higher unemployment rate.¹⁹ The combination of higher unemployment rates, lower earnings and rising costs of basic living expenses makes families headed by a single mother over five times more likely to be in poverty than families with married parents.²⁰

Quantifying Mothers' Contributions to Their Family's Income

Mothers' earnings have sustained family incomes in recent decades as men's incomes have stagnated. In fact, in 2013, men's median income was almost 7 percent lower than in 1973, after adjusting for inflation.²¹ Over the same period, women's real median income grew by 68 percent.²² As a result, married women's contributions to their family's earnings have increased. In 1987, only 24 percent of wives out-earned their husband—today 38 percent of married women are their family's primary wage earner.²³

Mothers have sought work outside the home in part to secure their family's financial footing. Between 1987 and 2013, median income for all families grew by just under 3 percent. However, median income of married-couple families with a mother in the labor force increased by almost 27 percent. Families headed by a single mother typically experienced a 17 percent increase over the same period. By comparison, the typical married-couple family with a stay-at-home mother experienced a 5 percent decline in income.²⁴



Working Mothers Still Work at Home Too

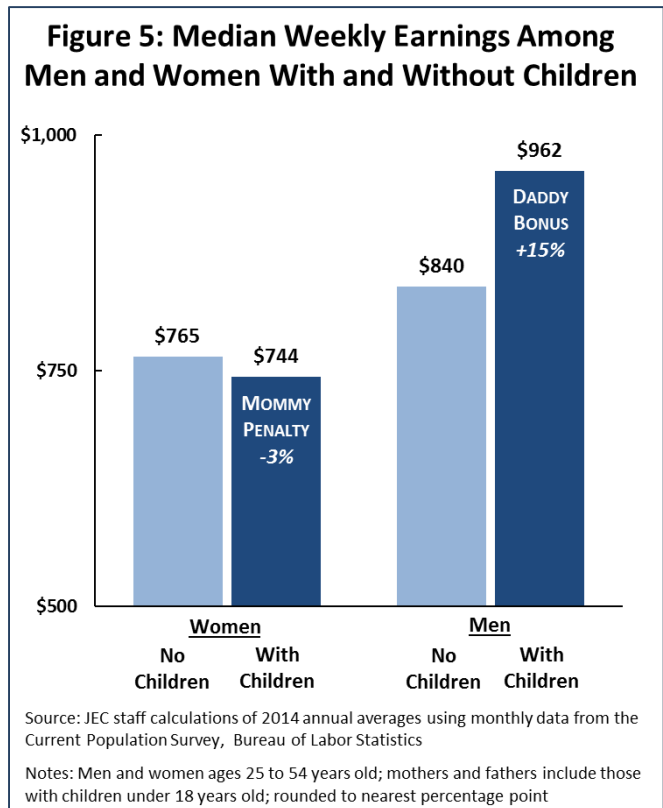
As families have become increasingly dependent on mothers' earnings, the roles of mothers and fathers in providing for their families—as caregivers and as breadwinners—have grown more similar.²⁵ Both mothers and fathers spend more time with their children today than they did in the 1960s, and fathers now spend nearly three times as much time with their children as they did then.²⁶ Yet, significant differences still remain. Even though fathers spend more time with their children than in past decades, mothers still spend more than twice as much time as fathers caring for their children.²⁷ On the other hand, fathers' labor force participation remains significantly higher than mothers—last year over 90 percent of fathers were employed or looking for work.²⁸

The “Mommy Penalty” and the “Daddy Bonus”

Even though the earnings of working mothers have become ever more critical to the financial stability of American families, women continue to be penalized in the workplace for becoming mothers. Data show that mothers earn 3 percent less than women who do not have children—a “mommy penalty.” Last year, median weekly earnings of mothers employed full time were \$744, compared to \$765 for women without children. The opposite is true for fathers, who earn on average 15 percent more than men without children—a “daddy bonus.” Median weekly earnings of fathers were \$962, compared to \$840 for men without children (see *Figure 5*).²⁹

The “mommy penalty”-“daddy bonus” disparity may be partially explained by differences in occupations or in workplace experience. Women may opt to work in more family-friendly occupations, or reduce hours or take time off after the arrival of a child, while fathers may increase their hours or pursue higher-paying jobs in order to support their families. This can lead to differences in experience and pay that persist even after mothers return to working full time.

However, this only partially explains the difference in the impact of parenthood on men and women. Various studies suggest that fathers tend to be rewarded in the workplace above and beyond what any differences in occupation or experience could justify, as many employers may value fatherhood as an indicator of increased work commitment and stability. Mothers, on the other hand, may be perceived as less committed to the workplace and less professionally competent after having children.³⁰ The perception that mothers are less committed to their work than fathers may be due, in part, to the fact that mothers are more likely than fathers to interrupt their careers to care for children.



The Long-Term Consequences of Motherhood

Parenthood can have serious long-term implications for a mother's financial security later in life. Mothers may miss out on wage increases, such as scheduled increases or bonuses, if they take time out of the labor force to care for a child. In addition, even when mothers return to the labor force, the time away can translate into smaller wage increases, reduced contributions to Social Security and lower retirement savings over the course of their careers. This can lead to financial insecurity for women, particularly for mothers, after they have left the workforce. The combination of all of these factors has resulted in a poverty rate for women over 65 years old in the United States that is almost double the poverty rate for men over 65 (11 percent versus 6.6 percent).³¹

The United States Lags Behind Other Industrialized Countries in Family-Friendly Policies

The United States lags far behind other industrialized countries in family-friendly policies such as paid family leave, universal child care, workplace flexibility and retirement benefits for time spent out of the workforce caring for family members.³² Other countries have found ways to value the time parents spend caring for their families and recognize the role parents play in developing human capital and shaping the future workforce, and give credit to women (or men) for time spent out of the workforce to care for children or other relatives. These types of programs exist in many European countries, including France, Germany, Sweden, Norway, Switzerland, Luxembourg, Austria and Finland.³³ U.S. women and their families could benefit from similar policies that reflect the vast changes in society and the workforce over the past half century.

Current Measures of Economic Well-Being for Mothers by State

State or Region	Number of Mothers in the Labor Force	Percent of Children with a Mother in the Labor Force	Mothers' Share of Family Income in Married-Couple Families	Percent of Married Couple Families in which the Mother is the Primary Earner	Daddy Bonus	Mommy Penalty
Alabama	822,333	65%	39%	22%	\$ 4,030	\$ -
Alaska	144,892	62%	34%	23%	\$ 12,090	\$ 4,534
Arizona	1,160,282	57%	38%	20%	\$ 5,037	\$ (3,023)
Arkansas	511,184	63%	39%	22%	\$ 2,015	\$ (2,821)
California	6,779,519	59%	38%	22%	\$ (1,007)	\$ (7,052)
Colorado	969,811	64%	35%	21%	\$ 15,113	\$ (3,728)
Connecticut	648,091	70%	39%	25%	\$ 5,038	\$ 604
Delaware	150,007	69%	40%	29%	\$ -	\$ 2,015
District of Columbia	88,183	68%	43%	28%	\$ 3,023	\$ 7,053
Florida	3,030,025	65%	41%	25%	\$ 6,246	\$ (2,519)
Georgia	1,858,108	65%	40%	24%	\$ 8,060	\$ (2,922)
Hawaii	215,566	64%	36%	21%	\$ 3,023	\$ 4,131
Idaho	320,283	56%	33%	18%	\$ 7,053	\$ (403)
Illinois	2,373,764	67%	38%	23%	\$ 5,037	\$ (5,038)
Indiana	1,228,065	65%	36%	20%	\$ 5,038	\$ -
Iowa	609,612	73%	39%	24%	\$ 8,060	\$ (101)
Kansas	572,849	68%	37%	22%	\$ 6,045	\$ -
Kentucky	756,469	64%	38%	24%	\$ 8,060	\$ 1,008
Louisiana	820,287	65%	35%	18%	\$ 4,030	\$ (2,821)
Maine	211,328	68%	40%	27%	\$ 6,045	\$ 604
Maryland	1,100,012	71%	40%	27%	\$ 14,106	\$ -
Massachusetts	1,175,876	70%	37%	24%	\$ 6,046	\$ 2,016
Michigan	1,754,705	66%	38%	23%	\$ 8,061	\$ 202
Minnesota	1,082,524	73%	39%	24%	\$ 4,031	\$ 1,008
Mississippi	530,913	69%	40%	25%	\$ 7,052	\$ (1,008)
Missouri	1,089,821	67%	38%	24%	\$ -	\$ (1,008)
Montana	169,377	64%	35%	21%	\$ 6,045	\$ (1,007)
Nebraska	380,987	70%	37%	22%	\$ 2,015	\$ 2,015
Nevada	508,847	62%	41%	26%	\$ 8,061	\$ (3,023)
New Hampshire	237,235	68%	36%	20%	\$ 13,099	\$ (1,007)
New Jersey	1,644,327	66%	37%	22%	\$ 1,511	\$ (1,008)
New Mexico	354,243	59%	36%	20%	\$ 6,045	\$ (3,023)
New York	3,303,942	64%	39%	25%	\$ 4,332	\$ (6,045)
North Carolina	1,756,025	66%	40%	24%	\$ 8,060	\$ (2,519)
North Dakota	131,770	68%	35%	18%	\$ 6,751	\$ 504
Ohio	2,072,428	67%	38%	24%	\$ 3,023	\$ 1,007
Oklahoma	711,233	61%	36%	19%	\$ 2,015	\$ (4,746)
Oregon	676,559	64%	34%	22%	\$ 5,038	\$ (2,015)
Pennsylvania	2,135,157	67%	38%	23%	\$ 10,076	\$ 1,008
Rhode Island	177,444	70%	39%	26%	\$ 3,022	\$ 1,008
South Carolina	813,549	67%	39%	24%	\$ 4,030	\$ -
South Dakota	165,384	74%	36%	22%	\$ 5,038	\$ 202
Tennessee	1,120,427	64%	39%	24%	\$ 2,015	\$ (907)
Texas	5,109,344	61%	37%	19%	\$ 6,045	\$ (3,023)
Utah	626,469	53%	31%	14%	\$ 10,075	\$ (2,015)
Vermont	99,722	69%	41%	33%	\$ 6,045	\$ 2,720
Virginia	1,487,534	66%	38%	22%	\$ 3,023	\$ (1,008)
Washington	1,232,244	60%	36%	20%	\$ 8,060	\$ (3,023)
West Virginia	279,815	57%	36%	22%	\$ 5,037	\$ 5,038
Wisconsin	1,073,779	71%	38%	24%	\$ 10,076	\$ 2,015
Wyoming	110,600	67%	32%	20%	\$ 2,620	\$ 4,433

Source: JEC Democratic staff calculations based on 2013 American Community Survey, 1-Year Estimates

Note: "Mommy Penalty" is the difference between median weekly earnings of a working mother and a working woman with no children; "Daddy Bonus" is the difference between median weekly earnings of a working father and a working man with no children

Sources

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⁴ JEC Democratic staff calculation based on the Current Population Survey, 2014, Annual Social and Economic (ASEC) Supplement Microdata.

⁵ Ibid.

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⁸ JEC Democratic staff calculations based on data from the U.S. Bureau of Labor Statistics, Current Population Survey (annual average of monthly Microdata files).

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¹⁰ Ibid.

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¹² Bureau of Labor Statistics Women in the Labor Force: A Databook, Table 6. Employment Status of women, by presence and age of youngest child, marital status, race, and Hispanic or Latino ethnicity, March 2013, December 2014. "Married" refers to married, spouse present "Single" refers to total, other marital statuses.

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¹⁴ JEC Democratic staff calculations based on data from the American Community Survey 2013 1-year estimates. Table B23008. This includes children who live with a single parent who is not in the labor force, and children in two-parent families where both parents are out of the labor force.

¹⁵ JEC Democratic staff calculations based on data from the Current Population Survey, 2014 Annual Social and Economic Supplement Microdata, Bureau of Labor Statistics. The typical (median) working mother with a child under 18 years old contributes 39.2 percent to her family's income.

¹⁶ JEC Democratic staff calculations based on data from the Current Population Survey, 2014 Annual Social and Economic Supplement Microdata, Bureau of Labor Statistics. In the top income quintile, 94.7 percent of households with women earners are married-couple families.

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¹⁸ Economic Policy Institute, "Data Tables: Economic Impact of Raising the Federal Minimum Wage to \$12", April 24, 2015.

¹⁹ Bureau of Labor Statistics Women in the Labor Force: A Databook, Table 6. Employment Status of women, by presence and age of youngest child, marital status, race, and Hispanic or Latino ethnicity, March 2013.

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²³ U.S. Bureau of Labor Statistics, Women in the Labor Force: A Databook (December 2014), Table 26. Wives who earn more than their husbands, 1987-2012, (families in which wives have earnings but husbands may not).

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²⁵ Pew Research Center, “Modern Parenthood: Roles of Moms and Dads Converge as They Balance Work and Family”, 2013.

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²⁸ JEC Democratic staff calculations based on data from Bureau of Labor Statistics Employment Characteristics of Families, 2014.

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³⁰ Michelle J. Budig, PhD, “The Fatherhood Bonus & The Motherhood Penalty: Parenthood and the Gender Gap in Pay”.

³¹ John Jankowski, Caregiver Credits in France, Germany, and Sweden: Lessons for the United States, Social Security Bulletin.

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³³ Ibid.