

# How Families Cope and Why Policymakers Need to Know

*Papers by*

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# Introduction

Better empirical evidence on families is crucial at this juncture. The assumptions of the last 30 years, taken for granted by Canadians as cornerstones of the relationship among individuals, families, and governments, no longer hold sway. New stakes are being defined, and a new social contract is being crafted.

Documenting the ways families are coping, and the consequences of cuts, devolution or other changes on their ability to cope, must therefore become a priority. Preliminary evidence on rising rates of child poverty, rising infant mortality, and declining quality of care, all raise questions about how well families are managing. Some of the emerging evidence suggests that resources in families are no longer distributed in ways congruent with existing policy assumptions. We need to know more, and must begin by framing the right questions and answering them.

The need for better research is underscored not only by political and policy changes, but also by heightened debates about the role of the family and the role of the state. Decision makers face two fundamentally different visions of this relationship. On one side lies a view that it is desirable and feasible to use policy to encourage a return to more conventional family structures and behaviours. It calls upon families to become more responsible and self-reliant. On the other side lies the view that it is not only more desirable but also more realistic to reconfigure policy to adapt to changing families. In this view, policy is an instrument to support people's choices rather than to inhibit them.

The basic tension between these two perspectives is explicit, but not yet empirically cast. It sometimes generates heated debates on particular policy cases, such as "spouse in the house" welfare rules or the entitlement of gay and lesbian partners to spousal benefits. At other times, the debate is filled by paradox. Thus those who challenge conventional notions of families may want to both de-emphasize family membership when addressing state economic distribution such as welfare, but emphasize it when raising entitlement such as spousal benefits. Those advocating more traditional positions on "the family" also seem to take paradoxical positions at times. For example, in arguing that family membership should always be an important screen for social policy entitlement, they ignore the wider range of groupings frequently identified as families by Canadians today.

These muddled debates and tensions have often stalled or muzzled important policy reforms. Few, especially those in the public sphere, want to lead with their chins when it comes to defining families and making policy choices. With the discussion so unclear and the research not yet done, it becomes next to impossible to raise the level of debate on what families really need and how those needs can best be addressed.

To help address these questions empirically, CPRN launched a program on the Social and Economic Dynamics of Families in 1994. The first step was the publication of a conceptual framework paper, *Examining the Concept of Transactions as the Basis for Studying the Social and Economic Dynamics of Families*. The three current papers were drafted first for a CPRN workshop in December 1996, and then revised. Concurrently, an in-depth qualitative project was launched to look at transactions in a small sample of families in British Columbia. That study by M-J Wason, *Labour Market Attachment and Family Coping Strategies*, will also soon be released.

Families and how they manage jobs and money are the common focus of the papers in this volume. Researchers and policymakers still know relatively little about how families cope with changing pressures, yet that understanding is needed in a world of labour market polarization and high economic insecurity.

Each of the authors here frames new research questions, first by examining the existing literature and then by identifying gaps in knowledge. These papers ask about how families exchange resources, both in terms of patterns of mutual support and exchange inside households and, with a more inclusive lens, across households. These papers go beyond the conventional focus on the division of such tasks as household work and child care, and explore issues about how money is or is not pooled, sources of advice and assistance, and who relies on who for emotional support.

The critical contribution of the papers here is to test assumptions and ground questions in concrete empirical projects that researchers from a variety of disciplines and policy concerns can begin to tackle. Rather than rehash earlier debates, these authors put difficult policy questions about families in a research framework.

In the first paper, *Poverty and Relative Income*, David Cheal looks at income, and particularly poverty issues, raising questions about whether and when families pool money, how this has changed in the face of diminished earning power and social policy cuts, and what governments can do to ensure that those at the bottom of the income ladder are not further disadvantaged. In the second paper, *Work and Household Transactions*, Frances Woolley looks at when families are most likely to be attached to the labour market, and how they manage to balance either financial transactions or family demands in the new economy. Woolley poses these questions from the point of view of an economist, and sets out the path to a more quantitative analysis. She also points to a number of policies and policy questions that would make it easier for families to cope with either time or financial pressures. Meg Luxton takes a crack at these same issues from a sociological and qualitatively

versed perspective in the third paper, *Families and the Labour Market*. Luxton's focus is on non-financial transactions. From her perspective, the research points not only to the ways that families struggle to achieve balance, but to a more fundamental contradiction between the demands placed on families in jobs and at home.

Taken together, these papers create a foundation for research that will shed new light on how families cope with changing realities, and what public policy can do to support successful coping. They also increase our understanding of what families mean to Canadians today. If the coping strategies of families are changing, this microcosmic transformation is a signpost of larger trends. The ways individuals draw on families as sources of ongoing exchange or support in crisis tell us a great deal about the ways we care for one another, how much we expect to do, what we will not or cannot do, and therefore the nature of our society at large.

Suzanne Peters  
Director, Family Network



# How Families Cope and Why Policymakers Need to Know



# Poverty and Relative Income: Family Transactions and Social Policy

by *David Cheal*

## Executive Summary

It is the principal recommendation of this report that a program of research is needed on relative money incomes and their uses within families, with special reference to factors that contribute to poverty. The reasons for this recommendation are discussed in the first three sections of the report. The final section outlines some implications for research.

First, there is a discussion of policy directions, and the need for information that is relevant to issues of program design. Second, there is a brief description of the changing family context within which public programs must work. Third, there is a discussion of some troubling employment patterns and their implications for economic well-being. Fourth, the report outlines broad goals for a policy relevant research agenda, and researchable questions are proposed for consideration. Five main topics are identified. They are: 1) the nature of income pooling by spouses; 2) the nature of income sharing between generations, 3) the size of income requirements due to employment preparation; 4) the size of income requirements due to being employed; and 5) the competence of household investment and income managers. Research on these issues will tell us how the lives of vulnerable Canadians are affected by the

intersections between social policies, the market economy and family transactions.

## 1 Social Policy: New Directions

### 1.1 National Policy Environment

Poverty in Canada today can no longer be regarded as simply a minor anomaly in an otherwise progressive society (Cheal, 1996a). Rather, it exposes some fundamental contradictions in how we organize the production and distribution of wealth (Torjman, 1994; Banting and Beach, 1995). Poverty exists on a scale, and in forms, which challenge us to re-examine who wins and who loses as a result of economic, social and political changes (Ross, Shillington and Lochhead, 1994). The National Council of Welfare (1997a) reports that despite modest economic growth, poverty due to low income has remained stubbornly high. It is of particular concern that rising poverty rates among families has meant rising poverty rates for young children (Lefebvre and Merrigan, 1994).

Social programs affecting the poor have not suffered from lack of attention in recent years. On the contrary,

during the 1990s the Government of Canada engaged in a wide-ranging effort to revise most, if not

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all, of its income support programs. Similar efforts have been undertaken in the provinces and in some municipalities, and there are moves to coordinate the reforms at the different levels. However, these reforms have been of questionable benefit to many people on low incomes. In a context of unprecedented change in the labour force as well as in family roles and structures, government policies that affect income security and access to public resources have been insufficient to meet new needs. As a result, a wide-ranging program of research is now needed into issues of poverty and relative income, as a basis for new policy directions.

The major influences on social policy in Canada in the 1990s have been the public debt and deficit reduction (Richards, 1994; Harris, 1994). As a result, expenditure on social programs has been constrained, and there has been a strong emphasis on aligning social policy with economic policy. Many of the long-term changes underway in Canada are direct or indirect responses to market globalization, and the perceived need to make Canada more competitive internationally (Maxwell, 1993). From an economic policy perspective, existing social programs tend to be treated as drags on economic efficiency, and program reductions have been sought (Brown, 1994).

At the same time, changes in the market economy have led to renewed demands for expanded social programs. The real incomes of most Canadians have fallen along with the share of the national income received by labour, while the incomes of some Chief Executive Officers have jumped and the returns to capital have increased. Canadians have been experiencing economic growth that feels like a recession to many people. As a result, the disparity in fortunes created by economic restructuring has received greater public attention. Voices have been raised, including in some business circles, about the possibility of a public backlash against new income inequalities.

In a time of growing inequality of market incomes, the tax-transfer system in Canada has continued to play a central redistributive role (Banting,

1992a; Picot and Myles, 1996). However, the impact of transfer reductions on some programs, such as family benefits and unemployment insurance, has been considerable. The percentage of income received in the form of government transfers has declined over the last few years. After peaking in 1993 at \$26.92 for every \$100 in employment income received by tax filers, transfer payments fell to \$26.60 for every \$100 of employment income earned in 1995 (Statistics Canada, 1997a). This decline in government transfers as a source of income was due primarily to changes in the Unemployment Insurance program.

## **1.2 Social Policy in the New Economy**

Changes to government programs such as Unemployment Insurance raise important questions about the direction and effects of recent policy shifts (Cheal, 1997b). In particular, we need to question the micro-political consequences of macro-political changes. That is to say: What consequences do political shifts in federal and provincial institutions have for the politics of interpersonal economic relationships? To begin with, we must clarify what that question means, and why it is important.

Macro-political changes of deficit reduction and associated reductions in transfer payments have manifested themselves in two related, but not identical, criteria for policy redesign. The first, and most obvious, policy direction has been to attempt to shift the ethic of responsibility in Canadian political culture, to place less emphasis on collective financial responsibility and to place more emphasis on individual financial responsibility. Policymakers' views about the relative responsibilities of the individual and the state have been changing (Kesselman, 1993a). According to the current politics of individual responsibility, people are urged to do more to help themselves without adding to government expenditures. For example, the shift to deinstitutionalisation of health care, which can add to unpaid work in the home, has not been accompanied by a corresponding change in tax policy that would give greater recognition to unpaid

caregiving (Women and Taxation Working Group, 1992; Bakker, 1996).

The second major policy direction has been to increase the social engineering role of government agencies. It is thought that governments now have the technical capacity to design carefully targeted programs, that will bring about selective behavioural changes. The policy shift here is away from maximizing resource inputs for families, and toward optimizing the productivity outputs from families. For example, there is renewed concern about children's physical and emotional health, and about the connections between healthy parents and healthy children (Human Resources Development Canada and Statistics Canada, 1996; National Council of Welfare, 1997b). The policy emphasis today is not simply on providing more money for families with children but also, and perhaps primarily, on developing community supports and interventions that will ensure that the money spent has improved effects.

These two shifts in policy directions, toward more individual responsibility and toward optimizing the productivity of individuals, raise some interesting questions. Is placing more responsibility upon individuals with low earnings in fact the best way to improve their productivity? And, what about the productivity of their children? What exactly do individuals with low incomes do when they cannot meet all of their responsibilities, if governments are only providers of last resort or not even that? These last two questions direct our attention to individuals' relationships with their families, and therefore to matters of family policy.

### **1.3 Family Policies**

Canada, outside Quebec, does not have an explicit or consistent family policy (Baker, 1995). Margrit Eichler (1993) has suggested that there are three implicit models of families that have had some influence on Canadian family policy discourse. They are: the patriarchal model of the family, the individual responsibility model of the family, and the social responsibility model of the family. Eichler

believes that moving toward the latter model would benefit many families. At present, the patriarchal model of the family is being eroded, but movements toward a social responsibility model do not appear to be very strong. Rather, the individual responsibility model has had more influence in recent years. The main features of the individual responsibility model are therefore worth outlining.

#### *The Individual Responsibility Model of the Family*

1. The ideology is one of sex equality.
2. Household and family membership are treated as congruous. This being so, a spouse is equated with a parent. Conversely, an external parent is treated as a non-parent.
3. The family household is treated as the unit of administration.
4. Husband and wife are equally responsible for the economic well-being of themselves, each other, and any dependent children. Children are considered dependents of both their parents.
5. Fathers and mothers are equally responsible for the provision of care and services to family members in need of care.
6. The public has no responsibility for the economic well-being of a family or for the provision of care where there is either a husband-father or wife-mother. Temporary help will be provided in the case of absence or incapacity of one of them, but the assumption is that a parent-spouse is responsible for both the economic well-being as well as the care provision for dependent children (Eichler, 1993).

If the individual responsibility model of the family (or some variant of it) has become the principal framework for social policy in the 1990s, then we need to understand how it is being applied and what the consequences are of its application. The individual responsibility model is sometimes applied in ways that have contradictory effects for

overall well-being. The underlying problem here is that the individual and the family are distinct units, which are easily conflated. The individual and the family should be treated as two separate and equal units for policy purposes. Otherwise, the effects of the individual on the family, and conversely the effects of the family on the individual, may receive insufficient attention. That can easily happen when economic policy goals predominate over social policy goals.

One example of insufficient public attention to the potential effects of the individual upon the family is the way in which passive cash transfer systems, which had been the norm for income security programs in Canada, are being replaced by employment enhancement programs that emphasize integrating individuals into the labour force (Reynolds, 1995). These programs seem likely to have effects on the lives of some women, which may not be entirely beneficial for their families. Some jobs have excessive time requirements that reduce the time available for domestic production of goods and services, thus diminishing overall family well-being. Time use studies indicate that higher hours of paid employment by women are associated with fewer hours spent on household chores and child care (Canadian Advisory Council on the Status of Women, 1987; La Novara, 1993; and Ghalam, 1993). The possibility that employment by solo mothers may have negative effects upon young children has been recognized. However, there is no uniformity of opinion among policymakers on the age at which such children are mature enough to stop receiving exclusively maternal care in order for their mothers to work. Possible negative effects of premature employment on solo mothers themselves are even less clear, and largely unarticulated. In response to concerns about women's double burden, as well concerns about effects on employment of economic restructuring, some interest has been expressed in exploring policy models for reducing women's paid work time (Committee on Women and Economic Restructuring, 1994). However, such a policy would have implications for reduced income, unless offsetting changes were made to government transfers.

Another example, this time of insufficient attention to the potential effects of the family upon the individual, is the tendency to provide income support for persons with low earnings by targeting transfers on low income families (Cheal, 1997*b*). Family income targeting is justified on the grounds that it delivers income support to those groups who need it most. It also has the convenient advantage for governments of reducing the take-up rate for income support programs, and thereby it lowers the ultimate costs. There is a potential problem here, however. Family income targeting can reinforce dependence upon the family. Using family income, rather than individual income, as the criterion for transfers targeting means that low income individuals living in middle and upper income families are likely to be supported by their families, and not by the state. This may be inconsistent with some social goals, such as increased individual liberties for women.

Women have historically earned less than men. Erosion of the value of individual transfers therefore seems likely to have a disproportionately negative influence upon them. As Woolley, Vermaeten and Madill (1996, p. 34) have pointed out: "If gender equity goals require payments for women, the payments need to be large enough to make a difference in women's lives."

#### **1.4 Incomes Policies**

During recent decades, Canadians have derived much satisfaction and pride from the belief that our society is kinder and gentler than the United States in its treatment of groups with low market incomes (Wolfson and Murphy, 1994). An emphasis on individual self-reliance is balanced by a sense of collective responsibility. In the context of deficit reduction, it is suggested that the "deserving" poor should not be adversely affected by the country's need to get its fiscal house in order (Peters, 1995*a*). Translating the latter requirement into incomes policy raises two distinct questions. Who are the "deserving" poor? And, how might they be adversely affected by current fiscal trends?

Empirical knowledge about how Canadians draw

distinctions between the “deserving” and the “undeserving” poor is limited. One useful study, which is now somewhat dated, was conducted by Cato Wadel (1973) in a Newfoundland outport in the late 1960s. Some details from this study may be helpful as an aid to reflection about contemporary public opinion.

Wadel’s research consisted of participant observation on how male breadwinners and their families managed the moral consequences of long-term unemployment and living on welfare. Wadel found that to be unemployed and to live on welfare is to be suspected of lacking normal moral characteristics, such as willingness to work hard. However, it was also generally understood that there were four groups of people who had good reasons for not being employed. Put more formally, there were four main types of claims for community support, each with its justificatory rationale.<sup>1</sup>

First, there were those who were deemed to be “too old” to work. Acceptance of public support for members of this group depended on the collective belief that they had done their share of work for the community in the past.

Second, there were those who were held to be “too young” to work. With increasing age, lack of employment by youths was acceptable insofar as they were preparing to enter the labour force, for example by acquiring an education in school.

Third, there were those who were believed to be “too sick” to work. Judgements about this group depended heavily on the visible extent of their physical disabilities, and on the extent of their preparations to resume employment.

Fourth, there were those who were thought to be not available for regular employment, because they had heavy family responsibilities. Unlike the previous three groups, this group was composed exclusively of women. Young, able-bodied women could be excused from regular employment if they were known to work hard in the home, for example, by raising a large family.

Wadel’s ethnographic observations in rural Newfoundland three decades ago are still a useful guide to thinking about dependency in the Canadian welfare state today (see, for example, National Council of Welfare, 1994), with one notable exception. In contemporary urban Canada, it is not always clear that family responsibilities are accepted as reasons for non-employment by women. Public opinion has turned toward greater parental responsibility for the costs of raising children, given the availability of birth control and the presumably voluntary nature of having children today. Planned parenthood and declining fertility, associated with women’s changing labour force participation, have altered perceptions about family and work. In the new economic discourse, which assigns priority to paid work by women, mothers are no longer automatically protected from the necessity to find employment (Lord, 1994). Employable solo mothers dependent on welfare are often subject to being labelled as “undeserving” of continued public support (Brodie, 1996; Evans, 1996).

Eichler (1993) has noted that the individual responsibility model of the family can serve as a rationale for decreasing public contributions to sole-parent families. Whereas in the patriarchal model of the family the state would replace the financial contributions of the husband-father if he could not, or did not, support the family, the state will generally prefer not to do so when an individual responsibility model of the family is used. Current policy restructuring in Canada tends to place more emphasis on individual responsibility, rather than on patriarchal duty or social responsibility. Interestingly, the Canada Health and Social Transfer (CHST) no longer authorizes the federal government to require that the provinces provide financial assistance to everyone in need (Clark, 1996).

### **1.5 Incomes Policy Restructuring**

In the recent phase of incomes policy restructuring, public transfers to some individuals and families have been reduced. If the “deserving” poor are not to be adversely affected by this process, then it is worth asking what special steps have been taken to help them.

Two broad measures of categorization and selective treatment have been applied to previously dependent groups during the period of program restructuring. Both measures are intended to minimize the impact of program cuts upon vulnerable persons. There is an increased emphasis on *targeting income supports*, so that groups that are most in need will continue to receive help. Income transfers policy in Canada has a long tradition of targeted benefits, but income protection programs have been made even more selective in recent years (Myles, 1988; Banting, 1992b; Kesselman, 1994; Moscovitch, 1995; and Cheal, 1997b). In addition, efforts are being made to *encourage and facilitate greater financial independence*, so that employable groups who lose benefits will be better able to look after themselves. Major policy initiatives here include attempts to move people on welfare into the paid labour force (Richards et al., 1995).

#### 1.5.1 Potential for Adverse Effects

Despite recent attempts to make the welfare state in Canada more efficient – or perhaps because of them – there are still some concerns about possible adverse effects of program changes (Battle, 1995). There are three kinds of potential adverse effects of income replacement programs, and of changes in those programs, upon groups having low market incomes. First, income transfers may be *ineffective*. That is, they may fail to deliver adequate benefits to the individuals who need them. Second, transfer programs which are effective may nevertheless be *inequitable*. That is, they may deliver greater income supports to people who need them the least, and lesser income supports to people who need them the most. And third, programs which are both effective and equitable may nevertheless have *negative exogenous effects*. That is, they may create new disadvantages for already disadvantaged groups. Whether or not any new disadvantages outweigh any benefits of greater effectiveness and greater equity in program design is, of course, an important question here.

It is not the purpose of this paper to engage in

program evaluation of contemporary social reforms. Therefore, no conclusions will be drawn here about the effectiveness, equity, and exogenous effects of recent and proposed policy changes. Rather, it is suggested that better knowledge is needed about these issues. That point will be illustrated with examples of reforms to income support programs that are based mainly on the individual responsibility model of the family. Some implications for research will be noted.

#### 1.5.2 Welfare Reform – From Welfare to Workfare

In Canada, provision of welfare income is mainly the responsibility of provincial governments, and welfare programs vary from one province to another. Nevertheless, certain general trends are evident, including cost containment and increased efforts to move employable recipients off the welfare rolls (National Council of Welfare, 1992). The federal government's Canada Health and Social Transfer (CHST)<sup>2</sup> has opened the door to provincial workfare schemes, which have elicited a great deal of discussion (Evans et al., 1995). In provinces such as Ontario, work and/or training is now compulsory, in principle, for certain social assistance recipients.

The general thrust of employment enhancement reforms can be described as a three-fold process: 1) distinctions are drawn between employable and unemployable welfare recipients; 2) employable persons are streamed into programs for training and work; and 3) different levels of benefits are awarded based largely on employability and work experience. (The employable unemployed tend to receive lower welfare incomes than unemployable persons, but employable welfare recipients may receive additional work incentives when they enter the labour market).

Decisions about employability are crucial to the employment enhancement process, but they have not always been easy to make. In practice, it has been found necessary to recognize that there are some people who are able to work but who are

temporarily unavailable for employment. That is often because they are caring for a young child or an older dependent who is ill or disabled. The majority of people on welfare in this category are solo parents.

The employability of solo parents has been a difficult, and sometimes contentious, issue in recent years (Lui-Gurr, Vernon and Mijanovich, 1994; Evans, 1996; and Scott, 1996). More comparative information is needed for married and unmarried mothers about their adaptation to time spent in employment away from the home, and about the monetary costs of employment that they incur. In recent years, attention has focussed on the cost of child care (Cleveland and Hyatt, 1995), but there may be other costs that also deserve investigating.

### *1.5.3 Unemployment Insurance Reform*

Policy restructuring that is intended to reduce the number of Canadians who are not employed has occurred at both the provincial and the federal levels. The major federal changes have been to the Unemployment Insurance Program (UI). Benefit payments have been falling, and they are set to decline further now that UI is replaced by the EI (Employment Insurance) Program.<sup>3</sup>

An interesting feature of EI is that it was designed to include a Family Income Supplement (FIS), targeted on low income families with children (Human Resources Development Canada, 1995). The Employment Insurance FIS is intended to replace a low earnings unemployment insurance rate. According to Human Resources Development Canada: "The Family Supplement will be better targeted to low-income families and will deliver a larger benefit for those families who are most in need" (Human Resources Development Canada, 1995, p. 15). If successful, this reform could minimize the negative effects of reduced income transfers on needy children, as well as preventing increased intergenerational inequity between children and the elderly, by improving the anti-poverty effectiveness of a major income support program. However, the FIS might also have unwanted exoge-

nous effects on married women. There is a developing policy tension here, between the desire to strengthen economic and social equality of women as independent persons, and the trend toward targeting benefits on low income family groups.

The FIS will be awarded according to the family income test used for the Child Tax Benefit, which is calculated from family net income and the number of children under age 18. Family income tests assume that there is income pooling between partners (Phipps and Burton, 1996). Basing income support on the results of such tests therefore enforces economic dependence of one partner upon the other, regardless of actual preferences for personal autonomy (Vosko, 1995). Furthermore, in families where equal sharing does not exist, family income tested benefits cannot alleviate the full extent of poverty among the most needy family members (usually women and children).

The House of Commons Standing Committee on Human Resources Development recorded its opposition to making unemployment insurance benefits conditional on family income, in the following way: "We are concerned about the implications of such a measure for women's independence. Because men typically have higher incomes, women would be more likely to lose eligibility for UI. This would increase women's financial dependence on their husbands, with negative implications for their equity position within the home" (House of Commons, Standing Committee on Human Resources Development, 1995, p. 91).

The Committee's concern is not without significance, as there is some evidence to suggest that increased employment by married women is associated with a decline in the traditional income pooling associated with companionate marriage, and an increase in individual financial autonomy, especially for wives (Cheal, 1996*b*). The general trend in Canadian marriages seems to be toward greater equality of economic agency within the household economy (Cheal, 1993). However, the evidence on this point is limited, and the knowledge base would benefit from a large national survey.

#### 1.5.4 Old Age Benefit Reform

Increased targeting of transfer payments by family income has recently been proposed for the new Canadian Seniors Benefit, which will replace the existing Old Age Security pension (OAS) and the Guaranteed Income Supplement (GIS). For couples, the amount of the Seniors Benefit payment will be determined on the basis of the spouses' combined income. (Family income testing is presently used in calculating the GIS, but not the OAS.)

The good news is that low income elderly could receive more than the OAS and GIS combined under the proposed pension reform. However, it would remove 9 percent of people who currently receive benefits, and it would reduce the amount of pension for another 16 percent of recipients (National Council of Welfare, 1996a). The application of family income testing would have an especially big impact on couples in which one partner has a much larger income than the other. Here, the low income partner would likely receive much less than before. It seems that most of the individuals whose benefits would be substantially reduced would be elderly wives. At present, one-third (32.2 percent) of elderly women are financially dependent upon a co-resident family member, usually a spouse (Cheal and Kampen, 1998). This rate of personal dependence is above the national average of one-quarter (24.8 percent) of adult Canadians who are financially dependent. If current trends of restructuring the welfare state continue, more elderly women may become personal dependants.

A related issue raised by family income targeting is how the Seniors Benefit should be divided between the spouses (National Council of Welfare, 1996b). The National Advisory Council on Aging has proposed that benefits should be paid in "reverse proportions" to other income. For example, in a couple where one spouse had 60 percent of non-transfer income and the other spouse had 40 percent, the spouse with the higher non-transfer income would receive 40 percent of the couple's total Seniors Benefit and the spouse with the lower

non-transfer income would get 60 percent of the benefit.

The political issue here is whether the principle of equality between spouses is best achieved by them receiving equal benefits, or by them receiving unequal benefits that result in greater equality of personal disposable income. Of course, this is not an issue that can be resolved by social scientific research, but it may be useful to know what the expectations of seniors are for equality of economic agency. It may be of little concern to the current generation of married seniors, because traditional views on gender roles might predispose them to accept income inequalities within marriage. Or, it could be of great significance for some elderly wives whose husbands have diminishing financial competence without relinquishing financial control. The latter issue could become more important with increasing longevity, and as ageing couples are expected to assume greater responsibility for managing their own financial resources in retirement.

#### 1.5.5 Extending Responsibilities

The current phase of policy restructuring includes deepening individuals' responsibilities to provide for their own financial security, and it also includes extending individuals' responsibilities to provide for the financial security of others. Extending individual responsibilities involves the public restructuring of private life. This is achieved by redefining the obligations that the occupants of certain roles have toward the occupants of other roles (see 2.2 Cohabitation). Redefinitions of financial obligations include specifying the direction and amounts of resource flows in transactions.<sup>4</sup> An example of this process is the way in which parents in some jurisdictions have been made liable for any vandalism of other peoples' property caused by their children.

Possible redefinitions of obligations might include extending the obligation to provide financial support for an indigent person to her/his "dependants." Any reversal of existing assumptions about the direction of financial dependence could

have a significant impact on sole-parent families, especially those headed by older women. In 1990, the children of female solo parents accounted for 27.0 percent of total income in female sole-parent families (Rashid, 1994).

Very little is known, or at least published, in Canada about economic arrangements between parents and children in poor families. In the United States, a study of welfare reciprocity in the late 1960s and early 1970s found that adult children living at home sometimes contributed sizeable amounts to the family income, especially in very large families (Rainwater, Rein and Schwartz, 1986). However, it was also found that this component of family income was highly unstable as children grew up and moved out of the family home. Furthermore, its value was uncertain, since there was wide variation in the extent of income pooling. In some low income families children's pooled earnings were crucial to collective well-being, but in other families not a cent of their earnings went into the common pot. The researchers concluded that it is not warranted to assume that the money children earn is always part of a single family income. This study might be worth repeating in Canada in the late 1990s, as the lives of welfare recipients come under closer scrutiny.

### **1.6 Public Services Policies**

Although much attention has focussed on changes to income transfer programs, social policy restructuring has taken place across almost the entire social envelope (Courchene, 1994). Some of the most significant budget cuts have not been to income transfers but to subsidies for goods and services, especially those provided by provincial governments. Large increases in prices and user fees that people must pay for goods and services provided by the public sector have the potential to create excessive income requirements for certain groups. Two such groups are students in postsecondary education, and recent university graduates.

Until 1996, the federal government transferred money for postsecondary education to the provinces

through the Established Programs Financing (EPF) arrangement. The cash value of the EPF inter-governmental transfer declined in its latter years, and there has been a great deal of concern about levels of support under the successor Canada Health and Social Transfer (CHST), especially in Quebec (Fréchette, 1995). The proportion of university costs borne by students has been rising, and it seems likely to continue rising for some time.

Tuition fees at most Canadian universities have soared over the past decade, far outpacing the rate of inflation as determined by the Consumer Price Index (McKenzie, 1994; Statistics Canada, 1997b). It is expected that fees will continue to rise as universities attempt to cope with increasing expenses and restricted government support. As a result, students are taking on greater debt loads in order to pay for their education (Duncan, 1993).

Similar problems seem likely to arise in the near future for apprentices. Federal funding for apprenticeship training is due to end early in 1998, and it is not yet clear how the provinces will respond (Krueger, 1997). Young people wishing to learn a trade through on-the-job training may soon be paying tuition fees similar to those of university and college students. However, unlike the latter, apprentices are presently unable to write off tuition fees for income tax purposes. In addition, there may be a need to support increased costs for individuals of the tools and equipment necessary for their training.

Concern has been expressed about the impact on students of rising tuition fees, and about the impact on recent university graduates of rising debts (Canadian Centre for Policy Alternatives, 1993). However, there has been little agreement on the best means of controlling the situation. One approach recommends encouraging mutual responsibility among Canadians for managing a greater share of their own social security. It has been proposed that postsecondary students should pay their education fees from a new kind of loan, whose repayment schedule would be adjusted to individuals' ability to pay (Human Resources Development Canada, 1994). Such loans would provide targeted (temporary) relief from economic stress for low

income graduates, because borrowers would make repayments only when their incomes are above a threshold, and because borrowers who earn less would make smaller annual repayments.

Education policy restructuring has led to a renewed interest in some quarters in proposals for income contingent repayment loans (ICRL) for investments in human capital (West, 1993; Thomas, 1994). This even includes one proposal that child care costs should be funded by an ICRL plan, to be paid by the children themselves when they become adults (Berkok and McDonough, 1997). Although a national ICRL plan may not be an immediate prospect, interest in such plans remains high, especially in the Province of Ontario. One of the potential difficulties with such plans is that under certain scenarios effective tax rates on graduates could be very high, especially among women (Thomas, 1994). Another difficulty is that if the threshold income which triggers repayments does not recognize borrowers' dependants, then borrowers with low incomes relative to their responsibilities may have to make payments (Kesselman, 1993*b*).

In the current policy environment, excessive income requirements of an ICRL plan could likely be avoided only with some form of family income targeting, perhaps linked to the Child Tax Benefit. Such a development could only intensify questions about family income targeting, including what a "family" is deemed to be for policy purposes. In an era of widespread divorce and increased enforcement of family support payments, some people support more than one family, including spouses and children with whom they no longer reside. New social policies will have to go beyond the nuclear family unit to recognize the new family structures.

## **2 Social Change: New Families**

### **2.1 Family Trends**

Many of the questions raised by public policy restructuring derive their importance not only from the shifting boundaries of public and private re-

sponsibilities, but also from the intersection of policy changes and social changes. As is well known, the increased prevalence of solo mothers is mainly due to higher rates of divorce in recent decades (Vanier Institute of the Family, 1994). Greater longevity in the Canadian population means that the nature of financial arrangements in elderly couples is becoming more salient. Increased female employment, especially among married women, means that the economic emergence of women as autonomous agents with lives of their own must be recognized (Jones, Marsden and Tepperman, 1990). In addition to the above changes, special attention needs to be paid to changing family formation, because the effects of policy innovations on the new families are not clear.

Family life today is characterized by increasing diversity of family types and of sequences of family living (Gee, 1995). Of course, there were always families of different kinds in earlier times. Also, periods of social disorganization in the past, such as the Great Depression, were often accompanied by the fragmentation of families. What is new about the present time is that there are fewer social barriers to increased diversity, and freedom of family choice has become an acquired right. Government legislation and court decisions have been extending the legal definition of family beyond the nuclear family model of public heterosexual marriage and fixed, biological links between parents and children (Bala, 1994). For example, the declining influence of traditional religious beliefs has led to a greater tolerance for lifestyles outside formal marriage, most notably in the Province of Quebec where common-law unions are especially prevalent (Balakrishnan, Lapierre-Adamcyk and Krotki, 1993). As a result, the classic sequence of family life-cycle stages, i.e., leaving home, getting married, and then having a first child, is no longer adequate to understand the lives of younger cohorts in Canada (Ravanera, Rajulton and Burch, 1994).

### **2.2 Cohabitation**

The public celebration of marriage is no longer the universal, or practically universal, foundation

for conjugal life. Increasingly, public marriages merely confirm existing private unions rather than creating new ones (Dumas and Péron, 1992). Cohabitation, with or without subsequent formalization of the marriage, has become more common (Che-Alford, Allan and Butlin, 1994).

Tax legislation, benefit payments and welfare arrangements are increasingly designed to take into account the prevalence of cohabitation.<sup>5</sup> For the purposes of income tax calculation, the term “spouse” now applies to a legally married spouse *and* a common-law spouse. A common-law spouse is defined as a person of the opposite sex who is living with the reference person in a common-law relationship, and either: 1) is the natural or adoptive parent of the reference person’s child; or 2) had been living with the reference person in such a relationship for at least 12 continuous months, or had previously lived with the reference person in such a relationship for at least 12 continuous months, including any period of separation lasting less than 90 days.

The concept of family, which is implied in Canadian income tax regulations, is important not only for levels of taxation, but also for the income transfers, which are increasingly linked to the income tax system. For example, the Child Tax Benefit, which replaced family allowances, the refundable child tax credit and the non-refundable child tax credit in 1992, is deemed to be an overpayment under the *Income Tax Act*. The amount of the Child Tax Benefit is calculated from family net income and the number of children under age 18. Although it is paid to the person who is primarily responsible for the care and upbringing of the child (usually the mother), the primary caregiver and her spouse must both file income tax returns in order to receive the benefit.

In turn, the Child Tax Benefit has been made the basis for the Employment Insurance FIS. Low income family eligibility criteria in EI are based on the criteria for receiving a child tax benefit, as set out in the *Income Tax Act*. Only families who qualify for the Child Tax Benefit will receive the Family Supplement.

Clearly, definitions of family relationships employed in income support programs do matter. In recent years there has been a convergence on considering cohabitation to be equivalent to formal marriage for the purposes of incomes policies. Implicit in legislation of this kind is the assumption that all married couples pool their incomes. There is a further assumption that all common-law couples share their incomes in the same way as legally married couples.

An underlying belief seems to exist in Canadian family policy that a sexual relationship between members of the opposite sex that occurs in a shared living space will (or should?) always be accompanied by sharing living costs, which goes beyond simply paying for board and lodging.<sup>6</sup> It also seems to be the case that published evidence to support this assumption is lacking. In the past, when cohabitation was relatively rare, the lack of information on this issue could easily be overlooked by comparison with more pressing issues. However, at a time when one couple in seven in Canada is living common law, this issue would seem to require attention. That is especially so since increased targeting of transfers has magnified the financial consequences of family definitions, as described here and in the previous section.

Whether or not income pooling is the same in common-law couples as it is in legally married couples is unclear. Information about relationship dynamics in cohabiting couples living in Quebec suggests that it may not be. Cohabitants seem to have a more equal allocation of household tasks than married persons (Dandurand, 1988). Also, cohabitation appears to be a less durable relationship than formal marriage (Lapierre-Adamcyk, Balakrishnan and Krotki, 1987). For both of these reasons, income sharing between cohabitants is likely to be less full than it is between legal spouses.

Common-law spouses may be less likely to make big financial commitments to relationships that are not thought to be permanent. Long-term investments in relationships encourage pooling and discourage separate accounts, but experience of

marital disruption discourages pooling and encourages segregated funds (Treas, 1993).<sup>7</sup> Also, an ethic of interpersonal equality and independence may discourage the giving and receiving of large amounts of money that cannot be reciprocated. Economic transactions between cohabitants may be more likely to take the form of balanced exchange than unilateral support, especially during the early stages of cohabitation. Unfortunately, the natural history of income pooling in marriages of different kinds is practically unknown.

### **2.3 Divorce and Remarriage**

Limited knowledge about family diversity and household money management is also unfortunate in the case of new families that form as a result of divorce and remarriage. Increased frequency of divorce through the late 1980s was followed by increased frequency of remarriage, and the growth of reconstituted families (Vanier Institute of the Family, 1991). Approximately one in five men and women who were formally married during the early 1990s had been married before (Statistics Canada, 1995). Some of these remarriages involved children from a previous relationship, thus creating stepfamilies. Approximately 7 percent of children under age 12 in Canada today live in a stepfamily (Cheal, 1996c).

Researchers in the United States have sometimes suggested that decisions about resource allocations can be more complex for remarried couples than for couples in a first marriage (Fishman, 1983). Clinicians report that financial issues are a primary source of stress in stepfamilies, yet researchers have seldom addressed this issue (Coleman and Ganong, 1990). The majority preference in remarriage families, as in first marriage families, appears to be some form of pooling of financial resources, such as joint bank accounts (Lown and Dolan, 1994). Nevertheless, some remarried couples maintain separate accounts, with each spouse contributing to specific household expenditures while reserving an income portion for themselves and their biological children. Coleman and Ganong (1989) claim, on the basis of a small study of remarriages in Missouri,

that adult-child relationships are closer when husbands and wives pool their resources than when they do not. Husbands and wives in income pooling stepfamilies had more positive feelings toward children living in the household than did husbands and wives in non-pooling stepfamilies.

The research literature in the United States raises questions about the economic effects on children of divorce and remarriage. Children often respond to divorce and remarriage with egocentric concerns about how it affects them personally, academically, and financially. Adolescents and youths can be expected to have special concerns about levels of financial support. For example, it seems that American college students whose parents are divorced have to rely more upon their own financial resources to pay for their education (Grissett and Furr, 1994). Not surprisingly, adolescent stepchildren's perception of the quality of the relationship with their stepfathers is related to their perception of family income (Skopin, Newman and McKenry, 1993). Also, young adult children of divorce have a closer relationship with their natural mothers if the latter are perceived as a potential source of financial support (Cooney, Hutchinson and Leather, 1995). Financial support is obviously an important issue for adolescents and youths whose natural parents are divorced. It would therefore seem desirable to know more about the conditions that foster or hinder such support.

There is a body of research in the United States that suggests that children in stepfamilies perform less well in school than children from intact families. That may be partly because children in stepfamilies receive fewer parental investments (Downey, 1995). Stepparents frequently have financial responsibilities to their former households, which can divert economic resources from their current household. Also, the stepparent/stepchild relationship may not be as conducive to parental investment as a biological relationship. That may be because the stepparent is less committed to giving money, or because the stepchild is more reluctant to receive it. Downey (1995) has found that stepfamilies are less likely to have saved money for their child's educational future. That is the case in both mother/

stepfather families and father/stepmother families, although the negative effect of the stepfamily economy appears to be somewhat stronger in the latter case.

It would be interesting to know about the connections between remarried couples' financial management practices, the quality of their family relationships, and the nature of financial support for the formal and informal education of stepchildren and children of divorce in Canada. It would also be interesting to know how these connections are affected by employment instability among parents, and by delayed transitions into economic adulthood by young people.

### **3 Economic Change: New Needs**

#### **3.1 Employment Trends**

The incomes of Canadians depend first and foremost upon their relationship to the labour market. That relationship has been changing for many people. Over the past three decades there have been large shifts in employment practices, and some employment trends have been contradictory. Lifetime employment for men has tended to fall, due to longer periods of time spent in education as well as the tendency to leave the labour force at earlier ages than in the past. On the other hand, lifetime employment among women has been rising, as women have had fewer children and as they have spent less time on average at home. Women's employment today is the outcome of many complex choices about work, marriage and children (Cheal, 1991).

#### **3.2 Women's Work, Marriage and Children**

Increased labour force participation by women has been one of the more significant long-term changes in Canada during the 20th century. Women's wages are essential to the family economy today, including meeting mortgage payments

(Fortin, 1995). The most dramatic increases in labour force participation have been among married women, and among women in the childbearing age groups. In recent decades, the largest increases in women's labour force participation occurred among women with preschool age children, and especially among women with children less than three years old. Many married women with children have been able to improve their standard of living by combining with their husbands in joint work management strategies (Cheal, in press). Mothers in less work-intensive couples, and female solo parents, have tended to fall behind economically.

In contrast to earlier decades, the 1990s has been a difficult time for many women in search of employment. In 1991, the participation rate of women in the Canadian labour force reversed its previous trend and began to decline, especially among young women under age 25 (Basset, 1994). Between 1990 and 1993, the labour force participation rate of women aged 15-24 fell by more than 5 percentage points (Statistics Canada, 1994). The sharpest declines in employment were among single women, and among divorced or separated women (Butlin, 1995; Statistics Canada, 1996). This drop in employment has been a contributory factor in the relatively high poverty rates for families headed by women living alone (Cheal, 1996a).

As the number of women seeking employment has grown, so they are affected more and more by the conditions existing in the labour market. These conditions fluctuate over time, and include recessions such as that which occurred in Canada in the early 1990s. In 1991, only 7 percent of unemployed women had left paid work due to personal or family responsibilities, but 56 percent were without jobs because they had lost their last position or they had been laid off (Ghalam, 1993). In this respect, women increasingly face similar economic difficulties to men.

#### **3.3 The Economic Life Course**

For many Canadians, the 1980s and the 1990s were a period of great difficulty in finding, and

keeping, employment at a satisfactory wage. Hiring freezes, job shedding, and wage cuts have been common experiences in both the private and the public sectors. The labour market has been volatile, and while some groups have seen their economic positions improve, other groups have faced declining opportunities. Myles and Street (1995) argue that such phenomena as layoffs caused by economic restructuring are creating new forms of insecurity, which were not present in the 1950s and the 1960s when the Canadian welfare state was largely designed. The new forms of economic insecurity threaten to disrupt the economic life courses of individual Canadians.

Social analysts have increasingly suggested that a complete overhaul is needed in traditional thinking about the economic life course (Cheal, 1987, 1995; Guillemard, 1991). Social policy in the second half of the 20th century has been based on a linear, tripartite model of the life course, consisting of school, followed by work, and then retirement usually at age 65. In broad terms, the first phase is defined as one of childhood dependence upon the family; the second phase is one of adult economic independence, except for temporary periods of incapacity; and the third phase is that of the dependence of the elderly, mainly upon the state.

This tripartite model of the life course has been breaking down for some time. There are two main reasons for this. The first reason is that many young people who would have been employed in past decades, now continue to be economically dependent upon their parents well into adulthood. The second reason is that increasing numbers of older workers leave the labour force before conventional retirement age, when they do not yet qualify for old age income transfer programs.

### **3.4 Delayed Exit from Familial Dependence**

In the past two decades, young people joining the labour force have had great difficulty in obtaining full-time jobs at good wages. This structural change has produced a pauperisation of youth (Deniger,

1991). As a result, many young people have delayed the transition from familial dependence to adult independence.

During the 1980s there was an increased tendency for young adults who were not currently married to live continuously in their parents' homes, or to return to them. Most of the increase occurred in the first half of the 1980s, in a period that included an economic recession and increased time spent in further education (Kerr, Larrivée and Greenhalgh, 1994). Co-residence with parents by young adults is related to being unemployed or not in the labour force, and to having a low income (Boyd and Pryor, 1989).

Presumably, many young adults who live with their parents benefit from a redistribution of income and wealth within the family. However, little is known about the extent of their economic dependence or its effects (Gauthier, 1991; Gauthier and Mercier, 1994). Cheal (1997a) has estimated that the number of financially dependent young adults ages 20 to 24 is approximately two-and-a-half times the number of young adults living in poverty.

### **3.5 Early Exit from Paid Employment**

Economic adjustments have also taken their toll among older workers, who can find that they are "too old to get a job and too young to get a pension" (Canada Employment and Immigration Advisory Council, 1985). An especially vulnerable group are older non-elderly persons who have a disability that limits their capacity to work. About 3 in 10 of these seniors with a work limitation live in poverty, compared with less than 1 in 10 of able-bodied seniors (Cheal and Kampen, 1998).

There has been a rapid change in paths to retirement over the past 10 years (Monette, 1996). Among men aged 55-64, the proportion of those employed has dropped, but this shift has not been accompanied by a proportional increase in retired people. Rather, there has been a marked increase in the proportion of men in this age group who are neither employed nor retired. Many of them are

either looking for a job or they have a long-term illness.

Exit from paid employment at ages 55-64 can occur via many different pathways (Kohli et al., 1991). Some of the pathways are institutionalized means of exit, such as early retirement packages and disability schemes. Other pathways rely on non-institutionalized means, such as private savings and family supports (Schellenberg, 1994). Early exit from work is a major factor associated with poverty and familial dependence among older non-elderly persons. A clear majority of those seniors who were either poor, or who depended on another family member to keep them out of poverty, did not participate in the labour force at all in 1993 (Cheal and Kampen, 1998).

## **4 Research Agenda: New Questions**

### **4.1 Money, Family, Policy**

Current changes in the economy, in family life, and in government policies raise many interesting questions about individual incomes and how they are used in families. In accordance with the contexts of policy restructuring discussed above, these questions can be grouped into five sets of issues. They are: 1) the nature of income pooling by spouses and other sexual partners; 2) the nature of income sharing between generations; 3) the size of income requirements due to employment preparation; 4) the size of income requirements due to being employed; and 5) the competence of income managers.

### **4.2 Income Pooling by Couples**

Sexual partners (whether formally married or not) who live together are assumed to pool their incomes, especially when one of them is not employed and lacks earnings. For research purposes this assumption should be treated as an hypothesis, and the measurement of inequality within the household should be investigated (Woolley and

Marshall, 1994; Phipps and Burton, 1995). The following questions can therefore be asked.

What are the forms of financial transactions between spouses in low income couples? How much variation is there in the direction and amount of resource flows in transactions between partners in low income couples? Is there any behavioural variation related to cultural differences between ethnic groups, or between recent immigrants and established Canadians?

How extensive is income pooling, and does it change when one partner becomes unemployed? Is increased financial dependence in marriage as a result of reduced earnings by one partner followed by any other changes in marital interactions? How important are family transfers in coping with early exit from the labour force?

Do couples who receive welfare differ from other low income couples in the nature of their spousal financial transactions? If there are differences in spousal financial transactions among low income couples, are those differences related to other family dynamics? Does the extent of income pooling differ in couples in a first marriage versus couples in a remarriage, or between legally married couples and common-law couples? Does the extent of income pooling in common-law couples change when there are children? Does it then tend to mirror more closely the pattern for legally married couples? If it does, is the natural history of income pooling in cohabitation altered by the application of welfare regulations, and are there any consequent changes in personal relationships?

Do the spousal transactions and interactions of unemployed wives differ depending on whether or not they receive the Employment Insurance FIS? Is there an increased risk of economic stress among wives who do not receive the FIS?

### **4.3 Income Sharing between Generations**

Income sharing in families takes the principal

form of sharing between partners, but in families with children intergenerational income sharing is also very important. Intergenerational transfers can be both private and public. This is, therefore, an area where family policies and social policies should be consistent and mutually supportive. Susan McDaniel (1997) has recommended that more complete and more integrated data should be provided on intergenerational transfers in Canada, for more informed policy choices.

The intergenerational flow of resources in extended families tends to go down the generations (Cheal, 1983). It is, therefore, sometimes assumed that in our society the obligation felt by older family members to transfer resources to younger family members is stronger than any obligation felt by younger family members to transfer resources to older family members. That assumption may not always be accurate, and it is appropriate to re-examine it at this time. In particular, we need to study the interplay between internal resources and external resources in families of different kinds (Peters, 1995*b*).

In sole-parent families, where financial transactions with a cohabiting partner are unavailable and where income transfers from an ex-spouse may be unreliable, intergenerational transfers might replace spousal transfers. Under such conditions, resources could conceivably flow mainly up the generations, if children take on the obligation to support an indigent parent. How many children in fact do this? The following related questions about multi-generation families are also of interest.

What forms of financial transactions exist between parents and children in low income families? How much variation is there in the direction and amount of resource flows between the generations in low income families? Are there any behavioural variations that are due to cultural differences between ethnic groups, or between recent immigrants and established Canadians?

How extensive is income sharing between parents and financially dependent adult children? How important are intergenerational income supports for

young adults who are unemployed, underemployed, or in further education?

How extensive is income sharing between co-resident parents and young children? Is income received as child support from a former spouse reserved for their use, or is it shared with a new partner and/or children of the new union? Are there differences in intergenerational financial transactions among low income families of different compositions (e.g., one-parent families cf. two-parent families)? Is the extent of intergenerational income pooling in the families of welfare recipients affected by welfare regulations, and do such effects differ for one-parent and two-parent families? Are there any gender differences (i.e., between daughters and sons) in children's financial support for parents?

#### **4.4 Income Requirements for Employment Preparation**

It is debatable whether or not most children can be expected to provide much financial support for their parents in our society. In contrast, there is a much clearer and stronger expectation that parents should support their children financially, although there can be different opinions about how long such support should last. It is, therefore, somewhat surprising that the most common types of money transfers from parents to children have received little attention (O'Brien, 1995). Perhaps that is because parent-child transactions are considered to be private concerns, which should be left to families to arrange by themselves. However, at a time when many education costs are increasing faster than students' wages, we should be paying more attention to financial transfers from parents to children in all families. The conditions that facilitate or hinder such transfers may soon become the bases for new inequalities in human capital.

Information is needed on the social distribution of the private costs of preparation for employment, including how such costs are redistributed within families through inter-household and intra-household transactions. The following questions

can therefore be asked.

What proportion of the private costs of post-secondary education and training is provided by students' families of origin,<sup>8</sup> for example, by students living at home or by family savings? Are there any differences in the level of financial support for students from different types of families, such as intact families, sole-parent families, and step-families?

Is the formation of families of orientation by students and recent graduates affected by their education debt loads? How many students and recent graduates with significant education debt loads have dependent children? What effects do education debt loads have on income requirements in students' and recent graduates' families of orientation, and whose money is used to meet those requirements?

#### **4.5 Income Requirements of Being Employed**

Most people must work for money, but they need money in order to work. When wages are high, the latter condition is usually only a minor barrier to achieving financial self-sufficiency. However, when wages are low the income requirements of employment can be more detrimental to economic well-being.<sup>9</sup> For example, job-search costs may include travel to interviews, which can be a significant drain on the current incomes of the unemployed (Burman, 1988). At the margin, excessive income requirements of employment can be a deterrent to employment.<sup>10</sup> Public support for the costs of employment is, therefore, potentially a very important policy instrument.

In Canada, targeted benefits to the poor are increasingly administered by integrating the tax and transfer systems. It may, therefore, be useful to re-examine the treatment of employment expenses in income taxation, in the context of the current overhaul of social programs. At present there are four main kinds of employment costs that are deductible from federal income tax.<sup>11</sup> They are: a)

moving expenses incurred in order to be closer to a new place of employment; b) child care expenses incurred in order to earn an income from employment; c) union or professional dues that are *de jure* or *de facto* requirements of employment in certain occupations; and d) selected employment activity expenses that are required to be paid by an employee under an employment contract. The most noteworthy characteristic of these other deductions is what they do not include. Normal costs of employees' travel to and from work, and work clothes and work tools, cannot be claimed as employment expenses.

Today, the tools used by increasing numbers of knowledge workers include computers and related equipment, which enable them to continue doing their office work at home. In this respect, the income tax regime in Canada has not kept up with the pace of technological change. This would be an issue to consider if there are to be modest income tax cuts in the near future, as promised in the throne speech of the Government of Canada on September 23, 1997. Public investments in private adaptations to technological change would have a greater impact on productivity than across-the-board tax cuts.

It would be interesting to know what the actual employment costs of Canadian workers are today, and how their costs compare with federal and provincial income tax regulations and with employment activity assistance that is provided under welfare and workfare programs. The following questions can therefore be asked.

What are the income requirements of employment among the working poor? What are the income requirements of employment among people who exit income support programs by entering the paid labour force? How much of the employment costs of these two groups is supported by tax deductions and/or by employment activity assistance programs? How many people experience "excessive" income requirements as a result of their employment? How do "excessive" income requirements of employment contribute to the depth of poverty among the working poor? How many graduates of federal and provincial employment enhance-

ment programs have “excessive” income requirements as a result of their employment?

Are there significant gender differences in income requirements of employment? In married couples, are different income requirements of employment by husbands and wives equalized by income pooling to produce smaller earnings requirements for the lesser wage earner? Or, do significant gender differences in earnings requirements remain after any income sharing in marriage? (Is there any difference between formal marriage and cohabitation in this regard?) If income sharing in marriage equalizes the earnings requirements of employment for wives and husbands, how do the earnings requirements of employment compare for married women and unmarried women, and for married mothers and solo mothers?

#### **4.6 Income Management Competence**

The incomes of wives and husbands are often unequal, and so are the roles they play in income management. Husbands tend to earn more than wives, and when they do they are also more likely to be involved in banking.<sup>12</sup> Income inequalities between husbands and wives continue after retirement, since women tend to have smaller pensions than men (Evans, 1991). It is probable that many elderly Canadian men who were traditional breadwinners in their younger years continue to manage the major sources of family income during retirement, unless they become mentally incapable of doing so. The collective impact of the quality of individuals’ financial management skills is likely to increase in the future, as defined benefit pension plans lose favour with employers and are replaced by defined contribution pension plans (Scott, 1997).

In a society based on an ethic of individual responsibility, competence in income and investment management by adults is the unquestioned condition for believing that individuals will be able to provide for themselves in retirement, especially if governments provide smaller old age transfers. However, it is not clear that this condition will

always be met. Canadians are living longer, and failing mental ability of varying degrees is becoming more common in advanced old age. The possibility of diminished financial competence among aging husbands may deserve some attention, especially since husbands tend to be older than the wives who depend on them.

Data from the Manitoba Basic Annual Income Experiment (MINCOME) showed the value that couples attach to money management in marriage. Spouses who approved of their partner’s management of money reported having greater marital satisfaction (Clearwater and Harvey, 1988). Research into the economics of ageing should, therefore, include the following questions.

Are elderly persons satisfied with their arrangements for money management? Are elderly wives and husbands equally satisfied? Are there emerging problems of money management among the elderly, which require that new procedures should be adopted by financial institutions, and by public and private pension plans?

#### **4.7 Conclusion: Family Transactions and Social Policy**

During the first half of the 1990s, social policy in Canada shifted toward greater emphasis on individual responsibility for personal and family well-being and toward optimizing the productivity of individual Canadians. Individuals and families are having to adjust to a number of changes in social programs, at a time when families themselves are changing and becoming more diverse. Exactly how different families are coping with the new policy environment is an important question for policy-making.

In this report, five main research issues have been recommended for investigation, and a number of subsidiary research questions have been proposed. The five research issues are: 1) the nature of income pooling by spouses; 2) the nature of income sharing between generations; 3) the size of income requirements due to employment preparation; 4) the size of income requirements due to being employed; and 5) the competence of household investment and in-

come managers. The answers to questions about these issues will tell us how the economic well-being of vulnerable Canadians is being shaped by the intersections between social policies and family transactions.

The main conclusion to be drawn from this report is that individual productivity and individual responsibility for one's self and for others always have a social context. The macro-social context is one of technological change, market globalization and rebalancing the welfare state. It is sometimes overlooked that there is also a micro-social context, in which families play a predominant part. Here, we are required to ask how events in one person's life affect, and are affected by, the lives of others.

Social policies should take into account the everyday lives of people, including the micro-politics of making ends meet. Balancing the country's budget has monopolized our attention in recent years. It is now time to pay more attention to balancing families' budgets.

## Notes

- 1 Claim rationales include factual assertions about aspects of human life, and moral assertions about the relationship between a social category and social values (see Rainwater, Rein and Schwartz, 1986).
- 2 On April 1, 1996, the Canada Health and Social Transfer (CHST) formally replaced the Canada Assistance Plan (CAP) and the Established Programs Financing (EPF) as the vehicle for federal funding of health, postsecondary education, social assistance, and social services.
- 3 On May 14, 1996, the House of Commons passed the *Employment Insurance Act*, which replaced the *Unemployment Insurance Act*. Under the *Employment Insurance Act*, the Commission is required to monitor and assess, and to report annually, from 1997 to 2001, on the following matters: a) how individuals, communities and the economy adjust to the changes that were made to UI; b) whether the expected savings are realized; and c) the effectiveness of EI benefits, including how they are used by employees and employers, as well as the effects on employment.
- 4 Social relationships are culturally defined categories of actors who have certain kinds of legitimate access to one another, and to each other's resources. Categorizations of social actors include typifications of the kinds of transactions that occur between them. For a discussion of transactions as the basis for studying the social and economic dynamics of families, see Peters (1996).
- 5 In a move that affects solo mothers and some single employables, the Province of Ontario in the mid-1990s reintroduced the so-called "man about the house"

rule (see Burman, 1988) for determining welfare need (Scott, 1996). From 1987 to 1995 it had been the case that a person on social assistance could live with a partner for up to three years before the government considered the couple common-law and factored in the assets and income of the second person in calculating eligibility and benefits. In 1995, the government of Ontario eliminated the co-residence waiting period, bringing the province into line with the Province of Alberta. A solo mother now does not qualify for the Family Benefit program if government workers determine that she is sharing her home and living expenses with a man.

- 6 Shared living space is an important aspect of family solidarity (Bertaux-Wiame, 1995). It is therefore worth noting that a great deal of individual residential mobility occurs in Canadian households, by children as well as by adults. The heterogeneity of living arrangements is likely to be associated with heterogeneous forms of solidarity.
- 7 Cohabitation is a common form of remarriage (see 2.3 Divorce and Remarriage). In 1990, 37 percent of people living in a common-law union were divorced, separated or widowed (McDaniel, 1994).
- 8 The family of origin is the family in which a person is raised, whereas the family of orientation is the family that a person forms through marriage.
- 9 For a discussion of work-related expenses as disincentives for welfare recipients in Canada to enter the paid labour force see the National Council of Welfare (1993).
- 10 A consequence of family targeting for those income support programs which are linked to employment enhancement programs is that family members may not agree on whether employment requirements are acceptable or excessive. Bouchard (1993) reports that in the Quebec government's Work and Employment Incentives programme (WEI), it was found necessary to introduce a "mixed" category of social assistance claimants whose spouses came to different decisions regarding the prospect of entry into the labour market in the near future. It would be interesting to know the dynamics of decision making in these families. For discussions of models of non-cooperation in the household economy, see Haddad, Hoddinott and Alderman (1994), Browning, Lechene and Rasheed (1996), and Phipps and Burton (1996).
- 11 Medical expenses due to occupational injuries and diseases are additional employment costs. However, they are not usually considered as deductible employment expenses for taxation purposes, but are covered by separate Workers Compensation programs.
- 12 Greater involvement by husbands in banking is especially likely to occur in traditional breadwinner/homemaker families, in which the family income is earned by a male breadwinner and the wife looks after the home and household expenses. One study conducted in Winnipeg in the late 1980s found that in breadwinner/homemaker families personal bank accounts were used by 58 percent of breadwinners but by only 18 percent of homemakers (Cheal, 1993). However, such couples did make extensive use of joint bank accounts from which wives as well as husbands made withdrawals.

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# Work and Household Transactions: An Economist's View

by *Frances Woolley*

## Executive Summary

Canadian families are living through a transformation of the economy. Men's real earnings have not risen for over 20 years, and male employment rates have fallen substantially. Family incomes have risen on average because more and more women are entering the labour force, but much of this gain has been eroded by higher taxes and the cost of working, so the average Canadian family faces worrying financial pressures. Time pressures also bear down on many Canadians, especially women who have taken on paid work while remaining responsible for household work. These pressures are exacerbated by cuts in government spending, which shift more responsibility for health and other care onto families, and sometimes result in lower government transfers to the poorest Canadian families.

Canadian society is also evolving. More than one in five children live in lone-parent or stepfamilies. Immigration patterns in recent years have brought in new Canadians with new traditions, cultures and values. Economic changes have brought social polarization between those with good and those with bad jobs.

In this essay, I document the effects of these social and economic changes on transactions, that

is, social interactions involving transfers of physical, financial and emotive resources. I describe a range of transactions, including transactions in the labour market, household work transactions, transactions with support networks, and financial transactions inside households. I begin by describing what we know about the transactions. The essay contains a wealth of information on a wide range of subjects, including:

- who is responsible for housework in Canada,
- how many hours each day people spend in paid and unpaid work,
- how many hours husbands spend in unpaid work when their wives work full-time (2.8 hours per day) and when their wives are not employed (3.1 hours per day),
- how family expenditure patterns change when women earn more of the household income (more is spent on children's clothing, women's clothing, and child care),
- the effect of the cost of child care on women's employment (a 10 percent increase in the price of child care decreases the probability of women working by 2 to 4 percent),

### *About the author...*

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- the sources of support for low income families,
- how often people give financial and material support to others outside the household.

Yet there is still much that we need to know.

One major gap in our knowledge is an understanding of family dynamics. Most of what we know about families are snapshots taken at points in time; we know very little about how families evolve over time. How do families adapt to changes in their economic circumstances? Do certain strategies or characteristics of families make them resilient, that is, able to survive and even prosper in the face of adversity? Can government policy, as Suzanne Peters asks in her introduction, “encourage a return to more conventional family structures and behaviours?” Or do changes in the Canadian family reflect fundamental economic and social trends, making it more realistic to reconfigure policy to adapt to changing families? At the conclusion of this essay, I suggest using longitudinal data being collected by Statistics Canada, such as the National Longitudinal Survey of Children and Youth and the National Population Health Survey to study family dynamics. Research sponsored by CPRN on family dynamics may also enrich our understanding of families.

A second major knowledge gap is what policies can help families. In this essay I suggest a range of policy options. Financially strained families with caregiving responsibilities can be helped by policies such as

- providing health insurance for children’s pharmaceuticals,
- rethinking the delivery of maternity and parental benefits,
- allowing parents and others providing care to average their income between years in and years out of the labour force,
- implementing a universal child benefit to create a fairer division of the tax burden between people with and without children, and

- changing how the long-term costs of the Canada Pension Fund (CPP) underfunding are shared between younger and older generations.

Time stress can be relieved through more flexible work and home environments. Reducing the cost of hiring additional workers relative to paying overtime may lead to the creation of more high-quality part-time or flexible hours jobs. Possible initiatives include

- changes in the structure of Employment Insurance (EI) and the CPP, benefit packages and government record keeping requirements;
- allowing workers to use sick days to care for sick children or other relatives, which would help many people balance the demands of home and work.

There is a need for more research on the costs and benefits of new policy options.

Finally, we do not know very much about measures of people’s well-being other than straightforward earning, employment or education measures. What does it mean to have a good quality of life? Should policymakers look for alternatives that increase people’s satisfaction or health, rather than concentrating on increasing incomes? Can social indicators provide a better guide to economic policy?

These are difficult questions, but the work that CPRN has done, and will continue to do in the future, is beginning to find answers. In the conclusion to this essay, I suggest five policy-oriented research projects on topics ranging from longitudinal analysis of children’s development to creation of social indicators and evaluation of policies to relieve time and financial pressures on families.

## Introduction

Suzanne Peters (1996, p. 6) defines transactions as “social interactions through which resources are transferred from one person(s) to other(s) to meet needs.” The resources transferred through

transactions include “money, goods, physical care, advice, assistance, knowledge, empathy, and biological commodities” (Peters, 1996, p. 1). Transactions within and across households are crucial for the economic, physical and emotional well-being of most people. In 1996, six out of seven Canadians, about 23.9 million people, lived in families. Families are, for many, a source of financial, physical and emotional support – children, in particular, depend upon their families for sustenance. And when people get hurt, it is often a family matter – women are 10 times more likely to be killed by a family member than by a stranger.

Yet rapid economic changes, particularly the increasing reliance of families on women’s earnings, the declining employment prospects of older men, and the declining wages of young men, are placing enormous stress on traditional ways of transacting in families. Little is known about how people are coping with these changes, yet such knowledge is important for policy purposes, in order to identify policy supports or buffers that might make a difference in the ability of families and of the people living inside them to adapt to and cope with changes.

This paper gives an overview of the issues and questions surrounding work and household transactions, and identifies several specific policy-focussed studies that can be undertaken by CPRN’s Family Network. The paper begins with a discussion of household work. I ask who is responsible for, and how much time is spent in, household work. What is the connection between household work and the labour market? How do people cope with the double demands of household and market work? Do strategies for coping with household work make it easier or harder for people to enter the labour market? Can policy supports help? Second, the paper considers financial transactions, examining the sharing of resources within families, and considering how people cope with low earnings and unemployment. Third, the paper considers transactions after parents separate. Finally, the paper asks what this all means for men, women and children in families.

## 1 Household Work and Market Work

This section discusses one of the key household transactions: household work, including household chores and child care, often called “unpaid work.” I begin the discussion of household work by reporting what is known about who does what household work in Canada, then go on to discuss the interaction between household and market work. How do people cope with the dual demands of market and household work? How does household work enhance or constrain opportunities in the labour market? Are there policy supports that help? Although something is known about household work transactions, and the stresses many individual family members are under, much less is known about the process through which these transactions are negotiated and the impact of household work transactions on labour market outcomes.

One way of looking at the division of household work is finding out who is *responsible* for different types of household work. Table 1 reports findings from the 1990 General Social Survey (GSS) on the division of primary responsibility for housework among parents under age 65. Looking at Table 1, a number of patterns emerge. First, most households are characterized by a traditional division of labour, in which women are responsible for everyday chores inside the home, such as meal preparation and laundry, while men are responsible for outside chores and home repairs. Looking more closely at that division, it seems that women tend to be responsible for chores that need to be done frequently, and have less discretion in terms of timing, whereas men tend to be responsible for chores, such as yard work, many of which “are done annually and often can be delayed indefinitely” (Marshall, 1993, p. 25). Second, the division of responsibility for household work differs somewhat between dual earner households and households in which the wife is a homemaker. For example, 16 percent of husbands take on primary responsibility for meal clean-up when both work full time, compared to 7 percent when the wife is

**Table 1****Primary Responsibility for Housework**

	Wife only	Husband only	Share equally
	(Percent)		
Meal preparation			
both work FT	72	13	12
husband FT, wife PT	86	7	6
husband FT, wife not employed	89	5	5
Meal clean-up			
both work FT	59	16	15
husband FT, wife PT	72	9	10
husband FT, wife not employed	78	7	8
Cleaning and laundry			
both work FT	74	7	13
husband FT, wife PT	86	4	6
husband FT, wife not employed	86	4	7
Repairs, maintenance and yard work			
as reported by men	5	75	3
as reported by women	9	67	6

FT = full-time; PT= part time.

Source: Marshall (1993) for meal preparation, clean-up, cleaning and laundry; Statistics Canada (1994a, p. 79) for repairs. Numbers do not add to 100 because of omission of category "other."

not employed. Yet women still remain responsible for the bulk of household work.

Table 2 shows the amount of time allocated to various household chores by people in the 25-44 age cohort in 1992. I present data for this age cohort because it includes data for the prime child-bearing years, and also because it is this age cohort that has seen the greatest increase in female labour force participation. Table 2 confirms the traditional division of labour shown in Table 1, and tells a number of other stories. First, it is the arrival of children rather than any other event that increases unpaid household work, especially women's unpaid work. Second, and somewhat surprisingly, lone parents spend *less* time on work activities than comparably employed married women. However this may be because some activities undertaken with children are coded "leisure" rather than "child care." Finally, employed parents are time crunched. This is particularly true for married mothers em-

ployed full time. They work a total of 10.1 hours per day, more than any other group. Not surprisingly, 33 percent of that group suffered from extreme levels of time stress, about twice the proportion of men (17 percent) reporting high levels of time pressure, and more than any other population cohort (Statistics Canada, 1995b).

### 1.1 Coping with Family and Market Work

The increase in female labour force participation in Canada over the past 25 years has been dramatic, particularly for women in their childbearing years. For example, the employment rate among women aged 25-44 has risen from 49.9 to 70.0 percent between 1976 and 1994 (Statistics Canada, 1995c). The relative employment of men and women has changed even more dramatically, particularly for people between 25 and 44. In 1976, the male employment rate was 82 percent higher than the

**Table 2****Hours Per Day Spent on Work Activities, 25-44-year-olds, Canada, 1992**

Own employment status	Men		Women	
	Paid	Unpaid	Paid	Unpaid
Employed full time				
unmarried, no children	6.9	1.5	5.9	2.6
married, no children	7.1	2.0	6.8	2.4
married, children	6.6	3.2	5.3	4.8
lone parents	n/a	n/a	5.2	4.3
Employed part time				
married, children	n/a	n/a	2.5	7.0
Not employed				
married, children	n/a	n/a	0.1	7.9
lone parents	n/a	n/a	0.1	7.5

Source: Adapted from Statistics Canada (1995b).

female rate, in 1994 it was only 18 percent higher. Dual earner families are now the majority: in 1971, 52 percent of all couples had only one person earning money outside the home. Twenty years later, less than 25 percent of couples had one earner (Human Resources Development Canada, 1993, p. 8). Indeed, an increasing number of families need two incomes simply to avoid poverty: 15.7 percent of dual earner families would have low incomes if the wife did not work for pay, compared to 4.1 percent who have low incomes in the presence of wives' earnings (Statistics Canada, 1995c, p. 88, based on 1992 SCF).

One reason that so many families no longer rely on a single male breadwinner is that men have been having an increasingly tough time in the labour market. Male employment rates have been steadily falling. One out of every six men between 25 and 44 is not employed, and in the 55 to 64 age group, that figure rises to almost one of out two men (Statistics Canada, 1995c). Male earnings have stagnated – the real earnings of a man working full time are the same now as they were in 1974. Younger men have actually seen a decline in earnings. This stagnation of male wages is one reason why the earnings gap between men and women is

slowly declining. Women working full time now earn 70 percent as much as men working full time – still a substantial difference, but less than in the 1960s, when women earned less than 60 percent of what men earned.

There are many forces driving the changes in the Canadian labour market. The growth in traditionally female-dominated service sector jobs and the decline in traditionally male manufacturing jobs have pulled women into the labour market and pushed men out of it. The increase in female wages and employment opportunities can create a virtuous cycle. When women have higher wages, they are less likely to quit work and more likely to invest in their own education and training, leading to more and better employment opportunities, although economists disagree about how quickly this cycle is working to increase women's wages. Household appliances such as microwaves and dishwashers can potentially reduce the time required for household work and therefore make it easier for women to participate in the labour market – or else encourage women to work in order to afford a dishwasher, microwave, bread maker, and so on. The stagnation of men's earnings and rising male unemployment means many women go to

work to pay the bills – married women are more likely to work when their husbands earn less (Gunderson and Riddell, 1993). Finally, the cost of housing means that many women work simply to pay the mortgage.

These rapid changes in the labour market have challenged conventional ways of balancing work and family. In this section, I describe ways people cope with work and family: alternative home arrangements, alternative work arrangements, relying on social support networks, and cutting back on family and self.

### Alternative Home Arrangements

The decline in male employment, the stagnation or decline of male earnings, and the rising earnings and employment of women have led to a narrowing of the differences between men and women in the labour market over time. These dramatic changes in women’s and men’s employment and, to a lesser extent, in women’s earnings have, however, been met with somewhat less dramatic changes in household transactions.

Sharing the housework is common in about 20 percent of dual earner families, according to studies by American sociologist Arlie Hochschild, or the numbers on “who’s responsible” presented in Table 1. Table 3 provides a breakdown of the average time spent on unpaid work by husbands aged 25-44 according to the labour force status of their wives based on 1992 GSS data. What is striking about this table is how little the hours of unpaid work differ according to the wife’s employment status. Admittedly, families in which the women are not employed are more likely to be families with young children, and this may explain the *higher* levels of unpaid work for men with not employed wives. Still, it is hard to pick up an effect of wife’s employment on men’s work with aggregated data. That does not mean that household transactions have not changed. For example, there is quite a substantial difference in the minutes spent cooking according to wife’s employment status. And, as Luxton (1990, p. 49) points out, there

**Table 3**

**Hours Per Day on Unpaid Work, Married Men Aged 25-44, Canada, 1992**

Wife’s employment status	Unpaid work (hours/day)	Cooking (minutes)
Spouse employed full time	2.8	28
Spouse employed part time	2.8	16
Spouse not employed	3.1	16

Source: Statistics Canada (1995b, Table 2.8).

have been enormous changes over time in the involvement of men in childbirth, with the father’s presence at a child’s birth going from being a rarity in the early 1960s to normal practice today – signalling altered attitudes, if not a change in the division of labour.

There is also variation in household transactions across families. In general, men and women with higher incomes do less household work. Men with more education do more household work, as do men with egalitarian values, particularly if they are married to women who also have egalitarian values. Men also do more household work if they “share provider responsibilities” – that is, they do not view themselves as the sole breadwinner (Perry-Jenkins and Folk, 1994; Marshall, 1993). Women, on the other hand, are less likely to have sole responsibility for household work if they are more educated. Yet these changes over time and across families have made only a small difference to the traditional patterns of household work.

The pattern of household transactions seems to be hard to change for several reasons. First, household work is more than just doing dishes. It is part of a transactions network where physical, financial and emotional support are exchanged. As Arlie Hochschild (1989, p. 188) has argued, unpaid work can be seen in many different ways – as “helping” another person, as expressing love for another person, taking over because another person “couldn’t,” protecting (or sometimes failing to

protect) a spouse's career from family demands. She concludes "to most people the tasks of the second shift [unpaid work] either mean 'I am taken care of' or 'I am taking care of someone'" (Hochschild, 1989, p. 188). Second, women, men and even children have strong gender ideologies about how household work *should* be divided. These gender ideologies mean that men are not trained in domestic work, and also that they may fear public ridicule if they are seen doing domestic chores (Luxton, 1990, p. 51). Third, if a man takes on household responsibilities without rethinking and changing the amount of time he spends on paid work, he will have less leisure time. Fourth, when men start doing domestic labour, women begin to lose control (Luxton, 1990, p. 47). It may be difficult for women to relinquish the kitchen, the one room of their own. Finally, it is almost certain that men think they are doing more household work than women say they are. Because the GSS, like most large surveys, only collects information from one member of the household, it is impossible to compare directly men's and women's perceptions of household work. However, men on average report spending more time on household work, and taking more responsibility for household work, than women report men doing.

Whatever the reason for the existing patterns of household transactions, it does seem that the division of household work matters. The sharp drop in female labour force participation rates when women have children reflects women's traditional responsibility for family. Married men, all else being equal, earn more than single men, which may reflect the value of support provided by a wife or a freeing from domestic chores. Yet there is little research linking *individual level* data on the division of household work with *individual* earnings and employment. Does sharing household work help women's careers? Hinder men's? For example, there are many anecdotal stories of parents working alternate shifts (one during the week and one on weekends, one days and one nights) so that they can juggle child care arrangements. How common are these strategies, and do they work – work in the sense of reducing stress for women

and men, providing a good environment for children's development, and helping women and men achieve the success in the workplace necessary for long-term financial security?

Another topic on which more research is needed is the *dynamic* interaction between household work and the labour market. Studies of the changes in household work frequently compare cross sections at different points in time, yet the really interesting question is how does a family change over time in response to changes in circumstances? Are some families more flexible than others in the sense that they are able to re-negotiate household roles and responsibilities in the face of changing circumstances? If some families are more flexible, does this flexibility make it easier to adapt to changes in the labour market? Does it improve men's employability? Women's employability?

One of the key variables influencing flexibility seems to be perceptions – particularly egalitarian perceptions and sharing of the provider role. Do egalitarian and sharing perceptions also make a difference to how men and women adapt to an uncertain labour market? Do egalitarian perceptions translate into a sharing of employment, a focus on both partners' job opportunities? Or do men who expect to be the provider have a stronger attachment to the labour market? Perhaps what matters is not whether people have egalitarian or traditional expectations, but that the expectations are shared by all members of the family? Do changing labour market conditions result in real changes in people's perceptions and values?

Some of these questions may have been asked before, but answers now are likely to be different than they were in the past, and the answers matter more. In the 1990s, with male employment rates at their lowest level in 50 years, female employment rates at their highest, fewer and fewer families find themselves with a single male breadwinner and female homemaker. If families are not able to cope with the new economic reality, men, women, children and families are at risk. They are at risk of suffering from financial and time stress, lack of

nurturing, and family instability. Canada, which has always been a nation of immigrants, now provides immigrants with a much less friendly labour market (Bloom, Grenier and Gunderson, 1995), but little is known about the dynamics and the division of labour in the most recent wave of immigrant families.

Although the family is often thought to be a private realm, outside the domain of public policy, there are policy options that could make a difference to the ability of families to cope. The delivery of social support services is already changing – more and more communities are setting up “warm” phone lines for parents to call at night, more parent support groups meet on evenings and weekends. However more changes are still needed. Schools, day cares, doctors – everyone involved in looking after children – need to be ready to call on Dad, and not assume Mom is the one person to contact. The physical construction of homes and appliances – the height of counter tops, the shape of kitchen tools, the size of the kitchen – needs to change if household work is to be shared more equally. Government has a role to play in setting standards, delivering education and providing leadership. Government can also help by funding research. Flexibility and renegotiating household roles is one way for families to cope with time pressures. If we know how successful this strategy is and what factors promote or hinder flexibility, we will be in a better position to design policies that help families.

### *Alternative Work Arrangements*

Looking at alternative home arrangements is important, but may be misguided. Perhaps the workplace should adapt to suit people, rather than the other way around. New technology and a changing economy have enlarged the possibilities for alternative work arrangements: part-time work, self-employment, flexible hours (flextime), flexible place of work (flexplace), compressed work weeks, on-call work and shift work. At the same time, women’s greater participation in paid work has

increased the demand for policies that make it easier to balance work and family. Do these alternative work arrangements make it easier to balance work and family? Which ones work best for women? For men? What are the policy issues?

Over a quarter of women with jobs in Canada work part time (Statistics Canada, 1995c), along with almost 10 percent of Canadian men. Part-time work is an effective way of coping with the pressures of family and work. An analysis of Canadian General Social Survey data by Janet Fast and Judith Frederick found that 12 percent of women working part time were highly time stressed, as compared to 24 percent of women working full time, while the corresponding figures for part-time and full-time men were 6 and 12 percent (Fast and Frederick, 1996). Yet part-time work allows families to cope by making it easier to maintain the traditional division of labour: as shown in Table 2, women employed part time spend almost as much time in household work as women who are full-time homemakers.

Unfortunately part-time jobs generally pay lower wages (possibly to compensate for their positive “flexible” characteristics), are less likely to include benefits such as employer pension plans, and may have less promotion possibilities. Many firms seem to be reluctant to employ part-time workers in professional and management positions for reasons which are not known but may be speculated upon: technologies cannot accommodate flexible schedules; managers are needed on a full-time basis; there are fixed costs to hiring workers (such as interviewing), so hiring two part-time employees is more expensive than hiring one full-time one. Employment Insurance (EI) and Canada Pension Plan premiums, which are only paid on the first \$39,000 of earnings (EI), are another reason why it is often cheaper for firms to pay a full-time worker overtime instead of hiring additional or part-time workers. A person choosing part-time work may be less visible, and thought of as less committed to the company. For these reasons, it is perhaps not surprising that men are not lining up to trade full-time for part-time jobs: when 340 employed fathers

were asked how their employer could help balance work and family, more mentioned providing fitness facilities than mentioned part-time work or job sharing (Alvi, 1994, p. 14). Indeed, over a third of women and men working part time in Canada report that they are working part time because they cannot find full-time employment (Statistics Canada, 1995c, p. 66).

Flextime is another policy that reduces time stress: 18 percent of women with flextime are highly stressed, compared to 23 percent without, and 14 percent of men with flextime are highly time stressed, compared to 16 percent without (Fast and Frederick, 1996). Flexible work time is a particular priority for women. In a survey which asked 500 employed mothers “What could your employer do to help you balance work and family?” the number one answer was “flexible work hours,” mentioned by 24 percent of respondents (Alvi, 1994, p. 14). Yet, although women are more likely to want flexible working hours, they are less likely to have them. In Canada 40 percent of men have flexible working hours, compared to 32 percent of women with children and 29 percent without (Fast and Frederick, 1996). This reflects the fact that flexible working hours tend to be more common in managerial and professional occupations, occupations which are still dominated by men. Interestingly enough, there is a gap between employers’ perceptions of the availability of flexible hours and employees’ perceptions: a Conference Board study of employers found that 48.7 reported offering flexible working hours for workers with family responsibilities, levels substantially higher than found in the General Social Survey (Coates, 1991, compared with Fast and Frederick, 1996).

Apart from part-time work and flextime, other alternate work arrangements do not seem to be effective in reducing time stress. In fact some arrangements appear to increase it. A compressed work week – working four 9-hour or 10-hour days instead of five shorter days – actually increased levels of time stress – 29 percent of women with compressed work weeks are highly time stressed,

compared to 21 percent of women without. Jobs that require being on-call also result in higher levels of time stress.

Apart from changing work arrangements, perhaps the single most important policy for making it easier to accommodate both work and family is family leave. Maternity leave is the most common example of family leave, and is supported through the Employment Insurance system. However the need for family leave continues – in fact may become greater – when children reach school age and need to be kept home when they are sick. Women on average lose 6.4 days of work each year due to personal or family responsibilities, compared to 0.9 days for men (Statistics Canada, 1995c, p. 82). Many Canadian employers provide special family-related leave provisions – 55.4 percent of employers, according to one study (Coates, 1991). These programs may allow employees to use their own sick leave to care for a seriously ill family member or provide unpaid leave (see Human Resources Development Canada, 1993a, for a case study). Although family leave is common, not much is known about it. For example, does it reduce stress? Improve parent child bonding? Make it easier for women to remain in the labour force?

Work arrangements make a difference in the ability of families to cope with the dual demands of home and market work. Yet many unresolved issues remain. For example, is it possible to integrate part-time work with a lifetime career? How can part-time work be made more attractive, particularly in terms of benefit and promotion possibilities? Are there ways of broadening the scope of flexible work time policies so that they are available to more people who need them? What are the obstacles to the creation of a more flexible work place? Finally, do alternative work arrangements make it easier for people to enter the labour force? Most research focuses on people in the labour force: little is known about the dynamics of labour force entry.

Government policies can influence the work arrangements chosen by employers and employees.

The most important policy instrument for financing flexible work arrangements at present is Employment Insurance. Employment Insurance provides financing for maternity and parental leave, and for work sharing arrangements. One policy option is extending Employment Insurance coverage to allow parents to take 5 or 10 days off work each year to care for sick children or other family members. Another policy option is to fund maternity and other leaves through the general income tax, rather than Employment Insurance. This has a number of advantages. Employment Insurance premiums are a regressive tax, in that they take a bigger percentage of income from low income than from high income earners. The income tax, on the other hand, is the most progressive component of the Canadian tax system. Also, financing maternity leave through Employment Insurance means that women in professional occupations often have to pay back any maternity benefits they receive, and people not covered by Employment Insurance receive no benefits. Government policy can also influence the workplace less directly. Policies that reduce the “lump-sum” costs of hiring employees, for example, reducing the government record keeping required for each individual employee, reduce the cost of hiring two part-time workers relative to hiring one full-time worker. More research is needed to evaluate specific policy options. Which options are the most costly? Which do the most to create a family-friendly work place?

### *Social Support Networks*

Women’s labour force participation has increased substantially over the past 20 years. When women are employed full time, they devote considerably less time to household work. For example, married women with children who are employed full time devote on average three hours less per day to household work than similar women who are full-time homemakers. What happens when women cut back on household work? Men may do a bit more, but usually not enough to make up the difference. Generally speaking, people either do without,

or find alternative ways of getting things done – eating more convenience foods, eating out more often, hiring a cleaning service, perhaps having children do more. Yet it is hard to get by without help. Social support networks of family, friends, government and community services are vital, especially for people with caregiving responsibilities.

There is now a substantial body of evidence, mostly from the United States but also from Canada, that the cost of child care has a significant effect on women’s labour force participation (see Table 4). For example, Gordon Cleveland, Morley Gunderson and Douglas Hyatt (1996), found that a 10 percent increase in price of child care reduces the mother’s probability of employment by 3.9 percent, while a 10 percent increase in the mother’s wage increases the probability of employment by 8.1 percent, and the probability of purchasing market care by 2 percent.

However, even subsidized child care may be out of reach for some low income families, and many face long waiting lists to find a subsidized day care space. Moreover, people at all income levels may be reluctant to leave their child with a stranger. For these reasons, relatives are often a crucial source of child care support. Looking at just those children looked after by a sitter while their parents worked, 43 percent of children in families with incomes under \$50,000 were cared for by a relative, and that figure rose to 49 percent of children when only families with incomes of \$20,000 or less were considered (1988 Canadian data, Burke et al., 1991, p. 13). Among women aged 55-64 – the grandmothers who are the most common relatives to be used as sitters (Burke et al., 1991, p. 13) – 12 percent provided child care for someone outside the home at least once a week, and 42 percent provided some level of child care support (Statistics Canada, 1994a).

There is some evidence that the availability of unpaid child care matters. For example, a study by Gordon Cleveland and Douglas Hyatt (1995) examining the low labour force participation rate of lone mothers of preschoolers (as compared with

**Table 4****Child Care and Employment**

Kimmel (1995)	Single mothers, United States, 1987 and 1988, Survey of Income Program Participation (SIPP)	10 percent increase in cost of child care reduces probability of employment by 13.6 percent for white single mothers, 3.5 percent for black single mothers.
Ribar (1992)	United States, 1985 Survey of Income Program Participation (SIPP)	Cost of market child care has strong negative effect on married women's labour supply, availability of unpaid care has positive effect.
Connelly (1992)	United States, 1984, SIPP	10 percent increase in child care costs reduces probability of labour force participation by 2 percent. Lower labour force participation of mothers of preschoolers entirely due to higher child care costs.
Berger and Black (1992)	Kentucky, 1989, people receiving or on waiting list for subsidized child care program	Single mothers receiving child care subsidies are more likely to be employed, more satisfied with children's care.
Blau and Robins (1988)	United States, 1980, Employment Opportunity Pilot Project survey	10 percent increase in price of child care reduces probability of employment 3.8 percent.
Cleveland, Gunderson and Hyatt (1996)	Canada, 1988, National Child Care Survey	10 percent increase in price of child care reduces probability of employment 3.9 percent, 10 percent increase in mother's wage increases probability of employment 8.1 percent, probability of purchasing market care 2 percent.

married women) found that lone mothers had less access to informal care arrangements by spouses and grandparents than mothers in two-parent families (cited in Human Resources Development, 1995a, p. 4). However, it is difficult to measure the availability of unpaid child care: not all spouses or grandparents are willing to act as unpaid caregivers. Some husbands willingly adjust their workdays to share child care, others can not or do not because of traditional gender ideologies. Grandparents may have needs of their own or find child care too physically demanding – or may simply not want to spend what they hoped would be a leisurely retirement as unpaid babysitters.

Indeed, as the population ages, more and more people will find themselves in the position of caring for elderly parents. A 1990 Conference Board survey found that 16 percent of employees provided some form of support for elderly, disabled or infirm relatives, a number that will grow as the population ages (Alvi, 1994). Governments currently play a substantial role in providing elder care

through health and social services. Yet an aging population, new technology, new diseases and government deficits are all putting pressure on health care budgets. Increasingly family members – mostly women, but also men – are being asked to take on nursing and other health care responsibilities (Armstrong, 1994).

U.S. studies have found that women providing care to parents consistently reduce their market work hours (Ettner, 1996). International comparisons provide anecdotal evidence on the importance of social supports and expectations for women's labour force participation. The Scandinavian countries combine extensive supports for parents with some of the highest rates of labour force participation in the world; Japan's tradition that women provide unpaid welfare services is no doubt part of the reason why the labour force participation drops precipitously as Japanese women move through their 20s and 30s. In Canada, more research is still needed. Do families – particularly the women in families, who are most often the caregivers – have

the capacity to absorb additional caring responsibilities? Where does that capacity come from – is it from cutting back on paid work? From cutting back on time for other family members or for one’s self?

Governments play a major role in providing social support to families, through funding of schools, day cares, community services, and health care. The costs of government spending – high taxes – are at the forefront of the policy debate. The benefits of government spending – the support it provides for children, women, and men – are less direct, harder to quantify and so perhaps easier to ignore. Research on the value of social support makes possible a serious cost benefit analysis of government spending.

### *Cutting Back on Family and Self*

Arlie Hochschild (1989, p. 196-99) describes a number of ways people cope with the “second shift.” She finds that “cutting back on housework was clear, intentional and almost across the board” (p. 196). Second, Hochschild also found that, after the birth of the first child, every couple she interviewed devoted less attention to each other. Third, she found that “parents often inadvertently cut back on children’s needs as well” (p. 197). The examples she gives of cutting back of children’s needs are bathing children less often, or substituting soup and a sandwich for a cooked dinner, or dressing the children in the same clothes two or more days in a row. Finally, most women cut back on personal needs, including sleep (p. 199), even though women in their childbearing years have fairly high sleep needs.

Cutting back on family is a sensitive issue. Most people simply want to do what is best for their families. Yet there is growing evidence that parents’ work arrangements do have long-lasting effects on family life by changing the probability of divorce, the quality of marriage or the health and well-being of children. Some of these effects seem to be negative, stemming from parents cutting back on family. Others are beneficial, stemming from

positive role models, happier parents, or higher family incomes. Indeed, as Juliet Schor points out, the daily baths, clothes changes and elaborate meals, which working parents cut down on, are themselves a fairly recent innovation. In 1925, many Americans (hers is a U.S. study) enjoyed a clean set of clothes once a week, on Saturday night (Schor, 1991). Although elaborate meals are nice, are they necessary?

In the fourth section of this paper, I discuss what is known about “What does it all mean for men, women and children in families?” In the next section, I take up the issue of family incomes. What does the greater equality between men and women in the labour market mean for financial transactions in families? How do families cope with growing economic insecurity? Do government and family supports help?

## **2 Transactions of Money and Other Resources**

The household is sometimes defined as a group of people who “share a common pot,” that is, eat together. Eating together is not only a social activity, it involves sharing of financial and physical resources. In this section I examine financial transactions, first within households, then with the state and with extended family.

### **2.1 Financial Transactions within Households**

The traditional economic view of the household is that, although there are differences in the roles men and women play in the household, these differences represent an efficient division of labour, and all household members equally enjoy the fruits of the household’s labour. At the policy level this assumption is reflected in, for example, measurements of low income or income inequality that are based only on family income and, more recently, in the introduction of family-income based child tax bene-

fit and the GST credit eligibility tests.

There are several ways of finding out whether the assumption of income pooling is realistic. One way is to examine financial flows within the household. Women do more unpaid work than men, but men earn more than women. Are there financial flows from men to women that even out this disparity in earnings, and compensate women for their extra unpaid work? David Cheal, in his paper in this volume, writes

An underlying belief seems to exist in Canadian family policy that a sexual relationship between members of the opposite sex that occurs in a shared living space will (or should?) always be accompanied by sharing living costs, which goes beyond simply paying for board and lodging. It also seems to be the case that published evidence to support this assumption is lacking (this volume, p. 11).

Cheal goes on to argue that we need more research on money, family, and policy, an argument

I wholeheartedly endorse.

Financial flows sometimes leave traces. The flow of financial resources out of the household is reflected in a flow of purchases into the household. Examining expenditure patterns can give some hints about how much access and control each household member has to financial resources. A number of studies have examined expenditures, such as clothing, which can be assigned to men, women or children. These studies find a positive relationship between women's share of family income and expenditures on women's or children's clothing, even after controlling for other factors that might affect clothing expenditures, such as labour force participation, as shown in Table 5. Phipps and Burton (1994) study expenditures in more general terms, and find personal care, restaurant meals, women's clothing and child care expenditures increase as women's share of household income increases *holding total household income constant*. Tobacco and alcohol expenditures, home food

**Table 5**  
**Studies Based on Family Expenditure Data**

Browning et al. (1994)	Canada, Family Expenditure Survey 1978, 1982, 1984, 1986, married couples without children in full-time employment	Expenditure on women's clothing increases with <ul style="list-style-type: none"> <li>• women's share of total household income</li> <li>• total household expenditures</li> <li>• wife's age – husband's age.</li> </ul>
Lazear and Michael (1986)	United States, 1970 and 1979 Current Population Surveys, families with children	Results estimated from spending on adult clothing, tobacco, and alcohol. Income available to children higher in more educated male-headed households, lower in Southern, rural households, <i>not</i> controlling for total household income. Children receive an average 40 percent as much of household income as does an adult.
Lundberg, Pollak and Wales (1995)	United Kingdom, Family Expenditure Survey, before and after 1979 child benefit change	Child benefit reforms transferring on average £400 from husbands to wives increased expenditures on children's clothing by £54 and women's clothing by £39.
Phipps and Burton (1994)	Canada, Family Expenditure Survey, 1986; couples both in full-time employment.	Personal care, restaurant meals, women's clothing and child care expenditures increase as women's share of household income increases. Tobacco and alcohol expenditures, home food expenditures and men's clothing expenditures increase with men's share of household income.

expenditures and men's clothing expenditures increase with men's share of household income. The positive relationship of men's income and spending on tobacco, alcohol and men's clothing is one that has been found in numerous studies in developing nations, as has a relationship between women's income and expenditures on children (Agarwal, 1994).

The finding that household expenditure patterns change when women have more income suggests that family income is not a common pool, which all family members access equally.

Women are not always rewarded for their unpaid work in the home with full access to household financial resources. The traditional division of labour with men in the market and women at home is not benign. It is better understood as a transaction, where love and care, time and money, are exchanged. Little is known about the terms of exchange in household transactions. But we do know that when women have income of their own, it is reflected in a real change in households' expenditure patterns.

More research into household financial transactions, as argued by David Cheal (1996a), can lead to better government policy. Measures of poverty that assume equal sharing within the household may underestimate the true extent of poverty in Canada (Phipps and Burton, 1995); the same is true for inequality measures (Woolley and Marshall, 1994). Targeting transfers such as child tax benefit on the basis of family income may miss people in "secondary poverty" – those without access to other family members' resources. In this context, there is a case to be made for universal benefits.

## **2.2 Financial Transactions with the State**

The primary source of income for most Canadian families is paid employment. Wages and salaries make up 78 percent of income received by women under 65 and 79.3 percent of income received by men (1993 data, Statistics Canada, 1995c, p. 99). Paid employment is, short of being independently

wealthy, the only long-term way for Canadian families to avoid poverty. However, the nature and the availability of paid employment has changed dramatically in recent years. Sectors of the economy that have traditionally provided good blue-collar jobs for men are declining, while sectors that provide temporary, part-time, low-paid service sector jobs, often jobs taken by women, are expanding (Cohen, 1994). These trends show up in macro-economic data as persistently high levels of unemployment. In personal terms, they translate into greater risk of poverty.

The changing nature of work has had an enormous impact on young Canadians entering the labour force. The real earnings of young males (17-24) dropped over one-third (-34.6 percent) between 1981 and 1993 (Human Resources Development Canada, 1995-96, p. 12). One face of the new economy is the time pressured two-earner family. The other is the financially pressured one-earner, low earner or no earner family. How do families with low incomes cope?

The major source of support for families without earnings is government transfers. Social assistance (SA) benefitted 3.0 million Canadians as of March, 1993, of whom about 45 percent were "unemployed employables," while 3.4 million people received \$18.4 billion in Unemployment Insurance (UI) benefits in that year (Human Resources Development, 1993). Table 6 gives a breakdown of different income sources for low income families. What is interesting about this table is that it shows that SA is more important than UI for low income families; families without low incomes benefit more from UI on average. Second, it shows the importance of SA – even in these aggregated numbers, average SA income (close to \$2,000) is quite substantial even when compared to market income (around \$4,000). Families with low earnings have gained particularly from the increase in targeted refundable tax credits: the child tax benefit, the GST credit, the Family Income Supplement to the child tax benefit, and so on. Arndt Vermaeten, Irwin Gillespie and Frank Vermaeten (1995, p. 327) argue that the lowest income percentile has seen the greatest decline in effective tax rates in recent years. Government

**Table 6****Selected Quantities for Economic Families, by EF Has Low Income, 1992**

Quantity	EF has low income		
	No	Yes	Both
Unit count (000)	8,984.4	2,300.3	11,284.7
Average total income	54,427	11,711	45,720
Average disposable income	41,870	11,357	35,650
Average market income	48,477	4,045	39,420
Average transfer income	5,950	7,666	6,300
Average total taxes	17,599	2,106	14,441
Average social assistance	358	1,865	665
Average UI	1,551	935	1,425
Average family allowance (denom=ALL)	0	0	0
Average non-refundable child tax credit (denom=ALL)	0	0	0
Average refundable child tax credit (denom=ALL)	0	0	0
Average child benefit (denom=ALL)	438	470	444
Average child care expenses (denom=ALL)	140	6	113

Note: (denom=ALL) means includes both families with and without children.

Source: Calculated using SPSD/M by Arndt Vermaeten and Frances Woolley.

transfers have a major positive impact on the financial situation of the poorest Canadian families.

Middle income families with children have, however, lost ground over recent years. Increased taxes have fallen primarily on middle income families – the highest income group has benefitted from reductions in the top tax rate (Vermaeten, Gillespie and Vermaeten, 1995, p. 327). Stagnant real earnings have made it increasingly difficult for one-earner families – which contain over a third of children under aged 12 – to get by. On the other hand, families who have increased their incomes by having two earners suffer from time stress. The targeting of child benefits has improved the situation of the poorest families with children by taking resources away from middle income families with children. Two-parent families with children received on average \$4,742 of government transfers in 1994, compared to the \$17,486 transferred on average to elderly families. It is even less than the average transfer to all economic families, of \$6,774 per year (Statistics Canada, Catalogue no. 13-210).

There is a need for creative government policies

to assist families with caregiving responsibilities. One potential area for change is in health insurance. Routine health needs of children, such as the cost of prescribed medications, are not covered by most provincial health plans (the one exception is British Columbia), while other more costly – but less cost-effective – treatments are. A second area for re-thinking policy is the delivery of maternity and parental benefits. Why should maternity benefits be tied to Employment Insurance? Why not have a more general maternity benefit available to both employed and not employed mothers? A third policy innovation is income averaging. Today many women are out of the labour force for a fairly short period of time when their children are young. Income averaging would be another way of reducing the financial burden on one-earner families. Income averaging would allow parents to average their income over years in the labour force and years not in the labour force. Parents would receive a tax refund in the years when one parent was at home with the children. Fourth, there is a need to re-think the balance between transfers to the elderly and transfers to others in need. I, for one, question the present policy of making up the difference between

Canada Pension Plan premiums and future benefit payments primarily through increased CPP premiums, particularly since the CPP is a regressive tax, taking proportionately more from low and moderate income earners. Finally, there is a case to be made for recognizing the costs of children to all families, not just those incurring child care expenses and those with low and middle incomes, through some sort of universal child benefit. The success of poverty reduction among the elderly shows just what can be accomplished with generous broad-based transfer programs.

### **2.3 Financial Transactions across Families**

More is known about financial transactions with the state than is known about support, monetary and material, from family and friends. This is an increasingly important issue for two reasons. First, with the replacement of the Canada Assistance Plan with the Canada Health and Social Transfer, provinces need to meet fewer conditions in order to qualify for federal funding. Alberta, in particular, has simply ended social assistance support for “employables” after a period of time. Do people turn to family and friends when eligibility for social assistance is restricted? How do people cope? Second, Canada has seen relatively high levels of immigration in recent years, and at the same time immigrants are not faring as well in the job market as they once did (Bloom, Grenier and Gunderson, 1995), and more speak neither English nor French. Are these immigrant groups deterred from seeking government assistance? Do they turn more to family and friends?

Table 7 summarizes the results of a number of U.S. studies of financial transfers from parents to children. These studies find that transfers are received by about 10 to 20 percent of the population, and also that transfers are highly skewed: a relatively small number of fairly large transfers account for many of the transfers from parents to children.

Do financial transfers provide support in times of low income? There have been a number of U.S.

studies of the relationship between a person’s income and the probability of that person receiving a transfer, some of which find that higher income people are more likely to receive transfers, others of which find low income people are more likely to receive transfers (Schoeni, 1996). For example, Rosenzweig and Wolpin (1990) found that a \$5,000 increase in earnings reduces the probability of receiving a monetary transfer from his or her parents by 10.9 percent, while Shelton and Sueyoshi (1993) find that having the lowest household income among the households in the family increases the probability of receiving private transfers from 11 to 20 percent.

There has been less analysis of financial transfers in Canada. The 1990 GSS asked a number of questions on the extent of financial assistance provided and received to people outside the family, results of which are summarized in Table 8 and Table 9. The results in these tables are in line with those found in other studies. People are overwhelmingly more likely to report giving support than receiving support – it is easier to remember what we have done for others than what others have done for us! Financial support is received at fairly infrequent intervals, usually less than once a month. Parents are much more likely to provide financial support to children than vice versa. Almost half of financial support is given or received by a person outside of the immediate family (other relative, friend, other). Unfortunately the GSS did not collect data on the size of financial supports, and published data do not provide a breakdown of financial support given and received by income group, so it is hard to know from these numbers just how important financial support from family is for people with low incomes. However, we do know from the Family Expenditure Survey (Statistics Canada 1994*b*, p. 164) that an average married couple household (husband under 65) gave a total of \$588 a year in money gifts and contributions to persons outside the household, which is a pretty small number compared to the financial needs of the average low income household or the average level of social assistance payments. Family transfers would have to change by an order of magnitude to offset reductions in social assistance payments.

**Table 7****Inter Vivos Financial Transfers from Parents to Children**

	Data	Reporting period	Share receiving (given)	Mean amount for those receiving (giving)
Cox and Raines (1985)	1979, President's Commission on Pension Policy (United States)	Past year	13.5% (0.8% bequests) (15.8%)	\$2,683 (other than bequests), \$11,465 (bequests) (\$2,081)
MacDonald (1990)	1988, National Survey of Families and Households (United States)	Past five years	16.8% (19.5%) gifts 11.5% (19.4%) loans 2.8% home assistance	\$5,592 <sup>a</sup> (\$7,081) gifts \$6,334 (\$6,157) loans \$11,381 home assistance
Moon (1983)	1978 PSID (United States)	Past year	8.4% (9.8%)	\$3,753 <sup>a</sup> (\$2,977)
Gale and Scholz (1991)	1983-86, Survey of Consumer Finances (United States)	Past three years	5.3% <sup>b</sup> (9.4%)	\$16,247 <sup>a,b</sup> (\$17,714)
Morgan (1984)	1980 PSID (United States)	Emergency help over past five years	22.0% (29.0%)	NR

Note: Summary of first five studies partly based on Schoeni (1996).

a In 1987 dollars.

b Includes only transfers of at least \$3,000 over the three-year period.

**Table 8****Frequency of Financial Support to and from People Outside Household**

	Total	At least once a week	At least once a month	Less than once a month
Support given: male respondents	27	3	8	16
Support given: female respondents	23	2	7	14
Support received: male respondents	10	1	2	8
Support received: female respondents	11	1	3	8

Source: Statistics Canada (1994a, p. 80-4). Data from 1990 General Social Survey.

**Table 9****Person Receiving (Giving) Financial Support, Canada, 1990**

	Receiving	Giving
	(Percent)	
Total	11	25
Son	0	4
Daughter	0	4
Parent	5	2
Brother/sister	1	3
Other relative	2	3
Friend	3	8
Support group	0	n/a
Other	1	6

Source: Statistics Canada (1994a), 1990 GSS.

Many families, however, can more easily afford to give material support than financial support. A family may have a spare bedroom for a relative to use, but be unable to make a substantial financial contribution to that relative. Material support seems to be very important for some subgroups of the population, for example, the 25 percent of immigrant women over 65 born outside the United States or Europe who live with relatives (Ghalam, 1996, p. 23). Also there appears to be some evidence that increasing numbers of adult children are living with their parents. Public policy often sees the family or household as a fixed unit, isolated from social networks, a private space separated from the public sphere. This is misguided. The composition and size of the household may change in response to changes in the policy, economic or other environment. More research is needed into financial and material support from family for low income Canadians. Can financial and material support from family counter-balance trends toward lower social assistance and restricted social assistance eligibility?

### 3 Transactions When Parents Separate

How do we measure the standard of living of a child who spends half his/her time with one parent who lives on child support and spousal support of \$2,000 (before tax) each month, and half the time with another parent who has remarried a successful lawyer, and has a family income of \$8,000 (before tax) each month? When parents separate, the child's well-being will depend on the transactions from one parent to another, particularly child support. It will also depend upon each parent's and stepparent's transactions with the child. We know quite a lot about the first type of transaction, there are major gaps in our knowledge of the second.

The Thibaudeau case and the resulting reform of child support has led to extensive documentation of child support in Canada. Pulkingham (1995, p. 12) summarizes some of the major findings. According to Revenue Canada data,

... of tax filers who reported paying support, on average non custodial fathers paid \$4,600 per annum in support in 1988. This was equivalent to 9 per cent of their family income, and 15 percent of family income for those who reported receiving the payment ... 21 per cent of single parent tax filers reported having received "alimony" (child and/or spousal support) ... [S]ingle parent families represented the majority (67%) of recipient families (2% of all tax filers). The Department of Justice study found that non-custodial fathers paid roughly 20 per cent of their gross individual income as support. The study found that while 67 per cent of custodial mothers with a support order in place received payments regularly, only 42 per cent received them always on time and 26 per cent received no payment at all. (Pulkingham, 1995, p. 12)

Behind these numbers are some well-established but not terribly comfortable findings. For parents who pay child support, child support payments are a significant expenditure, and can be enough to bring the payer parent into poverty. For parents who receive child support, child support payments are

woefully inadequate. At a time when having two earners is the way an average family maintains a decent standard of living, lone-parent families fare poorly.

Less is known about transactions between non-custodial parents and children, or between step-parents and children. For example, the government's proposed child support guidelines effectively assume that all expenditures on children are made by the custodial parent – is this true? To take another example, as Cheal (1996b) has pointed out, although stepfather/stepchild are the most common kinds of step relations, the National Longitudinal Survey of Children and Youth (NLSCY) collects almost no data on the parenting styles of step-fathers. Do stepparents matter? Finally, as Haveman and Wolfe (1995, p. 1874) point out in a large survey of the literature on determinants of children's attainments, children's relations with absent parents is a gap in almost all data sets used to study child development. This is another pressing area for research: What are the transactions between children and non-custodial parents, between children and stepparents? It would be possible to identify many other areas for research on transactions after parents separate, and many other types of transactions other than the three studied here: household work transactions, transactions of money and other resources, and transactions after parents separate. However, these transactions are particularly interesting ones to study because these are ones that have come under particular pressure as family members' transactions with the market change.

## 4 What Does It All Mean for Families?

The above sections have documented pressures Canadian families are under – the time pressures on two-earner families and the financial pressures on low earner and no earner families – and discussed various ways in which transactions within the family allow people to cope with time and financial pressures.

The subject of this section is to evaluate the

different pressures together with the different coping strategies in terms of their outcomes for family members. Are some family members bearing more stress than others? What are the effects of extra responsibilities, such as caring for someone who is ill or elderly? Finally, and most controversially, what is happening to children?

### 4.1 What Happens to Men?

A recent article in *The Economist* describes men as “Tomorrow's Second Sex” (September 28, 1996, p. 23-6). The thrust of the article is that women are adapting much better than men to the changing economic environment, and cites in support of its argument the fact that women do better than men in terms of educational outcomes until undergraduate or postgraduate training (the turning point differs from country to country; in Canada there are more women than men enrolled in undergraduate programs, the situation is reversed for postgraduate programs as a whole [Statistics Canada, 1995c]), and the trends in labour force participation and earnings summarized earlier.

The article then goes on to argue that male joblessness “reduces the attractiveness of men as marriage partners.” As Table 2 points out, married mothers do more housework than lone mothers, so one can see that having an unemployed man around this house is not necessarily a good deal for women. But, without work or marriage, men turn to crime and other antisocial behaviour: “Non-working women are mothers; non-working men, a blight.”

Men are facing a new economic reality, and young men in particular are finding that expectations they might once have had of holding down a steady job, getting married, and coming home to find dinner on the table, are having to be revised somewhat. How are men coping with economic change? What happens when men adopt new roles – sharing equally in the household work, taking non-traditional jobs, or putting their wives' careers before their own? What happens when men pursue traditional family roles and careers? What happens to men who cannot find a niche in the new econ-

omy? What does men's success or failure mean for themselves, for women, for children, and for communities?

## 4.2 *What Happens to Women?*

A number of the problems women face with work and household transactions have already been mentioned – the time crunch faced by working mothers, the financial crunch faced by one-earner, low earner and no earner families. Yet it can be difficult to write about women's well-being. One reason is that, as feminist scholars have argued, women's interests are either not recognized or are devalued in the public realm. Women's interests may also not be recognized by women themselves. Amartya Sen (1990) has argued that women may not have a clear perception of their own interests. Although he writes in the Indian context, his ideas are not totally without resonance in Canada. Women here too may be more quick to recognize the effects of their work on others than on their own well-being.

But perhaps the real reason why it is difficult to answer the question "What happens to women?" is that no one knows the answer. How do the many changes in women's lives balance out? Paid employment brings double workdays and time stress. It also brings financial independence, which translates into real changes in family expenditure patterns. And studies show that women are satisfied at work (Clark, 1995). The changing roles of women and men in the workplace put pressures on the traditional division of labour in the home. That pressure often falls on women who take on "the second shift," but the pressure also falls on men and on male-female relationships, and may lead to real, perhaps even egalitarian, change.

## 4.3 *What Happens to Children?*

There is a large literature on child development. Surveying this literature, Robert Haveman and Barbara Wolfe (1995) make a number of generalizations, several of which might be controversial:

- Children who grow up in a poor or low income family tend to have lower education and labour market attainments than children from more affluent families (p. 1870).
- Evidence on the effects of mother's work on children's educational choices is mixed, some studies finding a negative and significant effect on children's attainment, others finding either no significant effect or a positive effect (p. 1857), although the authors' assessment of the studies is that growing up in a family in which the mother chooses to work appears to have a modest adverse effect on educational attainment (p. 1870).
- Growing up in a family that has received welfare increases the probability that a girl, if she becomes a single mother, will choose welfare reciprocity (p. 1870 – note that these are U.S. studies, and only single mothers are eligible for AFDC, the major U.S. "welfare" program).
- Growing up in a single-parent or stepparent family has a negative effect on educational attainment (p. 1871).
- Stressful events during childhood (e.g., moves) appear to have large and independent negative effects on a variety of indicators of children's attainments (p. 1871).
- Growing up in a neighbourhood with "good" characteristics has a positive effect on a child's choices (p. 1871).

Unfortunately, most people cannot choose to have high incomes, live in a good neighbourhood, not get divorced or move, and have Mom stay at home with the kids. More often families face a trade-off between living in a good neighbourhood and having one parent stay home with the children, or between avoiding stressful moves and having a good family income.

The available data often limit our ability to assess these choices for two reasons. First, most data sets give us information on parental choices, but not parental constraints. What other options did parents

have? Second, because it takes time for child outcomes to become apparent, studies of child development are often somewhat historical. For example, a 1991 study cited by Haveman and Wolfe (1995) is based on children aged 0 to 6 in 1968. However, in the 1960s employment rates, earnings, and single parenthood rates were very different from today, making it difficult to generalize from 1960s parents' choices to today's parents' choices. A final problem with much of the literature – or at least the economic literature – on child outcomes is that it looks only at one dimension of child outcomes, for example, earnings or educational attainment. Yet there are many dimensions of life that are important: a child may do very well academically, yet have difficulty relating to his peers, another child may do fine socially, but may have health problems. Growing awareness of the multi-dimensionality of outcomes has led to a growing interest in “social indicators,” the topic of the next section.

#### **4.4 Social Indicators**

Economists generally measure outcomes in terms of “welfare,” that is, how well-off people are. Strictly speaking, welfare means subjective well-being. However, because it is impossible to measure how happy people are, economists generally use income as a measure of well-being. So, for example, benefit-cost analysis usually uses monetary or income-based measures, poverty measures focus on money income, studies of child outcomes focus on earnings, and a country's economic well-being is measured by its “income” or gross domestic product.

Yet there is a growing dissatisfaction with income-based measurements because of their lack of sensitivity to distributional issues, because of the difficulty of putting monetary values on many aspects of life, and because valuable information is lost when outcomes are reduced to any single dimension, such as income. An alternative approach to economic measurement is the “social indicator” approach. The best known example of the social indicator approach is the United Nations Human Development Index, which measures countries' “human development” in terms of life expectancy,

educational attainment (based on literacy and education levels), national income and “gender empowerment,” as measured by the relative earnings, education, and so on of women and men. There is now growing interest in applying the idea of social indicators to other aspects of economic life.

Social indicator approaches can be used to measure individual outcomes for men, women, and children, and also family outcomes. For individuals, possible outcomes include physical well-being (for example, frequency of illness, intensity of illness, ability to, say, climb stairs), mental well-being (satisfaction, time pressure, depression), educational outcomes, occupation and earnings, and participation in the community (friendships, social supports, status in community). For families, outcomes are more difficult to measure. After all, is the family any more than the sum of its parts? Perhaps it is enough to look at the well-being of children, men and women in families, not at the family as a whole? However, there are some types of family interactions that, I think, can be described as “good” outcomes and others that are “bad.” For example, harmonious relationships are a good outcome, violence a bad outcome. Other possible measures of family outcomes include divorce, age at which children leave home, frequency of contacts between family members, and resiliency, or ability to adapt to and cope with change. The social indicator approach is not easy to use. The first difficulty is to arrive at measures. Measuring physical health is not easy, as physical well-being has many components, as does mental health. However, there is an extensive literature on, for example, measurement of satisfaction, which can be drawn on in development of measures. The second difficulty is weighting measures. Is it possible to combine physical health, mental health, education, earnings and community participation information to come up with a single measure of “well-being”? How are the components of well-being to be weighted – is physical health more important than mental health? Do earnings matter a little or a lot? Is it best not to try to come up with a single social indicator, but rather to present information about several aspects of life, realizing that sometimes comparisons are impossible?

Although development of social indicators is not easy, the potential pay-offs are huge. To make policy work for families, it is necessary to identify which policies help families and which policies do not. But how can this be done without some sort of idea of what it means to help families? How can a policy that makes people better off be identified without knowing when people are well-off? The current focus on income as a measure of well-being tends to focus policy discussion on policies that improve income, whereas there may well be other policies with big impacts on other aspects of well-being – policies that do not necessarily have big costs. There is a need here to conduct policy-oriented research, research that is the topic of the next section.

## 5 What We Know and What We Need to Know

In this paper I have surveyed an enormous body of literature. The major findings are summarized in Tables 10, 11 and 12, stating “What We Know” and “What We Need To Know” about the types of transactions discussed here. Although the findings cover a wide and diverse range of topics, a number of cross-cutting themes emerge:

- We know about outcomes (earnings, employment, hours of work), we need to know about processes.
- We know about many families at a point in time, we need to know how and why families change over time.
- We know about what is quantifiable and can be measured in hours or dollars, we need to know about what is qualitative – emotional well-being, flexibility, resiliency.
- We know about what takes place in the public sphere, such as the labour market, we need to know about transactions that are hidden inside households.

- We know families have problems, we need to know what government policies can help.

I would propose that CPRN undertake a number of policy-oriented research studies, to begin to answer those questions. Five studies that I would propose are as follows:

### 1. *Longitudinal Analysis of the Determinants of Children’s Well-Being*

The development of the National Longitudinal Survey of Children and Youth (NLSCY) provides a major opportunity to track the long-term effects of government policy, parents’ employment choices and opportunities, and family strategies on children’s well-being. Does it make a difference to children if their parents work shifts or on call? What sorts of child care do Canadians use, and what are the long-term effects of different child care options on children? Are there some aspects of family life that make people “resilient,” that is, able to succeed in spite of economic or other hardships? For example, do families whose members agree that “In times of crisis we can turn to each other for support” have better long-term outcomes? What are the characteristics of families who turn to each other for support? Are there government policies that can influence family resiliency?

### 2. *Development of Social Indicators*

Social indicators provide a new and different measure of economic well-being. Possible indicators of individual well-being include questions on satisfaction and time pressure from the General Social Survey. The well-being of a family can be thought of as the sum of the well-being of individual family members, or can be measured in terms of the strength and frequency of interaction between different family members. Fascinating information on how often family members interact together has been gathered in a survey coordinated by M-J Wason for CPRN, and this would be one place to begin trying to construct a social indicator for family well-being. Possible indicators of the well-being of commu-

**Table 10**

**Household Work and Market Work**

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<b>What We Know</b>	<b>What We Need to Know</b>
<ul style="list-style-type: none"><li>◆ Canada has seen a dramatic increase in female labour force participation, a fall in male employment, stagnant male earnings and a slight narrowing of the male/female wage gap</li><li>◆ despite these trends, in most households women still do most of the housework, especially daily or weekly chores</li><li>◆ the division of household work is hard to change because it is a transaction where love, care, household goods, money are exchanged</li><li>◆ however, there is more equal sharing of housework when partners are more educated, as the wife's income increases, as the husband's income decreases, if the couple has fewer kids</li><li>◆ employed parents are time crunched</li></ul>	<ul style="list-style-type: none"><li>◆ How do families cope with changing economic circumstances?</li><li>◆ Are some people and families resilient?</li><li>◆ What is the key to resiliency – flexibility, adaptability, shared values...?</li><li>◆ How does the division of household work affect women's and men's earnings and employment? Children's well-being?</li><li>◆ Why are some people able to break with tradition?</li><li>◆ Are things different in the 1990s? Have they changed with changing Canadian immigration patterns?</li><li>◆ Does flexibility and renegotiation of household roles help families cope with time stress?</li><li>◆ What are the long-term effects of time stress on men, women and children in families?</li></ul>

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**Alternative Work Arrangements**

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<ul style="list-style-type: none"><li>◆ 25 percent of women, 10 percent of men work part time; about one-third of these would prefer full-time work</li><li>◆ about 30 percent of women, 40 percent of men have flexible work hours</li><li>◆ part-time work and flexible hours reduce time stress</li><li>◆ but part-time work offers fewer benefits, promotion possibilities</li></ul>	<ul style="list-style-type: none"><li>◆ What prevents firms creating more jobs with flexible hours, more high quality part-time jobs?</li><li>◆ Is Employment Insurance the best way of funding parental leaves?</li><li>◆ What are the long-term benefits of parental leave?</li><li>◆ What are the costs and benefits of providing parents with 5 to 10 "sick child days" each year to care for sick children?</li></ul>
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**Social Support Networks**

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<ul style="list-style-type: none"><li>◆ low cost and readily available child care increases women's labour force participation</li><li>◆ relatives provide a substantial amount of child care, particularly for low income families</li><li>◆ an increasing number of women and men are providing elder care as the population ages and government health care spending is cut</li></ul>	<ul style="list-style-type: none"><li>◆ How many people have social support networks they can turn to for child care, or help when they are sick?</li><li>◆ Do Canadian women and men have the capacity to absorb more caregiving responsibilities?</li><li>◆ What are the benefits to families of government spending on health, education and other social supports?</li></ul>
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**Cutting Back on Family and Self**

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<ul style="list-style-type: none"><li>◆ people sometimes cope with dual demands of home and work by cutting back on housework, relationships, children's needs</li></ul>	<ul style="list-style-type: none"><li>◆ long-term impacts of cutting back</li></ul>
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**Table 11**

**Financial Transactions**

What We Know	What We Need To Know
<b>Financial Transactions Within Households</b>	
<ul style="list-style-type: none"> <li>◆ when women have income of their own, family expenditure patterns change</li> <li>◆ some evidence women spend more on children</li> </ul>	<ul style="list-style-type: none"> <li>◆ What sort of financial transactions take place inside households?</li> </ul>
<b>Financial Transactions with the State</b>	
<ul style="list-style-type: none"> <li>◆ government transfers have major positive impact on the poor and the elderly</li> <li>◆ middle income families with children have seen stagnant earnings, increasing time pressure and a rising tax burden</li> </ul>	<ul style="list-style-type: none"> <li>◆ How can government policy assist families with caregiving responsibilities? Areas particularly worth examining are health insurance, maternity benefits, income averaging, Canada Pension Plan funding and universal as opposed to targeted benefits.</li> </ul>
<b>Financial Transactions Across Families</b>	
<ul style="list-style-type: none"> <li>◆ families do provide each other with financial support</li> <li>◆ most common financial transaction is parents supporting children</li> <li>◆ financial transactions are small relative to the needs of an unemployed person or family</li> <li>◆ material support is important, especially for some older immigrant women</li> </ul>	<ul style="list-style-type: none"> <li>◆ How much financial support do families provide each other?</li> <li>◆ Can support from family and friends offset the trend towards lower social assistance payments?</li> <li>◆ How does “the family” change when government policy changes? For example, do children move in with parents?</li> </ul>
<b>Transactions When Parents Separate</b>	
<ul style="list-style-type: none"> <li>◆ lone parent families risk economic hardship</li> <li>◆ child support often does not relieve this economic hardship</li> <li>◆ but child support is a significant expenditure for non-custodial parents?</li> </ul>	<ul style="list-style-type: none"> <li>◆ What sorts of transactions (emotive, material, financial) take place between children and non-custodial parents? How important are these transactions to children’s development?</li> <li>◆ What sort of parenting styles do stepparents have? How do stepparents affect children?</li> </ul>

nities include the suicide rate, unemployment rate, rate of teenage pregnancy, and the strength of community activity – for example, the level of voluntary activity (data on voluntary activity can be obtained from the Statistics Canada special survey on voluntary activity or from the World Values Survey). A measure of the strength of civil society could be, for example, the voter turnout rate. Construction of a set of social indicators will be of enormous assistance in the design of appropriate government policy. How can policymakers know which policies help

people the most without knowing what it means to make people well-off?

3. *Evaluation of Policies to Relieve the Stress on Canadian Families*

Throughout this paper I have identified sources of stress on Canadian families, particularly time and financial pressures. There is a need for creative government policies to assist financially strained families with caregiving responsibilities. Possible policy initiatives include providing health insur-

**Table 12**

**What Does It All Mean for Families?**

What We know	What We Need to Know
<b>What Happens to Men?</b>	
<ul style="list-style-type: none"> <li>◆ male wages are stagnant, male joblessness is rising</li> <li>◆ more women than men are enrolled in university</li> </ul>	<ul style="list-style-type: none"> <li>◆ What happens in the long term to men who adopt new roles, for example, taking non-traditional jobs, sharing household work?</li> <li>◆ What happens to men who cannot find a niche?</li> <li>◆ What is the long-term impact of male joblessness for social cohesion, communities, women and children?</li> </ul>
<b>What Happens to Women?</b>	
<ul style="list-style-type: none"> <li>◆ increased employment opportunities have brought better jobs, better pay, and more independence. Women are satisfied at work.</li> <li>◆ increased employment has also brought double workdays, time stress, and role conflict, particularly between the demands of children and work</li> </ul>	<ul style="list-style-type: none"> <li>◆ How do these costs and benefits balance out?</li> </ul>
<b>What Happens to Children?</b>	
<ul style="list-style-type: none"> <li>◆ children tend to have lower education or labour market attainments when they grow up in a poor or low income family, in a single-parent or stepparent family, if they experience stressful events during childhood and, possibly, if their mother works</li> <li>◆ children do better if they grow up in a “good” neighborhood</li> </ul>	<ul style="list-style-type: none"> <li>◆ Many of the existing studies are based on U.S. data. Do the results hold in Canada? Do they hold with more recent data?</li> <li>◆ What factors influence outcomes such as children’s happiness?</li> </ul>

ance for children’s pharmaceuticals, rethinking the delivery of maternity and parental benefits, allowing parents and others providing care to average their income between years in and years out of the labour force, implementing a universal child benefit to create a fairer division of the tax burden between people with and without children, and changing how the long-term costs of CPP underfunding are shared between younger and older generations. Time stress can be relieved through more flexible work and home environments. Reducing the cost of hiring additional workers relative to paying overtime may lead to the creation of more high quality part-time or flexible hours jobs. Possible initiatives include changes in the structure of EI and CPP, benefit

packages and government record keeping requirements. Allowing workers to use sick days to care for sick children or other relatives would help many people balance the demands of home and work.

There is a need for research to evaluate the costs, benefits, and feasibility of these policies, drawing from large-scale surveys, and also from interviews with parents, employers, and policymakers.

*4. Transactions with Non-custodial Parents and Stepparents*

In Canada today more than one in five children live in a lone-parent family or in a stepfamily. Yet

very little is known about children's relationships with absent parents and with stepfathers. Does contact with non-custodial parents make a difference to children? How much emotional and financial support (other than child support payments) do non-custodial parents provide? What sort of parenting styles do stepfathers (the most common stepparents) have, and how do these differ from those of biological fathers? Given the risks children of divorced parents face in terms of increased chances of poverty and socio-economic hardship, it is vital to know more about the determinants of their well-being.

### 5. *Capacity and Elasticity of Social Support Networks*

Canadian society is becoming increasingly polarized between high and low earners, the employed and the unemployed. At the same time, families and communities are increasingly being asked to take over caring and financial responsibilities as government funding for health care, post-secondary education and social assistance is cut. Little is known about the capacity of women and men to take on extra caregiving responsibilities, and the effect of caregiving on people's work, health, and social life. Even less is known about the fluidity of family and social networks. Conservative commentators, such as the American Charles Murray, argue that cuts in government programs will be met with a resurgence of support from the family. Does this happen? Are more students living at home during their university years to save on living costs? Do people move in with family when social assistance payments are cut? Do community and volunteer associations deliver more social support in response to declining government services? Can government policy, as

Suzanne Peters asks in her introduction, "encourage a return to more conventional family structures and behaviors?" Or do changes in the Canadian family reflect fundamental economic and social trends? Extended families have become stretched across thousands of miles as people move to where they can find work; the secularization of Quebec society has resulted in dramatic changes in cohabitation, marriage and birth rates. Is it, as Peters suggests, more realistic to reconfigure policy to adapt to changing families?

Information about family dynamics is beginning to be gathered. Statistics Canada is creating a number of longitudinal surveys, which will allow researchers to see how families evolve and change over time, including the National Longitudinal Survey on Children and Youth, and the National Population Health Survey. Research studies conducted by CPRN, particularly the study of families in Surrey, B.C., conducted by M-J Wason, will give more information on the capacities of family and community support networks.

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# Families and the Labour Market: Coping Strategies from a Sociological Perspective

by *Meg Luxton*

## Executive Summary

Based on sociological perspectives, this paper argues that coping strategies intended to mediate or manage the tensions between families and the labour market are best understood by the concept of social reproduction – the activities required to ensure day-to-day and generational survival. Most people in Canada make a living by combining unpaid domestic labour and paid employment, augmented by a variety of important social and economic policies ranging from the state provision of education, health care, and a variety of other social transfer payments to employer-based benefits and “family-friendly” practices. In turn, the Canadian economy needs workers able to come to work healthy, rested, and free of domestic concerns. It relies on unpaid domestic labour to produce people ready to work on a day-to-day and generational basis.

However, these two socially necessary labour processes – paid employment and unpaid domestic labour – are fundamentally contradictory. Coping strategies are the ways in which individuals, families and networks of kin and friends mediate the contradictions by carrying out the various tasks necessary for social reproduction. Their relative success depends on a range of social policies that help mediate the contradictions. The paper reviews the

key coping strategies identified in the sociological literature on families and labour markets, examines the policy implications, and suggests that an analysis of the existing literature indicates that current social policy in Canada is often made less effective by unwarranted underlying assumptions about families (Eichler, 1997).<sup>1</sup> In the current context of rapidly changing policies, it is important that policies be based on accurate analyses of existing social relations and practices. The paper concludes by identifying a number of research questions that arise from this review of coping strategies related to families and the labour market.

## 1 Families and the Labour Market

Sociological attention to the relationship between families and labour markets has had an uneven history. Despite extensive theoretical and empirical work on this topic, there continues to be a strong prevailing tendency to ignore or underplay the connections. Much sociological work still investigates labour markets, paid employment, and the organization of “the economy” separately from studies of families, taking for granted the existence of workers. Studies of families have typically recognized “the economic facts” of family organization

### *About the author...*

Meg Luxton is a Professor in the Department of Women’s Studies and Social Science at York University. Her research focuses on family/gender divisions of labour as well as the study of paid and unpaid work.

(Nett, 1996, p. 32), although such studies typically concentrate more on the impact of “the long arm of the job” on families than on the impact of families on labour markets (Adkins, 1995, p. 1).<sup>2</sup>

As women’s labour force participation rates increased, especially since the 1970s with the increasing participation of women with young children, the problematic relationship between their paid employment and their responsibility for unpaid domestic labour, especially caregiving, generated increasingly widespread social and political concern (Hamilton and Barrett, 1986; Duffy, Mandell and Pupo, 1989). Attempts to understand the “double ghetto” of women’s work in paid employment and in unpaid domestic labour (Armstrong and Armstrong [1978], 3rd edition, 1994), stimulated efforts to reconceptualize the relationship between families and labour markets (Peters, 1996, p. 3). This led to the theoretical conceptualization of family households as sites of “social reproduction” (Fox and Luxton, 1993, p. 23).

Social reproduction includes all the activities involved in daily reproduction – the provisioning of people to ensure they eat, sleep and get the other material and emotional sustenance they need to stay alive and keep going from day to day. This includes the care for ill, elderly or otherwise dependent people. Social reproduction also includes generational reproduction – the biological production, care and socialization of children. Unlike the term “family,” which typically refers to certain types and qualities of relationships, social reproduction focuses on the activities required to ensure day-to-day and generational survival, without making any assumptions about who participates in such activities, on what terms, or about the quality of their interactions.<sup>3</sup>

For the majority of people in Canada, most of the work of social reproduction goes on in family-based households, which depend for their livelihood on income generated by one or more of their members selling their capacities to work to an employer.<sup>4</sup> Thus part of the work of sustaining life on a daily and generational basis includes the production and reproduction of people who need to be attached

to the labour market.<sup>5</sup>

While most households depend on paid employment for their survival, employers depend on a pool of labour available to work for pay. Although the social reproduction perspective reveals the mutual interrelationship between families and labour markets, it also illuminates the contradictions inherent in that relationship. Employers need workers but have no immediate interest in how their workers live nor whom they support with their earnings. Employers also have no direct interest in whether or not their employees have children or are responsible for caring for other people. For many women, the physical demands of pregnancy and childbirth may render paid work impossible for periods of time. Caregiving of children, elderly, ill or disabled people requires attention and energy, often unpredictably. The more dependent the person, the more likely their lives may depend on immediate care, regardless of the paid work responsibilities of the caregiver.

Thus the organization of capitalist employment on the one hand and of domestic labour, especially caregiving, on the other, result in a situation where the demands of one are contradictory to the demands of the other.<sup>6</sup> A range of social policies and practices have been necessary to mediate the contradictions. These have included the development of universal services such as education and health care, and a range of policies designed to ensure minimum income and employment standards, access to housing, child care and care of dependent adults.

In the early 20th century, the tension between the two spheres was mediated by the predominant sexual division of labour in marriage where women as housewives and mothers did domestic labour and men as breadwinners did paid labour. Never a satisfactory resolution, this division of labour assumed that, to a certain extent, households were able to make ends meet by expanding or contracting unpaid labour in the home. It made life difficult for those who were not married or part of nuclear families. It meant that women were economically dependent on their husbands and that households were dependent on the man’s ability to earn a “family wage,” some-

thing relatively few men ever actually earned. Many households depended on additional sources of income from children's employment and women's home-based income generating activities such as taking in laundry or sewing.<sup>7</sup>

Throughout the 20th century, it became harder for households to augment men's wages with unpaid domestic labour or children's earnings. Simultaneously changes in the labour market, especially in the growth of the service sector in the 1950s and 1960s, generated a demand for a kind of labour force women were well-suited to fill (Marchack, 1987; Luxton and Reiter, 1987). Women's labour force participation rates increased, but as they retained primary responsibility for domestic labour, the contradictions between the demands of paid employment and domestic labour intensified.

However, the majority of policy initiatives were shaped by the assumption of a husband-father breadwinner and a wife-mother homemaker family form. Critiques of social policy have shown how often such policies were ineffectual or failed precisely because they did not take into account either the incompatibility of paid employment and un-paid domestic labour or the fact that the model did not apply to many families (Baker, 1995). More significantly, critiques noted that family policies that assume shared or cooperative relations among family members typically reproduce gender and generational inequalities rather than mediating the contradictions in the process of social reproduction and improving people's capacities to cope (Eichler, 1988, 1997).

By the end of the 20th century, women are an integral part of the labour force and women's paid employment is an essential part of their households' livelihood, even in households with young children. Employers depend on women's labour force participation. In 1994 just over half of women (52 percent) aged 15 and over had paid employment and women were 45 percent of all paid workers. A majority of mothers with children under 3 years (56 percent) had paid employment (Statistics Canada, 1995c). Similarly, the majority of family households depend on women's employment. For

example, in 1992 both spouses were employed in 61 percent of all husband-wife families and women's earnings contributed 31 percent of family income (Statistics Canada, 1995c, p. 87-8). Even though, on average, women earn so much less than men, women's incomes made a significant difference to household income levels and thus have raised the standard of living for household members. In 1992, 4 percent of dual earner families had low incomes, but if wives' earnings were deducted, the number of low income families would have increased to 16 percent (Statistics Canada, 1995c, p. 88). At the same time, changing family forms and practices have meant that, increasingly, more women are raising children with little or no economic support from men (Baker, 1995, p. 63).

However, while women's participation in the labour force has changed, the fundamental incompatibility between paid labour and domestic labour remains. For the most part, because of the intimate association of women with domestic labour, and especially child care, it is women who most directly confront the incompatibility, and whose lives are most immediately shaped by it (Mahony, 1995). Government services such as health care and education, and regulations such as paid maternity leaves, help to mediate the contradictions between the two spheres and recognize the importance of a public or social commitment to bearing some of the costs of social reproduction. Precisely because women are more directly implicated in the paid employment and domestic labour relationship, many government services and regulations have a differential impact on women (Bakker, 1996). As a result, recent changes in government policies, especially cuts to social services and deregulation of various affirmative action measures, have imposed more of the work of social reproduction onto family households and particularly women (Cohen, 1994; MacDonald, 1994, p. 98; and Bezanson and Valentine, 1997). How individuals, families and communities deal with these increases in the incompatibilities between paid employment and domestic labour depends on the coping strategies available to them.

## 2 Coping Strategies

The concepts of coping or of coping strategies are widely used in the sociological literature, as if their common sense usages were unproblematic.<sup>8</sup> Typically they are employed to convey a sense of getting by, making ends meet, carrying on or dealing with, often with the implication of doing so in hard times or in adversity.<sup>9</sup> I suggest as a sociological definition of coping, the capacity to carry out the activities necessary for social reproduction using the available resources. Thus studies of coping strategies investigate how well individuals, families and households manage to get both domestic labour, especially caregiving, and paid employment coordinated among household members and others. Ideally such studies identify which coping strategies are most successful, according both to various household members and to employers, social service and other state and community agencies. They also indicate what social and economic policies facilitate or make more difficult effective coping strategies.

### 3 Studies of Coping

#### 3.1 *Studies of Employment-based Coping Strategies*

The time has come for there to be a greater recognition of the problems involved in balancing work and family responsibilities. Canadians need to think more about key issues such as child care, caring for elderly or disabled workers, family-related leave, variable work arrangements, and the problems injured workers face in relation to their family lives. We need to have more – and effective – dialogue involving workers, unions, employers and governments, about how we can deal with these issues in the best way possible. (Ontario Women’s Directorate and the United Food and Commercial Workers Union, 1992, p. 1-2)

Two contradictory trends have influenced workplace-based strategies for coping with families and labour market attachments. On the one hand, until recently, the organization of paid employment has typically assumed that during the time they are at work, employees have no other responsibilities. Many employers have further assumed that employ-

ees can readily adjust their domestic and community responsibilities to accommodate the demands of paid employment. As more employers depend on women’s labour force participation, and as more men are increasingly responsible for aspects of domestic labour, employees have increasingly called for workplaces to take account of their other obligations. As a result, many workplaces, especially large unionized ones, have developed policies and practices that recognize that workers have family and community responsibilities.<sup>10</sup>

On the other hand, since the early 1980s, neo-liberal economic restructuring and changing government policies have created a labour market where, for many workers, paid employment is increasingly incompatible with other responsibilities. At the same time, deregulation and cuts to government services and social programs have imposed increased responsibilities on individuals and their families.<sup>11</sup> As more and more people face unemployment or underemployment, as more workers are required to work longer hours, or unpredictable hours, they are increasingly vulnerable and hesitant to request allowances for their other responsibilities (Drache and Glasbeek, 1992). Furthermore, many of the cuts to government services have been justified on the grounds that such work is more appropriately done in communities or households by unpaid volunteer labour (Luxton, 1997a). As Diane Elson has noted, current economic policies are predicated on the assumption that women’s unpaid labour can stretch to cope with the impact of economic restructuring:

In the context of economic crisis and structural adjustment, women are particularly valued for their ability to devise and implement survival strategies for their families, using their unpaid labour to absorb adverse effects of structural adjustment policies. (1992, p. 26)

They are also predicated on the assumption that precarious employment with its low pay, unpredictable and irregular hours, and long-term insecurity, can become increasingly the norm without a significant increase in social costs. The evidence suggests otherwise. As Duxbury, Higgins and Lee report, the less control and flexibility people have at their paid workplace, the more they experience

conflict between their employment and family activities, which in turn is associated with “various negative consequences” ranging from increased poor health to decreased productivity (1994, p. 464). We need studies that assess people’s ability to keep jobs when they are under the high stress of multiple jobs and precarious employment. If governments advocate the growth of precarious employment, they may have to absorb the costs of social reproduction that were previously borne by employers through secure and well-paid employment and benefit packages. What are the costs to particular employers and to the economy as a whole of absenteeism and labour turnover, of stress-related illnesses, of the lack of caregiving? What would the replacement costs be if large numbers of women leave the paid labour force to deal with the demands of caregiving?

The impact of employment-based organization and policies on family coping strategies is poorly understood.<sup>12</sup> On the one hand, we need more studies of so-called “family-friendly” workplace policies (Paris, 1989). What policies work best, for whom, and in what circumstances? A recent study by Statistics Canada suggests that while such policies were originally intended to support women workers, typically men have benefitted more from them (Frederick, 1997). How can gender equity be built into such policies? In her assessment of 11 case studies of workplaces that had implemented policies intended to help employees mediate their paid employment and family responsibilities, Laura Johnson concluded that overall:

Employers and employees have provided ample opinion that they benefit from family friendly programmes. (1995, p. 63)

She went on to note that:

The task for business, labour public policy makers and various community organizations is to evaluate how well these programmes help working people balance employment and family obligations – and what additional options might prove useful to workers and employers. (1995, p. 63)

On the other hand, while there have been some studies documenting the difficulties posed by the

lack of such policies (de Wolff, 1994), we need more studies on the capacity of family households to absorb increasing amounts of work, especially caregiving (Armstrong, 1993; Gallop et al., n.d.). There is little Canadian research investigating the actual elasticity of domestic labour, or the consequences of expecting individuals to provide more, and new kinds of care for either caregivers or care recipients. For example, while the medical profession has stressed the importance of maintaining emotional distance between doctors and patients, increasingly people are expected to provide complex medical treatments and care for the people they are most intimate with. How well does this emotional reversal work for caregiver and patient? What happens over the long run as the work of caregiving and the intimacy of interpersonal relations are increasingly mixed?

Here again, longitudinal studies may be the best way to evaluate the actual savings and costs incurred by intensifying domestic labour and by assuming that families can provide the cheapest and best caregiving. If women leave the labour force to provide care for others, what impact will their withdrawal have on specific employers and on the labour market in general? Do women who provide unpaid caregiving increase their chances of needing government income supplements in the long run? If unpaid caregiving is provided because there are no other alternatives, are there hidden costs of increased stress, family violence or caregiver burnout?

### **3.2 Studies of Household-based Coping Strategies**

Since domestic labour is a central component of social reproduction, how much time that labour requires, who does it, and what it actually entails in different types of households are critical elements of household coping strategies. Extensive studies of the impact of women’s paid employment and to a lesser extent, of men’s unemployment, on domestic labour show that household labour remains sex segregated, that women do the bulk of domestic labour, and that, for women, there is a direct though complex relationship between domestic labour responsibilities and paid employment (Nakhaie,

1995). The widespread assumption that men should be in the labour force means that fewer studies focus on the relationship between domestic labour or family responsibilities and paid employment or enforced unemployment for men (Wheelock, 1990; Brayfield, 1995; and Wallich, 1996, p. 31). Fewer still examine the complex interplay of domestic labour and paid work among household members and between members of different households.<sup>13</sup>

The focus of these studies has tended to be on time budgets (Meisner et al., 1975; Casserly and Kinsley, 1983), the distribution of household tasks (Marshall, 1993), or the overall organization and responsibility for domestic labour (Luxton, 1980; Luxton, Rosenberg and Arat-Koc, 1990). While time use surveys tend to affirm that compared to their male partners, women do much more domestic labour (Statistics Canada, 1995a, p. 78), data on the distribution of tasks suggest that men do take on more domestic responsibility when their wives are employed, but they tend to be involved in the more pleasurable, and less demanding tasks such as playing with children. A man is much more likely to take on child care when his female partner is employed part time, or when his employment is during the day and his partner's is not (Brayfield, 1995; Luxton, 1997b). In other words, men rarely take on full or even equal responsibility for domestic labour but will pragmatically help out, especially with older children or for a few hours. Men are less likely than their partners to provide care to the elderly, even when those elderly are the man's relatives (Hoskins, 1993). Women continue to have the major responsibility for ensuring the ongoing, daily social reproduction (Luxton, 1980, 1990; Hochschild, 1989; and Brannen and Moss, 1991). Various studies show that, as a result, women are much more likely to spend money on children, food and daily living than men (Pahl, 1989).

Several themes in this extensive literature signal the need for further policy-related research. A central problematic is the way in which families divide paid employment, domestic labour and other responsibilities for social reproduction among the various members, especially as what is called "work and family" conflict is so widespread.<sup>14</sup> Most stud-

ies, especially national surveys, compare women and men, only differentiating women on the basis of their labour force attachment. Typically they assess the division of domestic labour between women and men, finding that there are few households in which domestic labour is shared equally (Bourdais, Hamel and Bernard, 1987; Michelson, 1985; Hochschild, 1989; and Brannen and Moss, 1991). Gender inequality in households has been closely related to gender inequality in the paid labour force and society as a whole (Kobayashi et al., 1994). Despite the consistency of such findings, both the explanations of why sexual divisions of domestic labour remain so intransigent and the assessments of their impact on family household coping strategies are contradictory and inconclusive.

First, we need studies more sensitive to differences among women. While labour force participation rates of women, and particularly women with children, have increased steadily throughout the 20th century, except for a small decline in the recession of 1994, such overall patterns obscure significant differences among women. As Dionne Brand (1994) and Linda Carty (1994) have shown, African Canadian women have a history of higher than average labour force participation rates. Indigenous or aboriginal women have had lower than average labour force participation rates but have worked in mixed economies since colonization (Abele, 1997). Certain immigration policies have permitted particular categories of women workers to enter Canada to fill certain types of labour needs (Stasiulis, 1997; Preston and Giles, 1997). We need to know whether such different patterns of labour force participation relate to different household divisions of labour and in what ways.<sup>15</sup> Conversely, as many women from minority cultures in Canada have argued, men and women doing the same things is not necessarily an appropriate measure of gender equity (Osenonon and Skonaganleh:ra, 1989, p. 12). We also need to know how cultural and ethnic variations affect family coping strategies. The way families mobilize and allocate resources varies, for example, from nuclear families, which aspire to children's independence as soon as possible, to collective kin networks where some children are employed as

soon as possible in order to permit the further education of others. Studies that are more sensitive to the patterns of class, race, ethnicity, national origin, region, religion and other cultural differences are important both to accurately reflect the contemporary Canadian population and also to identify the extent to which such factors affect family coping strategies.

While studies of household divisions of labour show the relationship between different family and household forms (especially presence and ages of children) and women and men's labour force participation, they do not show the ways in which particular household divisions change throughout the household's life. For example, Bonnie Fox found that even where heterosexual couples were firmly committed to both of them having long-term commitments to paid employment and sharing domestic labour equally, the process of becoming parents intensified men's involvement in paid work at the expense of their involvement in domestic labour, including child care, and reduced women's paid employment while increasing their domestic labour and confirming them as the primary parent (1997). This study raises important questions, not only about the ways in which child care undercuts women's involvement in paid employment, but about the ways in which men's participation in paid employment may erode their relationships with their children. What impact does this have, for example, when couples separate, on fathers' commitment both to maintaining their relationships with their children and continuing to provide financial support for them? This work suggests the importance of more longitudinal studies such as The National Longitudinal Survey of Children (Statistics Canada, 1995*b*), which can:

attempt to understand the processes of why and how women and men take responsibility for their children's lives, the diverse kinds of responsibility for the practical and emotional dimensions of household life, and how these responsibilities change between women and men as well as between the various ages and stages of child rearing. (Doucet, 1995, p. 281)

As the proportion of seniors increases and especially the numbers of the very old (over 80),

elder care poses similar questions about why and how women and men take responsibility for elders and under what circumstances do elders find it possible to accept different kinds of care. In her review of comparative, international studies on combining paid employment and care for the elderly, Hoskins calls for "longitudinal studies tracing over time the consequences for labour force participation of decisions made by family members to care for their young children as well as their sick and elderly family members" (1993, p. 367), and she warns:

While there is general consensus that severe pressures are building up as a result of increasing conflict between work and family responsibilities in this area [elder care], the fact remains that, as yet, there are insufficient data or information to evaluate the gravity of the situation adequately. (1993, p. 347)

The findings on the relationship between paid employment and domestic labour and their impact on family coping strategies is unclear. Divisions of household labour are affected by a range of factors such as relative income, personal resources, time availability, and power position in the household. One of the clearest findings is that families cannot be understood as cooperative pooling sharing units (Sen, 1987; Elson, 1995). Rather, there are clear indications that families are best understood by examining the transactions they engage in, which are sometimes, but not always, based on egalitarian pooling and sharing. Social policies that assume harmonious familial relations are likely to fail. The extensive research documenting the extent and social costs of domestic violence against women offers clues to the depth of gender conflict in families. We need studies to document actual family transactions of labour, finances, time and energy expenditures and other resources, not just at one moment in time, but over family lifetimes. Proposals to link pensions, employment insurance, welfare or other benefits to families rather than individuals appear likely to cause more social and economic problems than they solve (Eichler, 1988; Gavigan, 1997).

However, other findings are less conclusive. Kalleberg and Rosenfeld (1990) found that unlike the United States, the percentage of housework done

by women and men in Canada was not influenced by the number of hours spent in paid employment. They wondered whether different social policies in the two countries might explain the differences. In contrast, Seccombe (1987) and Brayfield (1992) both found that women's and men's domestic labour was directly related to the number of hours at paid employment. In countries that have undergone structural adjustment programs, research shows that there were "breaking points" to social reproduction (Elson, 1995). In Canada, the extent to which reductions in domestic labour result in less than adequate social reproduction remains uninvestigated. Debates around child care are a case in point. While endless ink has been spilt over the issue of whether either maternal or collective child care produces "better" children, few studies have investigated the extent to which the demands of earning a living in a context where there is little or no social provision of child care results in long-term social costs.

Similarly, we know little about the long-term costs of paid employment, which minimizes the possibilities of workers spending time and energy on domestic labour. Studies of men employed for life in primary industries and heavy manufacturing suggest that they have little contact or connection with their children and that if their marriages end, they have little motivation to maintain supportive relations with them (Binkley, 1996; Corman et al., forthcoming). Some research suggests that women and men employed in typically "female" jobs are more likely to share domestic work (Haavio-Mannila, 1989; Peterson and Gerson, 1992). But what impact this may have in men's relations with their children, whether this is widespread, whether it reflects gender consciousness or the fact such jobs are more compatible with domestic labour remains to be explored.<sup>16</sup>

Gender consciousness or familial ideologies also have an effect on how people manage domestic labour and paid employment. The extent to which women believe that domestic labour is their sole responsibility or that it should be shared, has a direct impact on how well they cope with the demands of paid employment and domestic labour

(Luxton, 1990). Similarly, variations in men's participation in household tasks are partly explained by their concepts of masculinity and the extent to which they are willing to endorse their partners' careers (Harrell, 1995).<sup>17</sup> Concepts of masculinity and male breadwinner ideologies play a part in men's reaction to women seeking "non-traditional" employment and often justify men's refusal to do domestic labour (Livingstone and Luxton, 1988). However, the formation of gender consciousness and familial ideologies, and how these change, especially in reaction to changes in gendered work experiences, are poorly understood.

Consciousness, ideologies and attitudes are obviously central to coping strategies. While men's participation in domestic labour relieves women of actual work, women are more likely to say they feel overloaded when they think their husbands should be doing more (Wiersma, 1994, p. 213). Similarly, while single parents are forced to do all the work of social reproduction themselves, they typically report less overload because of the relief brought on by ending a conflicted relationship (Duxbury, Higgins and Lee, 1994, p. 464; Graham, 1987). The more control people feel they have over their lives, the more likely they are to manage (Rosenberg, 1987; Duxbury, Higgins and Lee, 1994, p. 462-63). Passive acceptance or being resigned to life's circumstances tends to render people less able to cope, especially with changing circumstances. Reframing problems to understand them as social problems rather than personal failings can "provide a heightened sense of control, and at least decrease the amount of personal blame and guilt" (Anderson and Leslie, 1991, p. 234-35). Developing an analysis of the social and political forces shaping the circumstances can lead to new forms of political consciousness and political action to change them (Carroll, 1992). We need to know more about what shapes peoples' consciousness, ideologies and attitudes and in turn how these affect behaviour, as people respond to changing circumstances by coping, or not, and as they mobilize in response to those changing circumstances, helping others to cope or to change the circumstances.

As governments cut back social services, they

often argue that communities, neighbours and families should be more active in providing substitute services such as volunteering, community health care, and reporting on domestic violence (Progressive Conservative Party of Ontario, 1994; Reform Party, 1995). There are few studies that investigate either what unpaid services people do provide for others in their household, extended family, friendship or neighbourhood networks or communities, or under what circumstances people will provide for each other. One of the few Canadian studies of friendship among women indicates that friends do not, and cannot, provide significant material support or aid for each other (Side, 1997). Research in Britain indicates that there is no consensus about the content of the responsibilities attached to kinship. The closer the relationship is (with respect to both kin ties and past history), the more likely people are to help each other; but nothing is automatic. People always negotiate (Finch, 1989; Finch and Mason, 1993).

We need to know more about what prompts people to give support and aid. What reduces their sense of responsibility to each other? What strengthens it? How are these exchanges negotiated and what principles underlie such negotiations?

British studies indicate that people are most likely to give support and aid to others when the others already have some sources of support and the caregivers are not faced with the possibility of having to take on full responsibility for the other. For example, an elderly person with a pension, adequate housing and some home help is far more likely to receive ongoing assistance from kin, neighbours and friends than someone with no other sources of support (Finch, 1989; Finch and Mason, 1993). How do people's understandings of their responsibilities and obligations to other family members, friends, neighbours and the community shape the legitimization of divisions of labour and responsibility for caregiving within and between individual households, families, and communities, public service agencies and private corporations?

## 4 Conclusions:

## The Policy Implications for Coping Strategies

One criterion for policy intended to mediate the tensions between families and the labour market is the extent to which it enables women and men to do both paid and unpaid domestic labour, to balance employment, parenting and other caregiving activities in their households and communities. The Canadian economy depends both on women's participation in the labour force and on a considerable amount of unpaid labour by women and men to ensure social reproduction. If women are forced to leave the labour force to provide caregiving, the current shape of the labour market will be disrupted and the size and shape of the Canadian economy would have to change substantially. As previous experiences have shown, if women are out of the labour force for significant periods of time to provide caregiving for children and others, then those women are permanently disadvantaged, at risk of living in poverty for extended periods, and in need of a variety of protections, training and re-entry assistance when they rejoin the labour force. Policy initiatives that facilitate women's labour force participation and their work in social reproduction, such as a national, high-quality, comprehensive child care system, will in the long run be less disruptive and less costly.

Policies related to families and the labour force could be strengthened by more effective measures of coping. In the current period, governments aspire to spend less money and to have fewer people relying on state transfer payments. We need research to indicate what policies will be most effective and most cost-efficient in the long run. While reducing welfare benefits immediately lowers government expenditures, if welfare recipients are subsequently more likely to remain on welfare, rather than moving into the labour force after a few years, the long-term costs are greater. If their children remain in poverty, and reproduce their parents' dependency, the economic and social costs are enormous. Studies could investigate the long-term relative costs of cutting benefits compared to, for example, paying tuition and child care for lone parents who want postsecondary education, or paying leave for employees to provide caregiving for an ill or elderly

adult.

The most effective policies are those which do not assume certain family forms and do not attempt to direct or influence the form families should take. As Eichler (1988, 1997), Baker (1995) and others have shown, all too often policies have failed to solve the problems they were intended to address because of their implicit assumptions about families. Policies that assume that family members pool and share resources and that, therefore, resources available to one person will be redistributed to all, such as the Seniors Benefit proposed to replace the Old Age Security, easily generate increased family tensions and create the possibility for serious inequalities. Similarly policies that assume that men are the primary workers in family-based employment such as farming may end up creating massive unemployment and poverty among women. The federal Atlantic Groundfish Strategy (TAGS) has been criticized for its criteria, which excluded from training programs many women who had worked in the fisheries alongside their husbands but who were not deemed to be full-time fishers.<sup>18</sup> Policies are likely to be more effective if they are informed by people's needs rather than embodying assumptions about familial relations.

As the federal government has downloaded social programs to the provinces, there has been increasing variation in policies and different provincial governments have introduced dramatically changed policies. In Ontario, for example, the Conservative government elected in the mid-1990s cut funding to social programs, reduced social assistance by 21.6 percent, introduced mandatory workfare in certain municipalities, and cut taxes. In Quebec, the government plans to introduce a child care system. We need studies that assess the effects of these different initiatives. For example, which policy was more effective in raising the incomes of low paid women workers – the increase to the minimum wage in British Columbia or the pay equity legislation in Ontario? If the Ontario tax cuts actually result in higher disposable incomes for some, how is that money allocated? As men are typically higher earners but are less likely to spend money on children, or daily household subsistence, will tax and social assistance cuts lead to greater income

disparities between women and men with resulting increased child poverty? Based on her research, Pahl (1989, p. 151-52) concludes “the best way to reduce child poverty is to increase the amount of money over which their mothers have control.” How will these Ontario policies compare with Quebec's provision of child care? The “Speaking Out” project of the Caledon Institute of Social Policy is tracking the impact of federal and Ontario “changes in government policies, programs and taxes on Ontario households” by interviewing members of 40 households over three years (Caledon Institute of Social Policy “Speaking Out” project, n.d.). It will offer some important insights, but its small sample size needs to be complemented with other similar longitudinal studies and province-wide surveys.

In this context Canadian initiatives to measure and value unpaid work, especially domestic labour, are particularly important (Statistics Canada and Status of Women Canada, 1994; Frederick, 1995). By documenting the extent and significance of the household economy as it relates to the market economy, such efforts permit “the investigation of the cyclical relationships between market and household production” and the extent to which they vary in a counter-cyclical pattern (Ironmonger, 1995, p. 398). Such research will not only reveal the extent of the work of social reproduction done by unpaid labour in private family households, but will provide the databases necessary to permit investigations of the relative social costs of different divisions of social reproduction between individuals, family households, communities, the market, and governments.

## Notes

- 1 The literature in this area is far more extensive in the United States, Britain and Australia than in Canada. Where it is available, I have referred to Canadian material.
- 2 See for example, for the United Kingdom and the United States, Morris (1990), for Australia, Goodnow and Bowes (1994). For a review of recent Canadian literature see Maroney and Luxton (1997).
- 3 Definitions of family are currently contested as some try to restrict the term, and all its legal and social associations, to heterosexual nuclear families, while others try to expand it to include extended kin, same sex partners and others (Luxton, 1997a).
- 4 By family-based households, I mean that the people living in such households typically consider themselves family, but familial arrangements vary widely and a focus on households also excludes extra-household community ties, which are often very important in the daily work of social reproduction.
- 5 This is variously theorized, by neo-classical economists as the production of human capital and by Marxists as the production of labour power (Becker, 1981; Marx, 1954, p.164-65).
- 6 For a theoretical analysis of this dynamic, see Barrett and McIntosh, 1982; for an empirical Canadian case study where this argument is developed more fully, see Corman et al. (forthcoming).
- 7 For a good survey of changes in family and household forms, and in women's work, both paid and unpaid, see Prentice et al. (1996).
- 8 For a review of some of the sociological literature on families coping with employment and domestic labour conflicts in the United States, see Wiersma (1994); for Britain and Scandinavia, see Ungerson (1990). As this paper suggests, the Canadian literature is comparatively sparse – much more work needs to be done.
- 9 The dictionary definition confirms such usages: “to strike, to come to blows, to engage” “to be or prove oneself a match for” “to match a thing (with an equivalent)” (C. T. Onions (ed.), *The Shorter Oxford English Dictionary*, 3rd edition, vol. 1, p. 422).
- 10 For a range of overviews of such policies see Quebec Federation of Labour (1985), Paris (1989), Ontario Women's Directorate (1990), MacBride (1990), Duxbury et al. (1992), Lero et al. (1992), and 12th Annual Conference of Ministers Responsible for the Status of Women (1993).
- 11 The Minister of Community and Social Services in the 1996 Conservative government of Ontario explained his cuts to welfare by asserting that “individuals should look after themselves, with the help of families and the community” (Mittelstaedt, 1996).
- 12 A report researched and written for the Ontario Coalition for Better Child Care by Alice de Wolff, *Strategies for Working Families* (1994), reviews current Canadian government and employer policies and compares them to policies in other countries. It offers an excellent review of the policy issues relating to families and the labour market.
- 13 The literature on household divisions of labour is astonishingly vast. Since the early 1970s this topic has become a major industry, generating multi-disciplinary, international comparative, national survey, and local case studies. Nakhaie's (1995) article provides a useful list of references that includes many of the Canadian studies. To my knowledge,

there is no recent comprehensive review of this literature.

- 14 Despite widespread recognition that domestic labour is “work,” and that “family” is so ideologically loaded that it often obscures more than it clarifies, the terms “work” and “family” continue to be used. Both obliterate any sense of people’s responsibility or commitment to friends or community. In this paper, I distinguish between “paid employment” and “domestic labour” and use “family household” to refer to a cohabiting group who identify themselves as “family.”
- 15 Despite the many problems, the “race” question (#19) in the 1996 Canadian Census combined with the questions on unpaid work (#30), may begin to permit some initial studies of this sort. (For details on the Census questions see Statistics Canada, 1996.)
- 16 The degree to which a particular job permits workers to also attend to domestic labour is a serious consideration for many women when they are seeking employment and explains, in part, why many men are forced to maintain a strict separation between their paid employment and family responsibilities. For example, workers in mining and heavy manufac-

turing jobs typically cannot receive phone calls at work so cannot be the parent called by the school in an emergency. Office jobs are often more likely to permit workers to receive and make calls, allowing such parents to monitor children’s emergencies and after school activities.

- 17 In a case study from the Netherlands, Duindam indicates that men’s commitment to feminism influenced their willingness to be active parents, and to share household tasks (1995).
- 18 A group of women fishers presented their critique of the failure of TAGS to recognize their work in the family fishing business and hence its failure to offer them retraining for other jobs at the plenary session of the Annual Women’s Studies Meetings at the Learned Societies Meetings, St. John’s, Newfoundland, May 1997. A subsequent report of the Auditor-General in *The Globe and Mail* criticised the \$1.9 billion TAGS programme but did not discuss its impact on women (McCarthy, 1997; Anderssen, 1997).

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