



AGENDA FOR
**SHARED
PROSPERITY**

THE ECONOMIC POLICY INSTITUTE
initiative for solutions that match
the scale of the problems.

The Agenda for Shared Prosperity

Edited transcript for the “Getting Real About Families” forum

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Economic Policy Institute, 1333 H St., NW,
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Speakers, Presenters and Discussants:

U.S. Rep. Rosa DeLauro (D-CT), A senior Democrat on the Appropriations Committee who represents the 3rd district of Connecticut and is the sponsor of the Healthy Families Act, which requires employers to provide at least seven days of paid sick leave a year

Dr. Heidi Hartmann, President and Founder, Institute for Women's Policy Research; Research Professor, The George Washington University; MacArthur Fellowship awardee for work on women and economics

Dr. Janet Gornick, Professor of Political Science, Baruch College, City University of New York Director, Luxembourg Income Study

Harold Meyerson, Editor-at-large of the *American Prospect* and columnist for the *Washington Post*

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LAWRENCE MISHTEL: Welcome to today's public forum of EPI's Agenda for Shared Prosperity. Today's event is co-sponsored with our friends at the American Prospect, represented here by Harold Meyerson, who will moderate the panel of experts.

Today we have a keynote address by Congresswoman Rosa DeLauro, followed by two experts, Janet Gornick and Heidi Hartmann. And then after that, there's a showing for those who want to stay of "The Motherhood Manifesto," a documentary that aired on PBS and is very much worth your time seeing.

Let me say a few words about the Agenda for Shared Prosperity. This initiative, which EPI has undertaken with dozens of experts outside of EPI, in conjunction with many organizations, is a very timely effort. Not only is it really clear that the economy has failed Americans, but it's also clear that conservative policy is the reason.

The failure for us is most exemplified by the fact that we have a growth in productivity of about 15 percent over the last four or five years with no growth in the wages of either college-educated workers or high school-educated workers.

This disconnect between pay and productivity is the single problem that we think all economic policy agendas have to address. If you don't address that, you're not confronting the real problems of America. And timid approaches aren't going to work. A few middle-class tax credits here or there as some on the center-left might offer or even further loyalty to celebrated globalization along with a commitment to deficit reduction is not going to create growth or shared prosperity either.

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What we need are solutions at the scale of the problem. We talk about retirement security, but we should not be talking about the problems of Social Security financing. The problem we need to address is how do we have people get 70 percent of their pre-retirement income in retirement? Everything else should follow from that.

We need to provide affordable, accessible health care. We need macroeconomic budget policies that get us to full employment and keep us there. We need labor policy that actually allows people the right to organize and bargain collectively. We need policies that allow families to balance work and families, and not just provide a few little tax breaks here and there.

We need education and social policies that look at the child, not only when they're in school but also in their early education before school, as well as poverty, housing, health, and other problems that confront children. If we're going to reduce the inequities in our society through education, more than education should be addressed.

Today, we are dealing with the work and family issues. And I'm really pleased to have Congressman Rosa DeLauro here to address us this morning. She is among the dozen most influential and powerful members of the House of Representatives, a senior appropriator and a close advisor to the Speaker.

Even more important, she's a good friend of EPI's and a stalwart progressive on trade issues, the war in Iraq, the right to organize, on Social Security, and on all the matters

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that we all care about deeply. And with the “killer spinach” and tainted Chinese food imports, we can be glad that she chairs the agricultural appropriation subcommittee.

She controls the purse strings of the federal agencies that are supposed to protect us. But she's also known for her work on what is sometimes misnamed as “women's issues,” issues that are fundamental to a just and healthy society as well as to every American who cares about having another generation.

She's introduced a paycheck fairness act to get better pay for women. She's an ardent advocate for child care, for breast and cervical cancer research, and so on. Most relevantly, she's the author of the Healthy Families Act, which will provide minimum paid sick leave for the workers in this country. So without further ado, Rosa DeLauro.

REP. ROSA DeLAURO: Good morning. Thank you very, very much. I've been at the Center for American Progress, but haven't been up here with EPI before. So I am delighted to be here this morning. Larry, thank you so much for the wonderfully warm introduction.

Let me just say for more than two decades, EPI has offered a clear and a perceptive voice on behalf of America's middle and low-income families. And in a city crowded with think tanks, you in fact have achieved great reach and impact. And as a policymaker, I will tell you over and over again that we turn to your rigorous and honest research, thoughtful analysis, and powerful argument for the straight story on the economics of globalization, labor markets, trade and education.

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You're ahead of the curve always with the latest, sharpest, and the brightest take on the challenges that face our nation. And I want to say personally to you, Larry, there are few people in Washington who have done more to illuminate the American definition of work, to begin to change the understanding of the complex relationship between our workforce, education, achievement, prosperity, and to focus our attention on growing inequality in our nation. So I personally thank you for your guidance and for your leadership at the helm of this institution. I say thank you to EPI. We need to push bold ideas today. We have to push the edge of the envelope here.

And I think last fall's election showed that America was ready for a new direction and EPI's Agenda for Shared Prosperity, which provides a valuable road map in order to move forward. I want to also say a thank you to the American Prospect, which continues to guide the debate in Washington and around America in very sharp and invaluable ways. In this month's special report on ending poverty in America, you really dig deep into an issue that few writers are willing to address today. And the March report on working families showed in clear terms what's at stake for parents struggling to maintain the delicate balance. You inspire a debate in this country, and that's what continues here today.

I have to take a second to say hello and to say thank you to Heidi Hartmann who's such a good friend, and I thank you for your good research and your teaching. You talk about expanding that social contract and making opportunity real, real for people in this country. And Dr. Gornick, it's wonderful to be with you. I know you're going to look at how other nations have regulated work hours to help families and compare them to

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what's going on in the United States. And as someone who's fighting to make sure that we put the best policies in place, your studies are particularly important in that kind of research that helps those of us in policymaking positions to enact public policy.

Just two days ago, I took part as a co-chair of the National Summit on America's Children. Tuesday, I helped to lead a daylong gathering convened by Speaker Pelosi where dozens of members of Congress, hundreds of academics, and policymakers heard from national experts on the best way to utilize the scientific findings about early childhood development and how to use that data to shape public policy.

We see that the latest research in biology, neuroscience, and social science shows a child's earliest experiences have a long lasting impact on his or her development, achievement, and livelihood as a productive adult. We know that 80 percent of brain development occurs by age three, and that young children we reach early are more likely to stay in school, go to college and become successful, independent individuals.

The program moved from science and brain circuitry to a discussion about early learning that led to physical and mental health. One of the most exciting things to me was that there was a third panel about income support for families. And like my colleague David Obey would say, we're posing for holy pictures when we sit and we talk about kids and what their future is about. We had a first rate panel and discussion about income and family support programs. And these are not children's issues. They are family issues. And we should implement policies which operate that way. We now have a chasm between what we know is good for America's children and what we

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actually do as a country to make it happen.

And it was about a public perception and a perspective that puts America's working and middle-class families center stage. And that's the topic for me today. And on Tuesday, we talked about reaching the turning point with our Summit on America's children. We talked about Congress finally getting down to work and getting real, as you have so presciently titled the gathering here this morning. But those of you who have studied and fought on these issues for so many years, you know we have a long way to go and many, many challenges before us.

While it is a new Democratic majority that in fact made the summit possible, I believe it represents a great deal of progress towards putting the issues that we care about front and center. But we have no illusions. Frankly, it is a battle every day to turn the tide in favor, and on behalf, of families. We have a 15-seat margin in the House, and a one-seat margin in the Senate. A summit alone is not going to transform prospects for our families overnight. The fact is we've jumped the gun to make our case. We face an economic reality much different than when we last controlled Congress 12 years ago.

In recent years, the shape and role of America's working and middle-class families have changed. So have its economic prospects. In 1975, less than half of mothers of school-age children worked outside the home. Now it is nearly 70 percent. Today, one in four households is caring for an elderly relative. And that number is expected to rise.

According to the Work and Family Institute, in 1977, 34 percent of Americans said they

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felt work and family responsibilities conflicted a lot or some. In 2002, that number rose to 45 percent. These days, with the rising cost of living and the need to balance work and family, parents are stretched thin and struggling to make sure their children get the attention and the care that they deserve.

And yet, our federal policies have not made it any easier, especially over the last six years. Rising deficits reduce domestic investment across the board, a free-for-all approach to outsourcing and war spending that costs us \$8 billion every month.

We have seen more and more middle-class families struggling in a volatile economy that is growing only in fits and starts. For most families, they only see a down side. Wage growth has slowed significantly. Household debt rose to an unprecedented 132.4 percent of disposable income last December.

Personal savings continued to plummet. The negative 1 percent rate for the first quarter of 2007 marked the eighth quarter in a row with a negative personal savings rate. America's families cannot catch a break. It is a cliché I know, but it is true.

The promise of working hard and playing by the rules has been compromised. In the past, strong communities and stable employment in combination with strong labor and employer-based benefits meant that you would probably be all right, even at a time of a downturn. Strong growth would follow most downturns and its benefits would reach huge swaths of Americans, making it possible for more and more families to be able to join the middle class. That's not happening these days. Despite the fact that the

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economy grew 4.2 percent last year, very little of this growth is reaching many families.

Six million more Americans are without health insurance. Poverty is on the rise.

Weekly wages in March 2007 are a mere 2.1 percent greater than they were in March 2001. And it comes down to the basics: the soaring cost of health care and the still sky-high energy prices, where workers and families feel that pinch every single day.

These are the factors which continue to widen the gap between a wealthy few and those struggling just to get by. We have an unprecedented erosion of employer-provided health and pension benefits in recent years. In 1979, nearly 70 percent of those in the workforce had health insurance provided through their employer. Today, that share is less than 55 percent. And we see the trend across the board economically from high school graduates to college graduates. We are seeing the percentage of entry level jobs with health care drop by 7 percent in five years time.

As health care spending has soared, it has translated into skyrocketing costs for patients. Since 2000, insurance premiums have risen more than four times as fast as wages. At the same time, employees are bearing more of the cost. In 2003, one out of five Americans paid more than 10 percent of their income to health care.

That may sound like just one more statistic to all of you, but consider it in light of the fact that half of all personal bankruptcies are due in part to medical costs and crises. And for me, it illuminates a significant transformation in the way that our social safety net functions. Jacob Hacker, an economist at Yale, calls it the great risk shift. In other

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words, we have seen a slow dismantling of our social safety net, a shifting of greater and greater risk onto individuals. Our fortunes are increasingly tied to an ever more volatile economy. Incomes and benefits are rising and falling far more sharply and suddenly.

Yet, ordinary people are far less equipped to endure the roller coaster ride. When things do not go as planned, we are on our own with very limited protection and very little means to recover. We can do better. What the political change in November 2006 says is that we are no longer powerless.

I believe that our policies as a nation should reflect a belief in that common good of faith and mutual responsibility in shared prosperity. History has shown that we can drive profound social progress and tremendous economic growth by empowering communities and our families with the basic rights and the best tools that they need in order to thrive.

These enduring values have the power to change the way that we understand today's workplace, transform the relationship between employers and employees, and renew our commitment to corporate citizenship. Here is how, and here is why legislation like our healthy families act is so important.

Paid sick days are a basic right of people in the workplace. More than half of the workforce already has the right to take time off from work when they're sick or when they need to stay home to care for a sick child or an elderly relative. But the truth is

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that 94 million people in our workforce do not have that right. Something I think that most Americans would find shocking. I think most Americans believe that being a working parent should not have to mean choosing between your job and taking care of yourself and your family.

This is a matter of common sense. It is a matter of values. Yet, unlike 145 other nations, the United States does not guarantee a single paid sick day for workers, not one day. To be sure, we do have family and medical leave, which provides leave for serious illnesses. But that is unpaid and only covers about 60 percent of the workforce.

As a result, nearly half of private sector workers, including more than three-quarters of low income workers, have no paid leave of any kind, no paid sick days, no paid vacation and no paid personal days. Nothing. Ensuring that employees are productive and healthy will help businesses as well.

As many businesses already know, the *Journal of Managerial Issues* found that offering workers the option of taking time off to care for a sick family member has a positive effect on morale and on profits. We discussed this in-depth on Tuesday at the summit.

Jody Heymann with the Project on Global Working Families spoke about paid sick days playing an integral role and maintaining America's competitive edge in a global economy. All of the 20 most competitive countries, she says, with the exception of the United States, guarantee paid sick days, and 18 of them provide 31 or more days.

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What does it say when Lesotho and Papua New Guinea are implementing paid sick days to give their businesses and their entire nation a competitive edge? Yet, America still doesn't get it. It's staggering, really. I know that Speaker Pelosi gets it. She is engaged on the issue. I can tell you that. Except to go to a caucus where they were discussing Iraq, she sat the entire day at this summit to listen to what people have to say. And I'm hopeful because of the new majority. I believe we're going to get a hearing in a committee for the first time on the issue of paid sick days.

When we deny employees paid sick leave, we all pay a price. That's what working parents learn when they go to work sick. They infect an office, especially if they work in the field of health care or child care or handle food at restaurants or processing plants. Indeed, only 15 percent of workers in the food service industry have paid sick days, lower than any other major industry in our country and putting at-risk hundreds of thousands of patients.

The Healthy Families Act, which I introduced with Sen. Kennedy, would correct this injustice. It requires employers with 15 or more workers to provide seven days of paid sick leave annually for their own medical needs or to care for a family member. This is simply about putting a floor on what we can all agree is good corporate citizenship.

Working women and their families in particular would benefit from the bill. We know that the brunt of the responsibility for caring for children still falls upon women. That's the way it is. Half of all working mothers report that they must miss work when a child

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is sick. Half of them do not get paid. Add to that the fact that nearly a third of all working mothers fear their job evaluation will suffer as a result of their absence and you begin to understand what this legislation could mean to them. Peace of mind.

When it comes to strengthening our working and middle-class families, there is no simple answer. And while paid sick days will make an incredible difference, it is no silver bullet. We need to embrace a comprehensive pro-family agenda.

That means closing the wage gap between women and men. In today's world, economic reality and economic insecurity mandate two-earner families wherever that is possible. And in many families, inequity from the pay gap falls hardest upon children because so many working women are the primary breadwinners in their household. In fact, nearly two-thirds of working women provide half or more of their household's income and 41 percent are their family's sole source of income. So if you shortchange women of their due you shortchange an entire family, it undermines their dreams, their aspirations. It limits what their hopes for the future are all about.

And today, my friends, even education does not significantly close that wage gap. A typical college-educated woman working full-time earns \$9,500 a year less than a college-educated man, sending the message that no matter how hard you work and how advanced your degree is, you're not going to be compensated fairly.

No one should be forced to consider a trade-off between full wages, family life and a good job. Yet, that is what's happening. Men with children appear to get an earnings

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boost, while women get just the opposite. According to GAO [Government Accountability Office], men with children earn about 2 percent more than men without children, while women with children earn about 2.5 percent less than women without children. This is why I've introduced the Paycheck Fairness Act with Sen. Clinton to help address the problem and give teeth to the Equal Pay Act. The marketplace alone is not going to correct the injustice. We need to have a legislative solution.

You know, I introduced that bill in 1997, and the first time it had a hearing was in February in front of George Miller's committee on the Education and Workforce Committee. Because he is the chair of that committee, we were able to get a hearing. Elections have consequences and they make a difference here.

I'm sorry, it wasn't in February. It was on April 24th, which was Equal Pay Day. That's when we did it. So we need to erase that gap in the labor market. And we can help family gain resources to make sure that their kids have access to a better future.

The same values apply to the food on our families' kitchen tables. I am chair of the Agricultural Appropriations Subcommittee. I want to and I am going to take the lead in the upcoming farm bill to fix the current food stamp benefit by increasing the standard deduction to the pre-1996 level. It's shockingly inadequate, at about a dollar per person per meal. We changed that standard deduction under welfare reform. I say we. I didn't. I did not vote for the welfare reform bill back then. I just, you know, didn't think it set out to do what we needed to get done. In any case, we can change that. We can boost a typical family's monthly benefits by \$24 and seriously reduce the number of families

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who are dealing with poor health and nutrition.

We had a pediatrician from Boston, Dr. Debra Frank, who was unbelievable about laying out what happens with nutrition, learning, families, etc. It's just absolutely staggering. There is no limit to what we can do to improve the odds for family success.

As Democrats now with the majority, I believe that we have the responsibility to confront the unique challenges that income insecurity places on working and middle-class families. This is not just a question of trade or globalization, although that's critical. And we cannot talk about it in that way alone. To be sure, I think the economist Alan Blinder is accurate when he suggests that we've only seen the tip of the iceberg when it comes to offshoring. Digital bits of data that zip all over the globe have put more and more businesses up for grabs.

Jobs that were once stable and services that were once performed and provided locally are suddenly at the risk of leaving. And with a weak safety net stretched thin, individuals who bear the brunt have a difficult time bouncing back. And so when we look at this as Democrats, we should recognize not just a change in definition of trade, but also a clear sign that we need to strengthen working and middle-class families' income security.

And there is a lot that we can do. It's a matter of time before the minimum wage will pass, which will benefit millions of children and workers profoundly. We need to support new initiatives such as providing families the resources they need to care for

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their children. Instead of giving money and vouchers to parents to put their kids in a day care and get back to work, we have legislation – the Choices in Child Care Act – that would provide money for a parent to stay home and care for their children in the first two years.

Parents, not just upper-class parents, deserve to choose whether or not they rejoin the workforce or stay home to care for an infant child. Let's make sure the EITC [Earned Income Tax credit], Medicaid, and SCHIP [State Children's Health Insurance Program] reach everyone who is eligible and expand their reach further. We need to create a better environment with a bigger payoff for low-wage work.

In other words, we need constantly to be asking how to "make work pay". Gordon Berlin, again spoke on Tuesday. He gave us a wide range of research that showed income support for parents, efforts like the EITC, and the child tax credit effectively boost employment stability, increase earnings and income, reduce poverty, and even improve kids' school performance.

I believe we can move in that direction, most immediately by fixing the child tax credit which, under current law, fails to fully cover 20 million children and working families earning too little to get the full credit. Of those affected, seven million get no credit at all. And it's not unreasonable to expect our tax code to help hard working families to be able to realize that American Dream.

Other members are bringing new ideas to the table as well, with interesting initiatives

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like wage insurance, and re-examining the way we compensate part-time and contract workers. You're probably familiar with Congresswoman Woolsey's omnibus bill, which makes major investments in child care and provides incentives to companies to offer their employees more flexible schedules.

And I'm here to tell you that there is real movement in this Congress to confront income security, to help families deal with more economic pressures. We understand that it is critical to help families succeed and to stay competitive as a nation. And regardless of any particular piece of legislation or policy – whether it is child care, paid sick days, pay equity – I believe that our decisions and our actions must reflect a broader world view that begins with equal opportunity, giving people who strive to better themselves the tools that they need to succeed and honoring the work and the responsibility that really are the basis of our shared community.

And in the end, it is about coming together as a national community and facing the great challenges that are ahead of us: challenges that I believe the federal government has the ability, the capacity, the resources and, quite frankly, the moral obligation to help us meet. Thank you very much for listening to me.

QUESTION AND ANSWER

QUESTION: Rosa, how are you going to get all this through, especially given the expected opposition from the right wing?

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DELAURO: You know there's a great deal of help. But what is critical to the process is the external pressure on the institution to get things done. And that should never be underestimated. And quite frankly, I said this is no silver bullet. We can't do it. We just need to build on that majority. We need to change course come 2008, and then we can talk about new directions in the future.

We need, as I said, to build on majorities both in the House and the Senate so we can get as close as we can or just pass things with small majorities. But I will tell you, when we did six (bills) for '06 at the outset of the Congress, some of these pieces passed with bipartisan support. I know that there are good people on the other side of the aisle who care about these issues, and who have constituents facing these problems. I think it's part of our responsibility to collect these folks and to try to make this happen.

Q: I just wanted to ask about the minimum wage bill and why is it taking so long for a Democratic Congress to put a similar bill out. There are states almost every week raising the wage.

DELAURO: I understand. And don't think that I don't get frustrated about that as well. The problem lies in the Senate of being able to get it through, and I'm not going to mention all kinds of names. You know, to get a \$2 raise in the minimum wage, we're dealing with millions and millions in tax breaks for once again the wealthiest 1 percent. And it's been stopped there. The difficulty is to have it come up as either a clean bill or the way it was recently dealt with, in terms of a modest package of tax breaks. There's a

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bicameral Congress. It's not one body. And there is a president who has a veto.

Q: I write for the *National Council for Advanced Manufacturing Weekly*. And one of the ways to afford all the retirement and health benefits is to keep the high-paying manufacturing jobs in the U.S. And the trend has been going down through many Democratic and Republican administrations. Do you have any ideas on that?

DELAURO: Well, I've had to deal with my own state of Connecticut in that regard. Connecticut is a manufacturing state, and we've lost a ton of manufacturing jobs. We're trying to deal with some of the issues like health care and education that are critically important.

But we have made it in this country very easy to go offshore. I think we need to take a hard look at that tax code and close the loopholes that deal with that. It's about those who do go abroad and who do it for tax purposes primarily. I've been a champion of cutting off their ability to come back and get federal contracts to the tune of \$10, \$20 billion dollars. It's legal for them to do that, and we're losing all that tax revenue. So that is money that could be used for some of the things that we are talking about.

But I laid out maybe eight or nine proposals to try to take a look at how we deal with our trade with China, currency, and economic issues such as extending programs like the Manufacturing Extension Program, which is a very big help to businesses. Again, I mentioned to you the education piece and the health care piece which we really do have to solve. I think we need to work with business about the high cost of health care.

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Q: Getting back to the welfare reform, 40 percent of welfare mothers are mothers who had a disabled individual. And the information that we have is only 20 percent made SSI [Supplemental Security Income]. And the rest, if they indeed get jobs, had jobs and wages that were sub-poverty. My question is there anything that can be done for this vulnerable population? Because when they're working sub-poverty, that means they aren't even eligible for the child tax cuts. So they just get left out completely.

DELAURO: Is there something that can be done? I believe there is. People have to take a look at what are the priorities that we care about. It hasn't been a priority in the past, particularly if you take a look at Social Security, which deals with the disabled population as well. There's got to be a change in the thinking.

I believe we are in an environment in which there is a change in the thinking. It isn't going to happen all of a sudden. It isn't going to happen as rapidly as people would like it. But again, those kinds of vulnerable populations need to be considered. And I think we are in a much better environment with which to deal with the issue that you've talked about. Thank you for your great work on healthy families.

Q: I was going to thank you for all of your tremendous leadership for so many years. But what I wanted to ask you is what do you think are the chances that we'll be able to have a vote in committee on both the Paycheck Fairness and Healthy Family acts this year?

DELAURO: Well, we had this hearing on paycheck fairness. And I have talked to Chairman Miller. And he's interested in moving this forward. I think we have a good opportunity to do it.

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You know on the healthy families bill, the business community has come out of the woodwork.

But there again, I believe we do have an opportunity to do it. And we have a committee where the majority, I believe, has these things in mind. I'm not Pollyanna. I said at the outset it's a battle everyday. But I believe we have the opportunity to make it happen.

But I also think and we're trying to engage some of the businesses who are going to stand with us on this issue. And we're going to do that this Saturday. The state of Connecticut is moving to do something about this area. So I'm doing a press conference on Saturday afternoon, potentially with the Speaker of the House in Connecticut and others to draw attention to the issue.

I don't believe people know what the circumstances are. So you must get that word out. The organizations and the groups need to get engaged in this. And you need to put pressure on the institution. And so people have to feel as if there's something that is at risk if they're not responding to a critical need.

Q: Here, you've mentioned the child tax credit as one of the ways of increasing family income. You should know that more than 900 organizations from around the country signed a letter that every member of Congress is going to get today supporting increasing the child tax credit and Earned Income Tax Credit for childless workers.

In addition, child support enforcement is an issue where we're about to see a cut unless

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something is done that will deprive children of billions of dollars that they're owed. Both of those issues are examples of both work incentives and, of course, anti-poverty measures. Do you think there's a possibility for bipartisan, bicameral support for making some progress on these issues?

DELAURO:

I think there is, honestly. I would just say to you we're going to get the materials out to every member of the Congress. Pay particular attention to the Ways and Means Committee please. Mr. Rangel is wonderful on EITC and child tax credit.

But they're going to be focused in on this at the moment. And my view is we need to reach as far as we can in terms of picking up seven million children. We can get them covered for the child tax credit. The enforcement piece is a good one. We'll take a good look at that as well. Increased opportunities to collect child support were supposed to be part of welfare reform. And then that got cut as well. But I do think there are opportunities.

Could I just say that food stamps, friends, is a big issue. Nutrition is so critically important, so we are going to try to raise the standard deduction and put an inflation adjuster in that piece, as well as to look at the asset limits to see if we can do some work in that area as well. So make your voices heard on the nutrition piece as well.

Q:

Granted, that there's a lot of political will on issues here that have to be resolved. But what would you suggest is really the research agenda in the healthy families area in particular? Are there some real gaps in our knowledge that the research community

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should be focusing on at this stage?

DELAURO:

There's lots of good work that is being done. I think that in rural America – and it's not about a farm economy – we've got a lot of single head of households. The demographics of rural America today need to be front and center but they're not. It seems hidden away in my view. I'm trying to get information on kids and what is happening because I was trying to look at that in terms of a child tax credit piece as well. But I think it is an area that, at least from my perspective, we don't have a lot of good data and information about.

And with the changing nature of those demographics, we're looking at minorities and single-headed households. They are not in farming jobs. And there's not employment for folks. And I will tell you in the agriculture bill, which I hope we can try to reverse, we're looking at policies and rural development going in the opposite direction.

We were going to try to provide direct loans for housing and I'm working with Barney Frank, as they're going to go to guaranteed loans. They're also going to raise the fees. And these are people who have limited funds. They can't afford to be able to get a loan in order to deal with housing, whether it's multi-family or other kinds of housing. So that's an area that quickly comes to my mind.

Q:

Good morning, Congresswoman. I know there are a lot of pressing leave policy issues to be faced. But we are advocating more opportunities for parents to have leave from work to participate in school activities. Parental involvement is key to student

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achievement. And I know that it may be down the list. But we'd urge support.

DELAURO: No, it's not down the list. Congresswoman Woolsey's bill addresses this issue right up front. I didn't mention everything because there are a lot of initiatives that are out there which we want to try to move on.

MISHEL: Well, thank you very much.

DELAURO: Thank you all very, very much. Appreciate it.

HAROLD MEYERSON: Well, I was already always impressed with Rosa DeLauro. Her ability to give not only such an informative, but also such a rousing, peppy speech at 8:00 a.m., to someone who essentially went into writing because I thought I could sleep in, is just one more of many things to be impressed about.

This is a really interesting and hopeful moment of which we haven't had many, except since last November in Washington. I hope we're moving from preaching family values to practicing valuing families, which is one of the many things that the Economic Policy Institute has long been about. And I hope you think that the American Prospect has also long been about as well.

Well, as Larry said, we are now going to turn to the experts. Although, frankly I think we also just had a pretty amazing expert talk to us. I am not one, and you become even less of one when you become a columnist. I'm reminded of the line from Daniel Bell.

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When asked what he specialized in, he said “I specialize in generalities.” That's sort of what I do. But our two speakers this morning specialize both in unearthing very important information and bringing their own brilliant analytical powers to that information and also with zeal and a burning desire to achieve justice, fairness and equity in the way we structure our economic and social lives.

Both our panelists are distinguished authors in this field. Both have written for the American Prospect. Who could ask for anything more? Heidi Hartmann is the President and Founder of the Institute for Women's Policy Research, a research professor at George Washington University and a MacArthur Fellowship Awardee.

Janet is a professor of political science at Baruch College in the graduate center of the City University of New York. She's also director of something called the Luxembourg Income Study, which I don't know a lot about, but which I take to mean tries to investigate how in all those years she was underground, Rosa Luxembourg supported herself. {Laughter} There are few rooms in Washington in 2007 where a Rosa Luxembourg joke will fly at all. So I appreciate that.

Janet, in a recent special report of the American Prospect authored a piece on some work/family balance and some family policy issues in European nations. And she will focus today on sort of the international comparative dimensions.

Heidi Hartmann will focus on expanding the social contract in the United States to include these critical family care issues we all care so much about. So let's begin with Heidi Hartmann.

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HEIDI HARTMANN: Well, it's a pleasure to be here this morning and to almost share the platform with Representative Rosa DeLauro. I am reminded that I spent some of my formative years in her district in New Haven, Connecticut. Those would be the years that I was in graduate school studying economics at Yale.

As I read in my *Washington Post* very carefully this morning, which I suspect some of you weren't able to do because of the early start date, you learned that Rosa DeLauro spent some time as a go-go dancer. This is what she told the graduating college class in Connecticut recently. And I can see that: the energy and the attractiveness. And she probably was also protesting with us in various places around New Haven as well, such as trying to integrate Mory's, the undergraduate eating club, which was for men only. And even when Yale got female undergraduates, the male members didn't want to let them into the club. Recently, I had the opportunity to eat at Mory's. And it was kind of fun.

So we did a lot of crazy things in those days from go-go dancing to having our noisemakers outside Mory's Club and demonstrating for child care. One of my early memories of women's liberation was one of my first demonstrations as a member of New Haven Women's Liberation demanding that Yale University provide more child care. So one of the things I've never understood is this idea that the women's movement has never been about family care. I've always thought that it was. It's also a pleasure this morning to be here with my distinguished colleagues, Janet Gornick, Larry Mishel, Ross Eisenbrey and others that have worked on these papers.

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I want to first add just a small bit about the argument for family policy that Representative DeLauro has made so eloquently. I think many of us who work as professionals have a great deal of flexibility on the job. We can often come in late, go home early, work at home.

We often have enough vacation days and sick days stored up to get us through family emergencies or even through all those routine family needs like taking kids to the doctor or being ill yourself. Right now I'm helping my mother relocate to Washington. That's taking a lot of my time. And I can take that time off.

We also have dependent care expenses. We enjoy tax breaks in the federal income tax system, which actually helps supplement our income for the amount of money that we spent on child care. But the all too harsh reality for many Americans is that most families don't have any of those advantages.

You heard Rosa DeLauro say that half of American workers do not have a single day of paid sick leave. This is pretty unimaginable in a wealthy country like ours. We are virtually the only wealthy country that also does not have paid maternity leave. We also, as you'll hear from Janet Gornick, have the longest work hours of any wealthy country.

So the need here is absolutely amazing. We have virtually no subsidized child care, as fewer than 20 percent of income-eligible families are getting any subsidized child care.

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So the need is absolutely enormous. And when you look at who our families are, the most typical family with children is a family in which both parents are working. About half of such families have both parents already working. About a quarter of families are headed by working mothers alone without husbands. And only another quarter of families have the so-called traditional family type, with the father in the labor market and the mother at home.

So that means from the point of view of the child, the child is just as likely to be living in a family with a working mother as to be living in a family with a working father. So this is the norm for children today: the parents they live with are in the labor market. And this means that we have a long way to go in making it possible for those families to combine work with family care.

Basically, all the adults that are available are already working. So the old system of taking care of this – keeping a parent at home with a sick child, or sending an extra adult to go to work in the labor market when the primary earner loses a job due to illness or a layoff – is not an ability we have anymore. Everybody is already working. And this is a really huge change in how we raise our families. From an historical point of view, this is like a time period of a blink of an eye. In just a few decades, we completely changed the way that we raise our children.

And as a result, the policies and the institutions that we have simply failed to adjust to this new reality. Our schools and our workplaces are very much based on a different way of raising our children, not today's way of raising our children.

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So compared with other countries, we have an enormous amount to do. In fact, I think for all of us, it just looks like such a huge laundry list it's hard to know where to start. And people's eyes glaze over. So in a small attempt to keep your eyes from glazing over, in this paper, we try to provide a framework and separate the kinds of policies we need into three main types, and talk about each of those types separately.

The first thing that we'd have to do is to change the way that employers do business. We have to change their behavior. That's a very, very important aspect of this. There are some things that only the employer can do. No one else can do it. Only the employer tends to tell you when to come to work and when to go home, let's you keep your job if you have to be absent for six weeks for a family need, allows you to work part-time instead of full-time, allows you to work a flexible schedule, gives you holidays off, and gives you vacations off. So we have to influence employer behavior.

Well, a very traditional way of doing that is through laws. We make them pay minimum wage. We make them collect and pay Social Security. We make employers do a lot of things. And, of course, they are organizing always. In fact, I think they're in a permanent state of organization against anything new they're going to be asked to do.

But I think this is an area where public opinion truly can influence employer behavior. As Rosa DeLauro said, most people don't know that 85 percent of workers in food services don't have a single paid sick day. Did you know waiters don't have paid sick days? Once you know that fact, you might really want to work on getting them some

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paid sick days. So I think you can truly influence employer behavior here. It's a very, very important aspect of what we have to do.

The second thing that we have to do – and this is something that employers don't have to do but we as a society could do it – is to replace the lost wages when workers have to be absent from work in order to provide family care. Again, we're virtually the only advanced country that does not have a paid maternity leave federal law. And many workers do not have any paid parental leave, especially men, but a good many women too. I think it's about 40 percent of women have virtually no paid time off when they have a child. So replacing lost wages is a very important part.

And the third type of policy is to subsidize the cost of care. Child care is particularly expensive. Elder care, long-term elder care, is also particularly expensive. These are beyond the means of a typical family. And the rest of society has to come in and help subsidize those costs of care.

So these are the three areas that I'm going to be addressing this morning. Basically, in the United States, I think we've had the idea that families can fend for themselves. And we don't need to help them out. We have a free market. Just let people go to the marketplace and get what they want.

And actually, this is an idea that has a long pedigree. One of my favorite notorious quotes from Karl Marx is when he says the reproduction of the working class can safely be left to itself, reflecting perhaps a traditional patriarchal view. There were people

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working on reproducing the working class. But they weren't the men of the day. They were more often the women.

So it isn't something that can be left to itself. It is something that we as a society need to take care of. Again, many high-income families do manage it in the free marketplace. But low and moderate income families simply aren't able to.

Our policymaking in the U.S. does tend to view families as private entities that should just take care of themselves and their own well-being in the marketplace. And it's as if society has no interest in seeing that children are born and well raised or that ill family members and those needing care are taken care of or even that strong human relationships are formed between generations. But, of course, our society is intimately concerned about all these things. It's incredibly important that we reproduce ourselves, that human relationships are formed and sustained.

Because it is within families that we learn how to do these things, it's very important for society to sustain families. One thing I guess we could say about this, given the political context of the last eight years or six years in particular, is that we don't want to violate the privacy and intimate space that individuals and family members have.

But we do want to bring government policy to support families, so that we have real family policy instead of the type of intrusive anti-family policy that we have really been promoting. What we need is flexibility, income support, and subsidized quality of care: again, the three areas that I'm going to work on.

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Virtually all the other advanced countries have figured out how to do this better than we have. And it's really time for the United States to catch up with our competitors to help children get a good start in life and to allow adults to combine work and family care so that they can have more job security and increase their productivity on the job.

Before turning to the specific family policies that we need here, I do want to stress two other policy areas that aren't always acknowledged in discussions of work and family. One that Rosa DeLauro has already mentioned is the importance of equal employment opportunity policy.

We really need to ensure equal pay for women and for people of color, not just the Paycheck Fairness Act – which talks about equal pay for doing the same jobs – but also moving onto comparable pay for comparable worth because so many women and minorities work in different jobs from white men. And we need to get the wages of those jobs comparable with one another.

And with one of our studies that we did with the AFL-CIO, we found that among families with working women, family poverty would fall by half if we could give equal pay to the women. There's very little you can do out there to get family poverty to fall by half. So if we could get equal pay for women, and I might also say equal pay for minority men, we could really wipe out a lot of family poverty in the United States. So this is an area that's incredibly important. It's not enough just to have sort of social and economic justice policies like raising the minimum wage and raising the living wage.

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But we really need family policies and equal employment opportunity to really address poverty. And that's the second area I want to talk about that isn't often discussed in terms of work and family and that's the poverty problem. A lot of our research by IWPR shows that it's actually family events that throw people into poverty: the birth of a child, the birth of another child, getting sick, losing your job because you're sick, having to quit your job because your older mother now needs daily help and you can't afford to hire that help.

And so you go on welfare and are supported that way. And, of course, living on welfare is a guarantee of living in poverty in this country. So we have a lot of anti-poverty policies that are great, but they're very limited. With the EITC, for example, the more that you work up to a point, the more subsidy you get. Well, if you're a single mother working full-time at a minimum wage and you lose pay because of your own illness or a child's illness, your EITC benefit would go down. You haven't earned enough to get the maximum EITC benefit. So without dealing with family problems and illness, you can't solve the poverty problem with EITC alone.

Unemployment insurance, for example, is great if you lose your job for ordinary reasons. Well, what if you lose your job because your child care falls apart? Or because you're harassed on the job or for any number of other family type situations that women have. Suppose you lost your job because you followed your husband to his job? In many, many states, in most of those cases, you are not eligible for unemployment insurance.

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Unemployment insurance is an important safety net for families. But it doesn't deal with the family problems. So without dealing with the family problems, you can't solve the poverty problem. Even with EITC, a mother with two children might get as much as \$4,000 a year from EITC. Well, if both her children are in child care, she's looking at something like, for good quality child care, \$16,000 a year. Most of those poor women aren't getting the vouchers or any subsidy for child care.

So what kind of child care are her children getting? Not very good child care for the most part. So again, we can't solve the poverty problem without solving these family issues. What I like about the family and work policy is that it is for everyone. We are mostly focused in the U.S. And I'll talk about developing the U.S. model in a gender-neutral universal way, which I think is an ideal way.

But it is a type of policy which, while it can appeal to everyone, can strongly appeal to the middle class and will actually help poor people more. It's just like Social Security, which appeals to everyone and actually helps poor people more. And that is also the case with these working family policies. So I think they're extremely important and also, I think, extremely popular and something that many, many people will support. And we will be able, with the changing political context, to make progress in this area.

One other concept I wanted to mention is market failure. But one of the reasons to get the public sector involved to use public funds to deal with work/family problems is that, indeed, care giving is a public good. It isn't something that the marketplace handles

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well. When goods are public goods, people don't buy enough of them and spend enough on them on their own.

My ability to raise my children well (at least I hope I have) is something that benefits all of society. So everything we do as individuals in terms of family care does benefit all of society. And therefore, the marketplace won't set the right prices, won't send the right signals and we really need the public sector, usually working through the tax system or through regulations, to set the market right. So child care or family care is a very good example of market failure in a place where we really do need to involve the government to get the right amount of quality child or family care.

I guess I also want to add that there's another issue just besides market value or the idea that family care or care giving is a public good. And that is simply that it's also part of what we want to value as a society. We express our values through our votes, through our laws, through our regulations. And I think we do want to value care giving and taking care of each other. In fact, I'd go so far as to say the economy should be about people. It should be about taking care of people's needs. And the government is one way we make the economy do more than it might do left purely to its own devices.

The first type of program I want to talk about is one that involves influencing employer behavior because there's certain things that only employers can do. The second set again is about income replacement. And the third set again is about subsidizing the cost of family care.

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I want to mention two existing policies that we have that do influence public behavior and employer behavior. I think a lot of people don't know about one. One is the Pregnancy Discrimination Act that was passed in 1978. And for those of you who are here that are as old as I am, you will remember that the most common maternity leave in America was for a woman to quit her job and not be reoffered her job after having a baby. A very common thing was the baby shower at work which was also a goodbye party, and basically you never saw that person again.

And then in 1978, the Congress passed the Pregnancy Discrimination Act which said that employers couldn't treat pregnancy differently from the way they treated other illnesses. Now, many women don't like to think that pregnancy and childbirth is an illness. But myself having had three of these little beings, I can tell you that I was laid up for a number of days at least on each occasion. And I wouldn't have enjoyed zipping right back to work right away.

So it is a disability. That is the way we treat it legally. And through the Pregnancy Discrimination Act, we forced employers to treat pregnancy and childbirth the same way that they treated other illnesses. So if a guy had a heart attack, they had to give him his job back. They had to do the same for a woman who had a child. And that was huge. If you look at the data, it was from that time on that women started returning to work after having children. So laws are extremely important as Rosa DeLauro said.

The second law that we already have is the Family Medical Leave Act. And this often gets short shrift in our discussions. Because we say, well, it's unpaid and it doesn't help

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poor people. Again, it actually helps poor people the most. Who most needs to go back to their job after an illness or having a child? It's a low-wage worker who really needs a job to go back to. So that idea that you get job security through the FMLA for family needs is a very important idea.

It's also incidentally helped men more than women around childbirth. Because most employers were used to giving women time off for childbirth because of the PDA law, they weren't used necessarily to giving parental leave. But FMLA includes parental leave. And the FMLA really sort of sets forth our U.S. view of how to do this. And it is different from the way other countries do it, because if you look at the reasons for absence that are covered in FMLA, it's your own illness.

That's very important since so few workers in America have paid sick days. Now at least they have up to 12 weeks of unpaid sick days if they need them and if they work for an employer that's large enough to be covered by the act - and if they work there for a year and at least 60 percent time. All these restrictions together mean that fewer than half of American workers are in fact covered by the FMLA.

So one of the things we have to do is obviously to expand the coverage of that law. But it covers your own illness. That's very important. Guess what? Men get ill as often as women. So this is not a women's law. This is a gender neutral law. It includes parental care, not just the period of disability that the woman goes through if she gives birth, but the period of parental care for a newborn or newly adopted children that can be used by either parent.

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These are individual rights in this law given to individuals, the male worker and the female worker, and not to the family as a whole. This also is different from the way it's done in other countries. And it also includes care of your spouse. So if your spouse has a serious illness, you can take unpaid time off for that. And it includes care of older parents. So if your parents need help, you can take time off from work for that reason. And so one of the things we did in the FMLA, which I think is very important, is that we bundled all these things together – elder care, child care, your own illness, and care of your spouse.

And that made the coalition that was interested in getting this law passed very, very broad. Considering how important that law is and how many people support it, it's always amusing to watch Republicans take credit for the law. In February, which is perhaps what Rosa was thinking of when she said February, there was a hearing in the Senate health committee on the Paid Sick Leave Bill and the Healthy Families Act, which, of course, Rosa's a co-sponsor of and she spoke at length about.

But no one there challenged the FMLA. In fact, they all took credit for the FMLA. And just to remind you, this was a bill that was vetoed twice by George Bush, the father. And then it became Bill Clinton's first major legislation that was signed in the White House in February 1993, because it was passed right away in the new Congress. When someone asked about the political prospects for Healthy Families Act, I'd like to see us do that with the Healthy Families Act. Let's get it passed a couple of times in the next almost-two years and make George Bush, Jr. veto it and have it be the first bill that

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the new president signs in the White House. I think it could happen. That's a similarly universal and important bill.

So the FMLA, while it often gets short shrift for being unpaid, is incredibly important because it gives these basic rights to workers. So I think the first thing we need to do is expand it. We should cover small employers. I think if we use the Interstate Commerce standard, I think that would be a good one. That would cover about 90 percent to 95 percent of the workforce. We could also include what's called sometimes small necessities – the idea that you can take time off for an hour or two to go to an important meeting at school, for example. That's not really covered by the existing FMLA now.

So there are a couple of things we need to do to really expand that. That would be a fight. It took us almost 10 years just to get the unpaid Family Medical Leave Act, so any expansions requiring paid sick days will be another fight. I put that under changing employer behavior, because what we're talking about in that Healthy Families Act is up to seven days a year. That's a small enough number of days that I think employers could be asked to pay for that. And since Rosa spoke about that, I won't say much about it.

But just to let you know, Vicky Lovell's research shows that employers would actually save \$2.8 billion a year if they provided paid sick days because it would reduce turnover and the cost of hiring and increase productivity on the job. So that's an important thing. Another way we need to change employer behavior is to get them to

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allow more flexibility on the job and reduce work hours.

But I want to mention one advance in this area that other countries again have adopted first, referred to as a soft touch law that exists in England, Australia, and even Germany, not one of your less patriarchal countries and which is my country of origin. And this law simply allows workers to ask for an accommodation. It doesn't require the employer to provide it. In some cases, it requires the employer to listen. And in the case of one state in Australia, it actually requires them to do something unless they can show that it would harm their business.

And the result of these soft touch laws is amazing. It's made huge differences in these countries because it seems to have empowered even other workers who aren't covered by it. In some countries, any worker can ask for it. In the Netherlands and other countries, it's just those that do family care. In other countries, it's just parents.

But it seems to empower everyone to say “Hey, you know, this workplace could be more accommodating.” So it is making a difference. Now, of course, most of those other countries have stronger union representation. And union representation is something that's very important in getting these rights for workers implemented and something which needs to be increased in this country as well. But that is one important thing we could do in terms of changing employer behavior.

Another area I want to mention that others might not is the need to reduce discrimination against working parents. At the WorkLife Center at Hastings Law

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School at the University of California, Professor Joan Williams and her colleagues have spent a lot of time looking at these cases of discrimination against workers because they have family care obligations.

And she argues that this type of discrimination has increased dramatically, which isn't surprising since more and more parents are in the workforce. But they're being successful in the courts and people are winning an average judgment of \$100,000 if they can successfully prove that they were discriminated against for this reason.

Now, interestingly, none of our laws exactly covers this. But people are using FMLA and PDA and ADA and putting all different laws together to try to make this case. And so one thing we might do is to actually have a law that does protect the rights of those who give care to be treated the same as all other workers in the workplace and not to be discriminated against because they have those care giving needs.

I want to turn now to the second area. We have a lot of social insurance programs in America. The most famous one that we all know is Social Security. That's something we all pay into as we work. Then when people retire or become disabled, they get to collect the benefits. So what's unique about social insurance is that it's a way of pooling risks. Everybody pays in. The people who experience that risk get the money. With retirement, it's a risk we all hope we're going to have. We all hope we get to that magical stage of retirement.

And unemployment insurance is a type of social program where we all pay in also. In

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this case, the premiums happen to be paid by employers. And not everyone is going to become employed. So that's a risk most of us hope we won't experience.

But the one I want to talk about is temporary disability insurance. This is still fairly unknown. Even though we've been talking about it and many other work/family advocates have been talking about it for more than 10 years.

It exists in only five states: New York, New Jersey, Rhode Island, Hawaii, and California. And in these states, the state governments have mandated that employers must participate in a temporary disability insurance program. Usually, the state runs it. In Hawaii, it's only private companies. But the employers are required to go out and purchase it for all of their workers.

So in most states, people have paid sick leave. If they have a non-work related illness that requires them to be absent from work for any length of time, they go off their employer's payroll and they go onto the state payroll of temporary disability insurance. Obviously, high-income workers in those states don't use that system because they're getting fully paid sick days from their employers. And so many workers in the states don't actually have to use those state systems, but they are there. So they're another kind of social insurance program, which tends to help low-wage workers more than high wage workers. But they are there for everyone.

Just to give you one personal story about that, my mother lives in New Jersey. And she had an illness. And so she knew about temporary disability insurance. And many years

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later when she was well retired, she was at her church one Sunday and she saw a friend of hers. And the friend looked very unhappy.

She asked her what was going on. She said she had cancer. And because of chemotherapy treatments – this was a woman in her sixties, still working – she said, “I had to leave my job. I'm not making any money, and I'm about to lose my house.” And my mother said, “Why aren't you getting temporary disability insurance?” And she said, “What?” Well, it turns out this woman worked for an accounting firm in New Jersey. And that accounting firm had to know about the temporary disability insurance. But nobody had bothered to tell her that she could collect temporary disability insurance benefits.

Why not? Well, New Jersey happens to be my home state and the only state that makes temporary disability insurance experience rated. So the more workers use it, the higher rate you're going to pay just like unemployment insurance. If you have a lot of layoffs, you pay a higher rate. Well, most states don't think that makes sense with temporary disability. But for some reason, New Jersey does it this way. So this accounting firm never bothered to tell their worker that she could get temporary disability insurance.

Well, the good news is she got the money. She didn't lose her house. But it's an incredibly important thing, especially for lower wage people. California has it and they just recently expanded it to include six weeks of family care. So now in California, you can leave your job for a family care reason and get family care insurance. And that's the first state to do that. Washington state has done something similar, but it's only for

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parents. It's not through a TDI system. And it's going to be a flat payment of \$250 a week for up to five weeks. But that's two states so far.

What I would like to advocate is a federal temporary disability insurance program to give the states incentives to setup their own programs. But if they don't want to do it, they would have the option of joining the federal program. So this would be a way that we could in fact provide disability payments to pregnant women, to men who get sick, to women who get sick with other things. And we could add family care to it. If we added family care for 12 weeks, that would be about \$100 a week per worker. Since the California system of family care is for six weeks and costs \$46 per worker, I figure it's probably about \$100 per worker if we did the whole plan of 12 weeks. So I think this would be a tremendous advance.

The last area I want to talk about is subsidizing the cost of care for children and elders. I've already mentioned that only 20 percent of eligible children are getting any kind of federal and state subsidy for their child care costs.

But Drs. Barbara Bergman and Susan Helburn have estimated that for another \$26 billion compared to what we're already paying, which is about almost \$20 billion now in various ways that federal and state governments are paying for child care, we could actually provide the subsidized child care to everyone who is eligible for it.

And in their program, it includes infancy, children up to age 12, and wrap around care, before and after school. As you probably know, one thing we're moving towards now

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is making pre-kindergarten available for three and four year olds. Many states are doing that on their own initiative. There has been a bit of a battle within the child care community. Do we want universal pre-K, which will go to middle class people? Or do we want all the dollars to be spent on child care for low-income people? I think we just have to say both, you know. Let the states provide pre-K if they want. And let's make sure we use public money also to wrap around child care, and around that new pre-K.

I just want to mention the need for subsidizing elder care. We do have Medicare. And we have Medicaid. But nothing is actually providing long-term care for the elderly. In order to get Medicaid to cover that, you have to first impoverish yourself, which many middle-class families do. But we really ought to have something that provides long-term care that doesn't require impoverishing yourself first.

And some other countries have done this. Japan, which has an even more disproportionately older population than we do, has just recently enacted a guarantee that they will provide care to all their elders. So it can be done. Obviously, in this country, we first have to reform health care in order to be able to make that work in any kind of affordable way.

Nevertheless, I mentioned it. Because as our society ages, I think elder care is going to be really dominating the family care debate in this country. So in conclusion, I would just say that what we need is everything. We need that long laundry list.

But I want you to think about it in three very specific ways: changing employer

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behavior, social insurance to provide income for those who have to leave work to do family care, and subsidizing the care itself. And I would like us to continue to do this in the U.S. model, making it take care of almost all the needs that people have, and be equally available to women and men. I think it's something the U.S. has contributed to this international debate as far behind as we are, that's one little plus on our side. And I think we should move forward in that way. So thank you, very much.

JANET GORNICK: I just want to say quickly also what an honor and a pleasure it is to be here. I'm very appreciative for this invitation from EPI, which has done so much wonderful work, the American Prospect, which has brought so many of these issues into accessibility and has kindly published my words on many occasions, and so many familiar faces in the room here of people who've done tremendous work to bring economic security and dignity to working families. I want to thank also Rosa DeLauro and Heidi Hartmann who actually make me feel hopeful. And I am happy to say that we were just invited to write an entry in the International Encyclopedia of the Social Sciences for the first time on the Luxembourg Income Study.

What I'm going to do today is to talk about the highlights of research that I've been working on for about 15 years. I've been working on a number of related projects, the subject of which is work/family reconciliation policy, the term that I've come to appreciate looking at the United States compared to other rich countries of the world.

I did write a book in 2003 called "Families That Work: Policies for Reconciling Parenthood and Employment" by the Russell Sage Foundation. And much of what I'm

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talking about today draws on that. Alexandra Heron and I have done a lot of work on work time regulations and we were delighted to be joined by Ross Eisenbrey who also helped us to prepare this brief and to make it a little bit more accessible. I started this project some years ago with a very particular question. And that question was how are American working parents and their children faring in comparison to their counterparts in other high employment, high-income countries?

I started, as I said, particularly looking at the United States compared to Canada and 10 European countries, specifically in Western and Northern Europe. The conclusion I've reached with various colleagues over many years is the answer to the question, how are American parents faring in comparative perspective? The answer is not all that well.

American parents work exceptionally long hours as I'll show you. The great American time squeeze is a reality for families across the income spectrum. Second, gender equality in employment – this surprises some – is fair to middling in the United States relative to a number of other countries, especially if we capture that using an indicator that I find quite useful, which is the share of whole labor market earnings that are taken home by women.

And finally and importantly, our children are not doing especially well. An exceedingly large share of American children lives in poverty. Our children also fare poorly on a number of other indicators, including infant and child mortality, school achievement, adolescent pregnancy, and so forth.

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Parents in all of these high employment economies are struggling to balance competing demands on their time. But American families struggle and in a sense experience these poor outcomes, more so than our counterparts elsewhere, in part – not entirely, but in part – because of the paucity of public policies that support American working families.

There's a tremendous amount of research on the impact of various public policies on work and family outcomes. And I think the research evidence is overwhelming that these public policies do in fact have a strong impact for a number of outcomes.

So what I want to do is talk about three different overarching policy areas. These were the three areas that we covered in our book in great detail. The three together are what I would call work/family reconciliation policies. Of course, there are many more that we've talked about today having to do with wages and health coverage and so forth.

We focused on three areas, though the regulation of working time is what I'm going to talk about today. That also has several components. We also focused on paid family leave as well as public support for early childhood education and care.

Let me start with a little bit of context here. As you've heard, just to put some numbers on this, Americans work exceptionally long hours. This graph shows American workers spend on average over 1,800 hours a year at work. That's very high in comparative perspective and about 200 hours more than the Italians, 300 more than the Belgians, and nearly 500 more than our Dutch counterparts. We even outwork the famously long hour-working Japanese.

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What do we get for these long hours? Well, we get a lot of output. That's true. By some measures, the U.S. has the highest productivity in the industrialized world, especially when we consider output per worker. But it's worth noting that when we compare output per worker hour, the United States falls to eighth place among the OECD countries, the 30 richest countries in the world. It seems relatively apparent that American workers are on average on the diminishing returns portion of the productivity curve.

American parents are no exception. These data are from in fact the Luxembourg Income Study. This is looking at working time from a different perspective in two ways. It's looking at parents and it's also looking at weekly hours. In fact, it's different in a third way.

What I'm presenting here are the joint hours of a particular population. And those are couples with two children with both parents in the workforce adding their weekly hours together. Weekly hours and annual hours are both important. Weekly hours reflect the rhythms of family life. The annual hours reflect, of course, total working time commitments.

American dual earner couples average just over 80 hours a week. In a number of other countries, parents with children work together typically between about 73 and 78 hours a week, and as few as 65 in the Netherlands, which is the equivalent of two fewer days per week. Of course, it translates into much more time to care for family members.

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Where the U.S really stands out, in fact, above and beyond what you see in this picture, is in the distribution of work hours. While we're slightly high on average, if you look at other figures like the percentage of families who work over 80 hours a week – which is two-thirds of American families and over 100 hours a week – this is where the U.S. is really unusual in cross national terms.

Okay. Now I'm going to give a really large overview of a number of policy areas that are very crucial when we want to think about work and family and reconciling the two. As I said, I'm going to mention six different policy areas. I'm going to talk about the first four which relate to working time and give you, in the end, a very quick picture on the other two.

First of all, all industrialized countries regulate the standard work week. For the most part, that means setting an overtime threshold above which, of course, employers are required by law to pay more. And it's typically the cap on the standard work week. I'm also going to talk about entitlement to paid days off, what we sometimes refer to as vacation time.

I might say from a political perspective, perhaps the word vacation is not working in our favor. It's actually usually referred to as annual paid days off in many European contexts. Or what it's really doing in practice is defining the meaning of full-year work which many countries define at 48 weeks, where we define closer to 51 or 52.

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Third, Heidi mentioned the part-time parity measures. These are interesting, important, and growing in Europe. And fourth, rights to various forms of part-time and flexible scheduling. Those four together are independent, but work as a package of working time policy measures.

Also, of course, family rights and benefits are crucial, along with early childhood education and caring. I'm going to show you in my brief time one slide on each of these to see the highlights. You'll note that on several of these I noted "EU-mandated." The European Union, when I started working on it, was 15 countries then rose, of course, to 25 and now 27.

The European Union has played an important role in work/family reconciliation policy across Europe, often in the form of passing what are called EU Directives. Directives are European Union measures that are binding in the member countries. They require the member countries to put some kind of measure in place, either through legislation or the partnerships of employer and employee organizations in order to meet these standards.

So the European Union has played an important role and a role that has grown in some sense throughout the 1990s with the passage of some new important directives which I'll mention. Okay, let me talk about the working time regulations and put a few numbers on this here.

The pale blue is showing the regulated work week in terms of the number of hours per

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week that constitute, according to some kind of public measure, the normal work week. The United States is on the far right in this picture. The green is the number of days of annual leave that are required by law. So let me say a little bit about that. As the blue bar goes up, it means less time outside of work for workers, and green is the opposite, of course. They're moving in opposite directions.

So what is going on? Why are Americans working such long hours? This picture is not the entire story but an important one. One important reason is that across these [EU] countries, the standard week is usually set in the range of 37 to 39 hours. It's now 35 in France.

The U.S., unlike these European countries, is setting the work week at 40 hours as it has for over six decades. Japan as well has a 40-hour week. In addition, the European Union requires that the member countries, as I've mentioned, guarantee all workers at least four weeks of paid days off per year. And several countries require more.

U.S. law is entirely silent on paid days off. I'll say the same again about paid family leave. Many workers get paid days off through their employers. The average levels are less than in Europe. That's been well-established. And the distribution is very regressive.

That's a really important point. Heidi has referred to that. We have left most of these measures across all of these policy areas to the market in this country. The privatized version of work/family reconciliation policy means both lower levels on the aggregate

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and very regressive distributions, as high-wage, high-skilled workers in high-income homes have much more that is granted to them voluntarily by their employers than low-wage, low-skilled workers who tend to have nothing.

EU laws require paying benefit parity which I'm going to say something about in just a moment. The combination of the shorter full-time hours, a shorter work year and these protections for part-time workers, which I'm about to mention, allow a lot of parents in Europe in particular to choose various types of reduced hour work options which are limited and economically infeasible for a large share of American parents.

What I'm showing you here is just a little bit of language. But I think it's quite interesting and important conceptually to focus on it for just a moment. The European Union passed a directive in 1999. The part-time directive required the member countries to put part-time parity measures in place.

These measures were required to establish parity in pay and benefits for part-time workers relative to comparable full-time workers in the same establishments. All the European Union countries were required to meet that challenge at that time. Although, there is a fair amount of variability in the strength of those laws as you can imagine.

But what's important to note is the application of a concept of discrimination as applied to part-time workers. That's a framing that's unusual in the United States, but is very widely accepted in Europe and often talking about this. You say discrimination and people are immediately thinking of gender discrimination which is, of course, crucial.

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And there's a huge amount of overlap because part-time work in all the rich countries is highly feminized.

But this is discrimination aimed at part-time workers per se. So it is illegal in many of these countries to pay part-time workers and to grant them fewer benefits, occupational and public benefits, relative to comparable full-time workers in the same enterprise.

The European Union directive required the part-time parity. It did not require, but it also encouraged, the development of high-quality, part-time work, which we'll come back to again in just a moment. So what we're looking at here is an effort that's aimed at raising both the quality and availability of reduced hour and part-time work.

I use the term “reduced hour work” to refer to work typically in the zone of 35 to 38 hours a week that's institutionally full-time, but less than the American and Japanese standards of 40 hours a week. That's an hours range that I'm sure many of you know is very lacking in the United States. There is very little high-quality work in that range of 36 to 38, or very little work at all in the range of 36 to 39 hours a week.

What about the principle of non-discrimination? What does that mean? It says in the law, part-time workers shall not be treated in a less favorable manner than comparable full-time workers. And it also says specifically there's a link between the discrimination framework and the granting of pro-rated pay and benefits.

Several countries grant workers the right to alter their work hours. Some grant workers

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the right to request changes to their work hours. Some of these rights are limited to parents or caregivers. There's a lot to say about these laws. Heidi has mentioned them, some of the soft touch laws.

I'm going to give you just a little bit of the highlights of what these laws are about. What are we talking about again? It's either the right to work part-time or the right to shift your hours or some combination of the two. There are really two forms. The Swedish standard – I call this the gold standard – is an old law from 1978 which is one that's oft repeated in our Sweden-worshipping stories about work/family reconciliation policy.

The Swedes have a law in place they've had now since '78 that is limited to parents with children under the age of eight, which corresponds to the entry to second grade in Sweden, and grants all parents the right to work 75 percent time for eight years with pro-rated pay and benefits.

It's an absolute right again, but it's limited to parents, which is an important discussion I think for us to have when we think about moving forward politically. These other laws are more recent, the so-called soft touch laws. Heidi mentioned a few.

There are recent laws in Germany, the Netherlands and also in the U.K. It's really important to note that despite all the endless discussion in the U.S. media about the collapse of the European welfare state and the rolling up of labor market regulations, it's really for the most part not true.

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Spending on children and families has grown. It's something I've done a lot of work on throughout the '80s and '90s. Parental leave rights have grown. Child care has grown. There's no question there have been cuts in long-term unemployment and disability and old age pensions and so forth. But the work/family reconciliation programs have grown steadily throughout the retrenchment period and throughout the periods of recovery. That's a story that's really been missing in the U.S. business press specifically.

These three laws are relatively new. What do they do? They grant people, as Heidi mentioned, the right to request. It opens the box and regulates the box of the conversation. Employers can refuse with varying provisions in place. But those refusals are regulated. They're reviewed, in other words, by public bodies.

These laws vary in terms of exactly what right is granted. Is it shortening your hours? Is it changing your hours? They vary in a lot of ways. Two things I think that are important to note is the Dutch and German laws have a minimum enterprise size, 10 employees and 15 respectively. That's a question that will always come up in this country. The paid family leave laws in Europe have no minimum enterprise sizes.

So it's an important issue obviously in terms of small employers and often the disproportionately low-wage workers who work for those employers, disproportionately female with smaller employers. The United Kingdom has taken a different approach. It does not limit the law in terms of enterprise size.

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But it was limited originally to parents. As of April of 2007, it was extended to caregivers more broadly. So there are lots of ways to structure these and these raise some important political questions. There is a lot of research now on the frequency with which requests have been made. The turn down rates are fairly low.

It reminds me to some extent of the many evaluations the Department of Labor did over the Family Medical Leave Act at its decade anniversary as well as the early evaluations of California parental leave law that found employers' resistance has really been much less than was predicted. And I think for many of the reasons that Heidi highlighted.

Let me just say a little bit about two final policy areas because although they're not in the brief that we've presented here today at EPI, they really are crucial to note. The hole in the safety net in the United States is one you could really fall through. So it's really important to note.

And this is the issue of paid family leave. As we've said, paid family leave is a catch all that means many things. It means paid maternity leave. It means paid parental leave. Some countries have paternity leave, which are short periods that are for fathers only.

It can mean in various countries days off for one's own illness, for the illness of children, as well as for things like what we call in the United States small necessities. In this particular case, the United States is unusual in two ways. As has often been said, the United States is now one of five countries in the entire world that does not have a national law of paid maternity leave. Those other countries are Australia, Lesotho,

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Papua New Guinea, and Swaziland.

So there are many countries, rich and poor, that have managed to put paid maternity leave in place. Among the industrialized countries, the United States is almost alone now in the absence of some kind of paid parental leave. Parental leaves sometimes are shorter term and at lower rates of pay than the maternity leave. But they're very crucial programs across many countries.

So the United States is really lacking in both ways. There are lots of implications for family income and time and also for gender divisions of labor. But what I'm showing in this picture is one very particular comparison again. We're working on paid family leave for many years. There are many ways to compare these programs.

Of course, we have the Family Medical Leave Act. It's unpaid. It's not in this graph. We have five states that require temporary disability require paying for pregnancy. It's short-term, very low. It's only five states. And we see that all of our comparison countries offer mothers some period of paid leave in the wake of birth and adoption.

These programs are social insurance-financed. That's absolutely crucial. Heidi mentioned that. These are not programs with an employer mandate, which causes discrimination against workers and I think also leads to political resistance and probably an unfair distribution. And, of course, these are financed by things like FICA, the health insurance plans and so forth.

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This graph reports the total number of weeks available to new mothers multiplied by the percentage of wage replaced. In the Nordic countries – Denmark, Sweden, Finland and Norway – new mothers are awarded in the range of 30 to 42 weeks a year in leave. Their counterparts in most of the continental European countries are awarded 12 to 16 weeks.

There's much to say about fathers. They get some benefits as well. Not enough, but it's growing. We can leave that for the discussion. The lack of paid leave in the United States forces many American parents to choose from among a restricted set of options.

Many new parents have to choose between taking unpaid leave and losing their pay or remaining at work and placing their newborns in child care essentially from birth. We talk a lot about choice in this country. It's a big part of the rhetoric, abortion aside. It's a big part of the rhetoric about how Americans' preferences are crucial. One of the criticisms that has come from the right about these European programs is they're one size fits all. They restrict the choices. You know that's not going to work. American parents want to make their own decisions. I think that's really a misrepresentation on several fronts.

These programs are very flexible. You can take these benefits down, often through a period of three years, six years or even eight years. You can combine them with full-time work. You can combine them with part-time work. I think a much more important thing to note is that the absence of these programs severely restricts the practical choices available to American parents every day.

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Once again, just to say the same thing as with the working time benefits, there are indeed many employers that do provide various forms of paid family leave, allow their workers to cobble together vacation time, and provide other kinds of benefits. That is absolutely crucial. And there is coverage and it is important.

The aggregate levels are much less than what we see in these other countries. And the distribution is extraordinarily regressive. Again, highly educated, high-skilled workers, who are also often in high-income homes often have quite a bit of paid family leave. Low skilled, low-wage workers generally have nothing.

And just to close, on a final picture, another piece of this work/family reconciliation policy landscape that we've talked about is the great American time squeeze that is very much exacerbated by our exceptionally meager investments in child care.

In this picture here, we see there is a lot of variation in Europe in terms of the coverage of the under threes [ages of children]. There's a lot of discussion about that. In some countries, particularly in the Nordic countries, we see as many as three-quarters of children that age in public care in Denmark, and lower levels in a number of countries.

What do we see in the United States? Six percent of children in this age range of one and two are in really heavily publicly financed care. Who are those children? Those are means-tested child care subsidy programs. Where the U.S. is really even more unusual is in the care and education-oriented programs of kids age three, four and five,

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what we think of as pre-school.

These programs do indeed enhance parental employment. But that's not been their primary identity or the primary purpose, which is to provide obviously educational and preparatory programs for young children that have a lot of equity implications for children as well as for their parents.

Belgium and France are well-known cases where 99 percent of children three, four and five are in public preschool. What that means in practice is that primary school begins at the age of three. In France, it's now two and a half. So that age has come down in recent years. These programs are really unquestioned. Take up or enrollment is very high among native born as well as among immigrant families. What's going on in the United States? Fifty-three percent of kids age three, four and five are in some kind of public care.

In some sense, that's a poor statistic. I added to that, “mostly five year olds in kindergarten.” So it's really more like 90 percent are 5-year-olds in kindergarten, very little for 3 and 4-year olds. And much kindergarten, as I'm sure you know, is part-day in the United States. And in France, for example, it's full-time.

So what do American parents do? They purchase private care. Again, we leave paid family leave and work and time regulations to labor markets. We leave child care in this country to consumer markets. They purchase private care that many of you know very well is minimally regulated for quality.

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Parents pay most of the costs out of pocket. European parents pay in the range of 20 percent of the total costs of child care. I might add the programs for the under threes are usually income scaled. The programs for the over threes, usually there are no fees. They're treated as public school.

So parents in the U.S. pay most of the costs out of pocket and most children get care as judged by experts to be mediocre in quality, which is really worrisome. So I would close by saying in my view American public policy is really failing America's working parents and their children. We have a tremendous amount to learn about institutional reform. And we do well to draw lessons from the collective experiences of many of our neighbors across the Atlantic and increasingly across the Pacific as well.

QUESTION AND ANSWER

ROSS EISENBREY: The thing that's really tough for Congress to deal with is small business. And we've got these tremendous programs in Europe. What research is being done on how small businesses are faring compared to U.S. businesses? If you present this to your average member of Congress, he or she will say, you know, we have to exempt small business from all of this. But clearly, they're surviving nicely. I mean, France is known as the nation of shopkeepers. How are they doing? And who's doing research? Is this an area we need more research on?

HARTMANN: Let me just answer for the U.S. I think we could use some more research on this.

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Some studies I saw that are actually fairly old now showed that it isn't the smallest businesses that are the least accommodating to their workers. A typical small business has to be pretty accommodating to their workers.

It's actually the ones that are a little medium-sized like 25 to 100 employees that have the most rigid policies. And then the larger businesses again do have more policies that they've done on their own. So I think we could look at this a lot more.

I think the main thing is that the small business community in this country is extremely well organized politically. Another interesting thing though is that the women-owned small businesses on the whole have been more supportive of these public policies. They've often supported minimum wage increases.

The Business and Professional Women, for example, supported the Clinton health initiative, the only business group to do so. So I think if we look at women-owned small businesses, which are a growing share of them, we could mobilize that sector and get a lot more support for these people friendly policies.

GORNICK:

I guess I would just say that this is a discussion in Europe. Of course, there are some minimum enterprise sizes in place. I don't think there's as much research as we might need. I would echo much of what Heidi said. The discourse is that these measures, you know, they level the playing field and so forth.

It's sort of an argument that I think is somewhat persuasive. It's also the case, this

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maybe not be terribly helpful in terms of policy transfer. But it really is very deep in the culture in many of these countries. And it's absolutely expected that employers, you know, they really must accommodate their workers.

I have a full-time staff of nine in Luxembourg. And despite the declining fertility in Europe, it doesn't seem to be taking place there. We've had 12 children born in the last six years. We are subjected to all of the labor market regulations. Luxembourg is very much like France if you want to get a sense of paid family leave, working time limits and so forth. It's just absolutely expected that the employer will accommodate the job sharing. And it's also the case in these laws that there is an understanding of employers' needs. There are notification requirements and so forth. The idea is to put laws in place that don't stick it to the employer.

So, for example, if you take these long leaves in some countries, you have to announce your withdrawal three months in advance. You have to announce your return three months in advance. Unemployment insurance programs help to provide the replacement workers and so forth. So it's really more of a partnership. It's not as adversarial I think in the sort of traditional way we tend to think of it here.

QUESTION:

I have a follow-up for Heidi. You said at the end, employers here would save \$2.8 billion per year if they had paid sick leave through increased productivity, decreased turnover. Elaborate on that. And for Professor Gornick, when you started, you said you were going to include Canada. Where is Canada in your study? You didn't mention it at all.

HARTMANN:

Our neighbor to the north, by the way, also has pay equity and comparable worth. Many of the same employers pay equity there that don't pay it here. The figures that we developed are fairly conservative in the sense that we used an estimate for turnover costs that came from the business literature, for example.

We looked at the differences between the amount of time taken off between those with paid days and those without paid days. So we have a whole report that details the methodology. But we use a combination of federal government data sets and the business literature to kind of come up with the overall estimate.

And the vast bulk of the savings are from reduced turnover. It's interesting that in the health literature, there isn't a whole lot to go on. There's an estimate of what the food costs. And one of the reasons I think paid sick days is getting so much press is because of the fear of contagious disease, even terrorism. Oh, well, we're going to shut everything down. Businesses are going to close. Schools are going to close. Yeah, without paid sick days, how are we going to do that? So, you know, it is an issue that's increasing in importance. And we would like to see more research.

We had to make estimates as to exactly which workers do and don't have paid leave. We tried to figure that out as best we could. We used the unpublished data set from BLS that we got special access to. But there's a lot more that could be found out there. And see Vicky Lovell who can tell you all about that.

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GORNICK:

Canada fell out of these pictures mostly just because they came from a paper that was comparing Europe and the U.S. The countries that I think we think of as the most similar are the other English-speaking countries that have more liberally-oriented labor markets: the U.S., the U.K., Canada, New Zealand and Australia. They are very useful in terms of political cases because there's much in their business environment that is like the U.S. Jodie Levin-Epstein knows a lot about the New Zealand case, the passage of parental leave there in a business environment not unlike the U.S. The down side of those comparisons is that programs tend to be somewhat meek.

Virtually everything I've shown you on these measures is low by European standards, high by U.S. standards. The Canadian case is useful politically and familiar; it's a federalist system. I would say one thing that's important though is that the paid family leave law in Canada, which has gotten a lot of attention, is not a model that I would recommend in the United States in that it's very poorly structured to encourage fathers' engagement.

They pay it out of unemployment insurance which could have been a useful model in this country had Bush not disallowed that option. We had a time in this country when unemployment insurance was a window for paid family leave. But there are a number of weaknesses. It's very low paid. And there's very little in it for fathers actually.

And jumping ahead a little bit, that policy program in the film "The Motherhood Manifesto" is absolutely unassailable. I was going to raise some points about the issue of framing the need for work/family reconciliation policies around women and around

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motherhood, which I think is really very problematic. And I look forward to the day when we are calling these things the parenthood project and the parenthood manifesto. We argued in my 2003 book that the discussion about work/family policy in this country is very fractured.

There's a child development perspective that tends to argue for more parental time in practice, more maternal time with children. The work/family conflict world tends to talk exclusively about women and even the feminist movement has been very focused on getting women into the labor market with pay parity and child care and many other things. Those are all crucial.

We argue that in most of these discussions that men are invisible. And that is an enormous problem in my view. So the argument that we made is that what we see as an end vision is a world image of paid work and unpaid work shared symmetrically between men and women as groups, not within each and every family.

But as long as paid work and unpaid work is so deeply gendered, there are huge costs involved, many of them incurred by women but many incurred by men and by children as well. And I think the fractured conversations among the advocates for women as well as the absence of men is retarding policy development in a very powerful way in this country.

It's delightful to be here today, I might add, speaking on these issues and not be looking at the room with 150 women and two men in it. And I thank EPI for framing the

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questions the way they were. These are labor market questions. These are questions about the labor force.

But the argument that we've made is that in this country and in Europe and in Japan, even more so, the expectation and the reality is that men work full-time, unless they're unemployed or there's a shortage of demand. The expectation is that men workers receive full time, full-year work throughout their and their children's life cycle.

It's women who work part-time, who work intermittently, who take breaks. We have these tremendously deep divisions of labor. And I think that there's a lot of untapped care giving time on the part of fathers. I think we need an awakening of men's labor force attachment. And we need to think about income replacements for men and so forth. So gender equality is at the heart of everything here. Again, I would say as long as these issues remain politically “women’s” issues, I think we will absolutely lose.

Q: Your graphs showed the European Union up here and we're down there in terms of family issues. And your health outcomes look like the same thing. I mean, when we're compared to the European standards, we're 41st in the world in infant mortality. We're 39th in the world in quality life years. We're 33rd in the world in longevity. Is there a public health piece to this? Because it sounds like there is.

HARTMANN: Yes. Vicky, is that something you want to address by any chance? Since you've been trying to look at the connections between health care and the family flexibility?

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VICKY LOVELL: There's a public health aspect as Heidi mentioned in terms of workers going to work when they should be home either recuperating from an accident or disability or the flu, and workers going to work when they have a contagious disease and spreading it among their co-workers who then take it home.

Children having to go to child care because a parent can't stay home with them. So children are going when they're sick and then passing illnesses to the other kids in child care who then take it home to their parents, who then take it back to their offices.

And there's the whole issue of the entire workforce and families having the time they need to maintain their health, getting preventive care and also recuperating from any kind of accident or illness. Aside from the pandemic flu issues and concerns of bioterrorism and so forth, just the everyday need to have time to access health care for preventive measures or to recuperate are very significant for all the paid time off issues.

Q: I wanted to comment or ask about what appears to be a premise to this discussion. That is, we're comparing ourselves with high-wage, high-productivity economies in countries. And it seems to me that the outsourcing of jobs that we talked about in the earlier presentation is a real factor here. And I wondered if you would comment on the connection to that. It seems to me, just from anecdotal observation, that the availability of high-productivity, high-wage jobs is diminishing. And in the context that we're seeing now of the increased number of lower-skilled jobs, and lower skilled applicants for jobs, there are many more people out there available to take lower skill jobs.

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There's a greater absence of higher paid jobs. The policy and programs that you're talking about might be affected by that decline in the jobs that we traditionally think of in these countries that we compare ourselves to.

GORNICK: I'm not sure which is the chicken or the egg. Are you asking whether these programs will cause more outsourcing and whether they'll drive jobs out of the U.S.?

Q: No. I guess maybe what I should have started with is observing that the economies we're comparing ourselves to are quite protectionist compared to ours, are they not? Don't the Nordic countries, for example, tend to protect more their high-wage, high productivity occupations? Don't they have policies that tend to keep those types of jobs within the country? Whereas, we have nothing like that. We have incentives now in our taxes to let those jobs go out of the country. What's the relationship?

GORNICK: I would say there's certainly no question that the U.S. economy is much less regulated and indeed is less protectionist than some of these others. I think that there are lots of low-skilled jobs in lots of these countries. The wage floors tend to be higher through a variety of mechanisms.

So it's not that there aren't low skilled jobs. There are fewer working poor and fewer very low wage jobs. I'm still not quite sure I understand, and maybe Heidi can pick up on some of this too though. I think that this story that you're telling motivates the need for these programs all the more. Because, of course, low-wage and low-skilled workers are really the most at-risk because of the absence of a public overlay of these programs.

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So I think that that is motivating the need more than anything else.

HARTMANN:

I would just say it's always better to be a wealthy country than a poor country. One of the things that the U.S. perhaps isn't doing as well as it could is trying to make sure that we remain a wealthy country and that we are investing where we need to invest in our children – in child care, early childhood education, and health care – so that we can have healthy workers.

There was a fascinating article in the *New Yorker* a year or so ago. It's shocking that Americans are no longer the tallest people in the world. During World War I, we were the tallest people in the world. And supposedly, the ill health of the British soldiers in comparison motivated them to move towards national health insurance.

Well, it's the Netherlands I think. I don't know. It's one of those countries. It's not us. And no one really understands exactly why. You know, there is the poor quality of health care in some ways. We don't actually have a good explanation. But it's a pretty interesting indicator.

And I think we're not making the investments, protectionism aside one way or the other. Norway is competing with their cell phones or whatever. We could compete and we are trying, in that very high-wage, high-skilled area.

I think the more you invest in people, the more you educate them and the more productive you can be. So I'm not really worried about the lack of good jobs

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worldwide. But I am worried that we don't have the right kind of public policy in the U.S. to make sure that we keep and grow our share of them.

GORNICK:

I would also just say that there's much evidence from these countries that, if you look at GDP per capita adjusted by purchasing power, the U.S. is actually in the middle of the range of these countries. GDP per capita could come down in the United States and the quality of life rise. We're extraordinarily time poor as you know. And GDP per capita, I don't think it's causal. But we know it's also associated with tremendous levels of inequality in every single measure that we can imagine.

So maybe there'd be some leakage and the GDP per capita would come down slightly if we enacted these programs. I don't think that is necessarily associated with the decline in the standard of living.

MEYERSON:

Again, I want to thank our panelists. I might add the Agenda for Shared Prosperity of the EPI is a tremendously important project. We will be linking to all of these papers on the home page of the American Prospect, www.prospect.org. Thank you and thank our panelists.

(END OF TRANSCRIPT)