

Research-in-Brief



Child Rearing and Employment Turnover: Child Care Availability Increases Mothers' Job Stability

Child Rearing and Employment Breaks

There are more women in the paid labor force than ever before and yet women's employment is still characterized by higher turnover than men's. This causes economic problems for women because continuous employment is important to subsequent labor market success. Disruptions in an individual's work history result in lower wages through both reduced accumulation of work experience and deterioration of skills while out of the labor force. To the extent that employers evaluate young women's employment stability as low, they may be less willing to hire and invest in training young women for career positions.

Generally, higher rates of employment exits are associated with women's traditional role in caring for children and household upkeep. Rearing children is costly both in time and money. Labor force participation declines during a woman's childbearing years, rising gradually thereafter as children age and women reenter the work force. Though the return to work is often characterized as a gradual return with subsequent job stability, exits and reentries continue to punctuate the typical woman's employment history. Besides the disruption associated with additional childbearing, children's needs often take precedence over employment; difficult or ill children, the high cost and difficulty of obtaining substitute care, turnover in providers, and worry about the quality of care lower the benefits of working compared with staying home and lead to labor force exits. These factors are not constant over a woman's life course, but continually change the benefit of working relative to that of staying home.

Of course, this trade-off assumes that mothers have an alternative source of income that would enable them to remain out of the work force. Some

mothers, whether because of the low income of their household and/or their role as sole provider, may be less likely to stay home to care for children because their alternatives are limited. Rather than leaving the work force, they may, instead, reduce their child care expenditures by using informal sources of care or by working at home. Other mothers who are eligible for AFDC or other public assistance may be more likely to leave the paid labor force if they have child care problems than those without that source of support to fall back on.

New Study on Children, Child Care, and Mothers' Employment Stability

The recent report *Child Care and Employment Turnover*, by Sandra Hofferth and Nancy Collins, examines the influence of the constraints of child care on the probability that a mother of a young child will leave her current employment. Since job changes may be beneficial if they provide a means to obtaining better pay and working conditions, the report focuses primarily on job exits that do not immediately result in another job.

The study examines the effect of having additional children as well as the number and ages of children already present. More importantly, it examines how the availability, cost, quality, stability, and flexibility of alternative ways of caring for children influence the probability of job exits, and lessen the constraints of having children. The report also looks at differences by income status of the mother and characteristics of the area where she lives.

While some research has looked at the effect of children on employment exits and other research has examined the influence of child care on labor force participation, no previous research has systematically examined what it is about the responsibility of caring for children that weakens mothers' employment

tenure. This is the first study to examine both the effect of children and child care on job stability.

The Data

The study summarized here takes advantage of two unique national data sets. The National Child Care Survey 1990 provided a monthly history of employment, fertility, and the care of children in 1990 for a nationally representative sample of families. The Profile of Child Care Settings study provided information on the number and characteristics of center-based and regulated home-based programs in the communities where these families lived. Using event history techniques, the study follows the employment of mothers with young children during 1989.

One-quarter of working mothers in the sample left their jobs within the year; 15 percent left their jobs and did not go back to work for at least two months. As many as one out of five changed child care arrangements sometime within the year studied.

The Findings: Child Care Characteristics Matter

The study finds that the ability of mothers to maintain a stable work pattern is much more strongly associated with the availability and characteristics of substitute arrangements than previously demonstrated. Mothers with a larger number of children, especially young children, and who have recently given birth are more likely to exit their jobs in any given month. The availability, cost, and flexibility of center-based care explain some of the differential rate with which mothers with young children exit employment, when the characteristics of the mother, her family, and her location are statistically controlled. In particular:

- Mothers relying on parental or child self-care were 2.2 times more likely to leave a job than mothers using center-based care.

The availability of child care was clearly one of the most important factors related to job stability:

- Mothers who did not have convenient access to a center-based program (within ten minutes of their

homes) were almost twice as likely to leave their jobs as those who did.

Having multiple arrangements appears to be one strategy that provides for a backup in the case an arrangement breaks down:

- Mothers with multiple care arrangements were 53 percent less likely to leave their jobs than those with no child care arrangements.

It is not just whether or not an arrangement ends; rather, it is whether or not the mother either has or is able to obtain a backup arrangement that affects her ability to remain with her job.

Moderate-Wage Mothers Affected More Than Others

The effects of child care characteristics on the employment of mothers differ by level of socioeconomic advantage. Socioeconomic advantage was determined by calculating the mother's *potential* wage, given her socioeconomic characteristics. Low-wage mothers could potentially earn less than \$6 per hour (approximately the poverty line for a family of four, if working full-time, year-round in 1990). Moderate-wage mothers could potentially earn between \$6 and \$8 per hour (approximately 100 to 133 percent of the poverty line). High-wage mothers could earn more than \$8 per hour.

The availability, cost, and stability of care appeared to affect moderate-wage mothers more than other mothers:

- Living in an area with a greater number of centers per 1,000 preschool children was associated with a lower probability of job exit for moderate-wage mothers.
- The availability of family day care within 30 minutes of home was important for the job stability of moderate-wage mothers.

Child care instability affected the work exits of moderate- and high-wage mothers:

- Unstable child care increased the work exits of moderate- and high-wage mothers, but not of low-wage mothers.

Finally, the price of care affected only moderate-wage mothers:

- Moderate-wage mothers who faced higher child care prices were more likely to leave their jobs than those facing lower prices.

While these results sound sensible and intuitively reasonable, previous research has not had the appropriate data to show these connections. Common sense, moreover, is not always borne out. While we expected lower-wage mothers to be most affected by child care cost and instability, moderate-wage mothers were the ones likely to leave their jobs as the price and instability of care increased. Low-wage mothers may benefit from publicly funded child care subsidies while high-income mothers can afford high-priced care. Moderate-wage mothers are the most sensitive to the cost and stability of care.

Policy Implications

Much demographic research has focused on the relationship between child rearing and the economic activity of women. Few studies have attempted to explain what it is about child rearing that explains the relationship. This study has focused upon the way in which childbearing and rearing affects the ability of the mother to maintain stable employment. The availability and cost of substitutes for the mother's time are important to work stability. We still know little, however, about the arrangements that would make mothers more or less comfortable using them.

The measure of quality used in the study, the ratio of children to staff, was not adequate to predict mothers' employment decisions.

The policy implications of the study are clear. First, the characteristics of child care alternatives are associated with the stability of maternal employment and explain much of the effects of children on mothers' employment behavior. Public or private efforts to employ mothers need to take access to child care, including backup arrangements, into account.

Second, the federal government has already had an important impact on low-income parents' access to child care. Federal child care policies that have improved the delivery of services and subsidies to low-income families have probably helped reduce the effect of cost of care on low-income mothers' employment. Thus, for them the study did not find a strong relationship between cost of care and job exits. Because they have the resources they need, high-income mothers (defined as those earning more than \$8 per hour) are also less sensitive to the cost of care. Instead, moderate-wage mothers (those earning \$6 to \$8 per hour) are the most sensitive to variation in the cost of child care.

Third, the stability of care is linked to the job stability of moderate- and high-wage mothers. How to improve the delivery of services to moderate-wage mothers is an important and neglected policy issue.

Finally, the study found that the availability of child care programs significantly affects all socioeconomic groups. Thus, making child care more available represents an important component of public and private employment policy for all mothers.

Written by:

Sandra L. Hofferth and Nancy J. Collins

Institute for Social Research and Population Studies Center

University of Michigan

Ann Arbor, MI 48106-1248

(313) 763-5131

March 1997

This Research-in-Brief summarizes the report *Child Care and Employment Turnover*, by Sandra L. Hofferth and Nancy J. Collins, affiliate members of the IWPR Information Network, based on research they conducted at the Institute for Social Research and Population Studies Center. The research on which the report is based was funded by grants from the National Institute for Child Health and Human Development and the David and Lucile Packard Foundation. This Research-in-Brief is part of a series by IWPR which highlights the work of IWPR's affiliates on topics of importance to women. It was formatted by Jill Braunstein and Lisa Hymas of IWPR in March 1997.

The Institute for Women's Policy Research (IWPR) is an independent, nonprofit research institute dedicated to conducting and disseminating research that informs public policy debates affecting women. Members of the Institute receive regular mailings including fact sheets such as this. Please see the reverse or contact the Institute for further information about individual and organizational memberships. Visit IWPR's web site at <http://www.iwpr.org>.

Support IWPR with your annual membership in the IWPR Information Network

Join the IWPR Information Network at the *special introductory rate*:

INDIVIDUAL MEMBERSHIPS

■ INDIVIDUAL SUSTAINING MEMBERS receive

Research News Reporter, a monthly compilation of research in the news which includes full citation and ordering information;

Quarterly Products Mailings including all current IWPR briefing papers, fact sheets, and working papers;

20 percent discount on all publications; and a

50 percent discount on one registration to IWPR's biennial **Women's Policy Research Conference**.

RENEWAL RATE \$175 *INTRODUCTORY RATE* \$150

■ INDIVIDUAL SUPPORTING MEMBERS receive

Quarterly Products Mailings;

20 percent discount on all publications; and a

20 percent discount on one registration to IWPR's biennial **Women's Policy Research Conference**.

Does not include *Research News Reporter*.

RENEWAL RATE \$60 *INTRODUCTORY RATE* \$50

■ INDIVIDUAL MEMBERS receive

Quarterly one-page IWPR update;

Announcements of IWPR activities and publications;

20 percent discount on all publications; and a

20 percent discount on one registration to IWPR's biennial

Women's Policy Research Conference.

Does not include **Quarterly Products Mailings** or

Research News Reporter.

REGULAR RATE \$40

■ GRADUATE STUDENT MEMBERS receive

(must send copy of photo identification)

Quarterly Products Mailings;

20 percent discount on all publications; and a

20 percent discount on one registration to IWPR's biennial

Women's Policy Research Conference.

Does not include *Research News Reporter*.

REGULAR RATE \$30

ORGANIZATIONAL MEMBERSHIPS

■ ORGANIZATIONAL AFFILIATES receive

Research News Reporter, a monthly compilation of research in the news which includes full citation and ordering information;

Quarterly Products Mailings including all current IWPR

briefing papers, fact sheets, and working papers;

IWPR major reports;

20 percent discount on all publications; and a

50 percent discount on one registration to IWPR's biennial

Women's Policy Research Conference and a

20 percent discount on conference registration fees for

additional organizational attendees.

RENEWAL RATE \$295 *INTRODUCTORY RATE* \$245

■ ORGANIZATIONAL MEMBERS receive

Quarterly Products Mailings; **20 percent discount** on all publications; and a

20 percent discount on registration fees to IWPR's biennial **Women's Policy**

Research Conference for all organizational attendees. Does not include *Research News Reporter*.

RENEWAL RATE \$140 *INTRODUCTORY RATE* \$115

■ CORPORATE AFFILIATES receive

Research News Reporter;

Quarterly Products Mailings;

IWPR major reports;

20 percent discount on all publications; and a

50 percent discount on one registration to IWPR's biennial

Women's Policy Research Conference and a

20 percent discount on conference registration fees for

additional organizational attendees.

RENEWAL RATE \$395 *INTRODUCTORY RATE* \$345



Send a check or use your VISA or MasterCard by phone or fax: IWPR, 1400 20th Street, N.W., Suite 104, Washington, DC 20036
phone (202) 785-5100; fax (202) 833-4362; <http://www.iwpr.org>