Accounting for the value of unpaid domestic work: A cross-national study of variation across household types.

Janet C. Gornick

Professor of Political Science and Sociology
Director, Stone Center on Socio-Economic Inequality – Home to the US Office of LIS
Graduate Center, City University of New York

JAMES M. AND CATHLEEN D. STONE
CENTER ON SOCIO-ECONOMIC INEQUALITY
HOME TO THE US OFFICE OF LIS

IC3JM

Permanent Seminar
Universidad Carlos III de Madrid
September 30, 2021

This is joint work with:

Berglind Hólm Ragnarsdóttir
Assistant Professor
School of Humanities and Social Sciences
University of Akureyri, Iceland

Sarah Kostecki
Postdoctoral Researcher
Propel Project
University of Luxembourg

And it extends an earlier study carried out in collaboration with:
Nancy Folbre, Helen Connolly, and Teresa Munzi

The results presented today are reported in a paper now under review (R&R),
to be resubmitted in October.

Outline of talk

- Motivation and overall approach
- Research questions
- Data, measures, methods
- Results – selected empirical findings
- Next steps

Motivation

Going back to the original study (Folbre, Gornick, Connolly, Munzi):

- We began in dialog with the small but growing literature on the effects of women's employment/earnings on inequality across households; most of these studies find that women's earnings are equalizing (both across countries and within countries over time).
- That body research (implicitly) assumes that women with zero earnings contribute nothing to household economic well-being – as if their unpaid work had no value. It also ignores the unpaid work done by employed women and men.

Motivation

But we know that:

- Unpaid work varies less across households in both quantity (number of hours) and in imputed monetary value (based on replacement cost valuation) than does paid work.
- And more paid work means less unpaid work.
- Therefore, more hours of paid work (across space and/or time) is likely to have a counter-balancing dis-equalizing effect on the distribution of wellbeing across households.

This insight prompted our original paper.

The earlier work (Folbre et al) assessed only household headed by couples. This study extends that earlier work, by including additional axes of variation – e.g., variation across household types (reflecting disparities in levels of economic vulnerability), and inequality among women and among men.

Overall approach

We estimate the value of extended earnings (market earnings plus the imputed value of unpaid work) – among women and men in seven high income countries – to demonstrate that this estimate modifies existing conclusions (based on market earnings alone) about the distribution of economic well-being between women and men, across household types, and among women and among men.

Our goal in this paper is largely to make a conceptual/methodological contribution. The cross-national component is focused on commonalities, that is, on identifying "universal" patterns across a set of high-income countries. We don't tackle questions concerning the policies and institutions that shape the outcomes in this study; that is the subject of a subsequent paper.

Research questions

1) How do gendered patterns in time spent in paid and unpaid work vary across four household types known to vary with respect to economic vulnerability?

2) With this expanded income definition, what can we learn about gender disparities in contributions to household income, across household types?

3) What is the “effect” of using this expanded income definition (versus market income) when assessing income inequality among women and among men, and how does this vary across household types?

Data, measures, methods

1. We use the Harmonized European Time Use Survey (HETUS) and the American Time Use Survey (ATUS) to derive average hours spent in unpaid work (housework and child care) performed by adults aged 25-59. We coded the adults in our sample into 48 synthetic household types, based on family composition and employment characteristics.

2. We calculated the imputed value of this unpaid work, using replacement-cost estimates of its value, specifically a lower-bound estimate based on each country's national minimum wage (from ILO and national sources). We annualize these values.

3. We use microdata from the Luxembourg Income Study (LIS) Database to calculate persons' after-tax annual earnings. Using a simple process of statistical matching, we add the estimated value of *unpaid* work (using the 48 group averages) to the value of individuals' *paid* work (i.e., earnings), to arrive at *extended* earnings. In short, we impute data from "donor" sources (HETUS, ATUS) into our "recipient" data source (LIS).

Question 1

How do gendered patterns in time spent in paid and unpaid work vary across four household types known to vary with respect to economic vulnerability?

TABLE 1 **Hours (Paid, Unpaid, Total), and Unpaid as % of Total**

All women and men

	Paid Work Hours		Unpaid Work Hours		Total Work Hours		Unpaid as % of Total Work	
	Women	Men	Women	Men	Women	Men	Women	Men
Finland	3.0	4.1	4.3	2.5	7.2	6.6	59%	38%
France	3.3	4.9	4.5	2.3	7.8	7.2	57%	31%
Germany	2.7	3.9	4.7	3.0	7.4	6.8	63%	43%
Italy	3.8	5.6	4.9	1.9	8.7	7.5	56%	25%
Spain	3.2	3.3	4.9	2.2	8.1	5.4	60%	40%
UK	3.0	4.8	4.7	2.5	7.7	7.3	61%	34%
US	3.7	4.2	3.9	2.4	7.7	6.6	51%	37%
average	3.2	4.4	4.5	2.4	7.8	6.8	58%	36%

Includes persons employed FT, PT, or not.

TABLE 2	Hours, Unpaid as % of Total Work By household type							
	Single, No Children		Cohab, No Children		Single Parents		Cohab Parents	
	Women	Men	Women	Men	Women	Men	Women	Men
Finland	53%	43%	51%	33%	66%	--	64%	40%
France	49%	26%	54%	31%	65%	--	61%	37%
Germany	52%	45%	61%	44%	65%	39%	72%	45%
Italy	44%	29%	54%	28%	59%	16%	66%	29%
Spain	48%	37%	53%	31%	71%	--	66%	36%
UK	60%	22%	51%	35%	67%	31%	66%	41%
US	39%	30%	46%	34%	52%	38%	64%	43%
average	49%	33%	53%	34%	64%	31%	66%	39%
Includes persons employed FT, PT, or not.								

Question 2

With this expanded income definition, what can we learn about gender disparities in contributions to household income, across household types?

TABLE 3	Earnings (Paid, Unpaid, Extended), and Ratio of Extended to Paid All women and men							
	Paid Work	Unpaid	Extended	Exended to Paid	Paid Work	Unpaid	Extended	Exended to Paid
	Women				Men			
Finland	$27,705	$10,897	$38,602	1.39	$35,022	$6,779	$41,801	1.19
France	$26,987	$9,581	$36,569	1.36	$33,781	$5,041	$38,822	1.15
Germany	$19,435	$16,863	$36,298	1.87	$40,333	$10,562	$50,895	1.26
Italy	$14,295	$9,994	$24,289	1.70	$17,805	$4,268	$22,072	1.24
Spain	$23,798	$6,619	$30,417	1.28	$30,757	$2,982	$33,739	1.10
UK	$28,714	$8,733	$37,447	1.30	$40,831	$5,258	$46,089	1.13
US	$30,212	$9,357	$39,569	1.31	$49,177	$6,185	$55,362	1.13
average	$24,449	$10,292	$34,741	1.46	$35,387	$5,868	$41,254	1.17

TABLE 4	Earnings, Ratio of Extended to Paid By household type							
	Single, No Children		Cohab, No Children		Single Parents		Cohab Parents	
	Women	Men	Women	Men	Women	Men	Women	Men
Finland	1.24	1.19	1.34	1.16	1.35	--	1.45	1.21
France	1.26	1.15	1.36	1.12	1.43	--	1.40	1.16
Germany	1.40	1.26	1.59	1.24	1.83	1.29	2.52	1.27
Italy	1.38	1.25	1.71	1.23	1.59	1.27	1.96	1.24
Spain	1.15	1.09	1.22	1.08	1.26	--	1.32	1.10
UK	1.24	1.12	1.21	1.11	1.49	1.12	1.32	1.14
US	1.15	1.10	1.25	1.12	1.29	1.14	1.46	1.14
average	1.26	1.17	1.38	1.15	1.46	1.20	1.63	1.18

Question 3

What is the effect of using this expanded income definition (versus market income) when assessing income inequality among women and among men, and how does this vary across household types?

TABLE 5	Gini (Market and Extended Earnings), Reduction All women and men							
	Market Earnings	Extended Earnings	Gini Point Reduction	Gini % Reduction	Market Earnings	Extended Earnings	Gini Point Reduction	Gini % Reduction
	Women				Men			
Finland	0.28	0.21	0.07	25%	0.29	0.25	0.04	14%
France	0.30	0.23	0.07	23%	0.32	0.28	0.04	13%
Germany	0.43	0.26	0.17	40%	0.33	0.27	0.06	18%
Italy	0.26	0.15	0.11	42%	0.21	0.19	0.02	10%
Spain	0.36	0.30	0.06	17%	0.32	0.3	0.02	6%
UK	0.39	0.30	0.09	23%	0.38	0.34	0.04	11%
US	0.43	0.36	0.07	16%	0.39	0.36	0.03	8%
average	0.35	0.26	0.09	27%	0.32	0.28	0.04	11%

TABLE 6	Gini, % Reduction with Shift from Market to Extended By household type							
	Single, No Children		Cohab, No Children		Single Parents		Cohab Parents	
	Women	Men	Women	Men	Women	Men	Women	Men
Finland	19%	12%	25%	10%	22%	--	29%	14%
France	22%	8%	27%	9%	31%	--	29%	13%
Germany	30%	21%	31%	19%	44%	21%	53%	20%
Italy	24%	24%	44%	12%	27%	20%	45%	12%
Spain	9%	5%	15%	2%	15%	--	21%	5%
UK	21%	9%	18%	8%	33%	9%	25%	11%
US	12%	7%	13%	8%	19%	11%	22%	10%
average	19%	12%	25%	9%	27%	15%	32%	12%

Next steps

- Assess the policy/institutional determinants that shape these results, with a focus on childcare, various forms of public leave schemes, and the regulation of working time; shifting the lens from commonality to variation.

- Extend this empirical work, to include the imputed value of non-cash public services (i.e., early childhood education and care, primary and secondary education, health care, housing), at the micro-level, to create “comprehensive income”, a resource measure that includes and expands the measure reported here.