



Families and Work Institute

# HIGHLIGHTS of THE NATIONAL STUDY OF THE CHANGING WORKFORCE

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Second, we thank the many researchers who have used previous National Study of the Changing Workforce public-use files (1992 and 1997) in their own research for providing helpful feedback and creative suggestions for improving the 2002 study.

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## BACKGROUND—NATIONAL STUDY OF THE CHANGING WORKFORCE

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Beginning in 1969, the Department of Labor funded three national studies of the United States workforce as part of the *Quality of Employment Survey* (QES). The last survey in this series, which was conducted in 1977, marked the first time that research on a large, representative sample of U.S. workers collected information about not only the work lives of employees, but about their personal lives as well. When the QES program was halted for a variety of reasons in 1977, a 15-year gap ensued during which there were small-scale studies of life on and off the job, but no large-scale nationally representative studies were undertaken.

In the early 1990s, Families and Work Institute obtained private support for the *National Study of the Changing Workforce* (NSCW) as an ongoing research program of the Institute. The Institute's program is more explicit and comprehensive than the QES in addressing issues related to both work and personal life. It also reflects a strong business perspective, in addition to the broader social policy and economic perspectives that shaped the QES.

The NSCW surveys representative samples of the nation's workforce every five years. Sample sizes average about 3,500, including both wage and salaried employees and self-employed workers. The first NSCW survey was conducted in 1992 and the second, in 1997. The 2002 *National Study of the Changing Workforce* is the third in this series of surveys. The 2002 survey, which includes many questions used in the 1977 Quality of Employment Survey as well as the 1992 and 1997 NSCW<sup>1</sup>, provides a unique opportunity to examine workforce issues through the lens of history—with 25-year comparisons to the 1977 QES as well as some ten-year comparisons with the 1992 NSCW.

## I. INTRODUCTION

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This report—*Highlights of the 2002 National Study of the Changing Workforce*—examines five topics in some depth:

- Women in the Workforce
- Dual-Earner Couples
- The Role of Technology in Employees' Lives
- Work-Life Supports on the Job
- Working for Oneself versus Someone Else

When we have used exactly the same measures as in previous studies, we examine changes over time—from 1977 to 2002 and 1992 to 2002.

All findings reported in figures in this report are statistically significant at  $p < .01$ ; that is, all of the observed differences would occur by chance less than 1 in 100 times, unless otherwise noted. Additional technical information appears in Brief Technical Notes, page 60.

### Overview of Findings

**Women in the Workforce:** The proportion of women and men in the wage and salaried workforce is now nearly equal, and men have become far more accepting of women's participation in the workforce over the past 25 years; however, two in five employed men still embrace traditional gender role ideologies. Since 1977, women employees have become better educated than men, and women are now more likely to hold managerial and professional occupations than men. Women's annual earnings, however, are lower than those of men. Possible reasons for this persistent gender differential in earnings are explored in some detail using rich data from the National Study of the Changing Workforce.

**Dual-Earner Couples:** The proportion of married wage and salaried employees who live in dual-earner couples has increased substantially over the past 25 years, as have the combined work hours of couples. From 1992 to 2002, men in dual-earner couples with children appear to have taken more responsibility for managing family work—chores, cooking, and child care—though women are still much more likely to shoulder greater responsibility. From 1977 to 2002, men in dual-earner couples with children also report spending more time actually doing family work—chores and caring for children—than comparable men 25 years ago whether or not they assume overall responsibility for these tasks.



**The Role of Technology in Employees' Lives:** Nearly two thirds of wage and salaried workers use computers for their jobs daily. A majority also use computers for personal reasons at least several times a week. More than one third of employees sometimes use a computer at home for job-related work, and nearly one fifth use a computer at home to read and send job-related email outside regular work hours. Among employees who ever use cell phones, beepers, pagers, or email for personal reasons, more than half feel these new ways of communicating help them a lot in managing their work, personal, and family lives. It also appears that employees who experience higher levels of negative spillover from work into their home lives rely more heavily on these technologies in an effort to manage the demands of life on and off the job.

**Work-Life Supports on the Job:** We find that work-life supports on the job—both specific benefit entitlements and less formal policies and practices—have increased somewhat, albeit not a lot, in the past decade. Most importantly, we find that when more supportive work-life policies and practices are available, employees exhibit more positive work outcomes—job satisfaction, commitment to employer, retention—and more positive life outcomes—less interference between job and family life, less negative spillover from job to home, greater life satisfaction, and better mental health. Specific policies and practices are identified in the report.

**Working for Oneself versus Someone Else:** Approximately one-fifth of the U.S. workforce work for themselves rather than someone else. We consider about one third of these workers to be *small business Owners* because they employ others for pay. We consider the remaining two thirds to be *self-employed Independents* because they do not employ others for pay. Owners and Independents are more likely to be men and to be older than *wage and salaried Employees*. Owners are much better educated and earn much more than either Independents or Employees. Although a significant proportion of Independents want to be part of the wage and salaried labor force (and may be displaced employees), most small business Owners are content with their situations. These and other issues are explored at some length in this section of the report.



## II. WOMEN IN THE WORKFORCE

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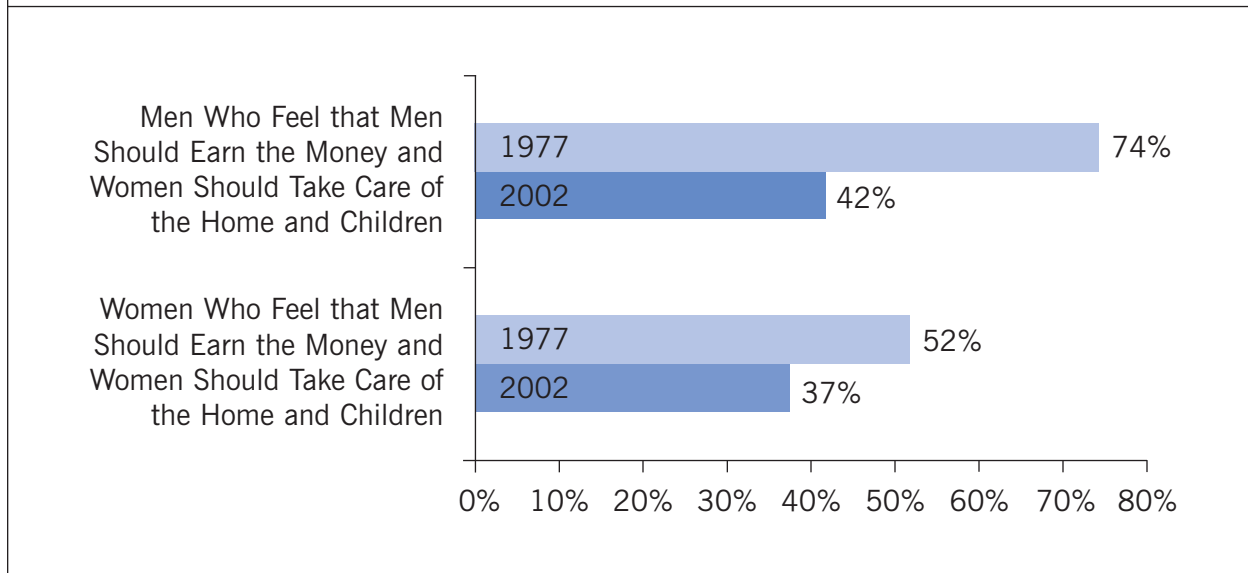
It is well known that women's participation in the workforce has increased dramatically over the past several decades due to higher participation rates among married women, including those with children, and, to some extent, single mothers who have been pressed into the labor force and off the welfare roles in the past decade. The 2002 wage and salaried workforce comprises almost equal numbers of men (51%) and women (49%).

### Attitudes about Women's Participation in the Workforce

**Finding:** Attitudes about women's participation in the workforce have become much more positive over the past generation among both men and women, but particularly among men (Figure 1).

- In 1977, 74 percent of men felt that men should earn the money and women should stay at home minding the house and children versus 42 percent in 2002.
- Stated conversely, in 1977, only 26 percent of men felt that it was okay for women to enter the workforce and contribute to family income rather than stay at home versus twice as many (58%) who feel that way in 2002.
- Women's views about their workforce participation also became significantly more positive from 1977 to 2002, but the magnitude of change in their attitudes is much smaller.

Figure 1: Employees Who Feel That Men Should Earn the Money and Women Should Take Care of the Home and Children in 1977 and 2002

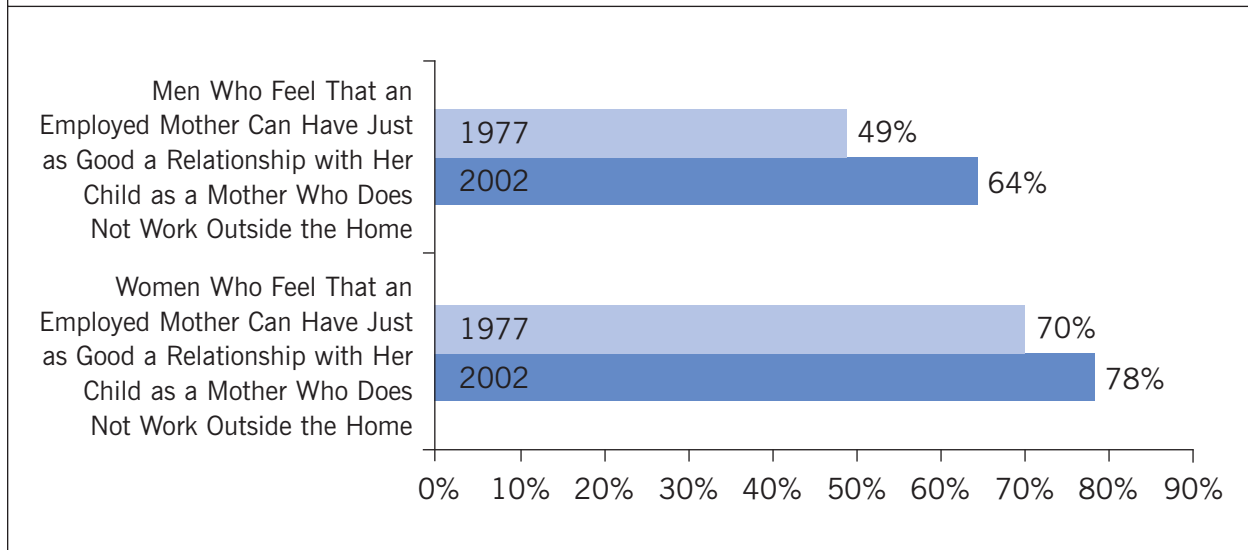


**Finding:** In 2002, both men and women in dual-earner couples *with* children are more likely (42% of men and 48% of women) than those in dual-earner couples *without* children (32% of men and 34% of women) to believe that men should earn the money and women should take care of the home and children. And men and women in dual-earner couples with or without children are more likely to feel this way than other workers. The challenge or anticipated challenge of raising children apparently induces a change of attitude, if not employment behavior, in some people.

**Finding:** Employees in 2002 are more likely than those in 1977 to believe that mothers who work outside the home can have relationships with their children that are just as good as non-employed mothers have (Figure 2).

- In 1977, 49 percent of men believed that mothers who work outside the home could have relationships with their children that were just as good as those of non-employed mothers. In contrast, 64 percent of men in 2002 feel that working mothers can have relationships with their children that are just as good as non-employed mothers.
- The attitudes of employed women have also changed significantly, albeit less dramatically than the attitudes of men. In 1977, 70 percent of women felt that employed mothers could have relationships with their children that were just as good as those of non-employed mothers, while in 2002, 78 percent of women feel that employment has no impact on the quality of an employed mother's relationship with her children.

Figure 2: Employees Who Feel That an Employed Mother Can Have Just as Good a Relationship with Her Child as a Mother Who Does Not Work Outside the Home in 1977 and 2002



**Finding:** With respect to feeling that a mother who works outside the home can have just as good a relationship with her children as a mother who is not employed, in 2002, men and women in dual-earner couples *with* children (69% of men and 80% of women) do not differ significantly from those in dual-earner couples *without* children (64% of men and 77% of women).

In supplemental analyses of 2002 data, we explore the possibility that gender role attitudes might be related to age—that is, be generational in nature.

**Finding – Men:** In 2002, we find no difference between men under 30 and older men in their views of whether they feel it is okay for women to work outside the home. However, men under 30 years old are significantly *more* likely (73%) than men of other ages (62%) to feel that a mother who works outside the home can have just as good a relationship with her children as a mother who is not employed. It is these young men who are most likely to have had employed mothers themselves and, some might argue, are in a good position to judge.

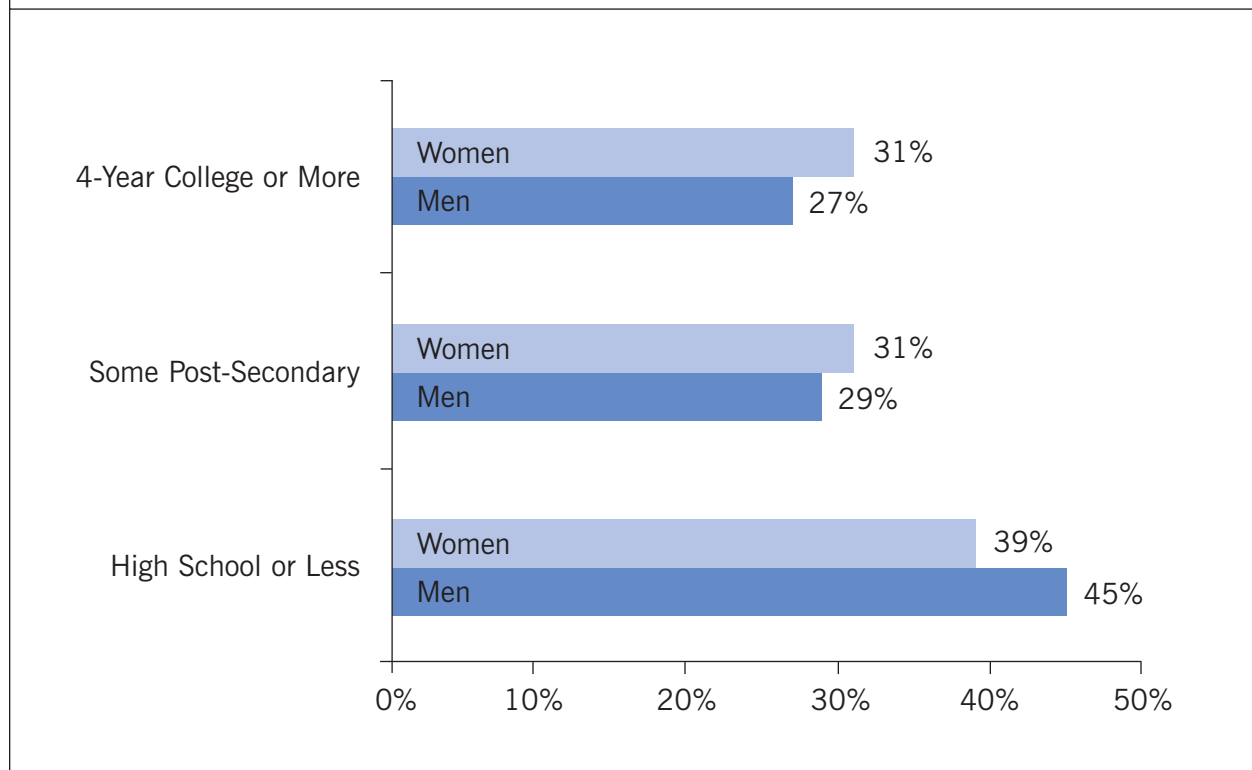
**Finding – Women:** In 2002, we find no difference between younger and older women in whether they feel that mothers who work outside the home can have just as good relationships with their children as stay-at-home mothers. We do find, however, that women under 30 years old are *less* likely (31%) than older women (41%) to feel that men should earn the money and women should take care of the home and children.

## Education and Occupation

**Finding:** Interestingly, women in the 2002 U.S. wage and salaried workforce are better educated than men (Figure 3).

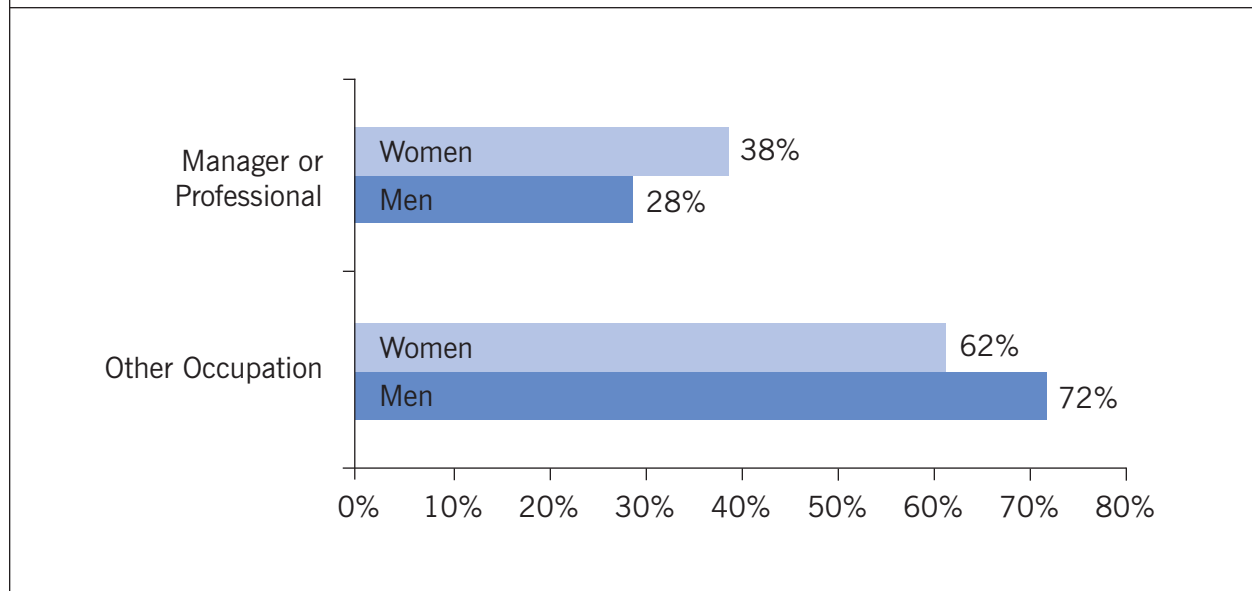
- The education levels of men and women did not differ in 1977. Although the education of both men and women increased significantly from 1977 to 2002, women's education has increased more rapidly than men's.

Figure 3: Education Levels of Men and Women Employees in 2002



**Finding:** Women are more likely to work in managerial or professional occupations in 2002 than men, particularly in professional occupations (Figure 4).

Figure 4: Occupations of Men and Women Employees in 2002

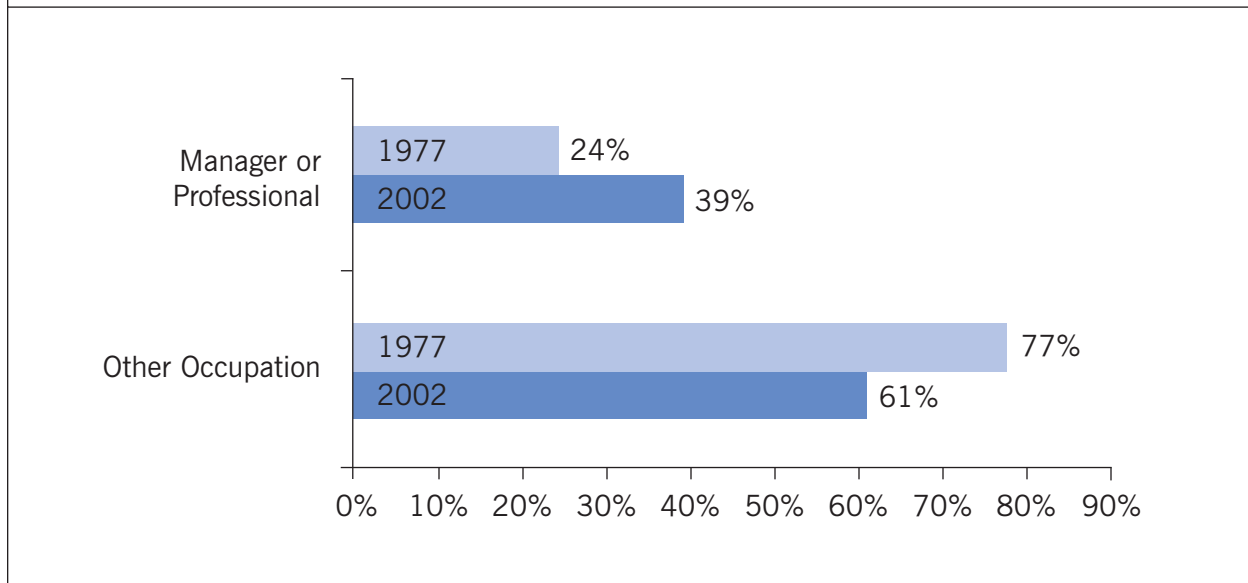


Occupational status is correlated with educational level. Men are much more likely (43%) to have blue collar jobs in production, machine operation, and repair than women (10%), while women are more likely to have white collar jobs as professionals (23% versus 16% for men) and in administrative support (22% versus 8% for men).

**Finding:** The occupational profile of employed women has changed substantially over the past 25 years. In 1977, only 24 percent of women had managerial or professional positions compared with 39 percent of women in 2002 (Figure 5). The proportion of men in managerial and professional jobs has remained steady over this period at about 30 percent.<sup>2</sup>

It is important to note that our open-ended responses in which employees described the activities that they engage in on their jobs were classified into specific occupations by staff of the U.S. Bureau of the Census using detailed 1990 U.S. Census codes. Census codes were then regrouped into larger categories that represent a range of specific occupations. For example, the broad class of “managers” includes people who manage fast food outlets and small retail stores as well as CEO’s of major corporations, while the class of “professionals” includes high-earning physicians and lawyers as well as lower-earning nurses and school teachers.

Figure 5: The Occupations of Women Wage and Salaried Employees in 1977 and 2002



## The “Social Glass Ceiling” Effect

Should the previous findings lead us to conclude that the so-called “glass ceiling” impeding women’s job advancement—not only in major corporations but also in smaller companies—has been broken? The short answer is, “No.” The long answer is, “It’s more complicated than that.” Our best index of women’s advancement, other than broad occupational classifications where women have made some progress, is earnings on the job. We refer to the “*social* glass ceiling” effect because we, as others, believe that the impediments to women’s advancement are not simply impediments erected by employers but also social and cultural impediments that are pervasive in our society. The attitudes and values of employers, parents, peers, teachers, counselors, and significant others, as well as the expression of gender-related values and attitudes in the media, may have powerful effects on young women’s educational and career decisions—effects that can constrain their advancement vis-à-vis men.<sup>3</sup>

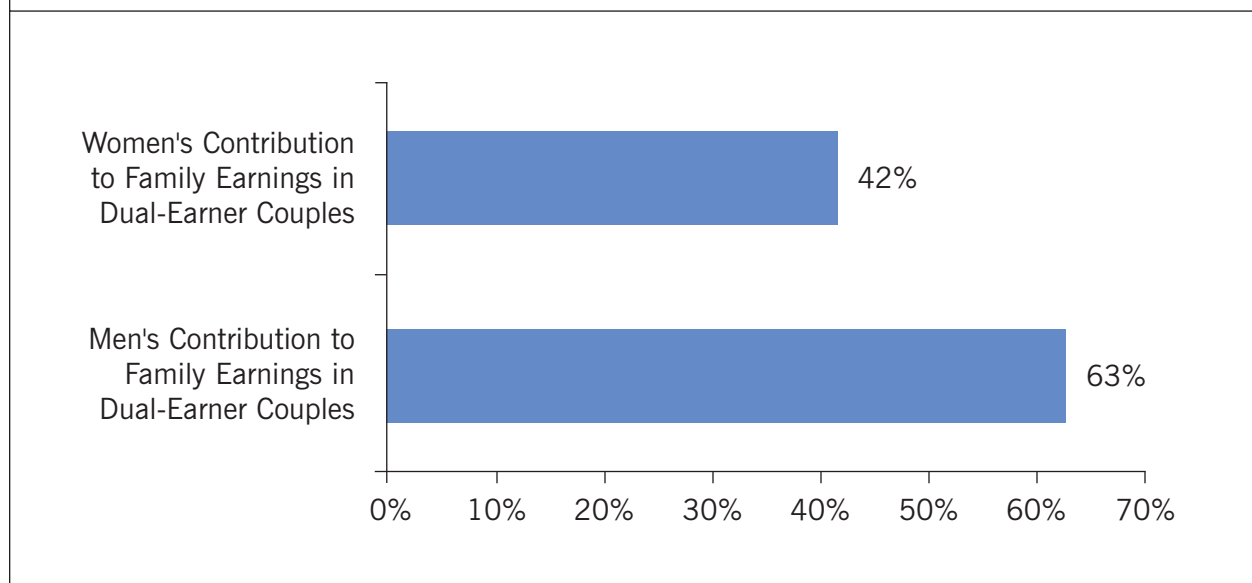
**Finding:** The *average hourly earnings* of all women—disregarding occupation and hours worked—at their main or only jobs (\$19.16) are not *significantly* lower than men’s average hourly earnings (\$22.29) in 2002. However, the *median* hourly earnings of women (\$12.50) are significantly lower than men’s median hourly earnings (\$16.32) by nearly four dollars per hour. [Given the extremes in hourly earnings, a comparison of medians is more appropriate than a comparison of averages/means.] Women earn 77 percent of what men earn on a median hourly basis.

**Finding:** Women’s estimated *median annual earnings* for 2002 from all paid work (\$28,431) are significantly and substantially lower than men’s median earnings (\$40,000) by about \$12,000. [Again, given extremes in annual earnings, a comparison of medians is most appropriate.] Women earn 71 percent of what men earn on a median annual basis. In part, but not entirely, this is due to the fact that women are much more likely (24%) to have part-time positions in their main (or only) job as defined by their employers than men (9%).

**Finding:** According to estimates of total 2002 earnings by employed women in dual-earner couples, women contribute 42 percent of family earnings, while the estimates by employed men in dual-earner couples suggest that men contribute 63 percent of family earnings (Figure 6).

Surprisingly, these estimates by independent random samples of men and women in dual-earner couples very nearly add up to 100 percent. A reasonable conclusion is that women contribute about 40 percent of earnings in dual-earner couples, while men contribute about 60 percent.

**Figure 6: Women’s and Men’s Contributions to Family Earnings in Dual-Earner Couples in 2002**



**The bottom line:** Women in dual-earner couples earn less than their spouses or partners.

The National Study of the Changing Workforce has much more information about workplaces, jobs, attitudes, and life off the job than many other datasets that have been used to document and potentially



explain the earnings gap between men and women. Thus, we decided to look for *possible* explanations within our data given the importance of this issue to many employers and employees, policy makers and advocates.

**Finding:** Because the distribution of mean annual earnings is skewed by extreme values, we transformed the earnings variable for analysis.<sup>4</sup> We find that the annual earnings of men and women in their main (or only) jobs do not differ significantly if we make statistical adjustments for all of the following factors:<sup>5</sup>

- **Having a part-time or full-time position**

Women are much more likely (24%) than men (9%) to have part-time positions in their main (or only) jobs, and this accounts for a significant proportion of the difference in annual earnings between men and women in the wage and salaried labor force. Among employees who work part time, 68 percent of women and 51 percent of men do so voluntarily. There appears to be a *part-time penalty* unrelated to the number of hours worked. Among full- and part-time employees who work for organizations that employ part-time workers, 61 percent say that part-timers receive less than pro rata pay and benefits compared with full-time employees in the same positions *just because they work part time*. [Twelve percent of employees did not have enough information to venture an opinion.] One might infer from this finding that employers *discriminate* against part-time employees, and since women are much more likely to be part-time workers, that they discriminate against women. We are not making this claim, merely raising the issue for discussion.

- **Total number of paid and unpaid hours worked per week**

Women also work fewer total hours (39.8 hours) in their main (or only) job than men (46.1 hours), and we find that longer hours worked is related to higher annual earnings over-and-above the difference associated with part- and full-time work—probably because of increased overtime pay and the “face-time effect” of being on the job for longer hours.

- **Number of weeks worked per year**

The number of weeks employees work per year affects their annual earnings, and women work about one week less per year on average than men. Whether this difference is a result of women taking more unpaid leave than men, we do not know.

- **Number of days per week the employee does any work related to job**

The number of days per week that employees spend any paid or unpaid time related to their main/only jobs is predictive of annual earnings. Twenty percent of women spend fewer than five days per week working at their jobs versus 12 percent of men, while 25 percent of men spend more than five days versus 17 percent of women. Employees who work more than five days per week at

their main job may be more likely to receive overtime pay (if they are hourly workers) or to impress their supervisors as being particularly committed and ambitious (if they are salaried workers).

- **Number of years worked for current employer**

Tenure with an employer is predictive of earnings, and women have less tenure at their jobs on average (7 years) than men (8 years)—possibly because of schooling; possibly because of childbirth or other family reasons that have kept them out of the labor force.

- **Proportion of time in the workforce since turning 18**

The proportion of time one has spent in the workforce since turning 18 is predictive of annual earnings, and men have spent a larger proportion of time in the workforce (88%) than women (81%). To what extent this is due to women's pursuing more education or taking time out of the workforce for childbirth or other family reasons, we do not know.

- **Child care responsibility**

The greater the responsibility employees—men or women—take for the routine care of children—and mothers take more responsibility on average than fathers—the lower their annual earnings. (See findings about child care responsibilities in next chapter.)

Some research studies suggest that having children leads women to work shorter hours and, therefore, earn less. Data from the 2002 National Study of the Changing Workforce reveal that women with more than one child under 18 (but not a single child) do, indeed, work *somewhat* shorter hours than women without children. However, having children is not related to annual earnings among women, suggesting that the somewhat reduced hours among working mothers is not sufficient to have a significant overall impact on women's earnings.

- **Total hours per week worked by spouse/partner**

The spouses of women in dual-earner couples tend to work longer hours than women do (47.5 versus 41.4 hours at all jobs), and among women, the longer the hours one's spouse works, the lower one's own earnings.

- **Frequency of overnight business trips**

Ability and willingness to travel on business is extremely important to many companies, not just in managerial and professional jobs, but also in technical and blue collar jobs (repair and transportation to name two), and it appears that employers reward travel. Women travel significantly less than men: 87 percent of women engaged in no overnight business travel in past 3 months compared with 75 percent of men—perhaps reflecting the types of jobs women have but perhaps also their reluctance to travel because of family responsibilities.

- **Union membership**

Employees who belong to collective bargaining units tend to earn more than those who do not, and women are less likely (15%) to be union members than men (20%).

- **Working in an administrative support position versus another occupation**

Employees who work in administrative support positions earn significantly less on average than employees in other positions, and women are much more likely (22%) than men (8%) to work in such positions.

- **Supervision of others is a major part of job**

Men are more likely (42%) than women (33%) to supervise other employees as a major part of their jobs, and employees with supervisory responsibilities earn more on average. Although women are just as likely as men to have managerial positions and are more likely to have professional jobs, they are less likely to have *direct* supervisory responsibilities as a *major* part of their jobs.

- **Being employed by a company with more employees nationwide**

Employees who are employed by larger organizations have higher annual earnings on average, and men tend to work for somewhat larger organizations than women.

- **Being employed in workplaces with higher proportions of women**

Women, but not men, who are employed in workplaces with higher proportions of women tend to have lower annual earnings, and women are more likely than men to be employed in workplaces with high proportions of women. Whether wages and salaries in such workplaces are set at *unfairly* low levels is not something we can address with data from our study.

- **Working in lower-paying professions and managerial positions**

Although we could not test this hypothesis directly, we suspect, based upon examination of our detailed data and other data sources, that women in the professions, for example, are more likely to be nurses than doctors and are more likely to be public school teachers than lawyers. And when they are doctors, they are more likely to be pediatricians and general/family practitioners who earn less than specialists. Indeed, after controlling for part-/full-time status, all hours worked per week, tenure with current employer, and education, women managers and women professionals earn significantly less than men in management or men in professional positions. We are unable to determine whether these earnings differentials are simply a matter of women's entering lower-paying professions and lower-paying management positions or whether these differentials are, at least in part, a function of gender discrimination.

Our findings appear to support the view that women earn less than men on average because many women end up assuming or being steered into traditional female roles, enter traditionally female occupations and industries, and end up making a series of decisions over time in which they spend less time at work, less time in the workforce, and their husbands become the primary wage earners. In dual-earner couples, particularly those with children, there is a substantial *third* job that has to be done at home—*family work*. And it appears, as described in the next section of this report, that wives are still much more likely to assume primary responsibility for family work than their husbands. It should also be noted that single parents, who are disproportionately female, have a *second* job at home that also competes with paid work.

The implication of the preceding findings is that if men took more responsibility for family work, women's earnings might be much more similar to men's. Gender equity off the job is still not a reality. In addition, there is a real possibility that women are still being steered into choosing traditionally female educational paths and occupations because of persistent cultural forces. And discrimination in the workplace can still impede advancement.

We examined many other *potentially* explanatory factors that did not, in fact, help to explain observed differences in men's and women's earnings. For example, *perceived* gender discrimination, *perceived* opportunities for advancement on the job, *perceived* fairness in pay increases and promotions, career ambitions, and the frequency of layoffs and reductions in hours related to work slowdowns did not help to explain the gender differential in earnings.

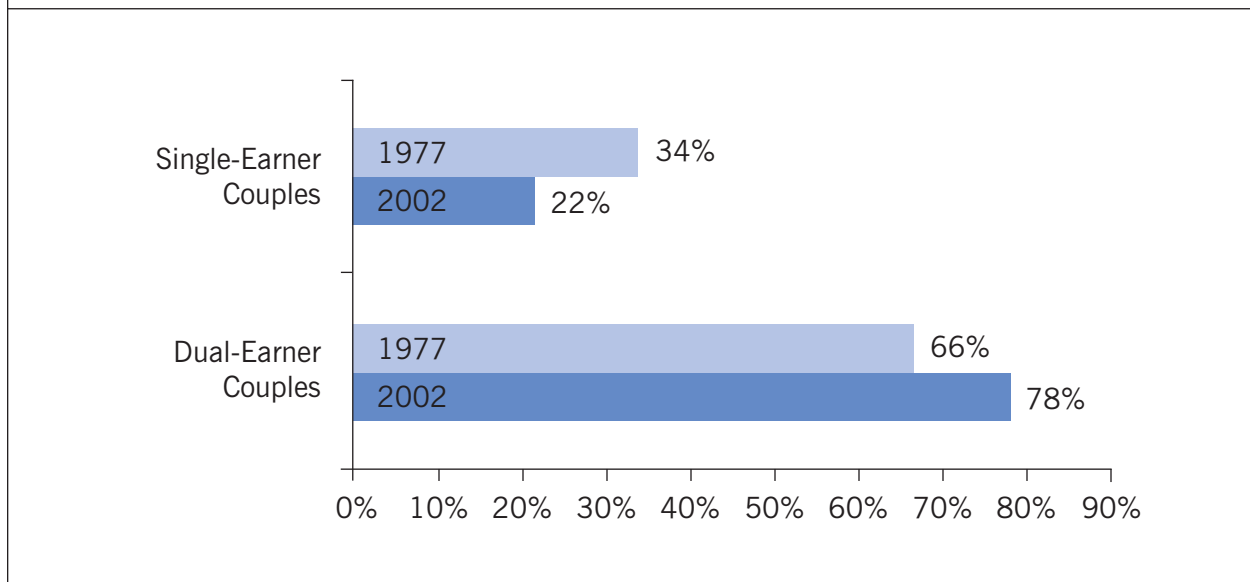
We must note, however, that unfair treatment in the workplace based on gender may not be perceptible to employees given its potentially subtle nature, but might still have a significant effect on promotions and earnings. Wage and salary information, for example, is typically not widely known in the workplace such that women may not be aware of the fact that men in comparable positions earn more than they do. Issues of gender discrimination are best studied by comparing the career histories of men and women and the compensation levels of men and women in comparable positions within the same organization, rather than relying upon survey data from a random sample of employees such as we have here.<sup>6</sup>

### III. DUAL-EARNER COUPLES

All analyses in this chapter apply to wage and salaried Employees. In 2002, 66 percent of employees live in couples—59 percent are legally married, and 7 percent live with partners as couples. Forty-three percent of employees have children under 18 living with them for at least half the year. Among employed parents, 20 percent are single parents, while 80 percent live in couples.

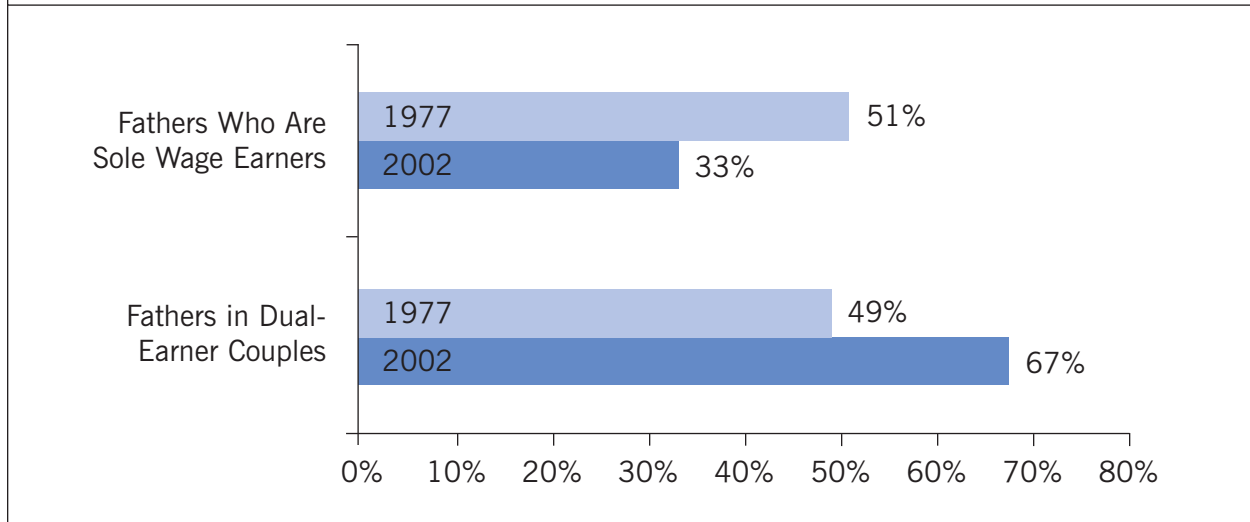
**Finding:** Among married wage and salaried Employees, the proportion who live in dual-earner couples has increased substantially over the past 25 years—from 66 percent to 78 percent (Figure 7)—due to the increased participation of married women in the labor force.

Figure 7: Married Wage and Salaried Employees in Dual-Earner Couples in 1977 and 2002



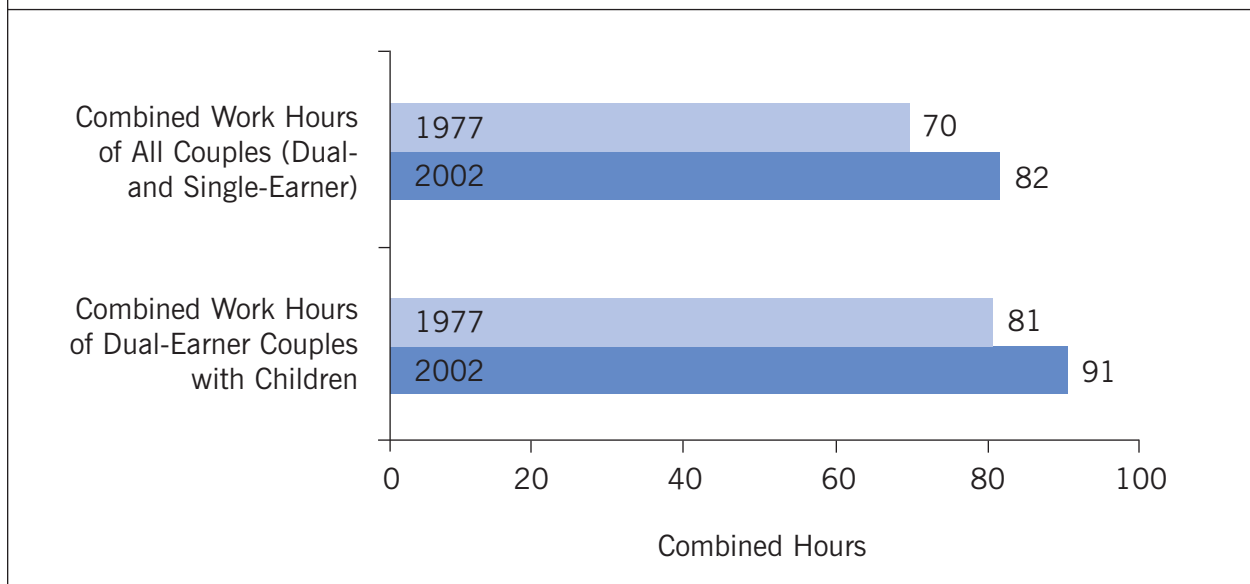
**Finding:** If we look at married men with children under 18 at home, the change over the past 25 years in employment of spouses has been even more striking (Figure 8), increasing from 49 percent to 67 percent.

Figure 8: Married Fathers Living in Dual-Earner Couples in 1977 and 2002



**Findings:** The combined weekly work hours (paid and unpaid) at all jobs of all couples—whether dual or single earners—has increased significantly over the past 25 years, from 70 hours to 82 hours. Over this same period, the combined weekly work hours of dual-earner couples with children under 18 at home has increased by an average 10 hours per week, from 81 to 91 hours. Clearly, today’s couples have less time for life off the job than they did in 1977 (Figure 9).

Figure 9: Combined Weekly Work Hours of All Couples and Dual-Earner Couples with Children in 1977 and 2002



## Who's Responsible for Family Work?

Over the past several decades as more and more women have joined the labor force to help support their families, the media (and individual women)—both through humor and dead-serious challenges—have been pressing men to assume greater responsibility for family work including household chores and child care. Men seem to want more involvement too.

Is there any evidence that men have become more involved in family work over the past 25 years? Yes, it is not a sea change, but gradually men appear to have become more involved on the home front.

### *Overall Responsibility for Family Work among Dual-Earner Couples with Children: 1992 versus 2002<sup>7</sup>*

**Findings:** Men in dual-earner couples with children under 18 at home are more likely in 2002 (43%) than in 1992 (28%) to say that they take greater or equal responsibility for cooking. In comparing responses in 1992 and 2002, however, there are no changes in self-reported responsibility for cleaning or the routine care of their children.

In survey research, the question of the extent to which people report honestly or exaggerate is always an issue. In this case, there is a strong sense in the popular culture that men might want to be perceived to be more family-oriented today than they did in the past. Thus, one might expect men to exaggerate their contributions to family work. However, there is also a sense in the popular culture that women may exaggerate their contributions to family work to counter criticisms that employed mothers neglect the household and their children. Of course, either men or women might exaggerate their involvement in family work because they do not fully understand the complexity or time required to complete work for which they themselves do not take full responsibility. In the absence of direct, independent observations of what actually goes on in family life, we rely upon self-reports, which are important indicators of social change in and of themselves. In addition, we look for consistency and cross-confirmation where we can find it, for example by comparing what men say about themselves, what women say about men, and vice versa.

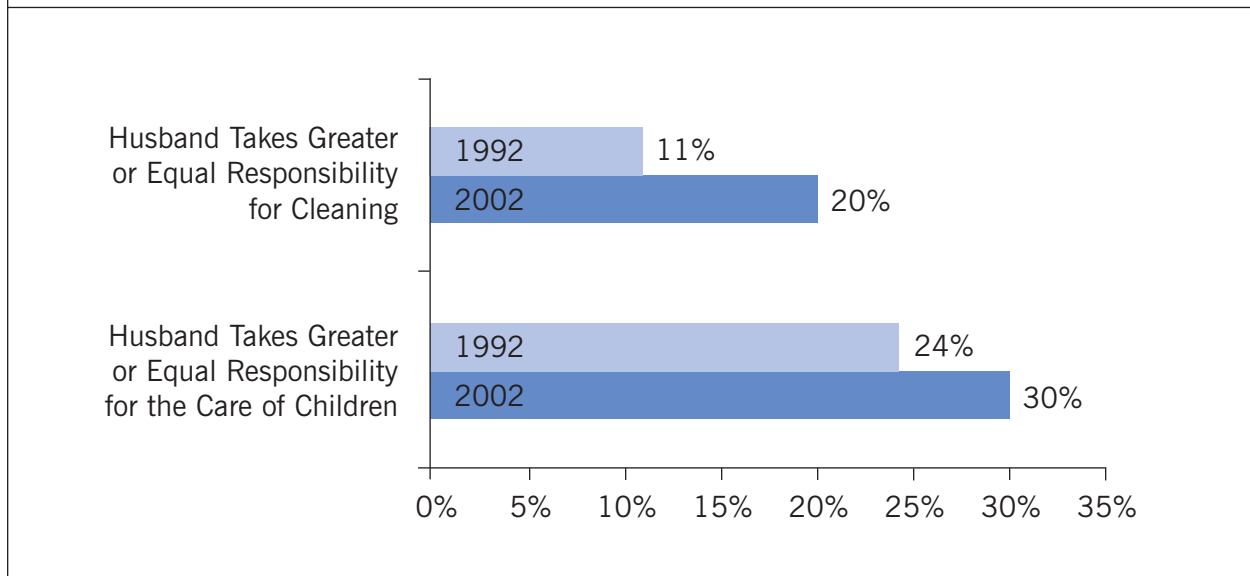
**Findings:** Women in dual-earner couples with children are significantly more likely in 2002 than their counterparts in 1992 to report that their husbands take greater or equal responsibility for cleaning (20% versus 11%) and routine child care (30% versus 24%, Figure 10).

Women's confirmation of men's greater responsibility for family work—cleaning and child care, but not cooking (as reported by men)—represents, we think, rather powerful evidence of changes in men's behavior. As we said, not a sea change, but gradual progress. Nevertheless, by both men's and women's accounts,



women, on average, still assume greater responsibility for seeing that family work gets done—not just time spent doing the work, but also time planning, organizing, and overseeing it. [See next finding.]

**Figure 10: Women Who Report that Their Spouses Take Greater or Equal Responsibility for Cleaning and the Care of Children in 1992 and 2002**



**Finding:** According to women in dual-earner couples with children in 2002, 77 percent take greater responsibility for cooking, 78 percent take greater responsibility for cleaning, and 70 percent take greater responsibility for routine child care. From these findings, one might conclude that mothers in dual-earner couples do indeed work a *second shift*<sup>8</sup> that places demands not only upon their time, but their psychological energy as well.

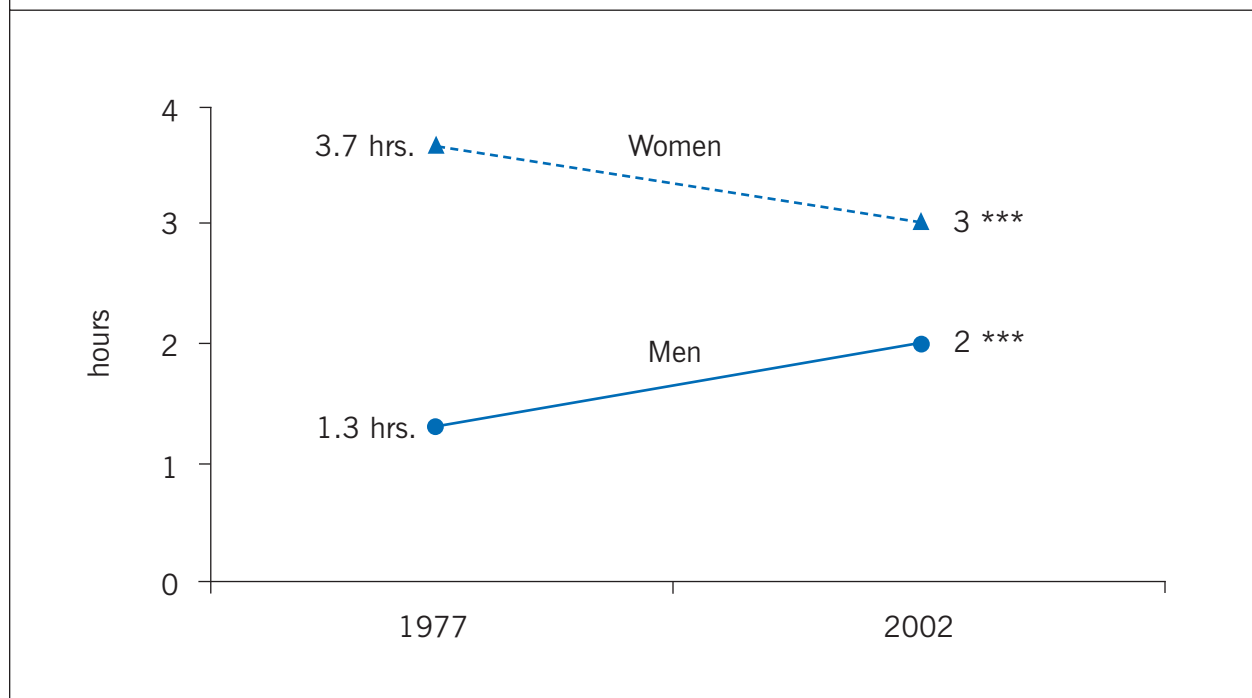
Also telling are the responses of employees in dual-earner couples with children to the following question: “Who is most likely to take time off work to stay home or do something with your child(ren) when both of you are supposed to be at work?” The proportion of fathers who claimed this responsibility increased from 12 percent in 1977 to 31 percent in 2002, while the proportion of mothers claiming this responsibility did not change significantly (78% in 1977 versus 72% in 2002). It seems likely that the proportion of fathers who ever take time off work because of children’s needs has, indeed, increased somewhat.

### *Time Allocated to Family Work and to Oneself among Dual-Earner Couples with Children: 1977 versus 2002<sup>9</sup>*

Having evaluated the amount of overall responsibility men and women in dual-earner couples with children assume for various tasks, we now examine the amount of time that they spend in various activities comparing data from 1977 with data from 2002. It is important to note that the *total paid and unpaid time* that mothers and fathers in dual-earner couples spend doing any work related to their jobs has increased significantly over the past 25 years, constraining the amount of disposable time off the job. Among dual-earner couples, mothers' average weekly hours have increased from 37.8 in 1977 to 42.8 in 2002, while fathers' average weekly hours have increased from 46.7 to 51.3.

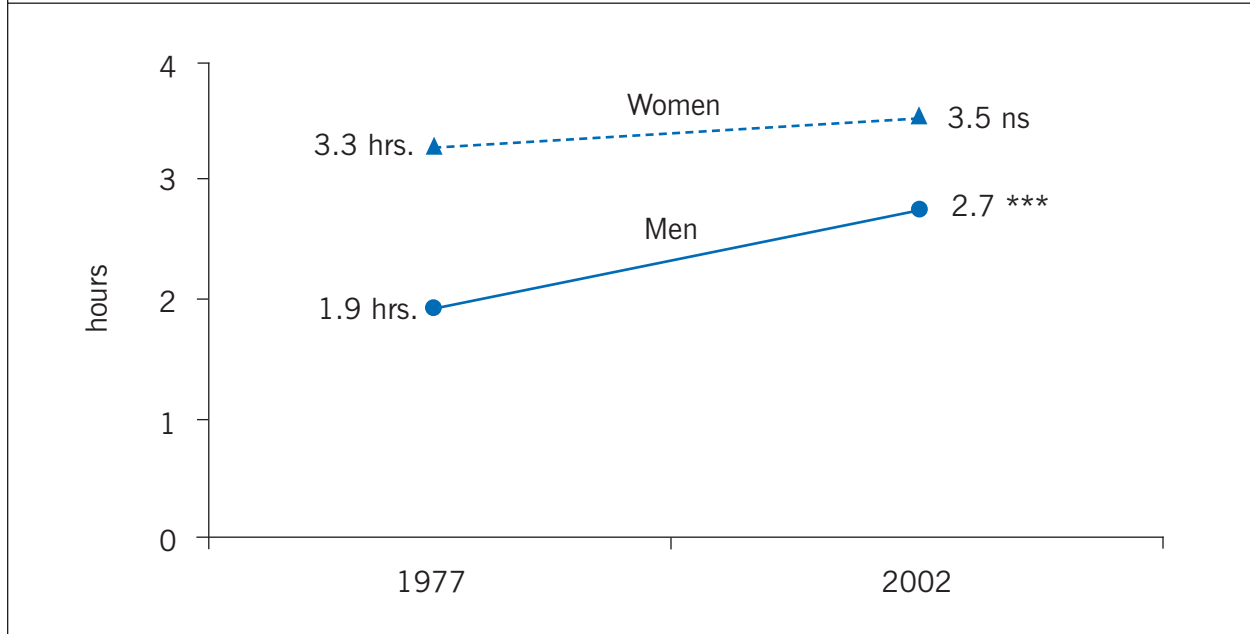
**Findings:** Women in dual-earner couples with children still spend more time than men in dual-earner couples doing home chores—“things like cooking, cleaning, repairs, shopping, yardwork, and keeping track of money and bills”—and caring for children, and have less time for themselves on workdays. However, men's time engaged in family work on workdays—doing chores and caring for children—has increased significantly over the past 25 years and correspondingly they devote less time to their own free-time activities (Figures 11, 12, 13).

Figure 11: Time Allocated to Home Chores per Workday by Working Mothers and Fathers in Dual-Earner Couples with Children: 1977 versus 2002



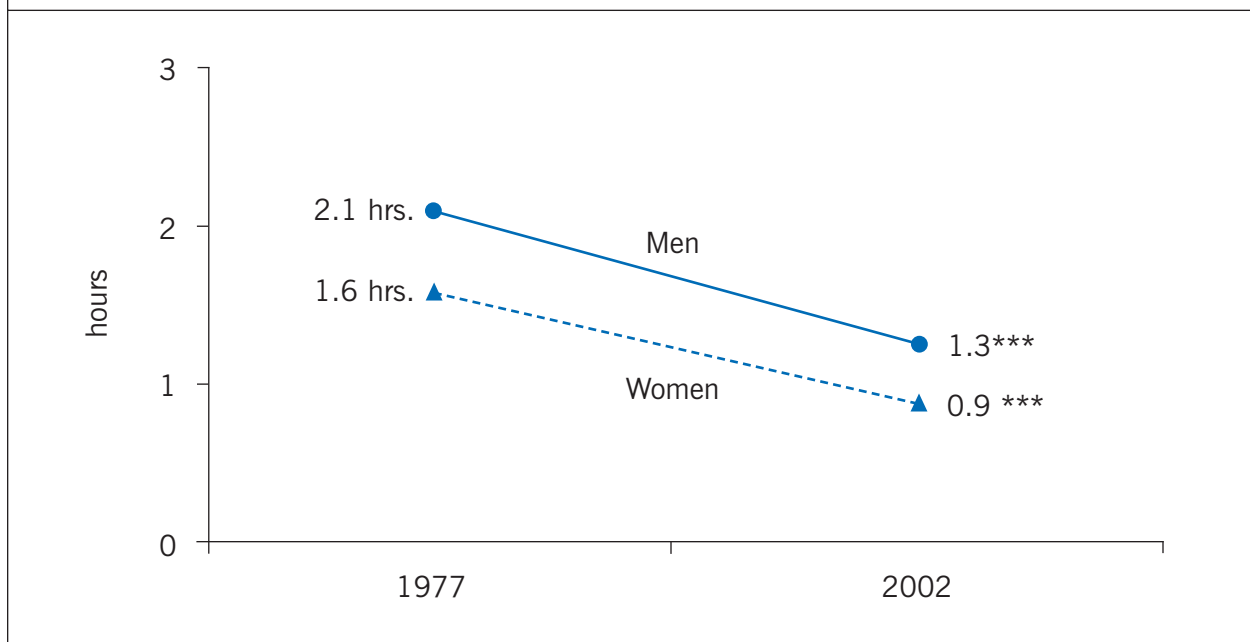
Statistical Significance: \*\* =  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant.

Figure 12: Time Allocated to Children per Workday by Working Mothers and Fathers in Dual-Earner Couples with Children: 1977 versus 2002



Statistical Significance: \*\* =  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant.

Figure 13: Time Allocated to Self per Workday by Working Mothers and Fathers in Dual-Earner Couples with Children: 1977 versus 2002



Statistical Significance: \*\* =  $p < .01$ ; \*\*\*  $p < .001$ ; ns = not significant.

**Finding:** Mothers in dual-earner couples with children spend less time per workday doing home chores today than their counterparts did in 1977 (Figure 11, above), undoubtedly due, at least in part, to the increase in hours they work at paid jobs (above).

**Finding:** Despite their increased work hours over the past 25 years, fathers in dual-earner couples with children spend more time per workday doing home chores in 2002 than their counterparts did in 1977 (Figure 11, above).

**Finding:** Fathers have increased their time doing chores by approximately 42 minutes per workday over the past 25 years, while mothers have reduced their time by approximately the same amount. Consequently, **the combined time that spouses with children devote to home chores per workday has not changed from 1977 to 2002—5 hours on average in both years.**

**Finding:** The amount of time that working mothers in dual-earner couples spend on workdays caring for and doing things with their children has not changed significantly from 1977 to 2002. Fathers in dual-earner couples with children, however, spend more time caring for and doing things with their children in 2002 than fathers did in 1977. These findings suggest that children remain a high priority even in the face of increased hours at paid work (Figure 12, above).

**Finding:** **The combined time that spouses in dual-earner couples spend caring for and doing things with children on workdays actually, and perhaps surprisingly, appears to have increased over the past 25 years—from 5.2 hours in 1977 to 6.2 hours in 2002.** It appears that both mothers and fathers give very high priority to spending time with their children despite longer work hours and more demanding jobs. We do not know, however, whether and how the quality of the time parents spend with their children has changed.

**Finding:** Both mothers and fathers in dual-earner couples with children have significantly (and substantially) less time for their own free-time activities per workday than their counterparts had 25 years ago (Figure 13). Finding time for oneself can be very important to one's mental and physical health, but doing so at the expense of sleep may be counterproductive.

Taking the findings about changes in who takes overall responsibility for family work together with findings about how much time members of dual-earner couples with children spend doing family work, it definitely appears that, on average, working fathers in dual-earner couples with children are somewhat more involved today than 25 years ago—this, despite the fact that women, on average, still take more overall responsibility for family work and spend more time doing it than men.

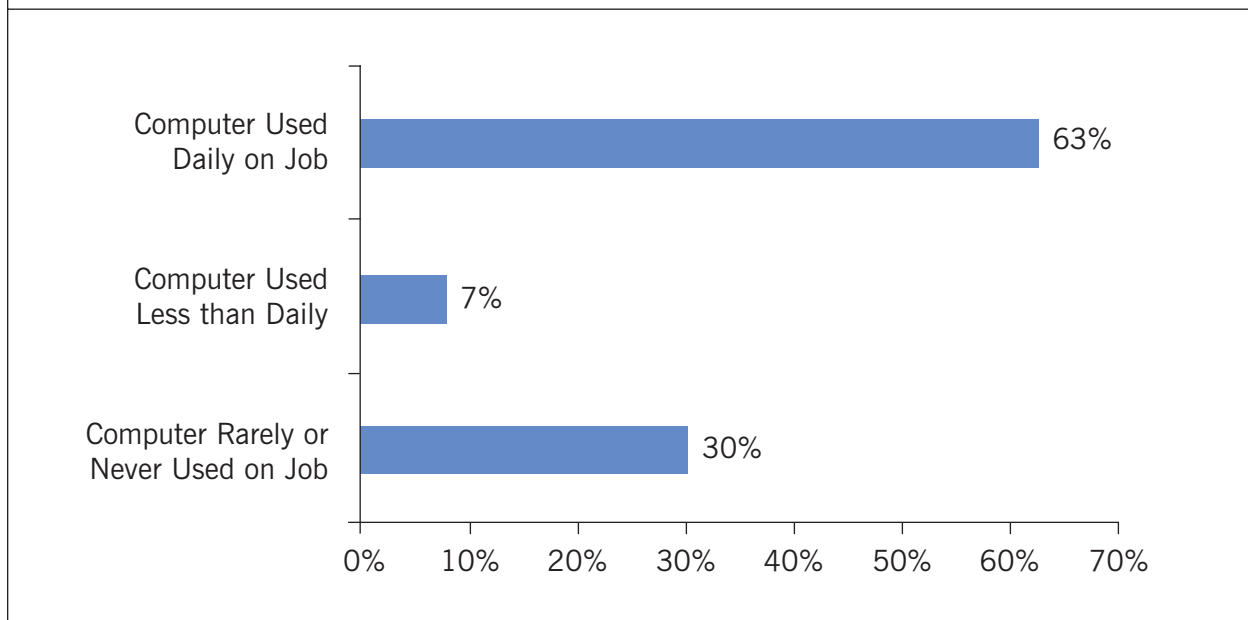
## IV. THE ROLE OF TECHNOLOGY IN EMPLOYEES' LIVES

Computer literacy and computer use have become increasingly prevalent on and off the job, and increasingly required in many jobs. And while it used to be that voice communication by land-line telephones was the primary link between workplace and home, as well as other non-work locations, technology has provided new means of connecting. Wireless communications (cell phones, beepers, pagers, walkie-talkies, handheld devices and laptops with wireless connections to the Internet) as well as wired connections (faxes and computers with modems and email capability) have radically altered the way many Americans communicate. Some believe these technologies have facilitated the intrusion of work into life off the job, while others argue that they are a blessing, helping people manage their demanding lives and maintain primary social networks.

Although we cannot make historical comparisons in this section because the National Study of the Changing Workforce did not ask these questions in the past, findings for wage and salaried Employees in 2002 are provocative in and of themselves.

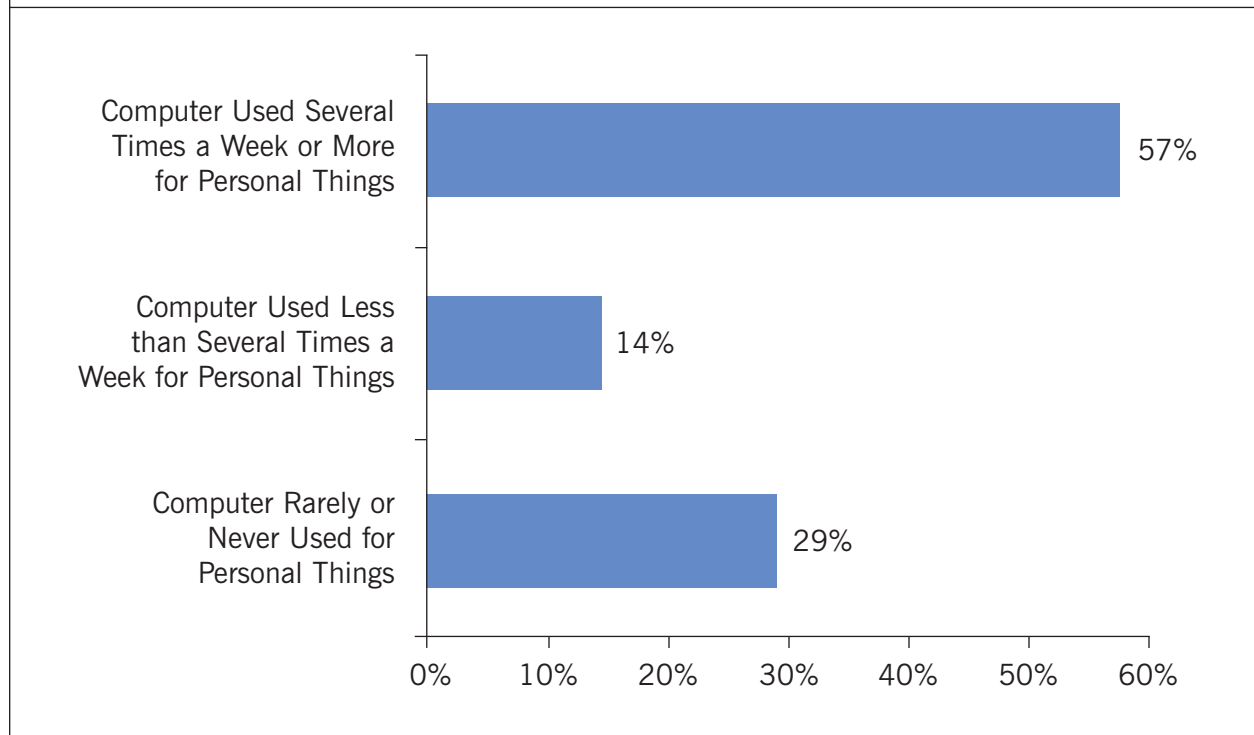
**Finding—Computer Use on the Job:** Nearly two thirds of wage and salaried employees (63%) use computers on their jobs daily. Only 30 percent rarely or never use a computer at work (Figure 14).

Figure 14: Computer Use on the Job in 2002



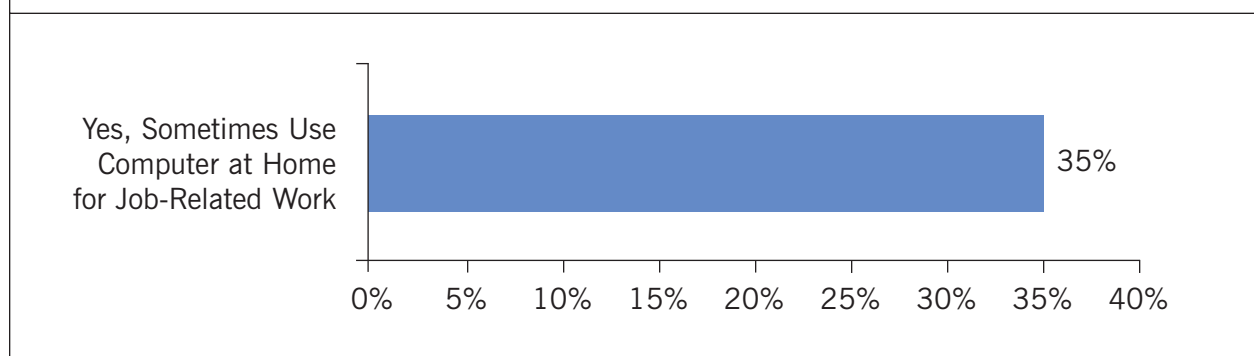
**Finding—Computer Use for Personal Things:** The majority of wage and salaried employees (57%) also use computers (at work, home, or elsewhere) for personal things at least several times a week, while 29 percent rarely or never do so (Figure 15).<sup>10</sup>

Figure 15: Computer Use for Personal Things in 2002



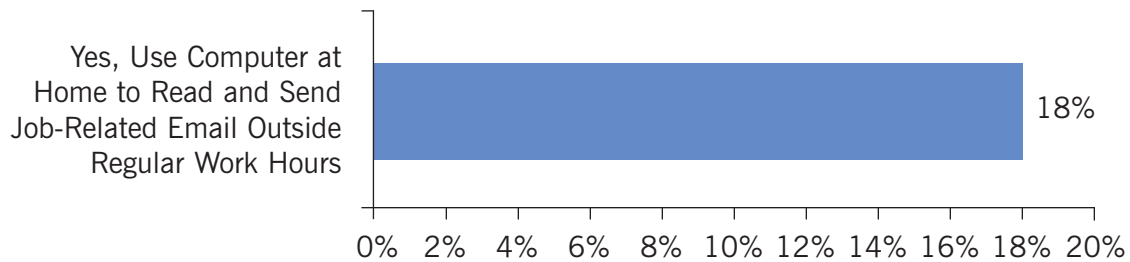
**Finding—Computer Use at Home:** More than one third of employees (35%) sometimes use a computer at home for job-related work (Figure 16).

Figure 16: Sometimes Use Computer for Job-Related Work at Home in 2002



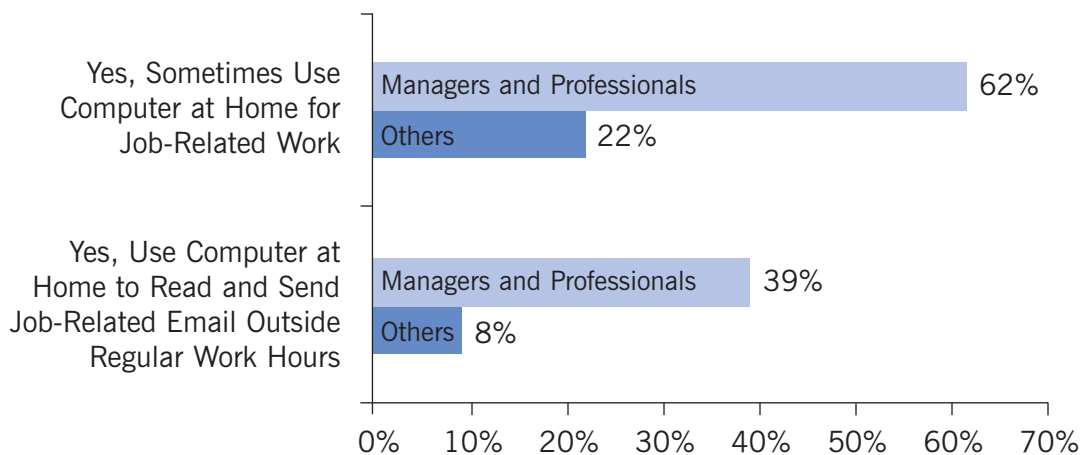
**Finding:** About 18 percent of all wage and salaried employees use a computer at home to read and send job-related email outside regular work hours (Figure 17).

Figure 17: Sometimes Use Computer at Home to Read/Send Job Related Email Outside Regular Work Hours in 2002



**Findings:** Employees in managerial and professional occupations are much more likely (62%) than employees in other occupations (22%) to use a computer at home for job-related work. Among all managers and professionals, 39 percent use a computer at home to read and send job-related email outside regular work hours versus only 8 percent of employees in other occupations (Figure 18).

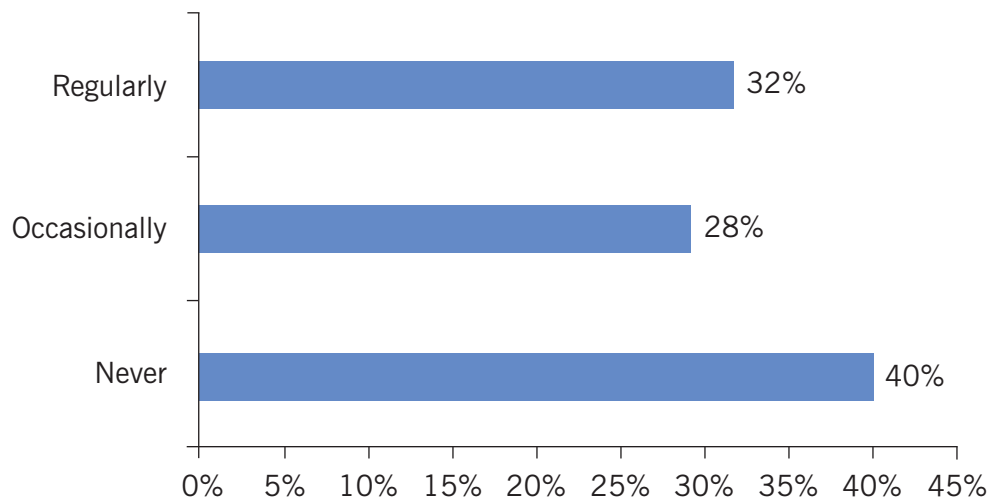
Figure 18: Computer Use for Job-Related Work at Home in 2002—Managers and Professionals versus Employees in Other Occupations





**Finding:** In 2002, 32 percent of employees say they are contacted outside work hours about work matters regularly, while 40 percent say this never happens. Others (28%) are contacted occasionally (Figure 19).

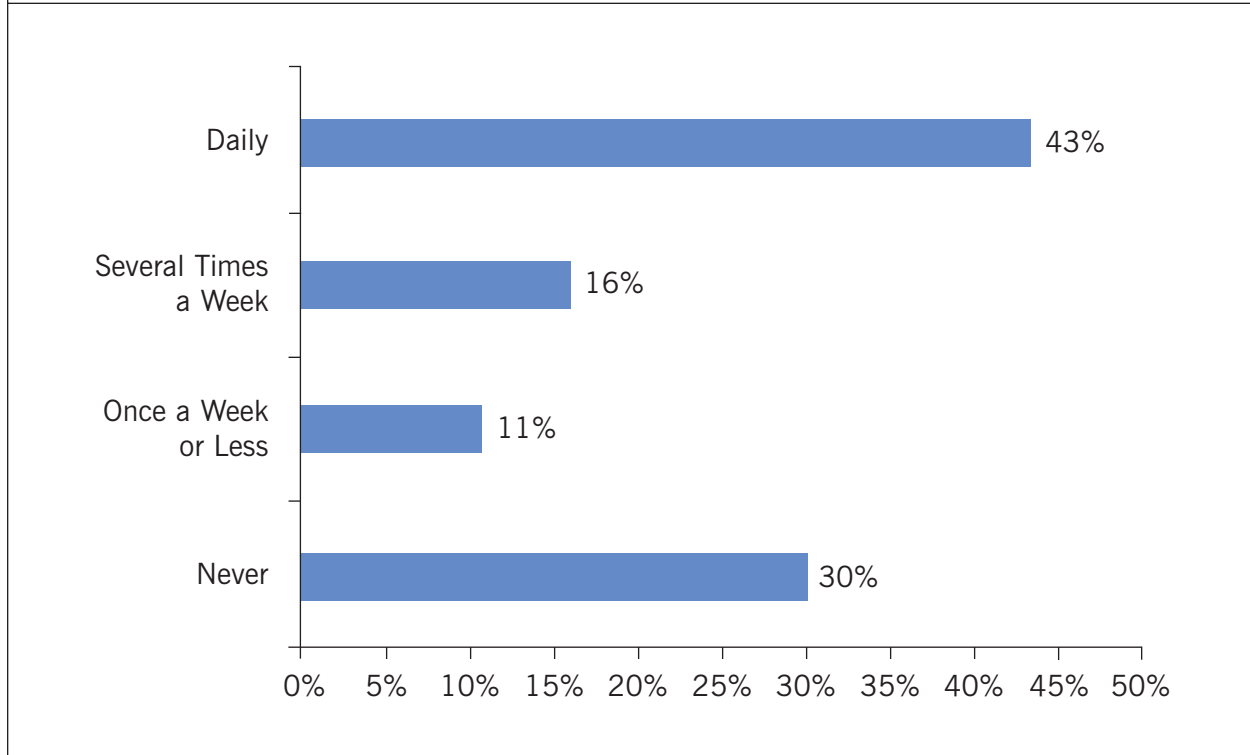
Figure 19: Frequency of Job-Related Contacts Initiated by Others Outside Regular Work Hours in 2002



**Finding:** Managers and professionals experience significantly more work-related contacts outside normal work hours than employees in other occupations. Only 24 percent of managers and professionals report no job-related contacts outside regular work hours versus 48 percent of employees in other occupations. Moreover, 28 percent of managers and professionals versus only 13 percent of other employees say that they are contacted about work-related matters several times a week or more outside normal work hours.

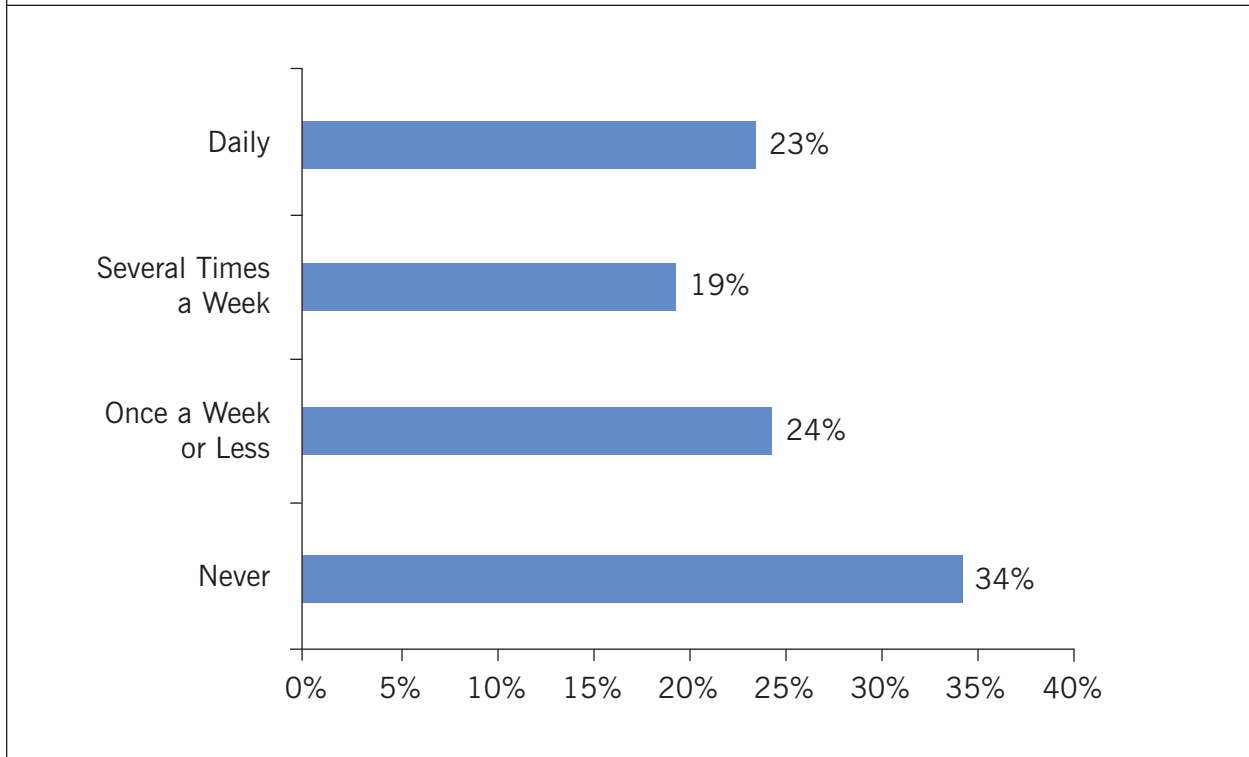
**Finding:** In 2002, a surprising 70 percent of wage and salaried employees sometimes used a cell phone, beeper, or pager to stay in touch with family members and friends—43 percent on a daily basis (Figure 20). How did we manage before these technologies were developed and became more or less affordable?

Figure 20: Frequency of Using Cell Phones, Beepers, or Pagers to Stay in Touch with Family Members and Friends in 2002



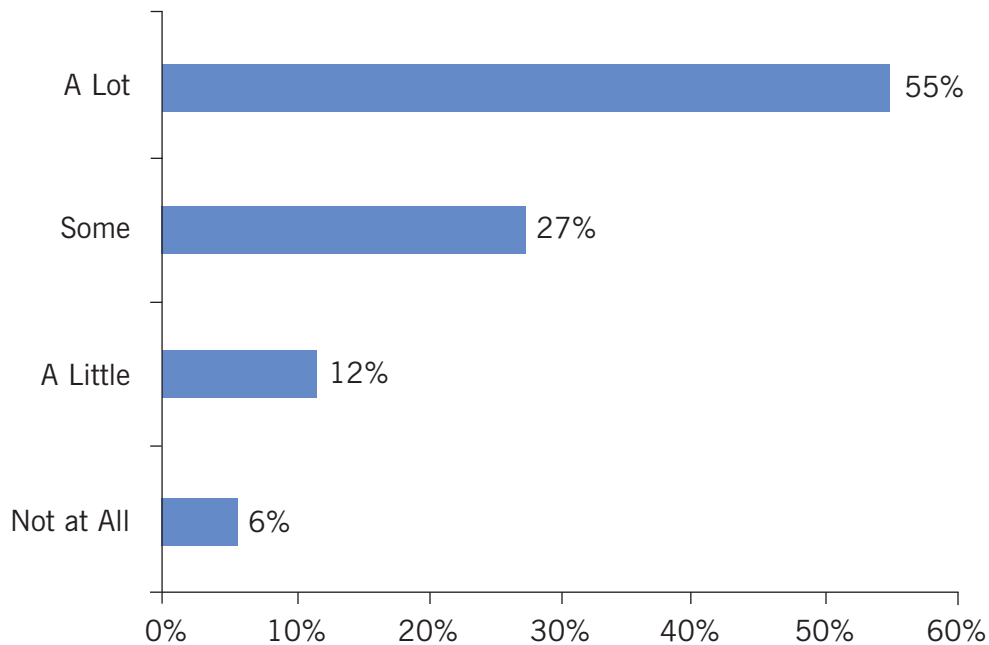
**Finding:** Email has also come into its own as a way of staying in touch with family and friends. In 2002, 42 percent of wage and salaried employees communicated with family members or friends by email several times a week or more (23% on a daily basis), while only 34 percent never did so (Figure 21).

Figure 21: Frequency of Using Email to Stay in Touch with Family Members and Friends in 2002



**Finding:** Among employees who use cell phones, beepers, pagers, or email for personal reasons, the majority (55%) feel that these new ways of communicating help them manage their work, personal, and family lives a lot better. Only 6 percent feel that these technologies do not make any positive contributions (Figure 22).

Figure 22: How Much Do These New Ways of Communicating (Cell Phone, Beeper, Pager, Email) Help You Manage Your Work, Personal, and Family Life Better?

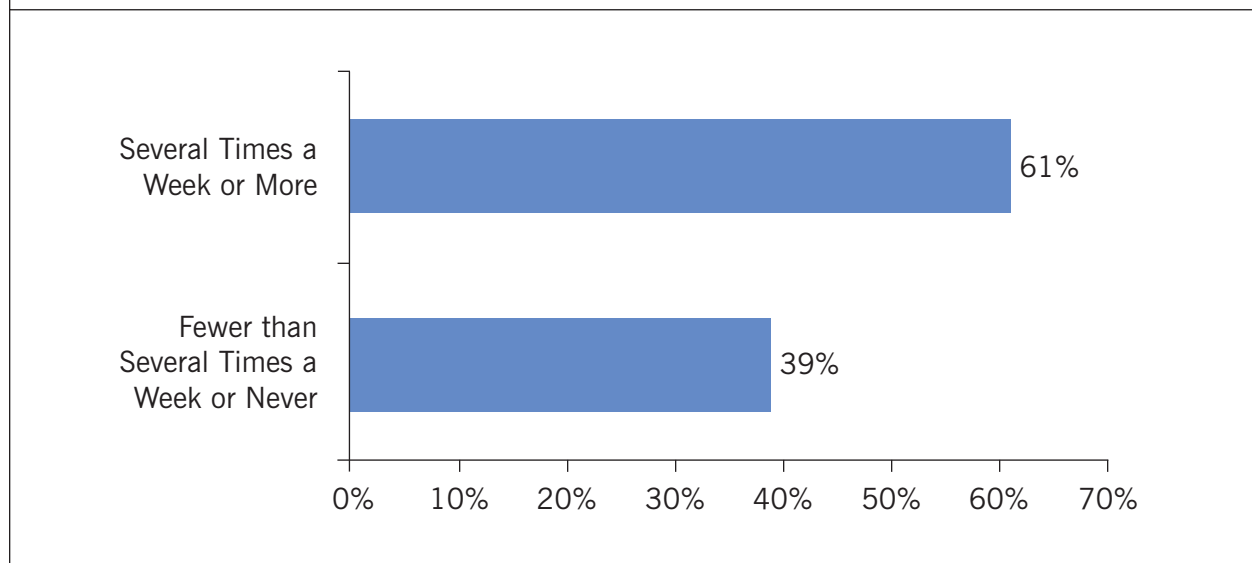


A broad range of new communication technologies are penetrating our lives at work and off the job. These technologies make us more vulnerable to interruptions in our lives away from work—be they unwanted job-related calls, spam or work-related emails at home, faxes from the office, beepers beeping while we are at the movies, etc. However, these technologies also appear to serve the personal communication needs of many people. Indeed, 82 percent of employees who use these new technologies report that they help them some (27%) or a lot (55%) in managing their work, personal, and family lives.

From this finding, some will conclude that the impact of new communication technologies is net positive for contemporary American workers who have far-flung extended families and circles of friends, who more frequently live in dual-earner couples working long hours and struggling to have a non-chaotic life at home, who worry about the safety of their children and face great challenges managing child care and children's extracurricular activities, and so forth. Others, however, will probably conclude that we mainly find these new technologies useful because we have let work dominate our lives, let it drive us geographically apart from family and friends who could provide primary social support, and so forth.

**Finding:** Wage and salaried employees who experience higher levels of negative spillover from their jobs to their home lives rely *more* on new technologies to stay in touch with family and friends (Figure 23). Negative job to home spillover means not having enough time for family or other important people in one's life, not having the energy to do things with family or friends, not being in as good a mood as one would like at home, not being able to do as good a job as one would like at home, and not being able to concentrate on important things in one's family or personal life *because of one's job*.

Figure 23: Frequency of Using Cell Phone, Pager, or Beeper to Stay in Touch with Family Members and Friends among Employees Reporting High Levels of Negative Job-to-Home Spillover in 2002



This finding suggests that employees with more work-family/personal life tensions may rely more upon new communications technologies simply to “keep their heads above water.”

Whatever one's point of view, it seems inevitable that current technologies are here to stay and that new ones are on the way. The challenge will be to use them well in the service of the quality of our lives as well as productivity on the job and not let them mask ways of living and working that are ultimately counter-productive.

## V. WORK-LIFE SUPPORTS ON THE JOB

What work-life supports do wage and salaried employees have in their workplaces, how have the levels of support they receive changed over time, and what difference do these supports make for employers and employees?

While single employees without children or other immediate family responsibilities can benefit from work-life supports on the job, employees who have immediate family responsibilities, however, probably benefit more:

- 80 percent of employees live with a family member related by blood or marriage;
- 66 percent live with a spouse or partner;
- 43 percent have a child under 18 living at home for at least half of the year; and
- 35 percent have had significant elder care responsibilities in the past year (equal proportions of men and women) and 17 percent have these responsibilities currently (slightly more women than men).

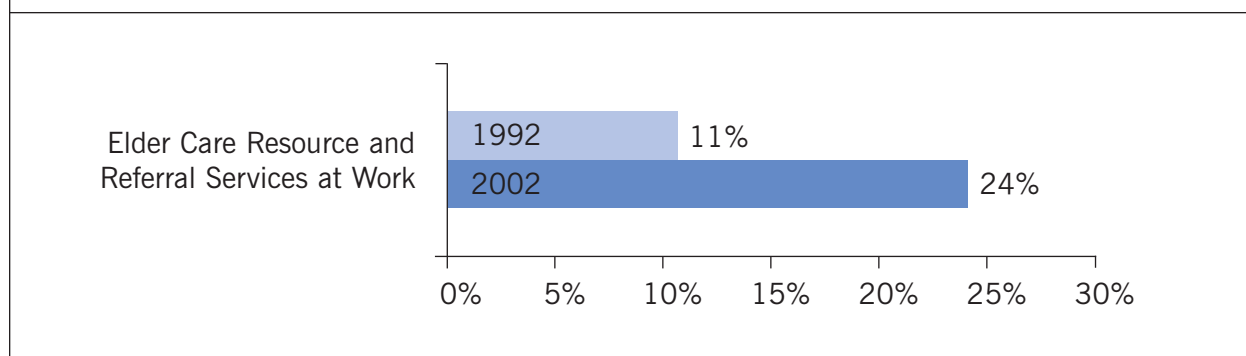
**Findings:** Although much has been made of employers offering child care services to their employees, we do not find any change in the proportion of employers (10%) doing so from 1992 to 2002 according to information reported by employed parents with children under 13 (those most likely to know about such services). And in 2002, only 3/10<sup>ths</sup> of 1 percent of parents with preschool age children report using an employer sponsored/operated child care center as their main arrangement for their youngest preschool child while at work.

**Finding:** Again, although much attention has been paid to the importance of providing child care resource and referral services to help employees find and select the child care services they need, we find no evidence that employees in 2002 with children under 13 have more access to such services *through their employers* than employees did in 1992 (18%). However, the availability of community-based services may well have increased over the past decade meaning that more employees actually have access to child care resource and referral through community agencies.

**Finding:** We do find, however, that twice as many employees in 2002 have access to elder care resource and referral services on the job than 10 years ago in 1992 (Figure 24). Again, even more employees may have access to these services through community agencies.

This finding strongly suggests that employers are responding to the growing elder care responsibilities of the workforce as the U.S. population ages—responsibilities that can affect the productivity and retention of employees. When asked whether they had, in the past year, “provided special attention or care for a relative or in-law 65 years old or older, helping them with things that were difficult or impossible for them to do themselves,” 35 percent of wage and salaried workers (of all ages and both genders) said they had. And among those who had provided elder care, 36 percent took some amount of time away from work. These findings indicate that about 13 percent of all wage and salaried workers currently take some time off work to meet elder care responsibilities in a given year. Interestingly, equal proportions of men and women had elder care responsibilities during the preceding year and took time away from work to address these responsibilities. Elder care is definitely not a “women’s issue.”<sup>11</sup>

**Figure 24: Access to Elder Care Resource and Referral Services on the Job in 1992 and 2002**



**Finding:** Employees in 2002 view their immediate supervisors/managers as *somewhat* more supportive than employees in 1992 did, with respect to being fair and not showing favoritism in responding to employees’ personal or family needs (82% versus 78.5%) and with respect to employees feeling comfortable bringing up personal or family issues (73% versus 65%).

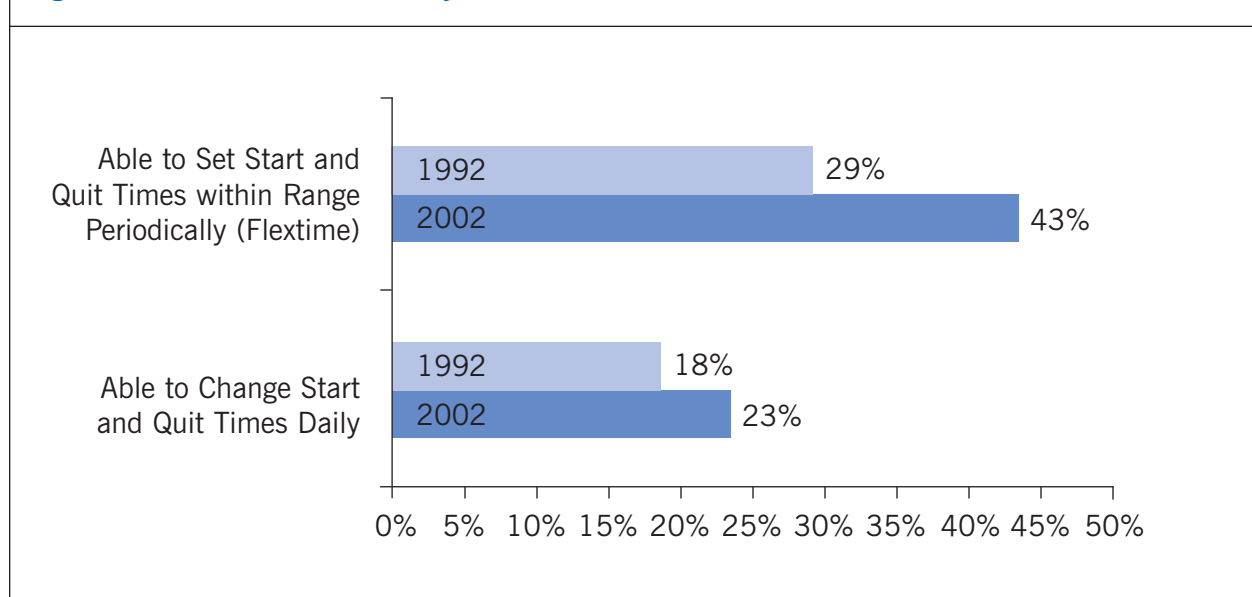
**Finding:** We also find that employees perceive the work-life cultures of their workplaces as *somewhat* more supportive of personal and family needs in 2002 than in 1992. In 1992, 36 percent of employees said that there was an “unwritten rule” at their workplace that employees could not take care of family needs on company time, versus 32 percent in 2002.

Although changes in perceptions of supervisor support and the supportiveness of the workplace culture have not changed dramatically in the past decade (a short period during which to observe change), these small but statistically significant findings suggest that work-life supports on the job are gradually improving.

**Findings:** Flexible work arrangements—by three measures—have increased very significantly from 1992 to 2002.

- Employees in 2002 are much more likely (43%) than their counterparts in 1992 (29%) to be allowed to periodically change their starting and quitting times within some range of hours (traditional flextime) and are also more likely to be allowed to change their schedules on a daily basis (Figure 25).

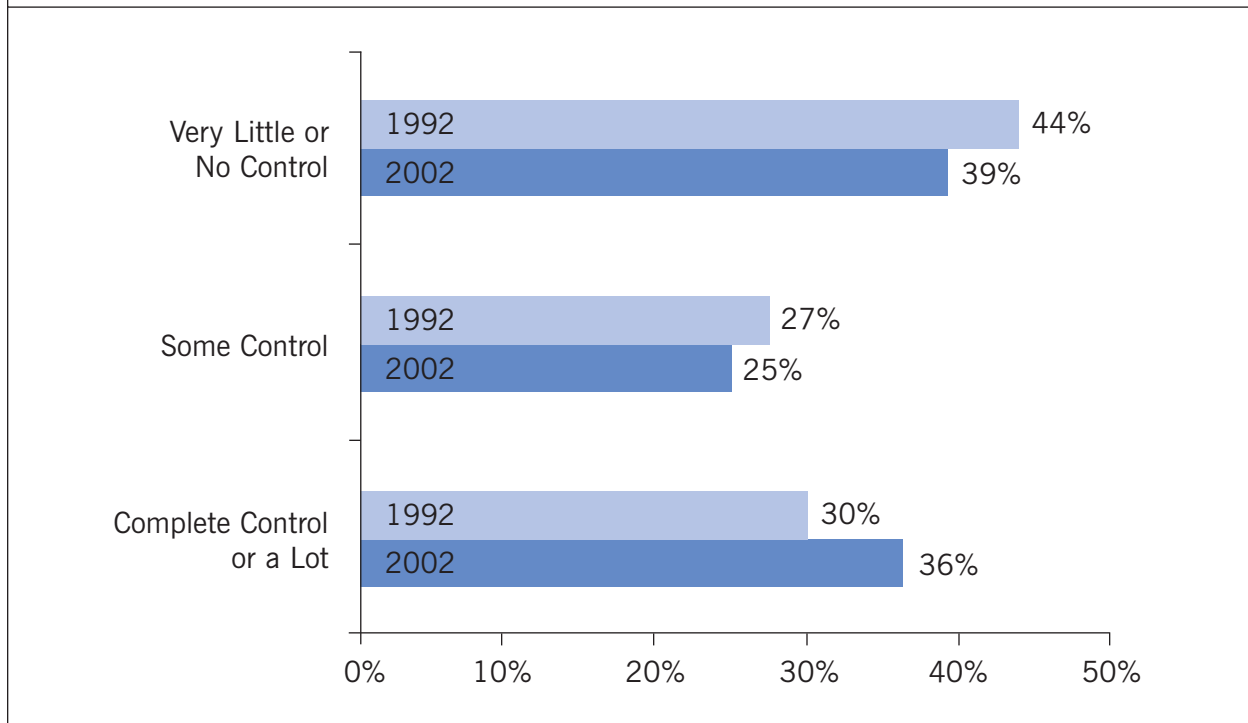
Figure 25: Traditional and Daily Flextime in 1992 and 2002



- Wage and salaried employees in 2002 also have more control over scheduling their work hours than employees in 1992 (Figure 26).



Figure 26: Control Over Scheduling Work Hours in 1992 and 2002



Although historical data, overall, do not indicate dramatic improvements in work-life support on the job for the average employee, they do suggest some improvement over the past decade.

Despite signs of increased work-life supports on the job, however, wage and salaried employees with families (spouse/partner and/or children) in 2002 report significantly higher levels (45% experiencing “some” or “a lot”) of interference between their jobs and their family lives than did similar employees in 1977 (34% experiencing “some” or “a lot”).<sup>12</sup> Perhaps increased work-life interference over the past 25 years has resulted from increased work demands—working longer hours, working faster and harder, not having enough time to get everything done on the job, having longer commutes, and more often bringing work home from the job. Moreover, there are more dual-earner couples and their combined work hours have increased substantially since 1977.

**Finding:** Interestingly, in 2002, men living with family members, men living in dual-earner couples, and men living in dual-earner couples with children all report significantly higher levels of interference between their jobs and their family lives than women living in the same situations. Supplemental analyses revealed that this difference disappears when we adjust for the fact that men tend to work longer hours at their jobs than women do. On average, men living with family members work about 48 paid and unpaid hours per week at their main or only jobs versus 41 hours for women—a difference of seven hours per week.

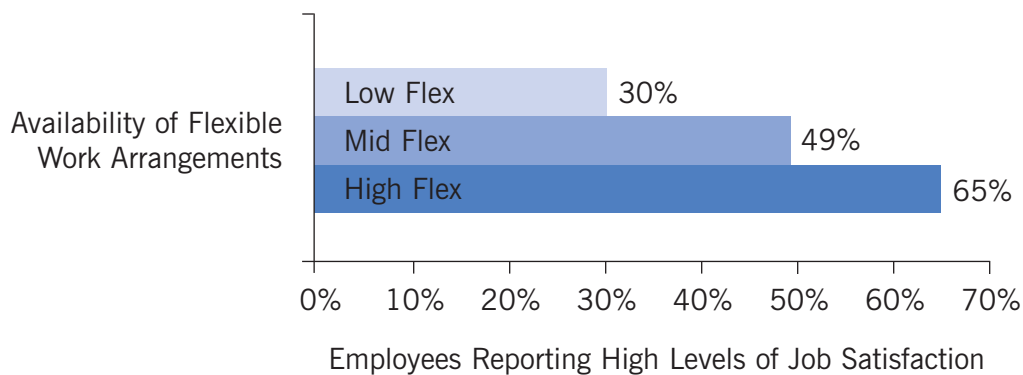
Additional findings presented below strongly suggest that work-life supports, when available, benefit both employers and employees. In 2002, as in 1992 and 1997, we find that flexible work arrangements, a supportive supervisor, and a supportive workplace culture are more strongly associated with positive outcomes than specific fringe benefits and programs.

## Work-Life Supports on the Job Related to Work Outcomes

**Findings:** Data from the 2002 National Study of the Changing Workforce indicate that greater work-life supports on the job are powerfully related to more positive work outcomes—job satisfaction, commitment to employer, and retention.

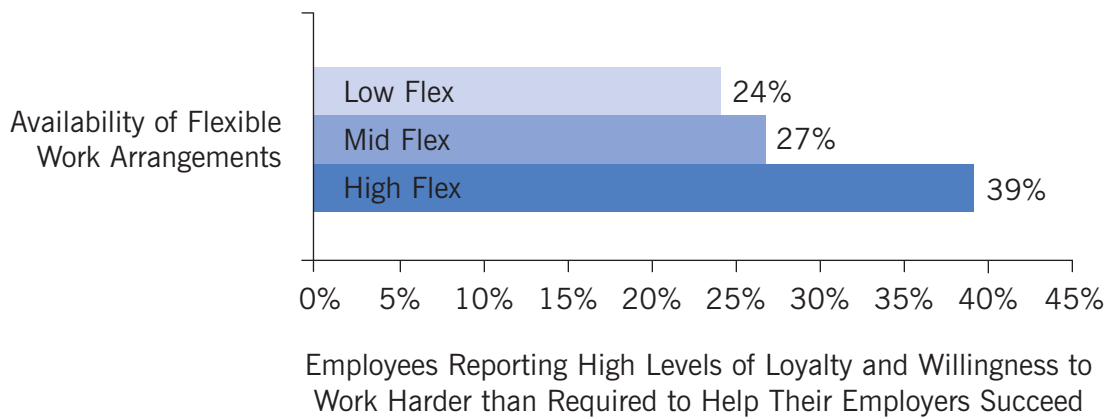
- Employees who have more access to flexible work arrangements<sup>13</sup> are significantly more satisfied with their jobs (Figure 27). Flexible work arrangements can include “benefits” or “programs” to which all employees are entitled simply by virtue of their employment, but also “policies” and “practices” implemented by managers and supervisors sometimes at their discretion. We do not differentiate between formal and discretionary policies and practices because we find that there can be a formal policy, but practice precludes its use. What matters most is whether employees have access to flexible work arrangements, no matter their origin.

Figure 27: Flexible Work Arrangements Related to Job Satisfaction in 2002



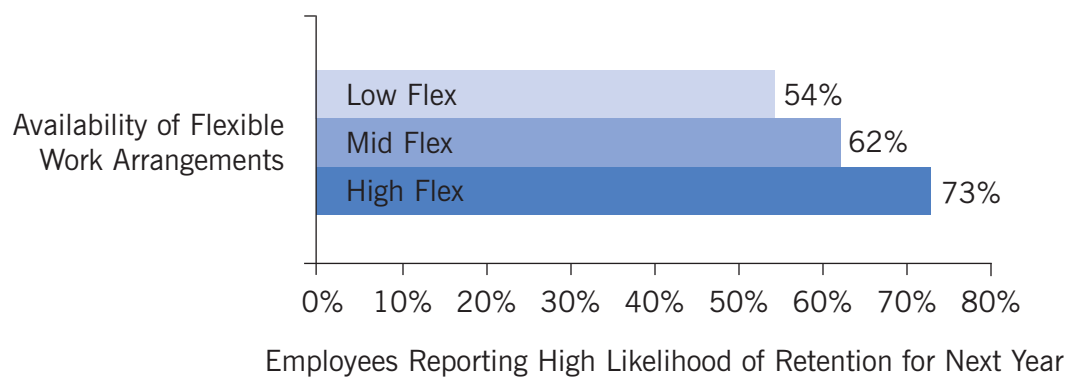
- Employees with more access to flexible work arrangements are also more committed to their current employers—more loyal and willing to work harder than required to help their employers succeed (Figure 28).

Figure 28: Flexible Work Arrangements Related to Commitment to Employer in 2002



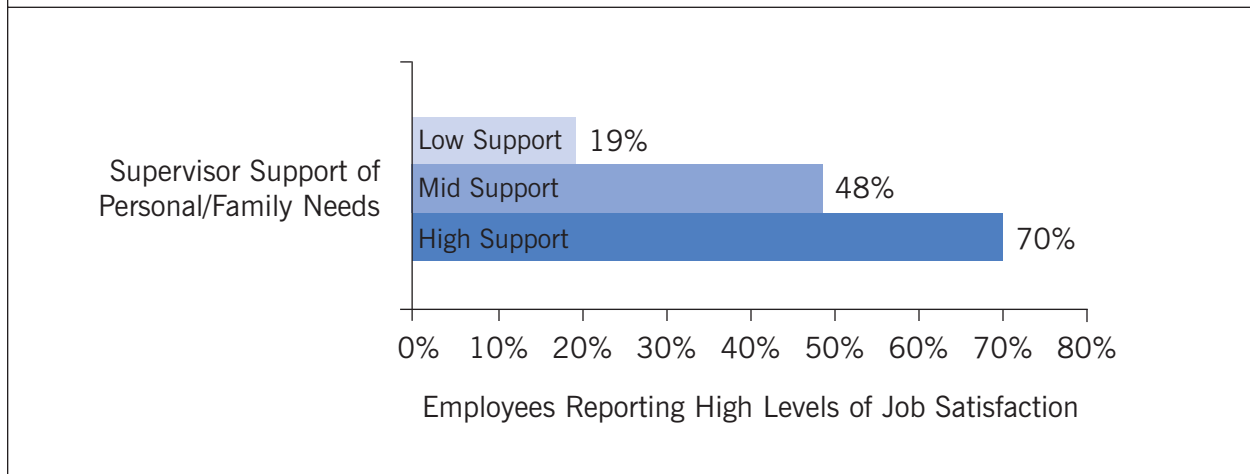
- Employees with more access to flexible work arrangements are more likely to plan to stay with their current employers for at least the next year (Figure 29).

Figure 29: Flexible Work Arrangements Related to Retention in 2002



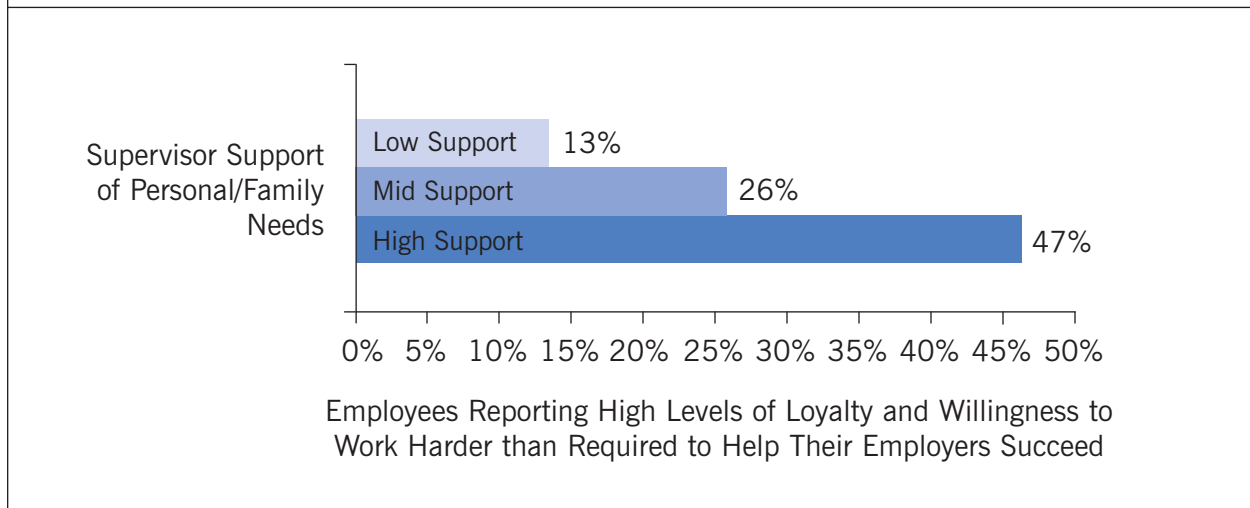
- Wage and salaried employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives<sup>14</sup> are significantly more satisfied with their jobs (Figure 30).

Figure 30: Supervisor Support of Personal/Family Needs Related to Job Satisfaction in 2002



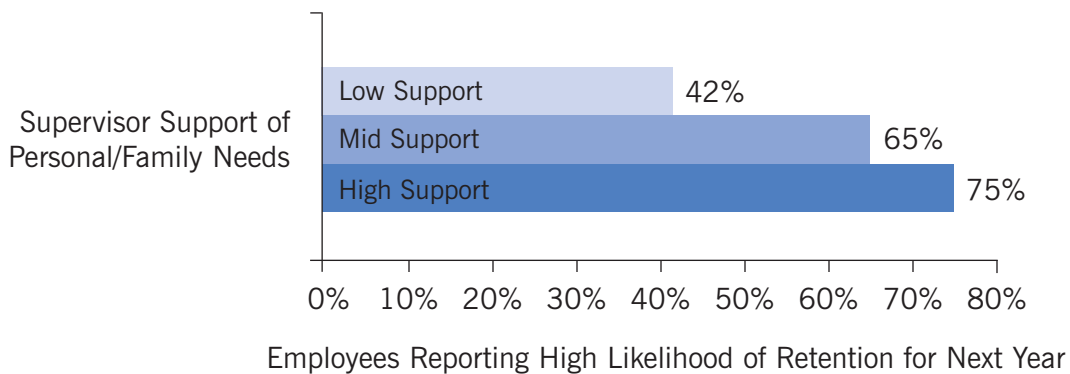
- Employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives are more committed to their employers (Figure 31).

Figure 31: Supervisor Support of Personal/Family Needs Related to Commitment to Employer in 2002



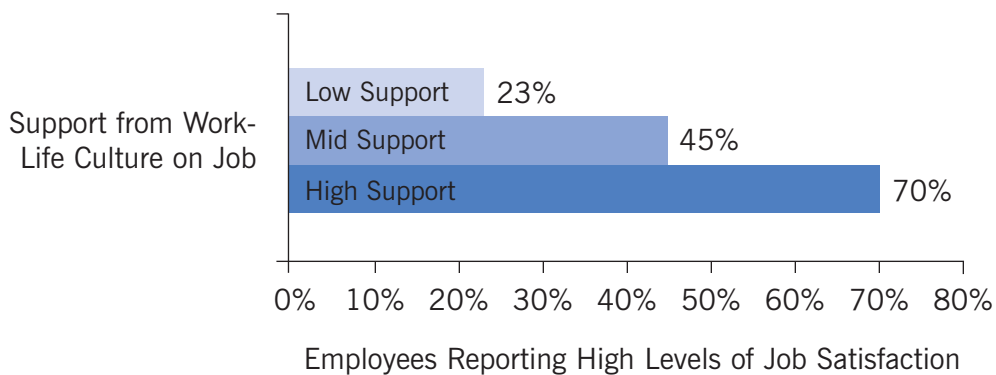
- Employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives are more likely to plan to stay with their current employer (Figure 32).

Figure 32: Supervisor Support of Personal/Family Needs Related to Retention in 2002



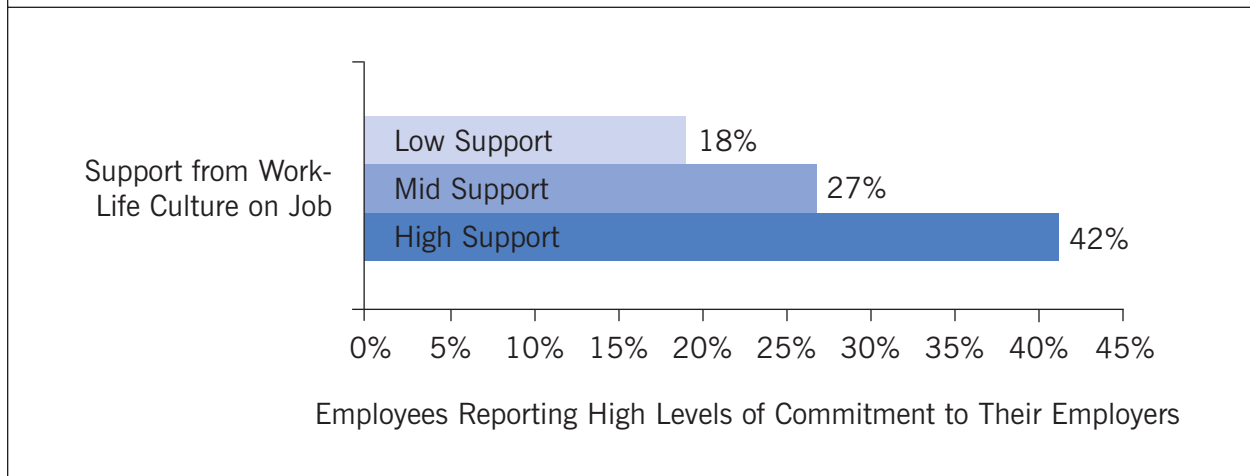
- Wage and salaried employees who are employed in workplaces with more supportive work-life cultures<sup>15</sup> are significantly more satisfied with their jobs (Figure 33).

Figure 33: Supportive Work-Life Culture Related to Job Satisfaction in 2002



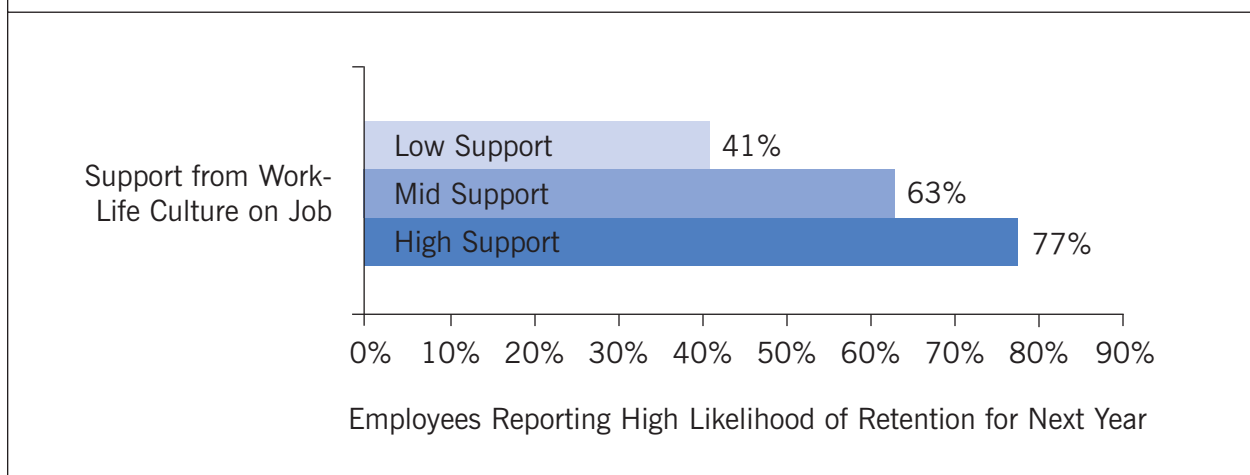
- Employees who are employed in workplaces with more supportive work-life cultures more committed to their employers (Figure 34).

Figure 34: Supportive Work-Life Culture Related to Commitment to Employer in 2002



- Employees with more supportive work-life cultures are more likely to plan to stay with their current employer (Figure 35).

Figure 35: Supportive Work-Life Culture Related to Retention in 2002



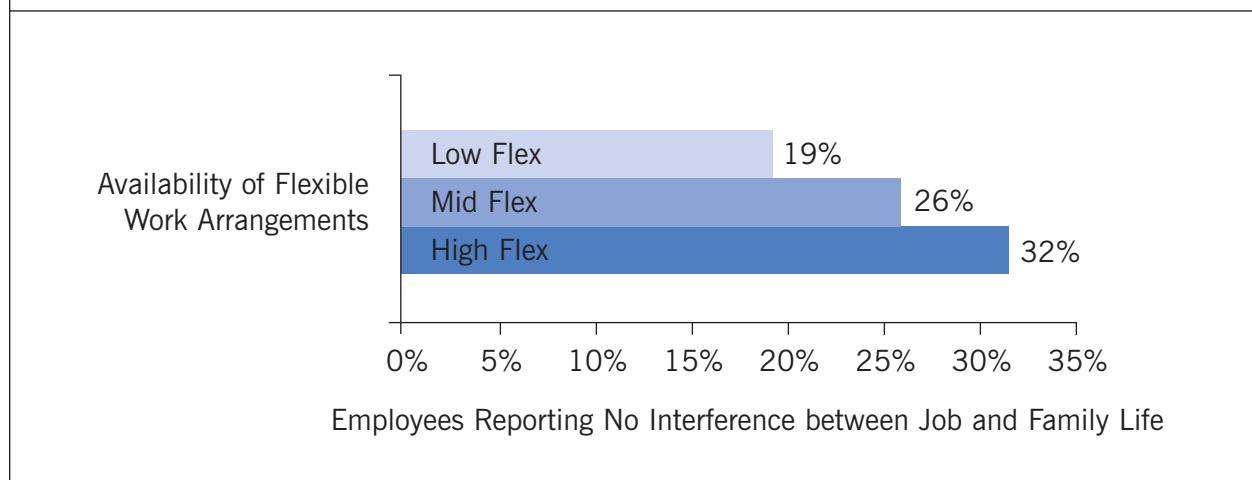
The preceding findings strongly suggest that employers who provide greater opportunities for flexible work arrangements, have supervisors who are more responsive to the personal and family needs of employees, and create a workplace culture that is more supportive of the work-life needs of employees have employees who are more satisfied with their jobs, more committed to their employers, and more likely to plan to stay with their current employers. Interestingly, none of these work-life supports necessarily impose direct costs upon employers, in contrast with conventional benefits.

## Work-Life Supports on the Job Related to Employees' Life Outcomes

**Findings:** Data from the 2002 National Study of the Changing Workforce indicate that greater work-life supports on the job are powerfully related to more positive life outcomes—less interference between job and family life, less negative spillover from job to home (i.e., fewer negative effects of work on life off the job), greater life satisfaction, and better mental health. Supplemental analyses show, not surprisingly, that more positive life outcomes are linked to more positive outcomes at work—greater job satisfaction, more commitment, and higher retention.

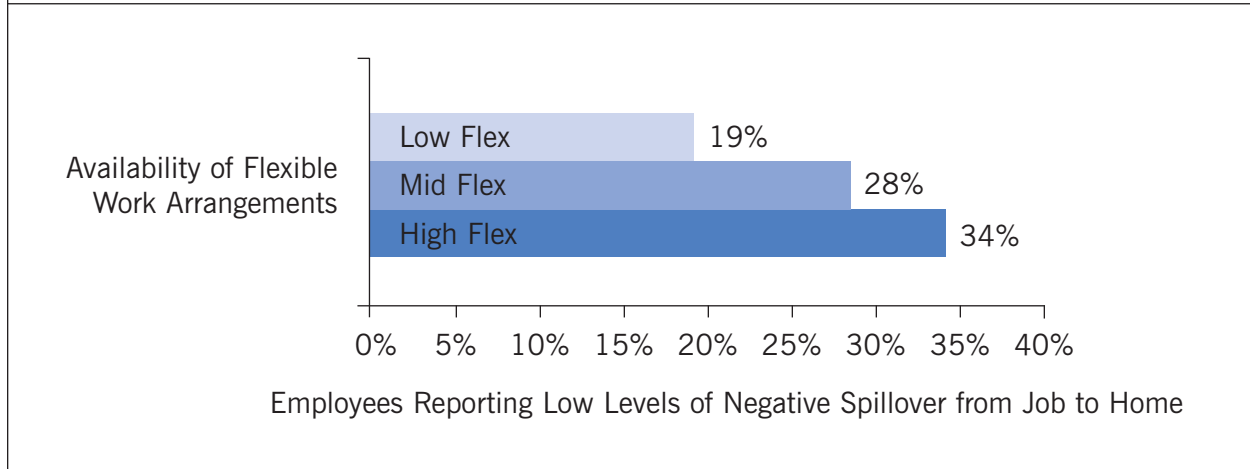
- Employees who have more access to flexible work arrangements on the job experience less interference between their jobs and family lives (Figure 36).<sup>16</sup>

Figure 36: Flexible Work Arrangements Related to Interference between Job and Family Life in 2002



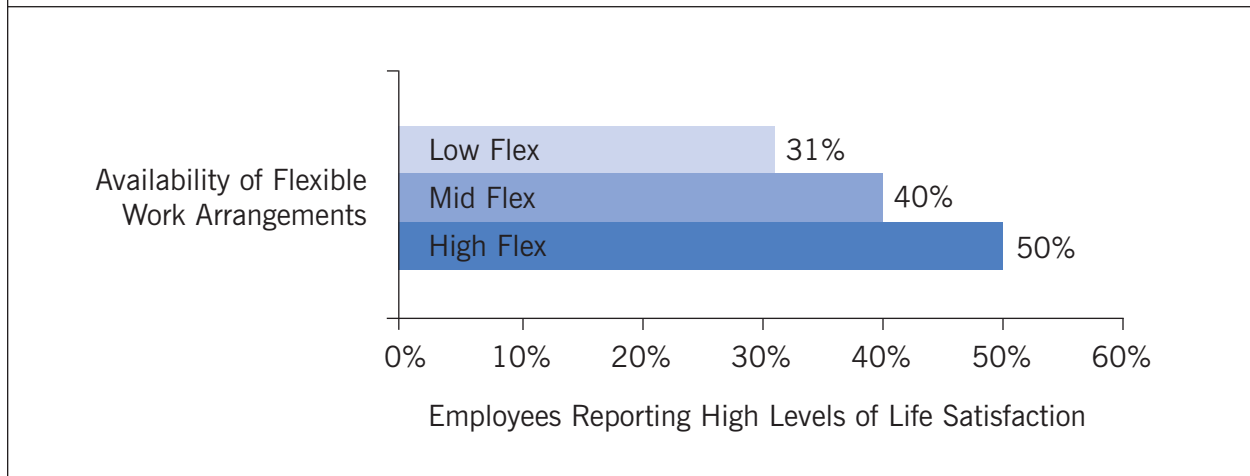
- Wage and salaried employees who have more access to flexible work arrangement options experience significantly less negative spillover from job to home (Figure 37).<sup>17</sup>

Figure 37: Flexible Work Arrangements Related to Negative Spillover from Job to Home in 2002



- Employees who have more access to flexible work arrangements on the job are more satisfied with their lives (Figure 38).

Figure 38: Flexible Work Arrangements Related to Overall Life Satisfaction in 2002

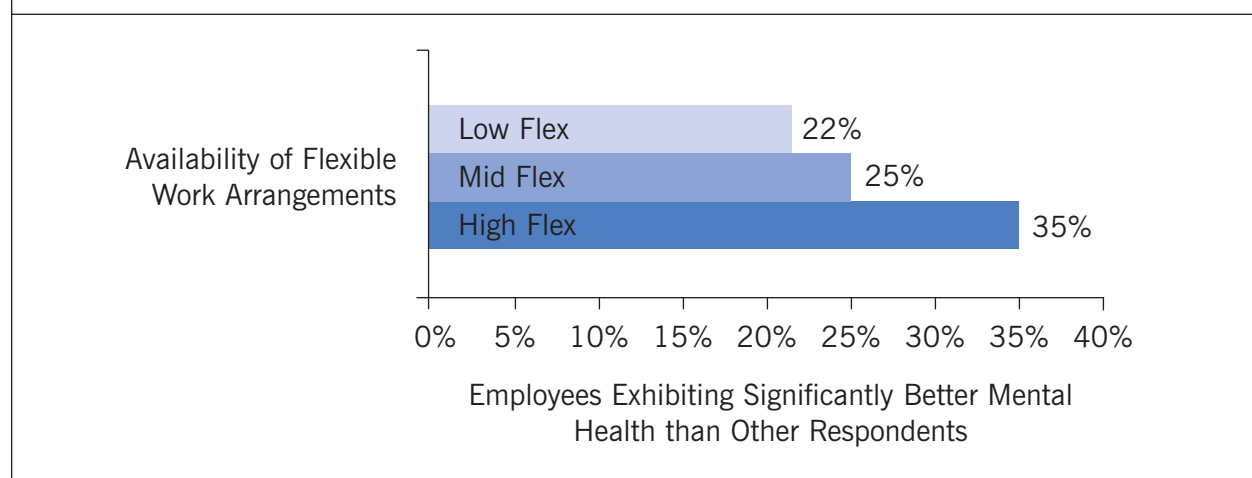


- Employees who have more access to flexible work arrangements also report fewer mental health problems (Figure 39).<sup>18</sup>



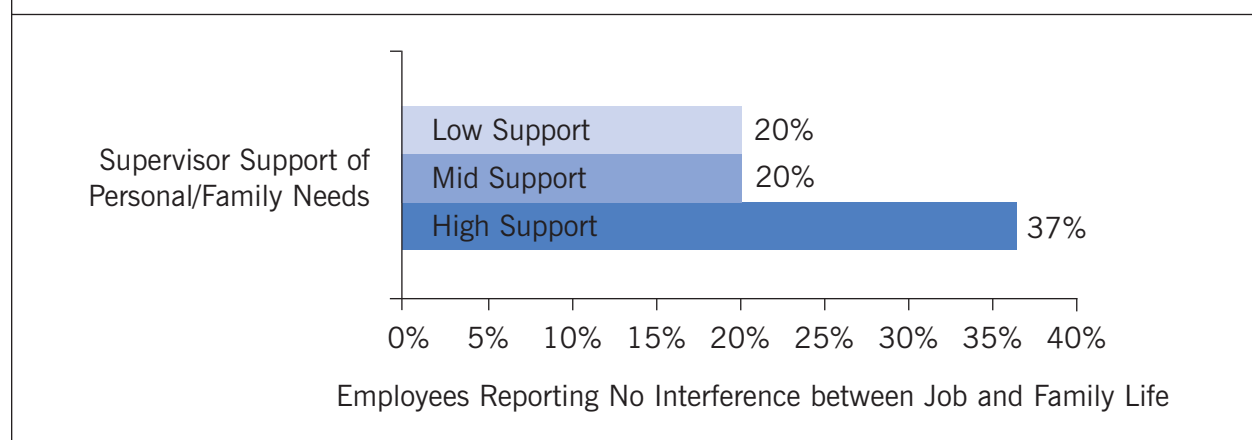
In thinking about this finding, we were concerned that people with significantly better mental health *in the first place* might be in a better position to obtain high-quality jobs that offer options such as flexibility. And although this is not an easy issue to untangle completely, we controlled statistically for both education and earnings to see whether these two factors—both of which are associated with having better jobs—would eliminate the connection. However, even when education level and earnings are taken into account, there is still a strong correlation between access to flexible work arrangements and better mental health.

Figure 39: Flexible Work Arrangements Related to Mental Health in 2002



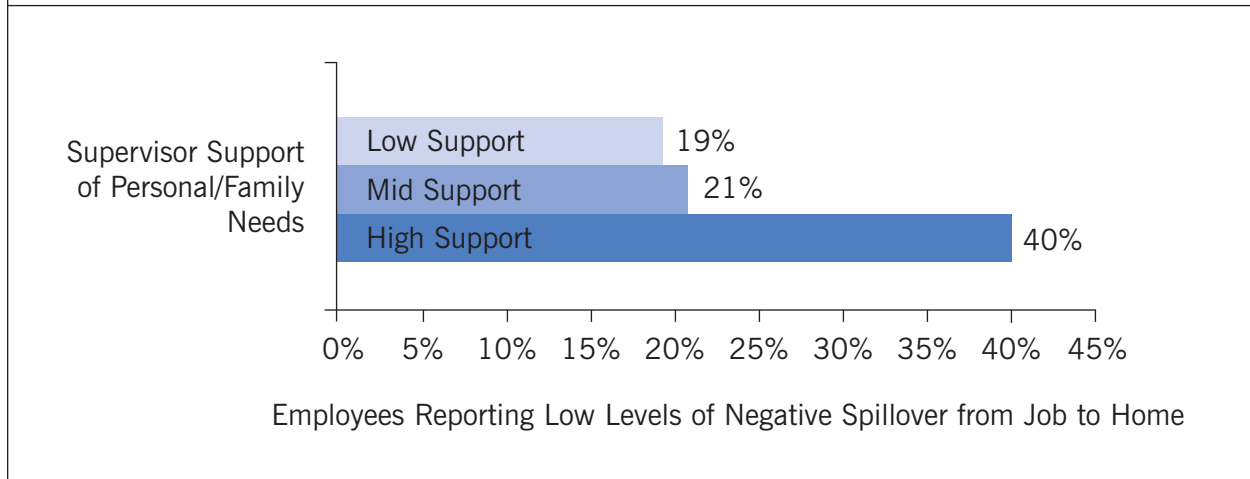
- Wage and salaried employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives experience less interference between their jobs and family lives (Figure 40).

Figure 40: Supervisor Support of Personal/Family Needs Related to Interference between Job and Family Life in 2002



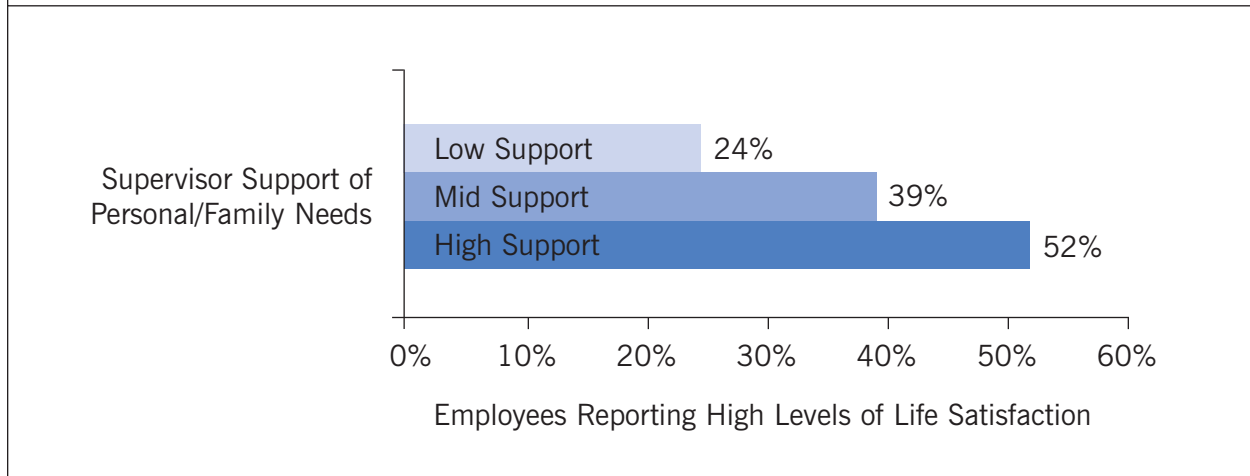
- Employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives experience significantly less negative spillover from job to home (Figure 41).

Figure 41: Supervisor Support of Personal/Family Needs Related to Negative Spillover from Job to Home in 2002



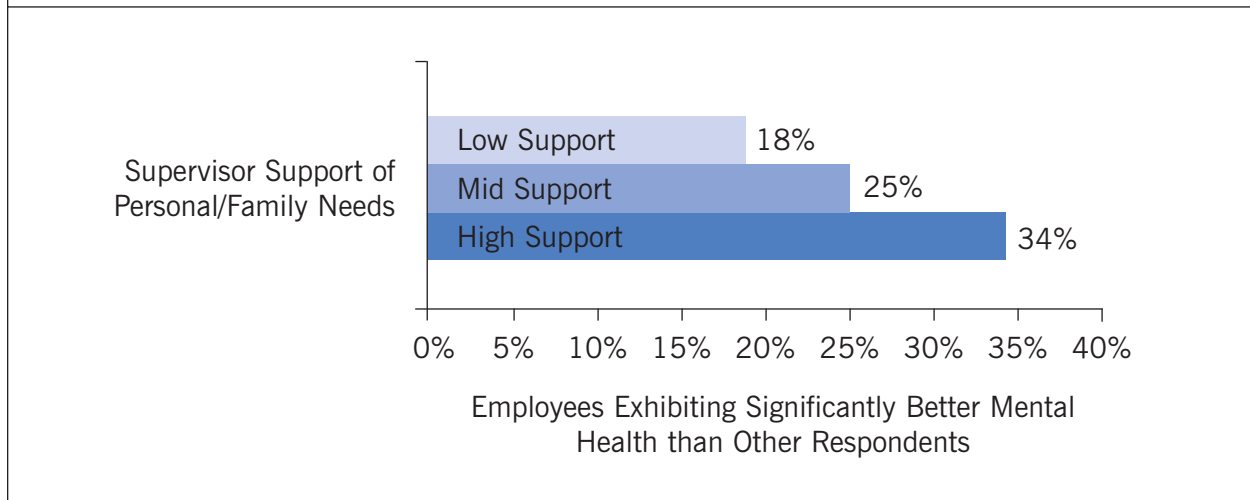
- Employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives are more satisfied with their lives (Figure 42).

Figure 42: Supervisor Support of Personal/Family Needs Related to General Life Satisfaction in 2002



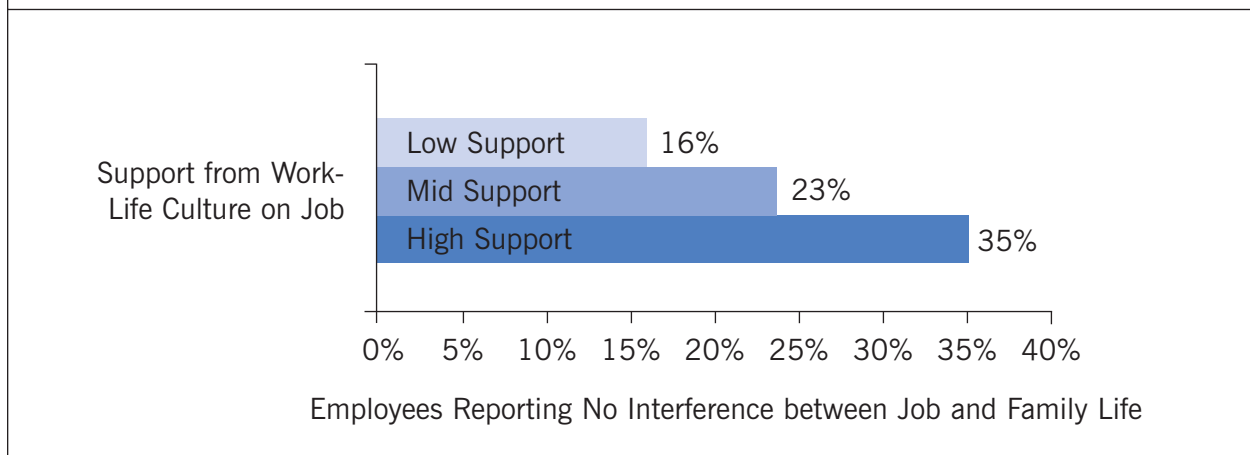
- Employees who have immediate supervisors/managers who are more open to and supportive of the needs they have in their personal and family lives report better mental health (Figure 43).<sup>19</sup>

Figure 43: Supervisor Support of Personal/Family Needs Related to Employees' Mental Health in 2002



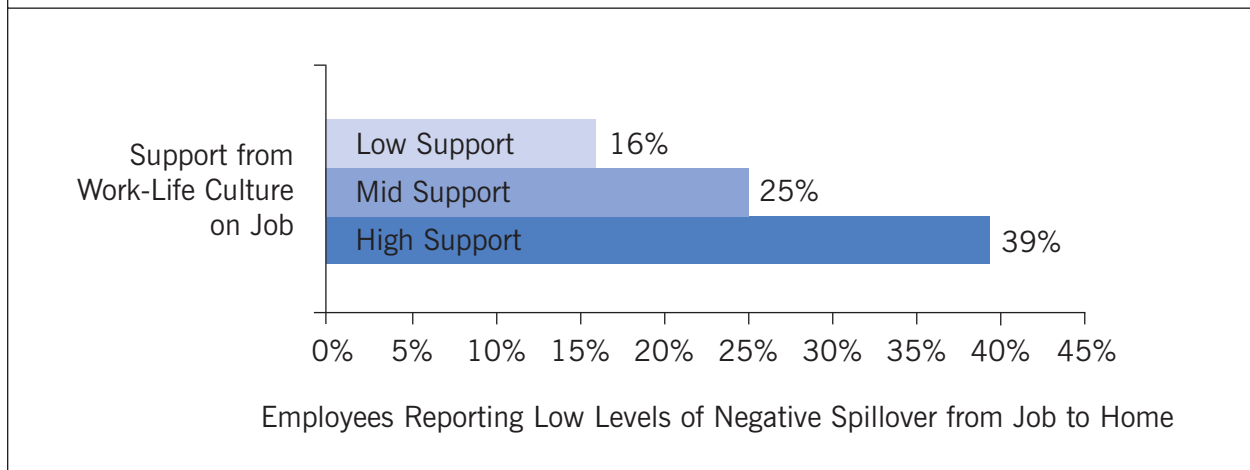
- Wage and salaried employees who are employed in workplaces with more supportive work-life cultures experience significantly less interference between their jobs and their family lives (Figure 44).

Figure 44: Supportive Work-Life Culture in Relation to Job and Family Life Interference in 2002



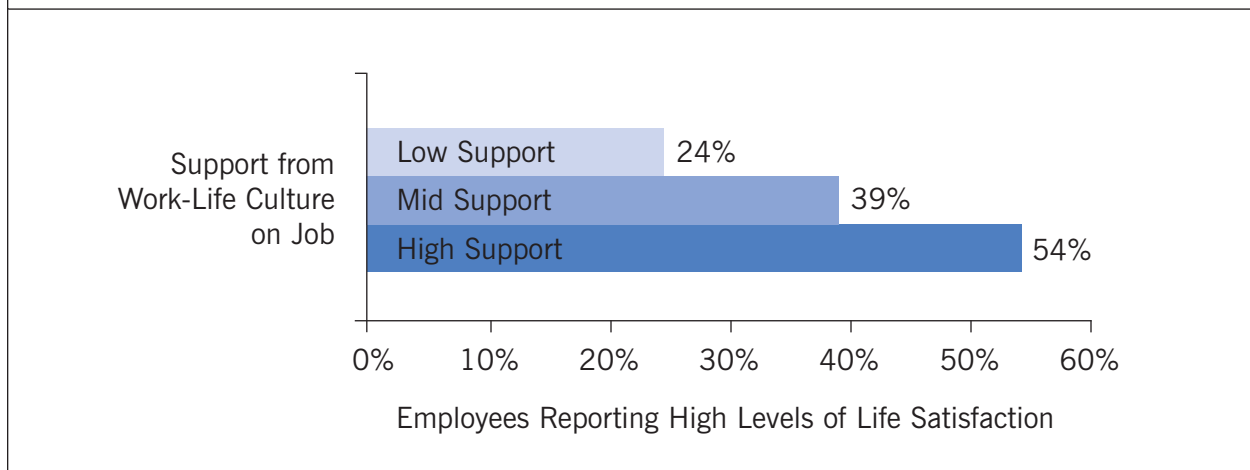
- Employees who are employed in workplaces with more supportive work-life cultures experience less negative spillover from job to home (Figure 45).

Figure 45: Supportive Work-Life Culture in Relation to Negative Spillover from Job to Home in 2002



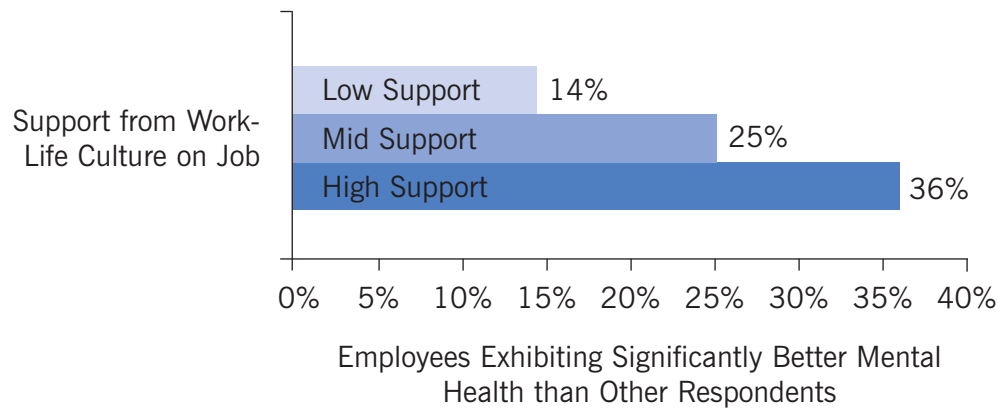
- Employees who are employed in workplaces with more supportive work-life cultures are more satisfied with their lives (Figure 46).

Figure 46: Supportive Work-Life Culture Related to Life Satisfaction in 2002



- Employees who are employed in workplaces with more supportive work-life cultures also exhibit better mental health (Figure 47).

Figure 47: Supportive Work-Life Culture Related to Mental Health in 2002



## Discussion

### *What do the findings in this section tell us?*

First, work-life supports on the job appear to have increased somewhat since 1992. The proportion of employers sponsoring/operating near or on-site child care centers and offering child care resource and referral services, however, has not changed over the past decade. And very few parents (3/10<sup>ths</sup> of 1 percent) use employer-sponsored/-operated child care as the main arrangement for their youngest child. We do find, however, that the proportion of employees having access to elder care resource and referral services through their employers has more than doubled in the past decade—from 11 to 24 percent (Figure 22, above). We also find that supervisor support and support from the workplace culture have increased somewhat since 1992. Perhaps most notable is the dramatic increase in the proportion of wage and salaried employees who have flextime options in 2002 versus 1992. In 1992, only 29 percent of employees were able to set their own starting and quitting times within some range of hours, while today 43 percent are able to do so. It is thought that this flexible work schedule option allows many employees to reduce commutation time, which cuts into life off the job, and to more effectively and affordably manage child care and other family responsibilities. Moreover, today's employees appear to have somewhat more control over their work hours than employees did only 10 years ago. However, interference between job and family life has increased since 1977, apparently due to the increased demands of work.

Second and most importantly, when employees do receive more support in terms of flexible work arrangements, supervisors and managers who are responsive to their personal and family needs, and workplace cultures that are more responsive to work-life issues, they appear to be better employees—exhibiting higher job satisfaction, greater commitment, and more likely retention—and their personal and family lives benefit as well. Employers should not discount the positive effects of good work-life policies and practices on the lives of employees and their families as “nice” but not “necessary.” Indeed, it appears that the effects of jobs on employees' personal and family lives—not at all surprisingly—are linked to their attitudes toward their jobs and employers. If work has negative effects on life off the job, employees are less satisfied with their jobs, less committed to their employers, and less likely to be retained. Work and personal and family life are part of the same fabric. If employees are unable to manage all well, the results can be quite problematic both at work and off the job.

## VI. WORKING FOR ONESELF VERSUS SOMEONE ELSE

The 2002 National Study of the Changing Workforce classifies respondents as 1) self-employed, 2) persons who operate their own incorporated businesses, or 3) wage and salaried employees who do not operate their own incorporated businesses. Wage and salaried workers who work for someone else and do not operate their own businesses may work for for-profit or nonprofit firms or government agencies. Although persons who operate their own incorporated businesses are considered wage and salaried workers by the Internal Revenue Service and the U.S. Bureau of Labor Statistics, they are much more like self-employed persons in that they report to and work for themselves rather than for someone else. Indeed, 57 percent of respondents operating their own incorporated businesses initially identified themselves as self-employed in our interviews. For purposes of this report, we consider the “truly self-employed” and “those operating their own incorporated business” to be “self-employed”—that is, working for themselves.

We had a hunch that these two types of “self-employment” might not differentiate self-employed respondents as much as whether or not they employed others for pay. Our hunch was confirmed by exploratory analyses. Thus, we created three groups for analysis in this chapter:

- Wage and salaried *Employees* who do not operate their own businesses;
- Persons who work for themselves and do not employ others to help them in their work, whether or not they operate their own incorporated businesses—self-employed *Independents*; and
- Persons who work for themselves and employ others in their business, whether or not they have incorporated businesses—*small business Owners*.

Self-employed independents—or simply *Independents*—include consultants, freelancers, and independent contractors who work individually. They do not directly create employment for others. In contrast, small business owners—or simply *Owners*—create employment for others and are often viewed as the main engine for job growth in our economy.

Questions have been raised about whether people who work for themselves are working the way they wish to work, or are they perhaps victims of corporate down-sizing or low demand by the traditional wage and salaried labor markets. There are significant differences between small business Owners and Independents when asked if they would rather have a job with someone else.

**Findings:** 12 percent of small business Owners say they would like to be working for someone else versus a much larger 32 percent of Independents. Interestingly, 26 percent of Employees say they plan to work for themselves at sometime in the future as their primary job, suggesting that many employees are interested in becoming more entrepreneurial. Some Employees (7%) say they already work for themselves in second jobs. Similar proportions of Independents (18%) and Employees (17%) say it is very likely they will try to find a new job over the next year versus only 4 percent of Owners.

It appears that most small business Owners are content with their employment situations. However, self-employed Independents appear to be less content on average—with about one third desiring to be employed by someone else. We found no difference among the three employment groups in the proportion who had lost jobs in the past five years due to downsizing. However, we did find that 31 percent of Independents work mainly or exclusively for one client, meaning that they are employee substitutes and, thus, *contingent workers* in the true sense of the phrase. But Independents who worked for only one client are no less satisfied with their jobs than those who have multiple clients.

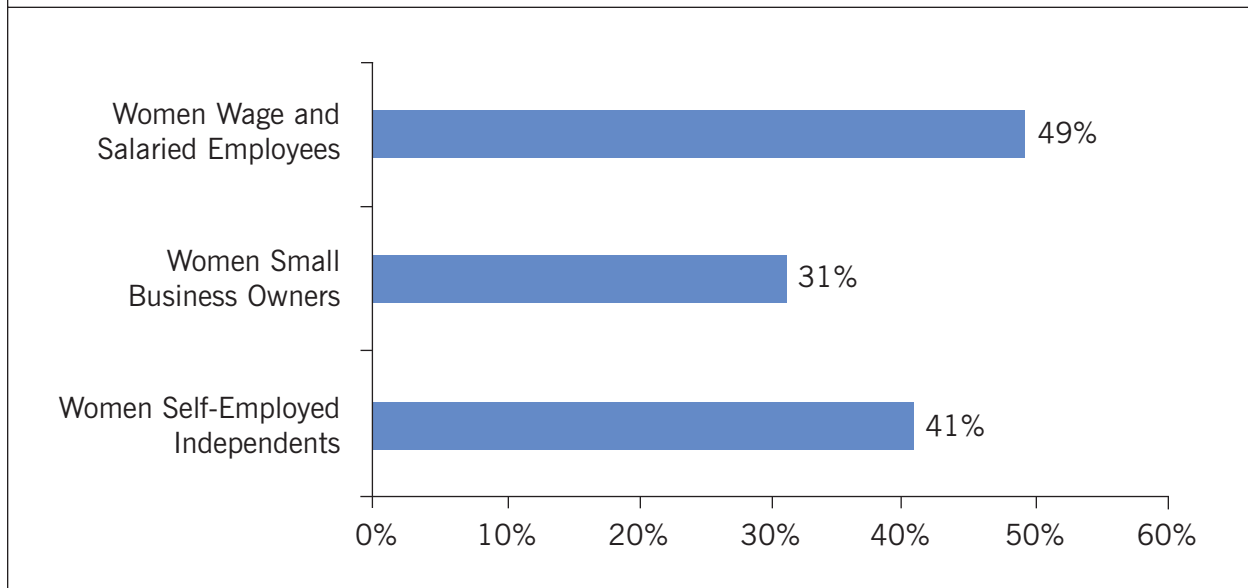
## Demographics

Persons who work for themselves make up about one fifth (19%) of the 2002 workforce. Of these, 30 percent are small business Owners and 70 percent are Independents. They differ from traditional wage and salaried Employees in a number of important respects.

**Finding:** Although 49 percent of wage and salaried Employees are women, only 41 percent of Independents and 31 percent of Owners are (Figure 48).

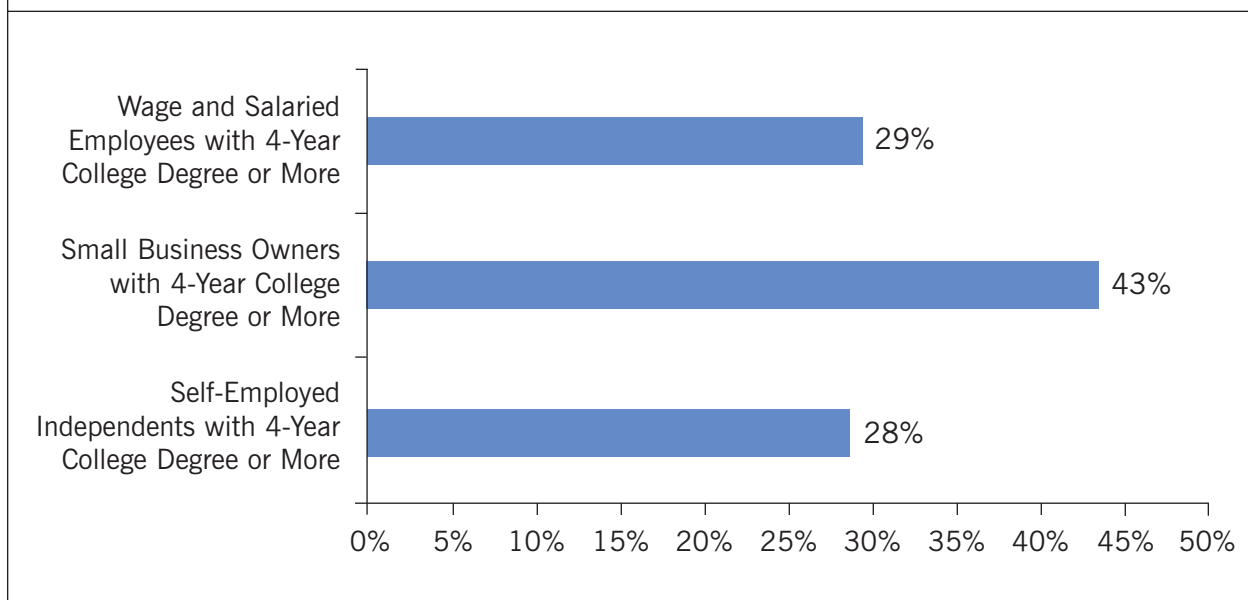


Figure 48: Women as Percentage of Wage and Salaried Employees, Small Business Owners, and Self-Employed Independents in 2002



**Finding:** Small business Owners tend to be *much* better educated than wage and salaried Employees or self-employed Independents—which may be surprising to some readers (Figure 49).

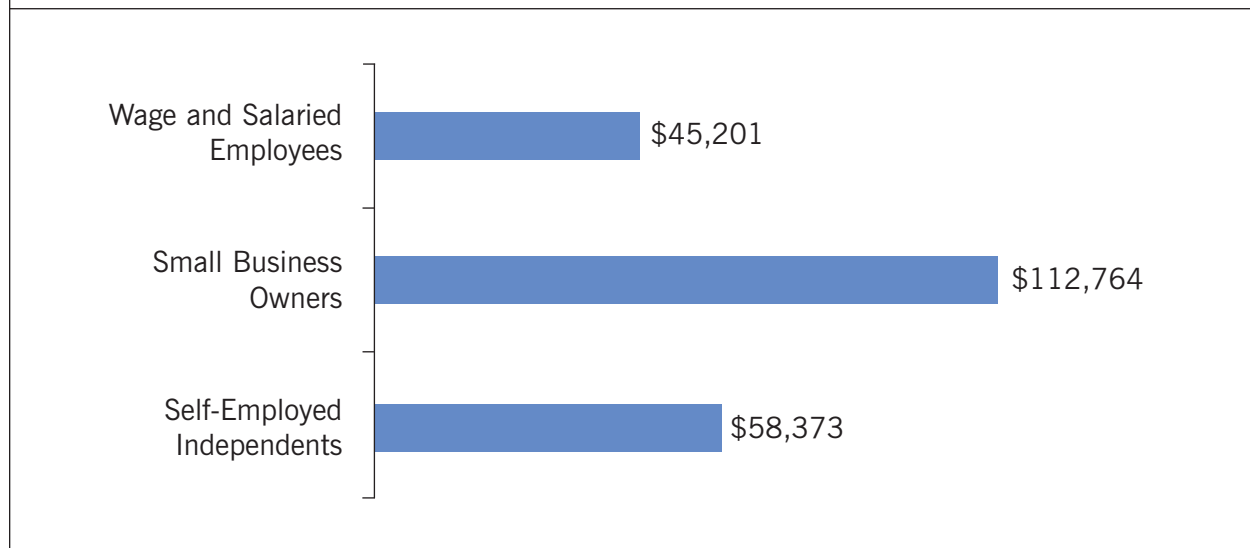
Figure 49: Respondents with a 4-Year College Degree or More as Percentage of Wage and Salaried Employees, Small Business Owners, and Self-Employed Independents in 2002



**Finding:** Small business Owners are older than Independents, and both are older than Employees on average. Indeed, 46 percent of Owners are 50 or more years old versus 36 percent of Independents and only 27 percent of Employees.

**Finding:** On average, small business Owners also tend to earn *much* more than either wage and salaried Employees or self-employed Independents (Figure 50).<sup>20</sup> This supports the notion that having a small business is a viable way to build wealth and become the proverbial “Millionaire Next Door.”<sup>21</sup>

Figure 50: Average Estimated 2002 Earnings of Wage and Salaried Employees, Small Business Owners, and Self-Employed Independents



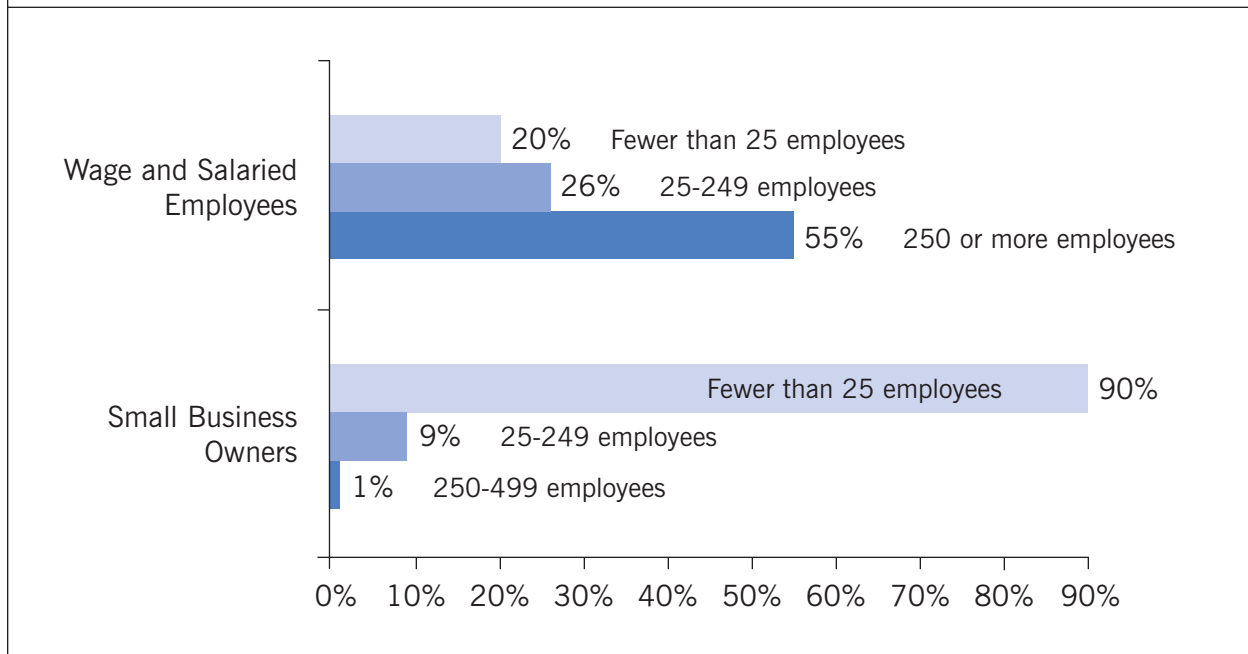
## Employer Size

**Finding:** Most of the small businesses represented by Owners in our sample are quite small (Figure 51). Independents, of course, have no organization and no employees, while wage and salaried Employees tend to work in larger organizations. Although very large Fortune 500 companies capture the most media attention, it is important to note that one fifth (20%) of wage and salaried Employees work for employers with fewer than 25 employees nationwide and about 46 percent work for employers with fewer than 250 employees nationwide—small businesses by most measures. Only one in five wage and salaried Employees (20%) work for large corporations with 10,000 or more employees.

- Companies that have fewer than 500 employees are generally considered “small” businesses by the U.S. Department of Commerce, Small Business Administration (SBA), which makes them eligible for participation in a variety of SBA programs. Other thresholds are sometimes used to define small

business (e.g., fewer than 250 or 100 employees), but the SBA norm seems a reasonable standard. This is particularly so since 90 percent of respondents classified as small business Owners in our sample have fewer than 25 employees and 99 percent have fewer than 250 employees. We excluded a handful of Owners from the sample analyzed in this chapter because they reported having 500 or more employees.

Figure 51: Number of Employees Who Work for Organizations Nationwide in 2002

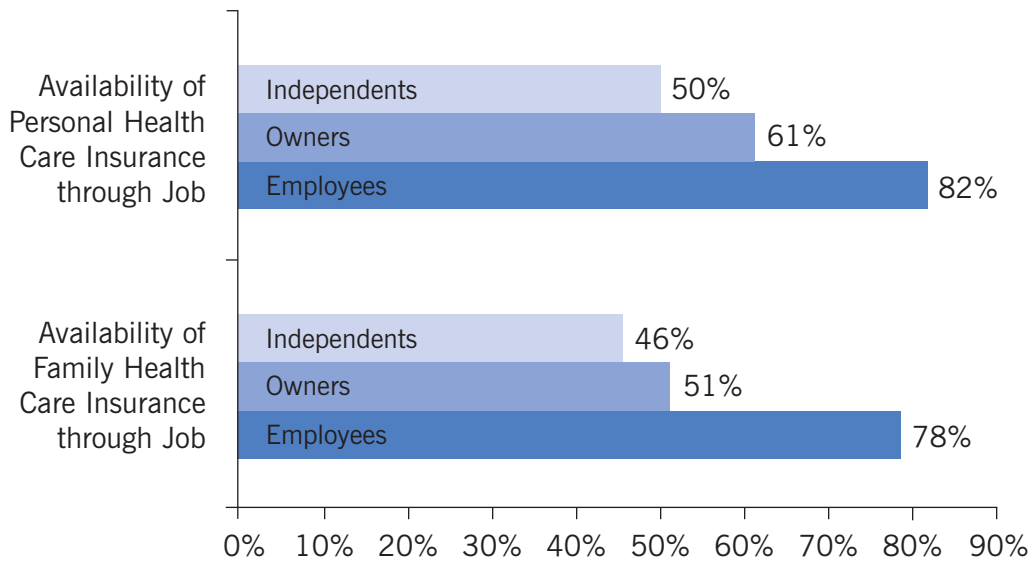


## Health Insurance

Among respondents who work for themselves, only those who have incorporated businesses were asked about fringe benefits available through their jobs. Some of those who work for themselves and have incorporated businesses employ others (small business Owners) while some do not employ anyone else (self-employed Independents).

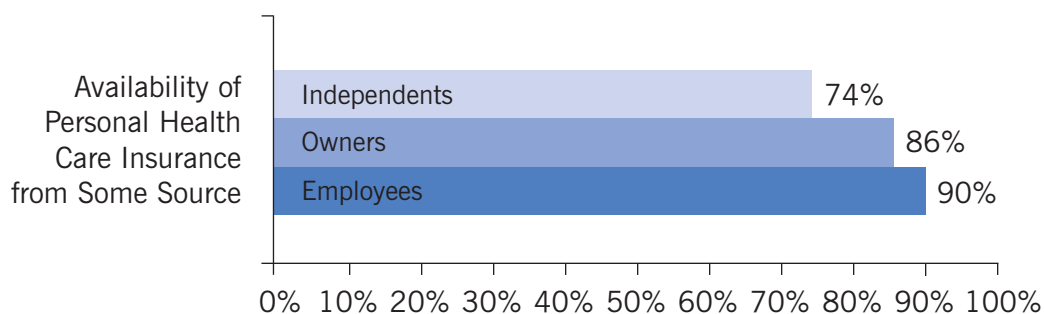
**Findings:** Respondents who work for themselves and own incorporated businesses are significantly less likely to have personal health insurance or family health insurance through their main or only jobs than wage and salaried Employees (Figure 52). Employees have more access than Owners or Independents, while Owners have more access than Independents.

**Figure 52: Availability of Personal and Family Health Care Insurance through Job among Wage and Salaried Employees, Small Business Owners with Incorporated Businesses, and Independents with Incorporated Businesses in 2002**



**Findings:** Although workers may not have personal health insurance coverage through their own jobs, many are covered by their spouse's policies or from other sources. Significantly more small business Owners and Employees than self-employed Independents have personal health insurance from some source (Figure 53).<sup>22</sup> Indeed, more than one in four Independents (26%) have no personal coverage from any source—a disturbingly high proportion.

**Figure 53: Availability of Personal Health Care Insurance Coverage from Some Source in 2002**

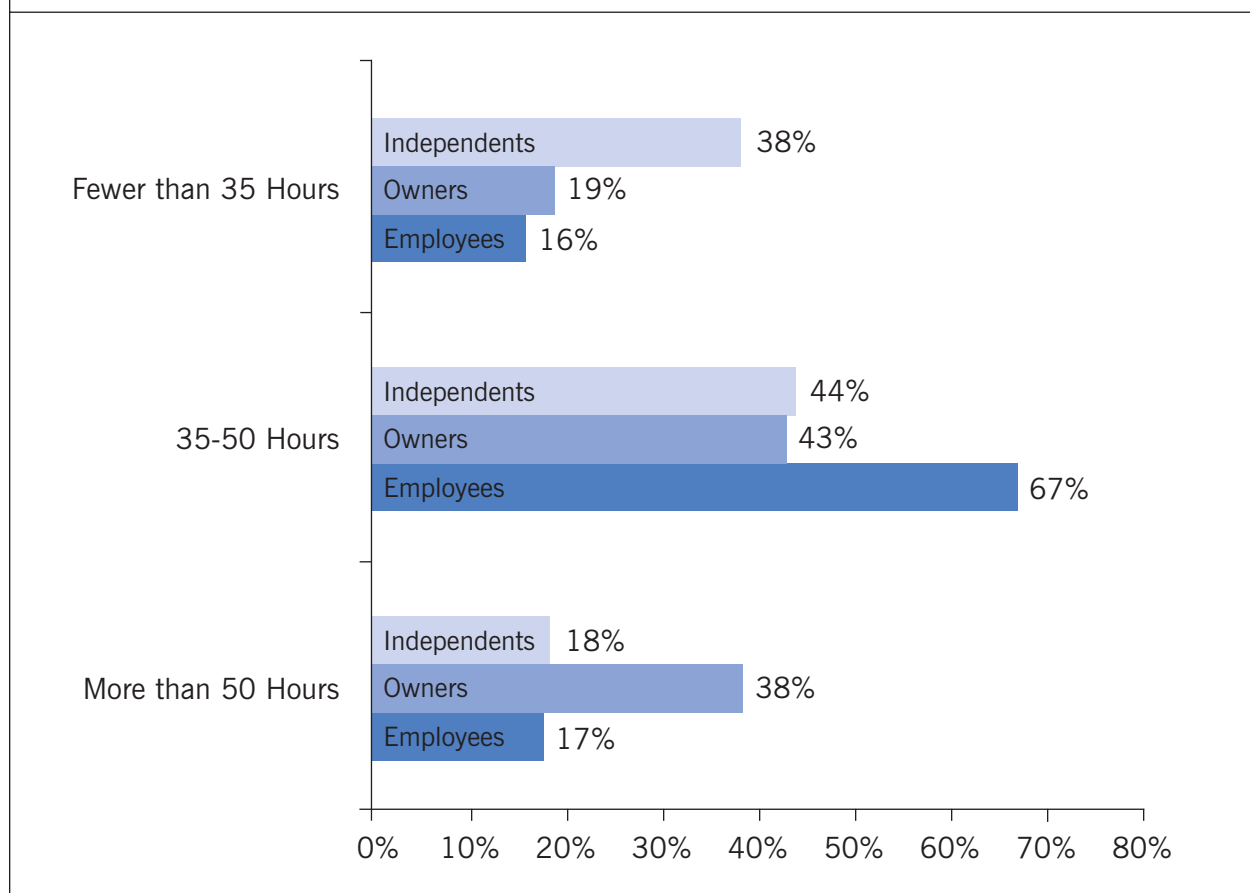


## Work Demands

The work demands experienced by wage and salaried Employees, small business Owners, and self-employed Independents vary significantly.

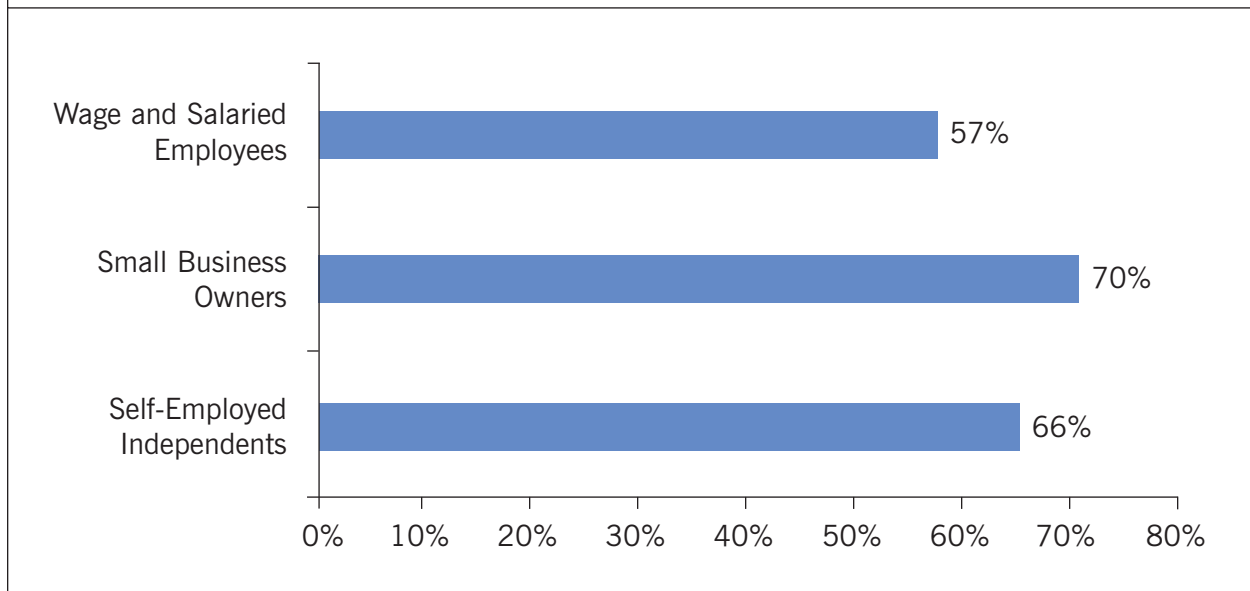
**Finding:** Small business Owners work the longest hours (paid and unpaid) at their main or only job, with 38 percent working more than 50 hours per week, while self-employed Independents have the shortest workweeks (Figure 54). Indeed, 38 percent of Independents work fewer than 35 hours per week, which is generally considered a part-time schedule. However, Independents are significantly more likely (25%) than Employees (18%) or Owners (5%) to want to work more hours, suggesting that Independents' higher rate of part-time work is not so much a matter of choice as it is a limitation imposed on them by the labor market.

Figure 54: Total Paid and Unpaid Hours Worked Per Week at Main (or Only) Job in 2002



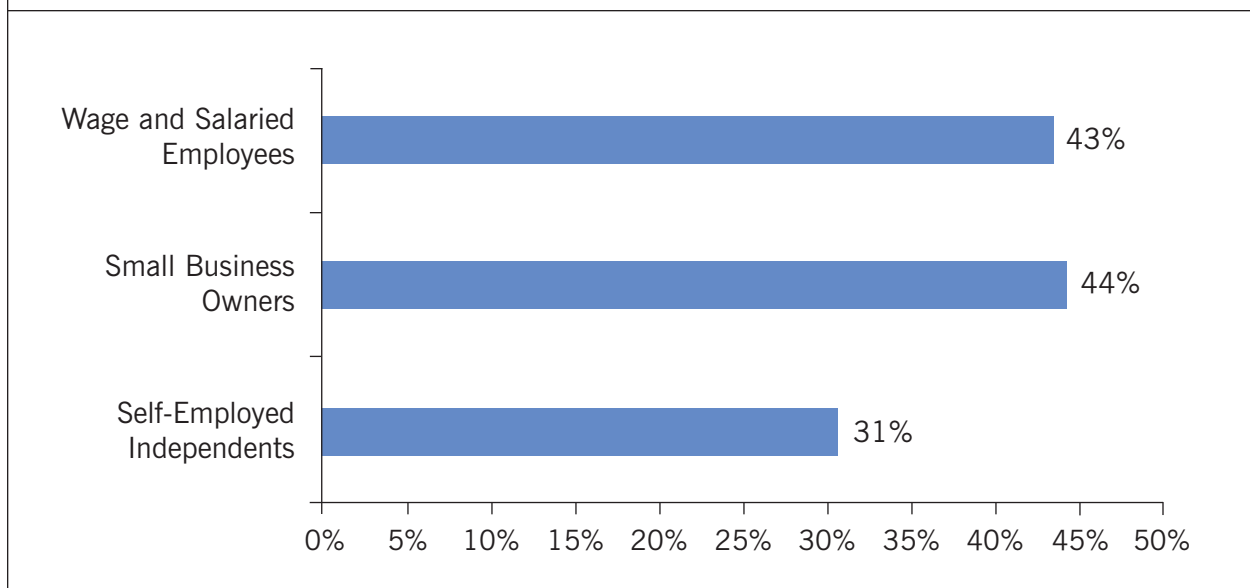
**Finding:** Small business Owners are more likely than others to feel that their jobs require them to work very fast (Figure 55).

Figure 55: Percentage Who Feel that Their Jobs Require Them to Work Very Fast in 2002



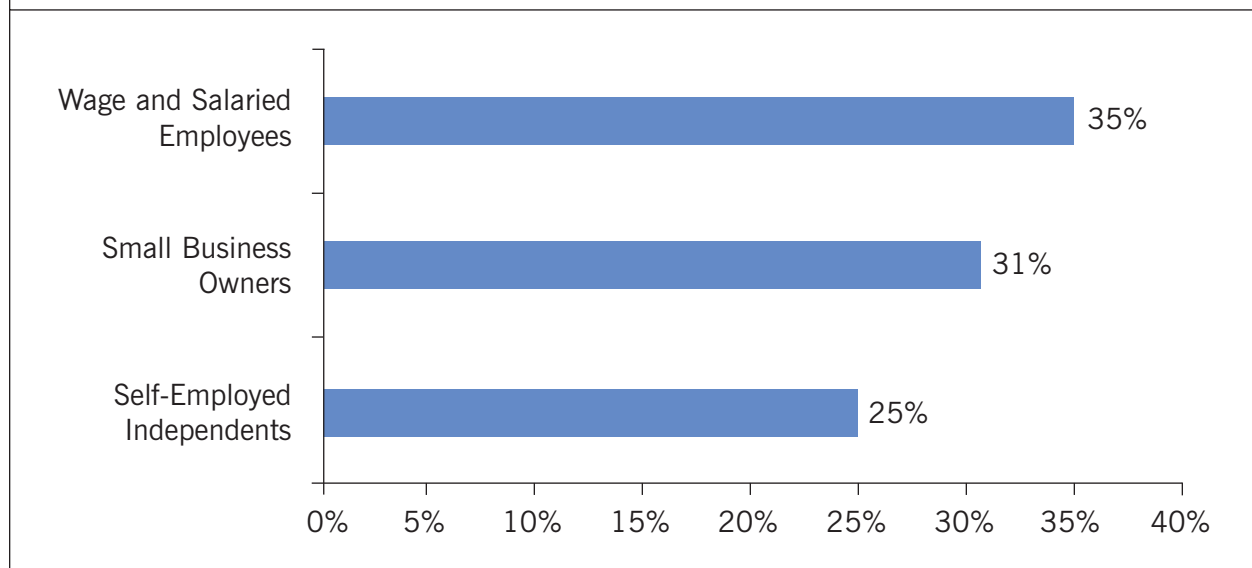
**Finding:** Wage and salaried Employees and small business Owners experience more frequent interruptions during the workday that make it difficult to get work done (Figure 56).

Figure 56: Percentage Who Are Often or Very Often Interrupted Making It Difficult to Get Work Done in 2002



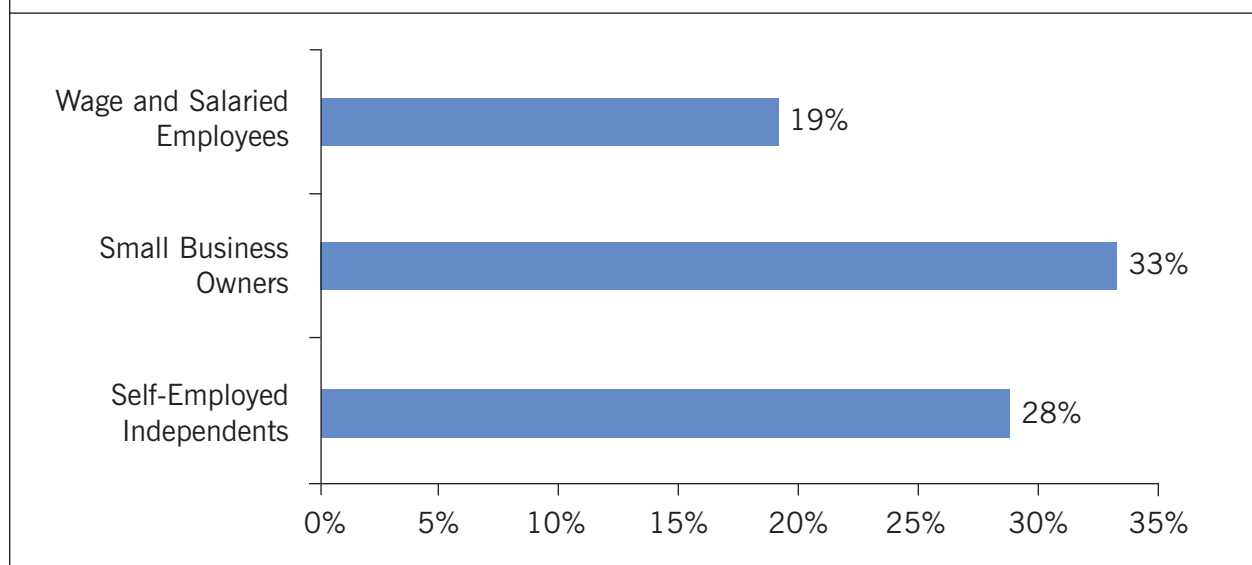
**Finding:** Wage and salaried Employees and small business Owners more frequently feel overwhelmed by the amount of work they have to do, with Employees feeling most overwhelmed (Figure 57).

Figure 57: Percentage Who Often or Very Often Feel Overwhelmed by the Amount of Work They Have to Do in 2002



**Finding:** Employees are least likely to have made overnight business trips in the past three months, while small business Owners are most likely to have done so (Figure 58).

Figure 58: Percentage Who Have Made Overnight Business Trips in the Past Three Months in 2002



Although the findings are mixed, small business Owners generally experience the greatest work demands, particularly with respect to the long hours they work. Independents appear to experience the lowest work demands overall, with Employees falling in between.

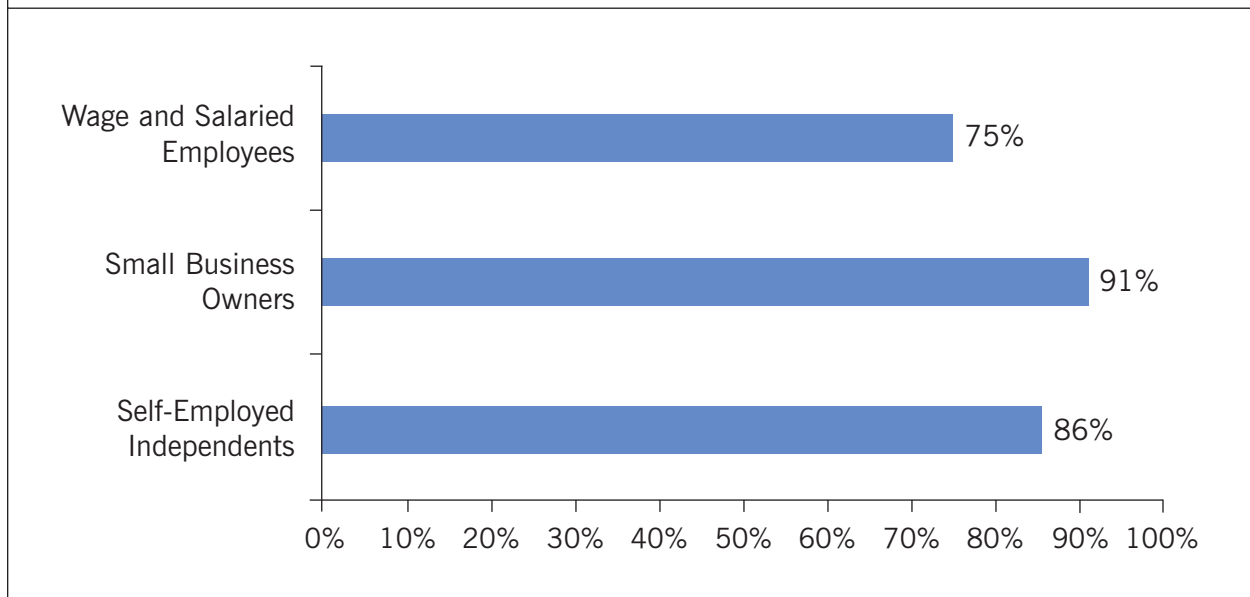
## Job Quality and Flexible Work Arrangements

Although small business Owners tend to have the most demanding jobs, they also appear to have the better jobs—over and above the fact that they also have the highest earnings by far.

**Finding:** Small business Owners have more learning opportunities on the job than other workers, followed by self-employed Independents, then Employees. For example:

- Owners are more likely than either Independents or Employees to agree that their jobs require them to be creative (Figure 59).

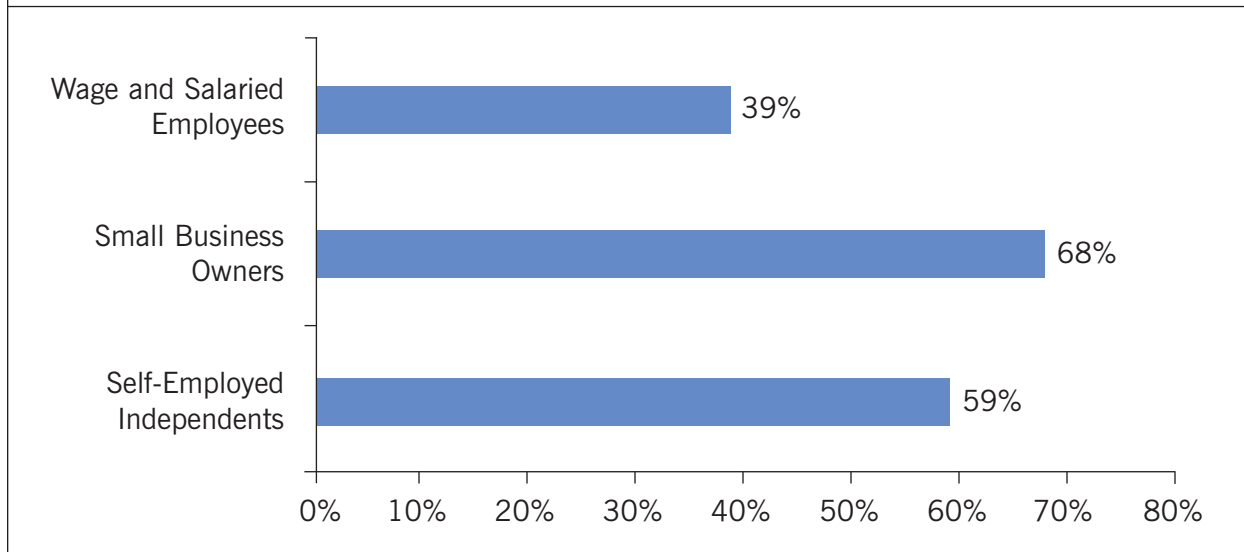
Figure 59: Percentage Agreeing that Their Jobs Require Them to Be Creative in 2002



- Owners are more likely than either Independents or Employees to say it is very true that their jobs allow them to develop their skills and abilities (Figure 60).



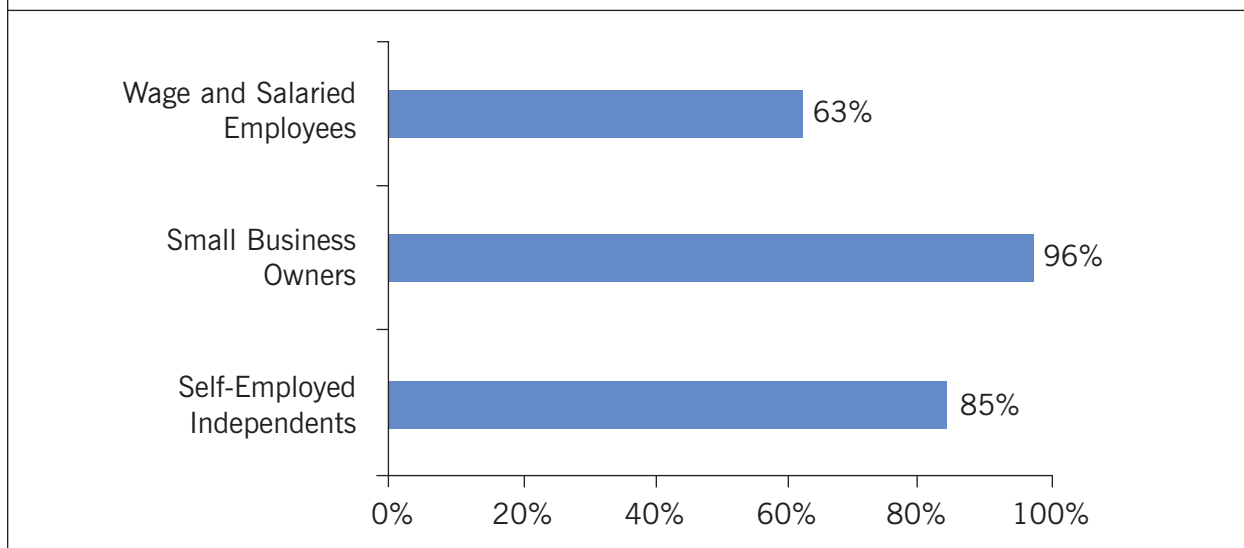
Figure 60: Percentage Saying It Is Very True That Their Jobs Allow Them to Develop Their Skills and Abilities in 2002



**Finding:** Small business Owners have much more autonomy in their jobs—that is, control over the content, method, and pace of their work—than Employees, and somewhat more job autonomy than Independents. For example:

- Owners have more freedom to decide what they do on their jobs than either Independents or Employees (Figure 61).

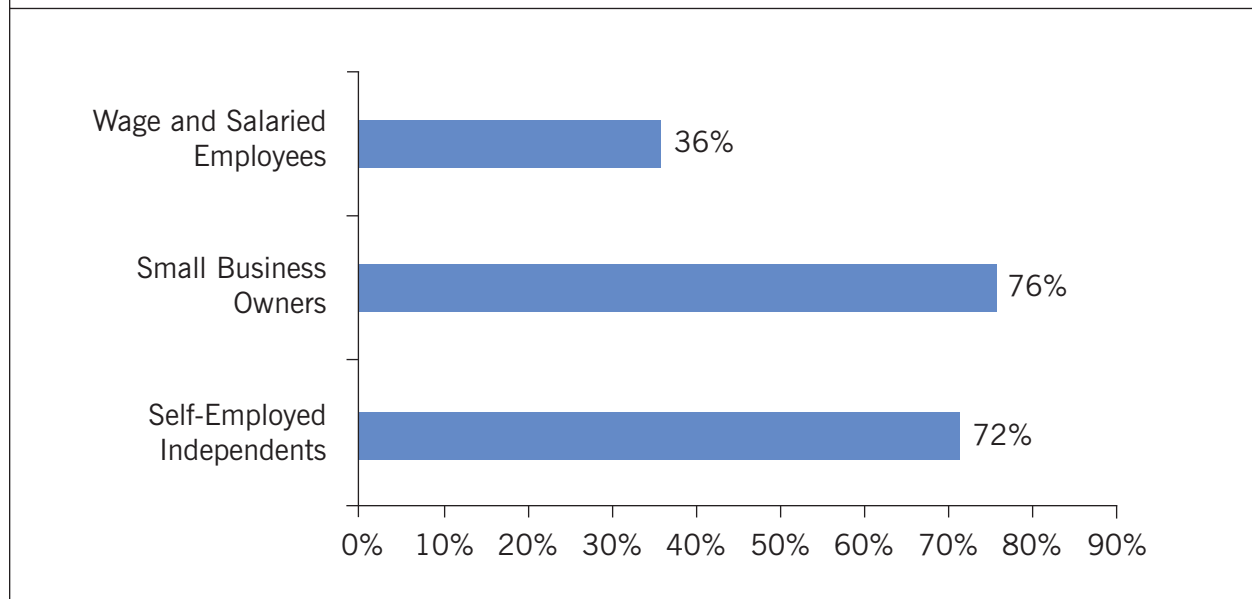
Figure 61: Percentage Agreeing that They Have the Freedom to Decide What They Do on Their Jobs in 2002



**Findings:** Small business Owners and self-employed Independents have more flexible work arrangements than Wage and salaried Employees, with Owners generally having the greatest flexibility. For example:

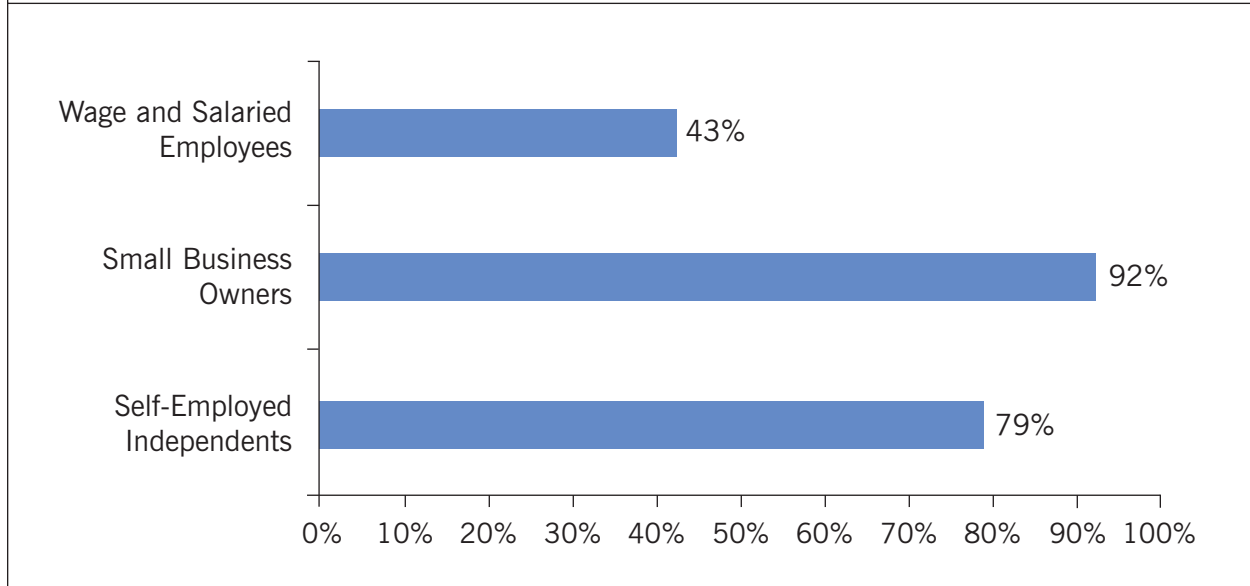
- Twice as many Owners and Independents as Employees have complete control or a lot of control over their work hours (Figure 62).

Figure 62: Percentage Saying They Have Complete Control or a Lot of Control Over Their Work Hours in 2002



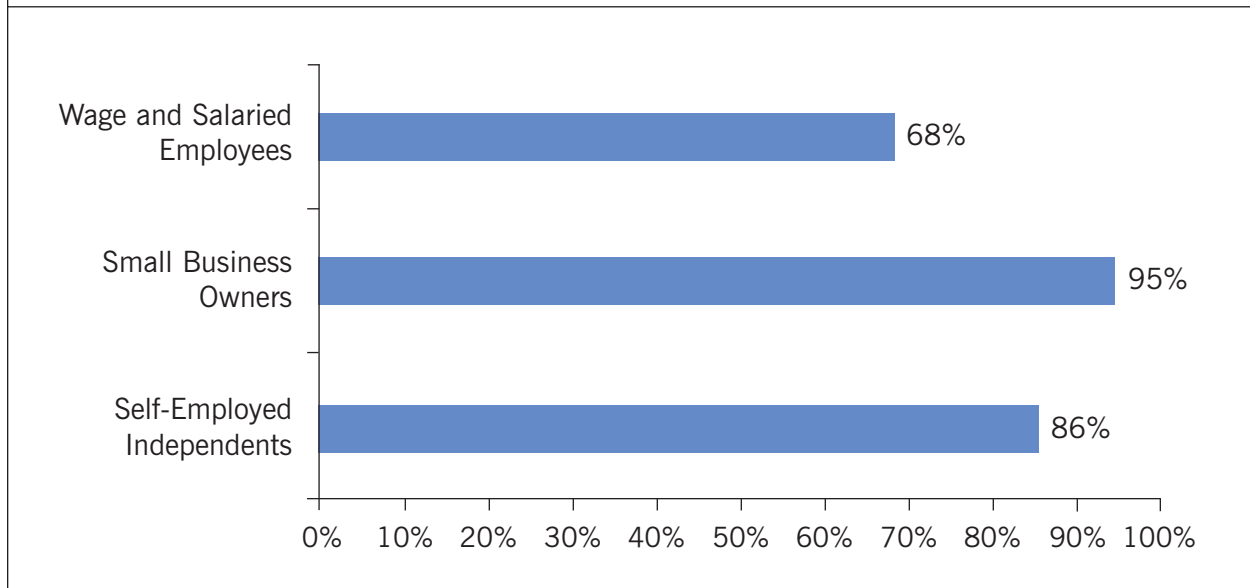
- Twice as many small business Owners as Employees are able to change their starting and quitting times within some range of hours (Figure 63).

Figure 63: Percentage Who Can Change Their Starting and Quitting Times within Some Range of Hours in 2002



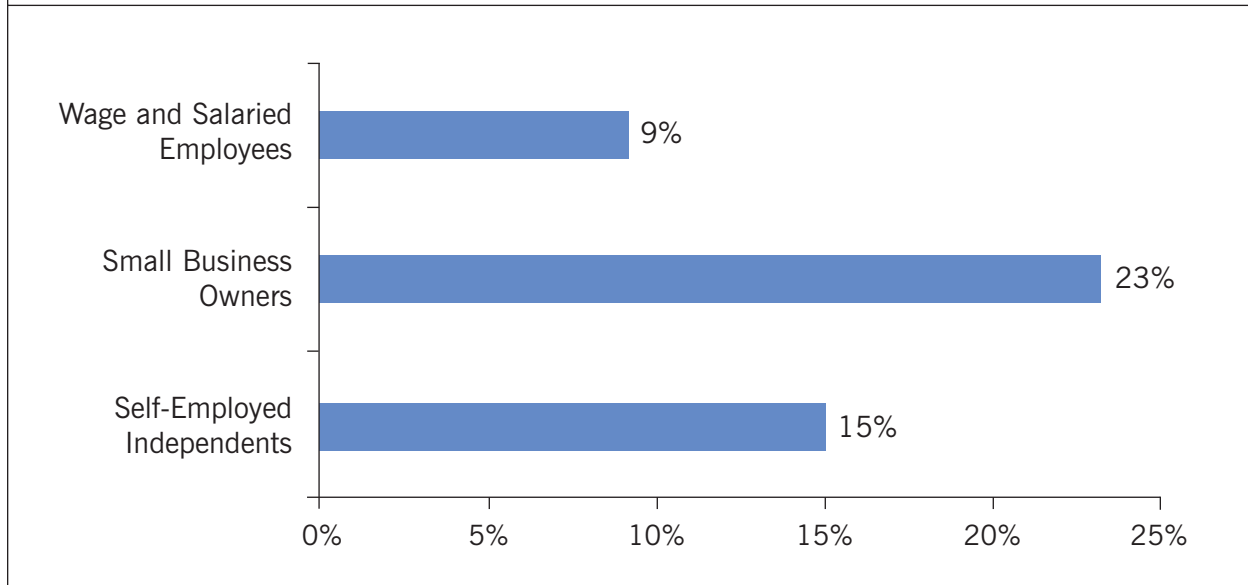
- Small business Owners are more likely to be able to take breaks when than want to than either Independents or Employees (Figure 64).

Figure 64: Percentage Who Can Take Breaks When They Want To in 2002



- Owners are more likely to sometimes work regular paid hours at home than either Independents or Employees (Figure 65). This finding indicates that most Independents are not consultants working out of a home office.

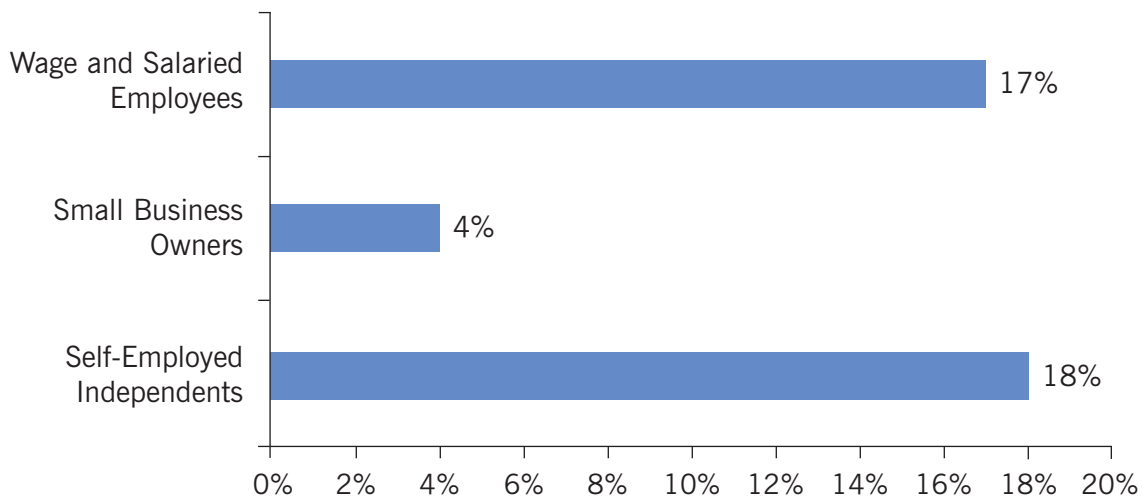
Figure 65: Percentage Who Sometimes Work Regular Paid Hours at Home in 2002



## Outcomes Related to Employment Type

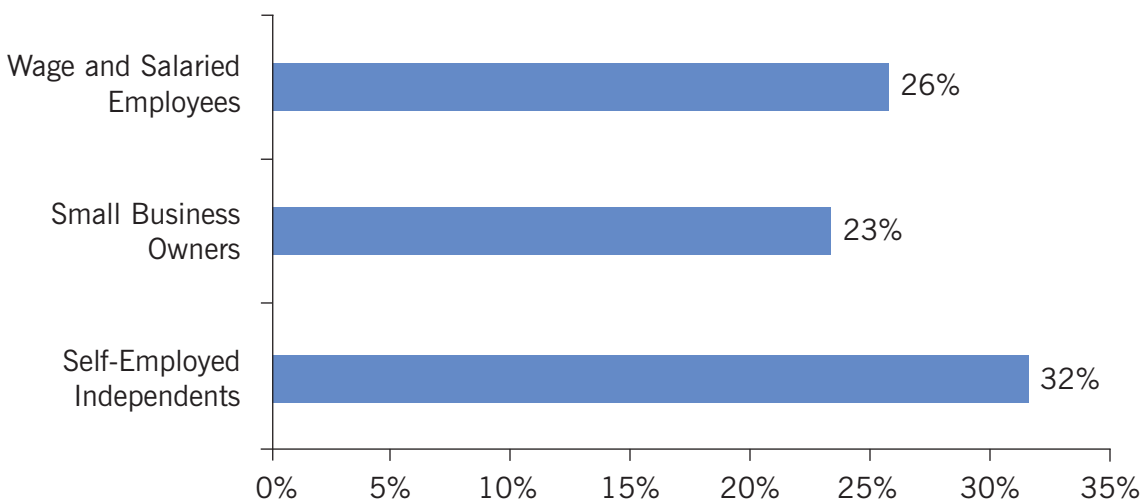
**Findings – Work Outcomes:** Wage and salaried Employees, small business Owners, and self-employed Independents do not differ with respect to job satisfaction. We have, however, already noted (above) that small business Owners are less interested than either Independents or Employees in seeking a job working for someone else (Figure 66).

Figure 66: Percentage Who Are Very Likely to Look for a Job Working for Another Employer (or Someone Else) in the Next Year in 2002



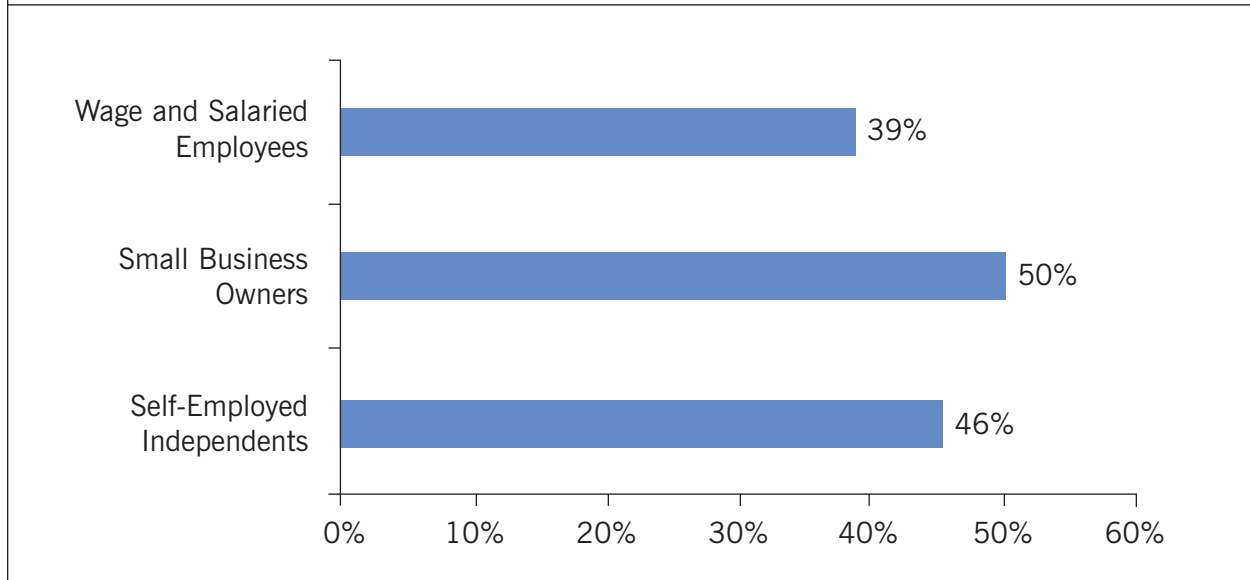
**Finding – Life Outcome:** Self-employed Independents—who work significantly fewer hours than Owners and Employees—experience less negative spillover from their jobs into their lives off the job than other workers (Figure 67).<sup>23</sup>

Figure 67: Percentage Who Experience Low Levels of Negative Spillover from Job to Home in 2002



**Finding – Life Outcome:** Small business Owners are more satisfied with their lives in general than wage and salaried Employees. Self-Employed Independents fall in between (Figure 68).

Figure 68: Percentage Who Report High Levels of Life Satisfaction in 2002



## Discussion

Small business Owners are in the enviable position of earning substantially more on average, being more content with their current jobs, and being more satisfied with their lives than either wage and salaried Employees or self-employed Independents. Although we have some evidence that self-employed Independents are more likely to be *marginalized workers* (more likely to want regular jobs, less likely to have health insurance benefits, more likely to want to work longer hours) than Employees and Owners, we do not find that as a group they are downtrodden and unhappy with their jobs, although clearly some are. Indeed, being an Independent offers some advantages over being an Employee, having more challenging jobs with richer learning opportunities and having greater autonomy in their jobs and control over work hours. However, Independents are more often left out of the fringe benefit loop unless they have a spouse who provides health insurance coverage and retirement benefits.

## BRIEF TECHNICAL NOTES

The 2002 NSCW survey was conducted by Harris Interactive, Inc. (formerly Louis Harris and Associates) using a questionnaire developed by the Families and Work Institute. A total of 3,504 interviews were completed with a nationwide cross-section of employed adults between October 2002 and June 2003. Interviews, which averaged 45 minutes in length, were conducted by telephone using a computer-assisted telephone interviewing (CATI) system. Calls were made to a regionally stratified unclustered random probability sample generated by random-digit-dial methods. As necessary, 30 or more calls were made per telephone number to determine eligibility and complete interviews if appropriate. Coding of open-ended responses was done by interviewers, with the exception of occupation and industry which were coded by the U.S. Bureau of the Census using 1990 three-digit occupation and industry classifications.

Sample eligibility was limited to people who 1) worked at a paid job or operated an income-producing business, 2) were 18 years or older, 3) were in the civilian labor force, 4) resided in the contiguous 48 states, and 5) lived in a non-institutional residence—i.e., household—with a telephone. In households with more than one eligible person, one was randomly selected to be interviewed. Interviewers offered cash honoraria of \$25 as incentives.

Of the 28,000 telephone numbers called, 3,578 were determined to represent eligible households, and interviews were completed for 3,504 of these—a *completion rate of 98 percent*. However, eligibility or ineligibility could not be determined for 6,035 cases – for which there were no answers or for which screening questions could not be asked. Using conservative response rate estimates recommended by the Council of American Survey Research Organizations (CASRO) and the American Association for Public Opinion Research (AAPOR), we estimate that the response rate among eligibles and *potential* eligibles was slightly more than 52 percent. Adjusting for the growing number of residential and nonresidential telephone lines that are not used for voice communications, we estimate that the overall response rate probably falls somewhere between 52 and 61 percent.

Of the total sample interviewed, 2,810 are wage and salaried employees who work for someone else, 179 are employed persons who operate their own incorporated businesses and, therefore, work for themselves, and 515 are self-employed workers who do not have incorporated businesses. The average sampling error for wage and salaried sample statistics ( $n=2810$ ) is approximately  $\pm 1$  percent.

Unless otherwise noted, findings are reported as statistically significant only when the probability of their occurring by chance is less than 1 in 100 ( $p < .01$ ).

## ENDNOTES

1 Quinn, R.P., and Staines, G.L. (1979). *The 1977 Quality of Employment Survey*. Ann Arbor, MI: Institute for Social Research, University of Michigan. Galinsky, E., Bond, J.T. and Friedman, D.E. (1993). *The Changing Workforce: Highlights of the National Study*. New York: Families and Work Institute. Bond, J.T., Galinsky, E., and Swanberg, J.E. (1998). *The 1997 National Study of the Changing Workforce*. New York: Families and Work Institute.

2 The small differences in reported percentages of women (Figures 4 and 5) and men (Figure 4 and text) in managerial and professional positions are due to the fact that, for purposes of historical comparisons, the 2002 sample had to be restricted to employees working 20 or more hours per week to match the 1977 sample and the 1977 sample had to be restricted to employees 18 and older to match the 2002 sample.

3 The American Association of University Women has studied these social-cultural impediments to women's advancement in depth. We refer readers to its Web site for further information: [aauw.org](http://aauw.org).

4 The distribution of mean annual earnings is positively, and seriously, skewed. To correct for skewness and produce a near normal distribution we calculated the natural log of annual earnings and used that transformed variable as the dependent variable in regression analyses predicting annual earnings.

5 For these analyses, we restricted the sample to employees who have only one job. Gender did not account for a statistically significant amount of variance in annual earnings ( $p = .28$ ) after controlling for all the factors described in the text. Part-time vs. full-time status is the single most important predictor of annual earnings. The other factors are not listed in order of importance but rather according to conceptual groupings. All are statistically significant predictors of annual earnings based on partial correlations with the natural log of annual earnings, having controlled for part-/full-time status.

6 In October 2003, the U.S. General Accounting Office published a lengthy report (GAO-04-35 available at [www.gao.gov](http://www.gao.gov)) examining reasons for the difference in men's and women's earnings. For its study the GAO consulted a large number of experts in the field, conducted an extensive literature review, and performed its own analyses of data from the Panel Survey of Income Dynamics (PSID) using sophisticated econometric models. The findings reported here, using a different analytic model, are generally consistent with the GAO's findings, but go beyond those findings by including data not available from the PSID. We encourage researchers who are interested in this issue to conduct secondary analyses of 2002 NSCW data using analytic models of their choosing and incorporating additional variables that we may have overlooked.

7 Because of the small sample sizes in these analyses we used tests for statistical significance of  $p < .05$ , which means that observed differences would only occur by chance 5 in 100 times.

8 Hochschild, A.R. & Machung, A. (1990). *The Second Shift*. New York: Avon Books.

9 In order to maintain comparability with the 1977 Quality of Employment Survey, we asked questions about time allocation off the job in exactly the same way: "On average, on days when you're working, about how much time do you spend..." Some have criticized such global estimates of time allocation, arguing that respondents exaggerate the time they spend at work and in family work. However, others have demonstrated that global estimates are correlated with more refined measures such as time diaries and argue that time diaries have limitations too. Moreover, our



findings parallel findings reported by researchers drawing upon time-diary data [Bianchi, S.M. (2000). Maternal employment and time with children: Dramatic change or surprising continuity. *Demography*, 37, 4, 401-414.], giving us confidence that the time allocation estimates from the 2002 NSCW and 1977 QES provide good *relative*, if not *absolute*, estimates of how employees spend their time off the job.

10 This question did not distinguish between personal use of a computer at work versus somewhere else. The purpose of the question was to determine to what extent employees find computers useful in their personal lives.

11 Some employees undoubtedly care for non-related elders. To the extent that this occurs, our data *underestimate* elder care responsibilities. It is also important to note that we do not identify special care for relatives and non-relatives under the age of 65.

12 Reported “job-family interference” need not refer only to jobs interfering with family life, but can also refer to family life interfering with the job. That is, the measure is potentially bidirectional: “How much do your job and family life interfere with each other?” However, we find from other data that jobs are more likely to have negative effects on life off the job than vice versa.

13 Our index of flexible work arrangements is based on 11 specific measures: traditional flextime (setting daily hours within a range periodically), daily flextime, being allowed to take time off during the work day to address family matters, being able to take time off to care for a sick child without losing pay, being able to work some regular hours at home, being able to take breaks when one wants to, having a work shift that is desirable, having complete or a lot of control over work schedule, being able to work part-time (if currently full-time) or full-time (if currently part-time) in current position, able to work a compressed work week, and able to work part-year in current position.

14 Our index of supervisor/manager supportiveness of personal/family needs is based on five measures: doesn’t show favoritism when responding to employees’ personal or family needs, accommodates me when I have family or personal business to take care of, is understanding when I talk about personal or family issues that affect my work, and really cares about the effects that work demands have on my personal and family life. The fifth measure is that the employee feels comfortable bringing up family or personal issues with their supervisor/manager.

15 Work-life culture refers to the prevailing attitudes in the workplace toward the legitimacy of having a life off the job which creates demands that sometimes conflict with the demands of work. The work-life culture is communicated by the verbal and nonverbal behaviors of immediate supervisors, managers at all levels, and co-workers. Our index of work-life culture is based on four measures: having an unwritten rule at the workplace that one can’t take care of family needs on company time, putting family or personal needs ahead of jobs is not looked on favorably, having problems managing work and family responsibilities are the employee’s responsibility (“You made your bed, now lie in it.”), and employees having to choose between advancing in their jobs or devoting attention to their family or personal lives.

16 Reported “job-family interference” need not refer only to jobs interfering with family life, but can also refer to family life interfering with the job. That is, the measure is potentially bidirectional: “How much do your job and family life interfere with each other?” However, we find from other data that jobs are more likely to have negative effects on life off the job than vice versa.

17 Our index of negative spillover from job to home is based on five measures: not having enough time for family or other important people in your life because of your job, not having the energy to do things with family or other important people in your life because of your job, not being able to do as good a job at home as would like because of your job, not being in as good a mood as would like because of your job, and not being able to concentrate on important things in your personal/family life because of your job.

18 Our index of mental health is based on eight measures used in psychiatric/medical research that tap various dimensions of stress, coping, and depression: how often (past month) bothered by minor health problems such as headaches, insomnia, or stomach upsets; how often (past month) had trouble sleeping to the point that it affected your performance on and off the job; how often (past month) felt nervous and stressed; how often (past month) felt unable to control the important things in your life; how often (past month) felt that difficulties were piling up so high you could not overcome them; during past month, have you been bothered by feeling down, depressed, or hopeless; during the past month, have you been bothered by little interest or pleasure in doing things. (Cohen, S., Kamarck, T., & Mermelstein, R. (1983). A global measure of perceived stress. *Journal of Health and Social Behavior*, 24, 385-396) (Browner, W.S. (1997). Case finding instruments for depression. *Journal of General Internal Medicine*, 12, 439-445). Two-thirds of the sample exhibit no indications of depression, while one third exhibit one or more indications. Respondents with more indications of depression are also more likely to exhibit other problems described above. Although the information collected in our survey is not sufficient for making clinical diagnoses, other validating research strongly suggests that our overall index should be a robust predictor of mental health.

19 One can, of course, debate which way causation flows both with respect to mental health as well as other outcomes. Impaired mental health may be caused by the behavior of supervisors/managers or by other factors off the job, and mental health problems originating in one place can be exacerbated by experiences in another. Nevertheless, the overall pattern of findings showing relationships between employees' mental health and flexible work arrangements, supervisor/management support, and workplace culture is certainly provocative. Moreover, we have additional evidence not reported here that excessive job demands, workplace stresses, and lower job quality are related to poorer mental health—all of which suggests that experiences on the job significantly affect the mental health of employees.

20 Significant inter-group differences are also found for *median* annual earnings, though median earnings are lower than *average* annual earnings for all three groups: Employees \$34,314, Owners \$64,131, Independents \$32,832. Employees and Independents do not differ with respect to median earnings; however, the median earnings of Owners are much higher than either of the other two groups.

21 Stanley, T.J. & Danko, W.D. (1998). *The Millionaire Next Door: The Surprising Secrets of America's Wealthy*. MJF Books.

22 This finding applies to all small business Owners and self-employed Independents whether or not they own incorporated businesses.

23 Our index of negative spillover from job to home is based on five measures: not having enough time for family or other important people in your life because of your job, not having the energy to do things with family or other important people in your life because of your job, not being able to do as good a job at home as would like because of your job, not being in as good a mood as would like because of your job, and not being able to concentrate on important things in personal/family life because of your job.