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WHO CARES?

A Feminist Critique of the Care Economy

By Nancy Folbre

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Editors: Stefanie Ehmsen and Albert Scharenberg

Address: 275 Madison Avenue, Suite 2114, New York, NY 10016

Email: info@rosalux-nyc.org; **Phone:** +1 (917) 409-1040

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Confronting the Crisis of Care

It would seem that contemporary capitalism doesn't care that much about care work. Including support for our elders, children, mentally ill, and others requiring assistance, care work is either poorly remunerated or, quite often, not paid at all. Professional care workers are among the least protected and most exploited members of the labor force. Mothers, grandmothers, and others who sacrifice to nurture our past and future generations are told to take reward from the righteousness of their task; meanwhile, the elites—whose business practices are oftentimes anything but righteous—console themselves with a wild accumulation of riches by sheer dispossession.

Reference to mothers and grandmothers is not hyperbolic; care work, both paid and unpaid, is overwhelmingly performed by women. It is also disproportionately performed by women of color, particularly as the decline of manufacturing and rise of economic inequality continues to provoke an upsurge in low-wage service sector employment. The chronic undervaluation and lack of respect for care work thus represents and perpetuates white supremacy and patriarchy in our society.

Our relationship to care work of course does not exist in a vacuum, but rather is buttressed and guided by hegemonic institutions—from the mainstream media to our schools and churches—as well as by government policy, which this study examines in depth. The development of gender and race roles in care work is intimately linked to the way our welfare states have been constructed. Public policies have been used to socialize the benefits of children more successfully than the costs, redistributing resources from parents to non-parents and from mothers (who devote the most time and money to the next generation) to everyone else.

In this study, Nancy Folbre, MacArthur Fellow and professor emerita of economics at the University of Massachusetts Amherst, explores the contemporary treatment of care work and what can be done to change it. Starting with the concept of care and its historical development within the framework of the welfare state, Folbre builds a damning case against patriarchal capitalism and its exploitation of those who sustain its past, present, and future. Then, turning to the here-and-now, the author aims her sharp analytical insight to the middle-distance and proposes a series of reforms that is sufficiently realistic to be achievable within the current constraints of the existing order, yet far-reaching enough to speak to our transformative dreams—how can we imagine a more sustainable and less exploitative world for our children and children's children? This text provides a thorough roadmap for activists and academics fighting to reframe our notions of care and the value our society assigns it.

*Stefanie Ehmsen and Albert Scharenberg
Co-Directors of New York Office, August 2014*

Who Cares?

A Feminist Critique of the Care Economy

By Nancy Folbre

We live in an increasingly uncaring world. Patriarchal capitalism offers rich financial rewards to those who pursue their individual self-interest and penalizes those committed to the care of others. Competition is more highly valued than cooperation, and individual rights trump social obligation. Family and community life are treated as leisure activities, largely reserved for official holidays. Yet the word “care” plays an increasingly important role in our cultural vocabulary, perhaps because promises to attend to the personal needs of others have become less plentiful and therefore more precious.

Recent marketing trends testify to the perceived benefits of such promises. Many firms have changed the names of their customer service departments to “customer care.” A pharmaceutical company markets a cold remedy with the slogan “Let our family take care of yours.” A consortium of airlines publishes an advertisement picturing two adult penguins leaning solicitously over their hatchling, with the slogan “It’s natural to want to be cared for.” The following phrases have all been copyrighted in the United States: “We care;” “We care more;” “We care about you completely.” Meanwhile, the phrase “I don’t believe you really care” remains in the public domain.

Perhaps this cynical expression helps explain a deeper manifestation of cultural anxiety, evident in the global spread of religious fundamentalism. Many people believe that the “icy waters of egotistical calculation” (a phrase

Marx and Engels deployed in *The Communist Manifesto*) can only be quenched by the hellfire and damnation of a patriarchal god. As Benjamin Barber explains in his powerful book *Jihad vs. McWorld*, fears of vulnerability to impersonal market forces have had a polarizing impact, fueling a cultural counter-revolution that resists all forms of modernization.¹

Both demographic and economic trends shed light on the material concomitants of cultural angst. Fertility rates have declined below replacement levels in many countries. A relatively large percentage of highly-educated women now remain childless (in the U.S., about 20 percent of college graduates). Marriage has become less widespread and less dependable as a source of support for family life, with a large increase in the percentage of children raised by mothers alone. Increases in life expectancy, however welcome, have had the paradoxical effect of increasing dependency in later stages of life, especially for older women who tend to outlive their husbands.

The relatively steady and consistent annual growth of Gross Domestic Product that consoled citizens of the affluent countries during the second half of the twentieth century now seems to be coming to an end, punctuated by severe recessions in 2001 and 2007. Slow recoveries have been characterized by persistent long-term unemployment and a serious constriction of opportunities for young people.

¹ Benjamin Barber, *Jihad vs. McWorld*. London: Corgi, 2003.

Income inequality has increased in virtually all affluent countries, accompanied by efforts to reduce public spending on social programs. While increases in women's labor force participation have buffered the impact of declining real wages on family income, they have also reduced the supply of unpaid family labor. Expanded demand for paid care—for young children and the frail elderly in particular—has been met in large part through unregulated or underground labor markets, generating both low-quality jobs and, often, poor quality services.

Many individual and collective efforts to challenge these disturbing trends have emerged, but they remain diffuse, fragmented, and as a result largely ineffective. Surely a better explanation of the crisis of care could help us mobilize a better response to it. In this piece, I

summarize a broad and diverse body of feminist work examining the distribution of the costs of caring for dependents within the institutional context of patriarchal capitalism. I begin with a conceptual overview, defining care and explaining how traditional economic approaches have remained largely blinkered to its significance. Next, I offer an historical overview, arguing that patriarchal systems not only shaped the context from which capitalism emerged, but also significantly gendered the process of capitalist development. This created a hybrid social structure that has proven remarkably resilient but may now be undermining its own future viability. Finally, I turn to policy issues, arguing that this theoretical perspective offers new insights into current challenges facing both the traditional welfare state and efforts to develop a new portfolio of policies to support and promote care.

Section 1: The Concept of Care

Albeit to varying degrees, most people care about other people. Indeed, the human species would not be able to successfully reproduce itself in the absence of care. Economists have traditionally taken care for granted, seeing it as an expression of natural or biological altruism located in the family, quite distinct from the pursuit of individual self-interest in the competitive marketplace.² Within paid employment, willingness to enter caring occupations despite their low pay is treated as an economic sacrifice fully compensated by increased personal satisfaction or “psychic income.”

Feminist political economy, by contrast, emphasizes that both the quantity and quality of transfers to dependents—whether in

the family, community, or the state—is not determined by altruism alone but is also shaped by institutional structures and cultural traditions, which are in turn influenced by individual and collective negotiation. Although moral commitments and emotional connections are crucial, they operate within the context of enforceable rules and internalized norms defining obligations to care for others. These rules and norms are important structural features of modes of social reproduction, and in most of the world today they reflect the dynamic articulation of patriarchal capitalist systems.

Care can never be reduced to purely economic terms. Nonetheless, it has important economic dimensions. The large transfers of money and time that take place within the family, the

² Gary S. Becker, *A Treatise on the Family*, rev. ed., Cambridge, MA: Harvard University Press, 1993.

community, and the state are particularly significant for the welfare of dependents—children, the elderly, the sick, and individuals with disabilities. Care is organized in a variety of ways, with infinite cross-cultural and historical variation. Yet it is typically situated in modes of social reproduction characterized by a dialectic of cooperation and conflict, in which powerful groups try to claim a greater share of the benefits and pay a smaller share of the costs of care provision. In all patriarchal systems, women bear a disproportionate share of the costs and risks of care, while men—particularly elder men—claim a disproportionate share of the economic benefits. But other forms of collective identity and conflict come into play as well, based on dimensions such as citizenship, class, race/ethnicity, and age. Citizens of affluent countries in comfortable economic circumstances benefit from low-wage immigrant labor that provides low-cost care services; the older generation has an interest in maintaining secure claims on the income of the working-age population through public pensions and support for health care; a predominantly white elder population may be loath to pay taxes that support predominantly Black and Hispanic schools; and so on.

Defining Care Work

In everyday discussions the word “care,” though used in a variety of ways, is often applied to particular forms of work. It typically conveys a sense of emotional engagement and personal connection that has direct implications for the quality of the services provided.³ That is, the best care is likely to be motivated by genuine concern for the well-being of the care recipient. Care work can take the form of unpaid services within the family or community, or paid work in the marketplace. Most working-age adults, as well as dependents, need care

in order to thrive, but the needs of young children, individuals who are sick or disabled, and the frail elderly are particularly urgent.

The emotional meaning of care is often mediated by prepositions. To care *for* someone is different than to care *about* them; “to care” is distinct from “to take care,” which in turn is less specific than “to take care of.” Two different verbs are often used in conjunction with care: giving and taking. The synonymity between caretaking and caregiving implies a two-way relationship, though we think of the former more often in conjunction with houses or gardens and of the latter more often in conjunction with children or other dependents. Sometimes we exhort loved ones to “take care of yourself” or just to “take care,” as though care were simply there for the taking.

The word “care” generally carries both positive and negative valence, as defined in the *American Heritage Dictionary*. As a verb, it seems cheerful and engaged: 1. To be concerned or interested. 2. To provide needed assistance or watchful supervision. As a noun, it seems gloomy: 1. A burdened state of mind, as that arising from heavy responsibilities; worry. 2. Mental suffering; grief. This contrast emphasizes the larger argument that many feminist scholars have made: the act of care itself can create a burden. To be carefree is, in a sense, to be liberated. To be careless, on the other hand, is to shirk responsibility. No wonder it is difficult to find the right balance between the two.⁴

Motivations other than the desire for material reward almost always play a role in the provi-

³ Nancy Folbre, ed., *For Love and Money: Care Provision in the U.S.* New York: Russell Sage Foundation, 2012.

⁴ Writing about motherhood, a prototypical form of care, the philosopher Ann Ferguson writes, “It is important to a full understanding of the issue not merely to emphasize the costs of mothering and caring work, a position like that of Simone de Beauvoir, nor, on the contrary, to tout the advantages of motherhood, a position like that of Sara Ruddick. We need, somehow, to do both,” “A Feminist Ethics and Politics of Motherhood and Care: Challenging the Public/Private Divide,” unpublished paper, Dept. of Philosophy, University of Massachusetts.

sion of care.⁵ Care work doesn't fit the traditional definition of work as an activity performed only for pay.⁶ Caregivers are typically expected to provide love as well as labor; "caring for," while also "caring about."⁷ Even paid care often retains its personal quality, resisting "complete commodification."⁸ Care is usually framed in ethical rather than economic terms, situated within a larger political analysis of rights and justice.⁹ It is sometimes described as a morally transcendent and almost intrinsically feminine activity.¹⁰

But to suggest that care lies outside the economic system and is not really "work" is to capitulate to those who believe that care is essentially "non-economic" and can never be exploitative. Standard economic theory situates decisions to provide care within the theoretical context of utility maximization, pointing out that individuals can derive utility either directly from the well-being of others or indirectly from "doing the right thing." Economists sometimes argue that women simply have

stronger preferences to provide care than do men. In the event of divorce, mothers often fight harder for child custody than do fathers, despite the economic burden it imposes.¹¹ Similarly, women may choose to specialize in care work, despite the lower wages it offers, because they derive non-pecuniary satisfaction from it.¹² From this perspective, virtue always has its own reward.

This claim is not so much incorrect as it is incomplete. Yes, caregivers often derive intrinsic satisfaction from their work. But most would like to enjoy extrinsic rewards as well. Many caregivers observe, correctly, that they operate within an economic system in which their preferences are costly, and they are unable to withdraw their own services in part because no one else is willing to provide them. In other words, looking beyond the narrow scope of their own decisions, many caregivers perceive economic forces that limit their choices and reduce their bargaining power, often with negative implications for those they care for.

Implications for Care Providers

Care providers typically experience both positive and negative effects of emotional engagement. Working in close proximity with individuals who need help creates or strengthens connections, often in unanticipated ways. Many workers "acquire sentiment" for their clients, their fellow-workers, and even their employers.¹³ The extent and intensity of the sentiment seem greater for those engaged in the provision of direct care. As one grandmother who became involved in caring for her grandson put it, "I didn't expect this and I didn't want it,

- 5 Irene Von Staveren, *The Values of Economics. An Aristotelian Perspective*. New York: Routledge, 2001; Maren Jochimsen, *Integrating Caring Activities and Economic Science*. New York: Springer, 2003.
- 6 Kari Waerness, "On the Rationality of Caring," in *Women and the State*, ed. A. S. Sassoon, London: Hutchinson, 1987, pp. 207-34; see also Arnaud Leira, "Concepts of Caring: Loving, Thinking, and Doing," *Social Service Review*, 68:2 (June 1994), pp. 185-201.
- 7 Emily K. Abel and Margaret K. Nelson, "Circles of Care: An Introductory Essay," in *Circles of Care. Work and Identity in Women's Lives*, ed. Emily K. Abel and Margaret K. Nelson, New York: State University of New York Press, 1990, p. 4.
- 8 Jean Gardiner, *Gender, Care and Economics*. Basingstoke: Macmillan, 1997; Susan Himmelweit, "Caring Labor," in *Emotional Labor in the Service Economy*, ed. Ronnie Steinberg and Deborah Figart, *Annals of the American Academy of Political and Social Science* 561 (1999), pp. 27-38.
- 9 Joan Tronto, "Beyond Gender Difference to a Theory of Care," in *Signs: Journal of Women in Culture and Society* 12:4 (Summer 1987), pp. 644-63; Eva Kittay, *Love's Labor: Essays on Women, Equality, and Dependency*. New York: Routledge, 1998.
- 10 Nel Noddings, *Caring. A Feminine Approach to Ethics and Moral Education*. Berkeley: University of California Press, 1984; Carol Gilligan, *In a Different Voice: Psychological Theory and Women's Development*. Cambridge, MA: Harvard University Press, 1982.

- 11 Victor Fuchs, *Women's Quest for Economic Equality*. Cambridge, MA: Harvard University Press, 1988.
- 12 Randall Keith Filer, "The Influence of Affective Human Capital on the Wage Equation," *Research in Labor Economics* 4 (1981), pp. 367-416.
- 13 George Akerlof, "Labor Contracts as Partial Gift Exchange," *Quarterly Journal of Economics* 97:4 (1982), pp. 543-70.

but my heart's involved now."¹⁴ Paid caregivers often describe a similar process: "I love them. That's all, you can't help it."¹⁵

Emotional engagement can provide direct satisfaction: the feeling that one is doing something that is both enjoyable and worthwhile.¹⁶ Even registered nurses who are dissatisfied with their working conditions report considerable job satisfaction.¹⁷ On the other hand, the warm glow from providing care services cannot last very long in a chilly economic environment. In many families, as in many occupations, this warm glow burns out.

Emotional attachment puts care workers in a vulnerable position, as it both requires and encourages less attention to self-interest.¹⁸ As Eva Kittay puts it, "by virtue of caring for someone who is dependent, the dependency worker herself becomes vulnerable."¹⁹ Single parents, in particular, find that there is "no exit" from their responsibilities.²⁰ Paid care jobs can also be sticky. Childcare workers become attached

to the toddlers they see every day. Nurses empathize with their patients. Teachers worry about their students. Evidence suggests that individuals in jobs requiring more intellectual skills get successively smarter.²¹ Similarly, in jobs that require care, individuals tend to become more caring.

Specialization in care provision is costly. Time devoted to the care of family members lowers lifetime earnings and reduces economic security.²² Employed workers in caring occupations generally pay a penalty, earning less than workers with similar qualifications in occupations that are otherwise relatively equivalent.²³ Men, as well as women, are forced to pay a care penalty. In general, however, women are expected to take on greater care responsibilities than men and often meet social disapproval if they fail to do so.

The distinctive features of care help explain many institutional arrangements. Owners, employers, and managers are less likely to come into direct contact with clients or patients than are direct care workers. They can generally engage in cost-cutting strategies without suffering the consequences. They may even feel confident that the adverse effects of their decisions on clients will be buffered by workers' willingness to sacrifice by intensifying their efforts or agreeing to work overtime. This emotional hostage can turn workers into prisoners of love, reluctant to walk out on strike or even to leave an occupation in which they know they are badly needed.

14 Associated Press, "Feds Study Grandparents as Caregivers," *New York Times*, June 4, 2002.

15 Deborah Stone, "Caring by the Book," in *Care Work. Gender, Labor, and the Welfare State*, ed. Madonna Harrington Meyer. New York: Routledge, 2000, pp. 89-111, here p. 99.

16 Lynet Uttal and Mary Tuominen, "Tenuous Relationships: Exploitation, Emotion, and Racial Ethnic Significance in Paid Child Care Work," *Gender and Society* 13:6 (1999): pp. 758-780; Cameron MacDonald, "Shadow others: Nannies, Au Pairs, and Invisible Work," in *Working in the Service Society*, ed. Cameron MacDonald and Carmen Sirianni. Philadelphia: Temple University Press, 1996.

17 Peter I. Buerhaus, Karen Donelan, Beth T. Ulrich, Linda Norman, and Robert Dittus, "State of the Registered Nurse Workforce in the United States," *Nursing Economics Journal* 24:1 (2006).

18 Grace Clement raises the possibility that the ethic of care may be "less a creation of women than an unjust demand upon women, as it requires women to take care of men and men's interests at the expense of themselves and their own interests." See Grace Clement, *Care, Autonomy, and Justice. Feminism and the Ethic of Care*. New York: Westview Press, 1996, p. 6.

19 Eva Feder Kittay, *Love's Labor. Essays on Women, Equality, and Dependency*. New York: Routledge, 1999, p. 49.

20 Anne Alstott, *No Exit: What Parents Owe Their Children and What Societies Owe Parents*. New York: Oxford University Press, 2004.

21 Melvin L Kohn and Carmi Schooler, *Work and Personality: An Inquiry Into the Impact of Social Stratification*. Norwood, NJ: Ablex, 1983.

22 Stephen J. Rose and Heidi I. Hartmann, "Still a Man's Labor Market: The Long-Term Earnings Gap," Washington, D. C.: Institute for Women's Policy Research, 2004.

23 Paula England, Michelle Budig and Nancy Folbre, "Wages of Virtue: The Relative Pay of Care Work," *Social Problems* 49:4 (November 2002): pp. 455-473; Paula England, Melissa S. Herbert, et al., "The Gendered Valuation of Occupations and Skills: Earnings in 1980 Census Occupations," *Social Forces* 73:1 (1994), pp. 65-99.

However, such a care “buffer” is difficult to sustain. Experienced nurses and teachers may be reluctant to make career changes when they are close to retirement, but burnout may lower the effort they provide. Furthermore, these workers may explain the disadvantages of these jobs to their families and friends, discouraging the younger generation from entering care occupations. Women are increasingly aware of the economic disadvantages of specializing in care provision, whether in the home or in the labor market.

The central role of personal and social relationships in establishing care quality means that disruptions or discontinuities of care can have unhappy consequences. Most studies of paid child care and elder care call attention to the negative effects of high turnover rates. Changing schools often lowers young children's chances of enjoying academic success. It is easy to assume that consumers always benefit from more choice. But when increased choice disrupts personal relationships and weakens emotional connections, it can also have adverse consequences, especially for vulnerable dependents.

Gender role socialization exaggerates differences between girls and boys. Norms of femininity and masculinity often discourage women from competition with men. Many relatively well-paid “masculine” jobs are considered “unfeminine” partly because they make it difficult for women to conform to norms of femininity in dress and behavior. Heterosexual women rightfully fear appearing less desirable in the dating and marriage “market” when they enter non-traditional jobs.²⁴

Gender also shapes definitions of equivalent exchange. Much of the debate over welfare reforms implemented in the United States in

1996 revolved around the value of poor women's unpaid work as mothers. The assertion that such work did not represent a social contribution deserving of public support underlay arguments that recipients of public assistance should be required to work for pay.²⁵ While some critics argued that welfare mothers were “getting something for nothing,” the perspective developed in this paper suggests that the value of the care they were providing for their children was being discounted and devalued.²⁶ After all, if low-income mothers simply swapped children during the day and paid one another the same amount for child-care, both would be defined as employed despite virtually no differences in their actual activities.

Care and Transfers

However important the nature of care work itself, care cannot be reduced to a particular work activity; it also involves the transfer of financial resources to both caregivers and care recipients. Such transfers occur not only within the family and the community, but also through the state. Public spending on education, health, pensions, and the social safety net both replaces and augments family transfers. While both private and public spending on care have some discretionary components, it is typically arranged through socially defined contractual commitments like marriage, child support rules, pension programs, and health insurance subsidies.

We are all at risk of dependency, and dependency can take many forms. The potential vulnerability of a child, a sick person, or someone who is elderly and infirm limits their ability to get what they need or to negotiate assistance,

24 M.V. Lee Badgett and Nancy Folbre, “Job Gendering: Occupational Choice and the Labor Market,” *Industrial Relations* 42:2 (April 2003), pp. 270-298.

25 Gwendolyn Mink, *Welfare's End*. Ithaca, NY: Cornell University Press, 1998.

26 Sam Bowles and Herbert Gintis, “Is Inequality Passé?” and Nancy Folbre, “Bad Behavior,” *Boston Review* 23:6 (December-January 1998-1999).

heightening the importance of socially—rather than individually specified—contractual arrangements. A dependent person may not be able to clearly explain, much less successfully negotiate or monitor, the services she or he requires.

Transfers may be governed by implicit rather than explicit agreements, though the term “implicit contract” is largely metaphorical: You scratch my back, I’ll scratch yours; do me a good turn and I will do you one in return. But the efficacy of implicit contracts is often overstated, and the concept of reciprocity is more slippery than it sounds. The exchange of socially defined equivalents often invites debate over equivalence. While adult children in the U.S. today are not legally required to provide assistance to elderly parents, they often feel they owe something in return for the love and care they received as children. Exactly what they owe is hard to specify. Similarly, gender norms shape definitions of family reciprocity: men often share market income with women in return for care services provided to family members. Exactly how much income (and decision-making power) they should share is open to interpretation.

Most income-sharing responsibilities within families are defined loosely, especially in comparison with explicit contracts such as child support and custody agreements negotiated between custodial and non-custodial parents as part of a divorce settlement, or between elderly parents and adult children promised inheritance in return for care provision.²⁷

Whether implemented through the family or the state, transfers to dependents often have benefits that extend beyond individual recipients. Care that develops individual capabilities

has positive spillover effects for future friends, neighbors, intimate partners, and fellow workers.²⁸ Children raised in unstable or uncaring environments—such as a succession of short-term foster care homes—are far more likely than others to impose costs on society through crime.²⁹ Direct care services increase the quantity and quality of what social scientists term “social capital”—networks of support and reciprocity that people can both draw from and contribute to.³⁰ The provision of high-quality care services to children generates future benefits to taxpayers, who enjoy a claim on the income those children will provide when they grow up. Pension systems based on “pay-as-you-go” principles redistribute income from the working-age population to the elderly without regard for differences in the level of resources devoted by the elderly to their children in earlier years.³¹ Yet elderly individuals with living children are often less likely than others to require publicly subsidized nursing home care.³²

The larger social contract embedded in the welfare state represents a kind of anti-free-

27 Rachel Emma Silverman, “Who Will Mind Mom? Check her Contract,” *Wall Street Journal*, September 7, 2006, online.wasj.com.

28 Paula England and Nancy Folbre, “Who Should Pay for the Kids?” *Annals of the American Academy of Political and Social Sciences* 563 (May 1999), pp. 194-209; Amy Wax, “Caring Enough: Sex Roles, Work, and Taxing Women,” *Villanova Law Review*, 44:3 (1999), pp. 495-523; “Is There a Caring Crisis,” *Yale Journal of Regulation*, 16:2 (Summer 1999), pp. 327-358.

29 James Coleman, “Social Capital in the Creation of Human Capital,” *American Journal of Sociology* 984 (1988), pp. S95-S120.

30 Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster, 2000.

31 Nancy Folbre, “Children as Public Goods,” *American Economic Review* 84:2 (1994): pp. 86-90; Rolf George, “On the External Benefits of Children,” in *Kindred Matters. Rethinking the Philosophy of the Family*, eds. Diana Tietjens Meyers, Kenneth Kipnis, Cornelius Murphy Jr. Ithaca, pp. 209-217. New York: Cornell University Press, 1993; Ronald Lee and Tim Miller, “Population Policy and Externalities to Childbearing,” *Annals of the American Academy of Political and Social Science* 510 (July 1990), pp. 17-32.

32 Douglas A. Wolf, “The Family as Provider of Long-Term Care: Efficiency, Equity, and Externalities,” *Journal of Aging and Health* 11:3 (1999): pp. 360-382.

rider device, enforcing a modicum of shared responsibility for dependents.³³ It finances social insurance that would be difficult for individuals to obtain on their own. Because social insurance improves living standards and enhances economic efficiency, it is not surprising that virtually all economically developed countries help individuals reduce the risk of unemployment, poor health, and poverty. On the other hand, social insurance is not necessarily designed or implemented in equitable ways.

Distributional Struggle

Most aspects of economic life are prone to distributional conflict. Strong groups try to extract benefits from or impose costs on weak groups, who in turn maneuver for greater access to resources. One group's efforts to increase the size of its "slice of the pie" may or may not contribute to growth in the overall size of that pie. The Marxian theory of historical materialism emphasizes this dialectic between efficiency and conflict. Conservative economists make a similar point when they warn against the dangers of collective predation and "rent-seeking" behavior.³⁴ Strong groups may enforce inefficient rules because they extract benefits from them, even at a cost to society as a whole.³⁵ Groups often try to conceal the extent to which they enjoy beneficial inputs from—and dump detrimental byproducts into—the territory beyond their boundaries. Their optimal strategy is to internalize benefits and externalize costs.³⁶ "Shading and distancing" of

problems is easier when they are diffuse and difficult to measure.

Distributional conflict shapes the care economy in a variety of ways. In paid employment, employers seek to keep wages and benefits low, while care workers typically attempt to improve their wages and working conditions through professional associations and unionization. In the public sphere, powerful groups try to cut social spending, while consumer and community groups often engage in efforts to demand higher quality child care, health care or education. Within families, men and women bargain over the distribution of care responsibilities; they also engage in forms of gender-based collective action that influence property rights within marriage and child support responsibilities in the event of divorce.³⁷

Virtually all welfare state policies—including taxes as well as benefits—affect the distribution of the costs of caring for dependents between rich and poor, parents and non-parents, men and women, old and young. The social democratic welfare states of northwestern Europe provide more consistent and reliable support for childrearing than the United States.³⁸ Within the U.S., variations across states bear the imprint of distributional conflict based on race and ethnicity. Evidence suggests that the rules governing access to public assistance are stricter and more punitive in states with relatively large Black and Hispanic populations.³⁹ Some states provide more generous and egalitarian funding for public education than others, from pre-kindergarten to college. Some

33 Anthony de Jasay, *Social Contract, Free Ride*. Oxford: Clarendon Press, 1989.

34 Jack Hirshleifer, *The Dark Side of the Force*; Anne O. Krueger, "The Political Economy of the Rent-Seeking Society," *American Economic Review*, 66:3 (1974), pp. 291-303.

35 Daron Acemoglu, "Why not a political Coase theorem? Social Conflict, Commitment, and Politics," National Bureau of Economics Research Working Paper 9377, 2002.

36 Thomas Princen, "The Shading and Distancing of Commerce: When Internalization is Not Enough," *Ecological Economics* 20 (1997), pp. 235-253.

37 Nancy Folbre, "Gender Coalitions: Extrafamily Influences on Intrafamily Inequality," in *Intrahousehold Resource Allocation in Developing Countries: Methods, Models and Policy*, ed. Lawrence Haddad, John Hoddinott, Harold Alderman. Baltimore: Johns Hopkins University Press, 1998.

38 Nancy Folbre, *Valuing Children*.

39 Joe Soss, Stanford F. Schram, Thomas V. Vartanian, and Erin O'Brien, "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution," *American Journal of Political Science* 45 (2), pp. 378-95.

states closely regulate paid child care while others take a hands-off approach. Some states have recently expanded Medicaid eligibility to conform with the new Affordable Care Act, while others have not.

Care services can be and are provided through the capitalist marketplace. But the limits of consumer sovereignty indicate the need for public regulation and provision of many care services. If consumers cannot make easy or accurate assessments of the quality of the services they are receiving, for-profit firms are tempted to take advantage of them. Examples include “diploma mills” that promise training or credentials that they fail to deliver, and manufacturers of nutritional supplements who make unsupported claims and fail to test for product safety.⁴⁰

Public regulation and provision are subject to contracting problems of their own. Bureaucrats may desire only to minimize their own effort or maximize their own job security rather than meet the needs of citizens. Even if they are not actively self-aggrandizing, state agencies, like non-profit firms, often lack any explicit incentive to minimize costs.⁴¹ As a result, they may not use resources efficiently. Public institutions have experimented with a variety of methods to address these problems, including setting up external measures of accountability or “social markets” that combine public provision with private sector competition.⁴²

Most forms of social insurance are vulnerable to a double-edged sword of moral hazard. Excessive emphasis on reducing dependency can punish those committed to caring for the genuinely dependent, including children and disabled family members. Efforts to discourage the formation of single-parent families can lead to an increased incidence of “no-parent” families. Incentives to increase hours of paid work can have adverse effects on parental care of children and larger participation in community life. Policies designed to reduce the number of people receiving public assistance can hurt the deserving and eligible needy.⁴³ As John Stuart Mill observed over a century ago in his classic *Principles of Political Economy*, “Energy and self-dependence are liable to be impaired by the absence of help, as well as by its excess.”⁴⁴

Families have breaking points, and the stresses of dealing with serious problems such as mental illness, violence, disabilities, or economic misfortune often lead to fracture.⁴⁵ The rapid dismantling of social safety nets in the former Soviet Union and many Eastern European countries has been associated with plummeting marriage and birth rates.⁴⁶ Increased income inequality, in the U.S. and elsewhere, is linked with a variety of unfortunate and costly outcomes in domains of health, crime, and educational attainment.⁴⁷

40 Margaret Mannix, “Buyers, Be Wary. Choosing Reputable Distance Learning Programs.” *U.S. News & World Report*, October 15, 2001, p. 68.

41 Burton A. Weisbrod, ed., *To Profit or Not to Profit. The Commercial Transformation of the Nonprofit Sector*. Cambridge, MA: Harvard University Press, 1988; Susan Rose-Ackerman, “Altruism, Nonprofits, and Economic Theory,” *Journal of Economic Literature* 34 (1996); Martha Minow, *Partners, Not Rivals. Privatization and the Public Good*. Boston: Beacon Press, 2002, pp. 701-28.

42 Gerald Wistow, Martin Knapp, Brian Hardy, Julien Forder, Jeremy Kendall, Rob Manning, *Social Care Markets. Progress and Prospects*. Philadelphia: Open University Press, 1996.

43 Nancy Folbre, “Disincentives to Care: A Critique of U.S. Family Policy,” in: *The Future of the Family*, ed. Daniel Patrick Moynihan, Timothy Smeeding, and Lee Rainwater. New York: Russell Sage Foundation, 2004, pp. 231-261.

44 John Stuart Mill, *Principles of Political Economy: And Chapters on Socialism*. New York: Oxford Classics, 1999, p. 350.

45 For a poignant discussion of this point with respect to family care for the mentally ill, see David A. Karp, *The Burden of Sympathy. How Families Cope with Mental Illness*. New York: Oxford University Press, 2001, p. 261.

46 Nicholas Eberstadt, “Demographic Disaster: The Soviet Legacy,” *The National Interest*, Summer 1994, pp. 53-7.

47 Kate Pickett and Richard Wilkinson, *The Spirit Level. Why Greater Equality Makes Societies Stronger*. New York: Bloomsbury Press, 2009.

Section 2: The History of Care

For most of our written history, care services have generally been provided within families by women whose choices have been restricted by patriarchal constraints. The process of capitalist economic development has modified this institutional context, destabilizing patriarchal power and leading to greater provision of care through both the market and the welfare state. The term “defamilialization” provides an evocative, if simplistic, description of this process.⁴⁸ But families retain tremendous personal, emotional, and economic significance even as they assume more flexible and voluntary forms. Women continue to provide most direct care services, even as they take on more responsibility for the financial support of dependents.

Attention to the intertwined embrace of patriarchal and capitalist systems—which might be termed an unhappy marriage—provides a useful conceptual framework for exploring capitalist development, the emergence of the modern welfare state, and the persistence of gender inequality. The expansion of wage employment and state-provided education weakens patriarchal constraints. Capitalist economies remain dependent on both families and the welfare state, but also face incentives to minimize or offload their costs. In the U.S. today, overall improvements in opportunities available to women are crosscut by the increased economic vulnerability of mothers and low-wage women workers providing care services for sale.

Patriarchal Systems

A long intellectual tradition predisposes most economists to underestimate the significance

of patriarchal systems. Inequalities based on gender and age are often interpreted as a kind of cultural anachronism, as relics of a less rational and enlightened age. Yet Anglo-American legal traditions, like those of many other countries, reveal a distinct pattern of property rights based on age and gender. Patriarchal constraints have long held important implications for population growth, gender equality, and, more specifically, the supply of care services.

Capitalist economic development has traditionally been described as a transition from implicit toward explicit contracts. Karl Marx and many important thinkers pictured “production for use” as a kind of voluntary, informal, egalitarian arrangement. Max Weber’s description of a shift from *Gemeinschaft* toward *Gesellschaft* (roughly translated as “community” and “society”) implied that economic calculation superseded cultural tradition. Both the Marxian and Weberian traditions have understated the role of explicit patriarchal constraints within precapitalist agricultural economies. Family-based systems have never rested purely on cultural norms, and have typically relied heavily on rights and rules enshrined in law and enforced by the power of the state.

The word patriarchy derives from the Greek “rule of the fathers,” and patriarchal contracts have historically governed relationships based on age as well as gender. As Sylvia Walby concisely puts it, “patriarchy comes in more than one form; each form can be found to different degrees.”⁴⁹ Patriarchal power is often embedded in a set of property rights that affects individuals’ ability to develop and control their own human capital and labor, as well as access to other productive assets such as land and

48 Gøsta Esping-Anderson, *Social Foundations of Postindustrial Economies*. New York: Oxford University Press, 1999.

49 Sylvia Walby, *Theorizing Patriarchy*. Oxford: Blackwell, 1990, p. 200.

financial capital.⁵⁰ The specific dimensions of patriarchal power that have particularly clear implications for the supply of care services include: A) rules restricting female access to education and/or acquisition of remunerative skills, enforcing specialization in family care; B) male ownership and/or control of use rights to productive property such as land, giving heads of household substantial economic leverage over both wives and children;⁵¹ C) male control over women's sexual and reproductive capacities based on a sexual double standard and property rights over children.⁵²

Patriarchal property rights are more commonly found in agrarian societies based on private property than in hunter-gatherer or shifting cultivation societies.⁵³ Patriarchal features were especially prominent in hierarchical class societies such as the feudal systems of Europe and the Confucian regimes of China and Korea. They have often coexisted with systematic forms of racial/ethnic class subordination such as colonization and slavery.⁵⁴ Patriarchal property rights have proven persistent within a global capitalist economy characterized by uneven development. In many areas of the world today women have less access to

education and property than men, as well as less protection against physical abuse.

Laws and norms that give men significant control over their wives and children generally force women to "overspecialize" in the provision of family care.⁵⁵ Within the Anglo-American tradition, a patriarch was bound by both law and custom to meet the subsistence needs of his wife and children, and his responsibilities in this respect were not easily abrogated. But any surplus—whatever a family could produce above and beyond its subsistence needs, including children—came under the patriarch's control.

In patriarchal regimes, women make indispensable contributions to the household economy, directly caring for family members while also participating in family-based farms or enterprises. The threat of withdrawing their productive contribution gives them some bargaining power. However, lack of control over the products of their labor—including strict and automatic paternal custody of children in the event of separation or divorce—limits their room for maneuver. Furthermore, rules that block their access to economic independence (such as restrictions on skill acquisition and property ownership) weaken their fallback position, making it difficult for them to bargain for more independence.

Emphasis on the effects of patriarchal property rights does not imply that women and men would otherwise have chosen identical forms of work. Even in the absence of patriarchal property rights, mothers typically make greater investments in children than do fathers, putting much of their energy into a "product" that is difficult to own, control, or profit from. Still, patriarchal contracts typically amplify the asymmetry of responsibilities for one of the

50 Yoram Barzel, *Economic Analysis of Property Rights*. New York: Cambridge University Press, 1997.

51 Bina Agarwal, *A Field of One's Own: Gender and Land Rights in South Asia*. Cambridge, UK: Cambridge University Press, 1995; Carmen Diana Deere and Magdalena León, *Empowering Women. Land and Property Rights in Latin America*. Pittsburgh: University of Pittsburgh Press, 2001.

52 For a prescient analysis of these property rights by a pioneer of institutional economics, see Steven Cheung, "The Enforcement of Property Rights in Children and the Marriage Contract," *Economic Journal* 82: 326 (1972), pp. 641-57.

53 Gerda Lerner, *The Creation of Patriarchy*. Oxford: Oxford University Press, 1987; Nancy Folbre, "Chicks, Hawks, and Patriarchal Institutions," *Handbook of Behavioral Economics*, ed. Morris Altman. Armonk, NY: M.E. Sharpe, 2006.

54 Maria Mies, *Patriarchy and Accumulation on a World Scale*. London: Zed, 1986; Sylvia Federici, *Caliban and the Witch. Women, The Body, and Primitive Accumulation*. Brooklyn, NY: Autonomedia, 2004.

55 Elissa Braunstein and Nancy Folbre, "To Honor or Obey: The Patriarch as Residual Claimant," *Feminist Economics* 7:1 (2001), pp. 25-54.

most important but least empowering forms of work: provision of direct care services to dependents.

The Emergence of Patriarchal Capitalism

The process of capitalist economic development itself tends to undermine some aspects of patriarchal systems. The contractual structure of wage employment fundamentally differs from household or family-based production. The capitalist exercises control over the surplus that remains once the costs of inputs, including wages, have been paid out of revenues. The wages that the capitalist pays are largely determined by workers' productivity (their contribution to the firm) and their bargaining power (their ability to claim a share of that contribution). The capitalist has no formal obligation to meet the subsistence needs of his workers, and his workers have no legal or moral obligation to continue in wage employment—unless they can find no alternative.

The capitalist firm provides more flexibility than the patriarchal household, as well as more incentives for innovation. On the other hand, it offers no direct reward for the reproductive effort of raising the next generation. The profit-maximizing capitalist compares the wage that he must pay with a worker's contribution to market revenue, regardless of whether that worker is raising one child or ten. When children entered wage employment before their age of majority, patriarchal property rights typically allowed fathers to claim their earnings. But the expansion of educational requirements and the growing economic independence of adult children increased the costs of parenthood.

Capitalism itself relies on essentially non-capitalist institutions, including the patriarchal family and state, to provide for dependents.

As the classical political economists of the early nineteenth century realized, the capitalist needs to pay at least a subsistence wage, sufficient to reproduce the worker's ability to work. Since most workers raise children and, over their life cycle, literally reproduce themselves, the costs of raising children and caring for the sick and elderly affect the level of subsistence wages. Thus, an employer who benefits from low wages also benefits from unpaid or relatively inexpensive domestic labor that converts wages earned into a family's larger standard of living. Further, men's ability to exploit women in the family helps compensate them for exploitation they may experience within the capitalist workplace.⁵⁶

This complementarity between patriarchal and capitalist interests does not fully mitigate tensions between them. The expansion of wage employment, combined with geographic mobility, weakens patriarchal control over children and reduces the economic benefits to men of female overspecialization in care. As women increase their participation in activities that create a more easily controlled product or wage, they gain economic, political, and cultural bargaining power. Their efforts to shift more of the costs of family care to men—as well as the higher opportunity cost of their time—encourage fertility decline.⁵⁷

Women's entrance into wage employment is both delayed and shaped by their continuing specialization in family care provision. Occupational segregation channels women into relatively low-paying jobs. Even the highly educated are typically restricted to professions like teaching or nursing that have responsibilities based on traditional family roles. Such overt discrimination lowers the cost of paid as well as unpaid care.

⁵⁶ Nancy Folbre, "Exploitation Comes Home: A Critique of the Marxian Theory of Family Labor," *Cambridge Journal of Economics* 6:4 (1982), pp. 317-29.

⁵⁷ Nancy Folbre, *Who Pays for the Kids? Gender and the Structures of Constraint*. New York: Routledge, 1996.

The Evolution of the Welfare State

Because wage employment provides no rewards for family commitments yet weakens many aspects of patriarchal contract, capitalist development requires a new institutional framework to coordinate the intergenerational commitments on which it ultimately depends. One particularly salient aspect of this institutional framework allocates resources to the young through public education and to the old through public pensions. Some economists describe these policies as an efficient response to a contracting problem: parents may be unwilling or unable to make optimal investments in their children's education. Government can tax the entire working population to help finance optimal investments in schooling, in return offering taxpayers a future claim on the earnings of more productive adult workers that will help support their retirement in old age.⁵⁸

Would that the contracting problem facing the welfare state—and its solution—were so simple. The socialization of traditional intergenerational transfers fuels a complex distributional struggle in which forms of collective action based on class, race/ethnicity, gender, and age play an important role. Men, employers, and other relatively empowered groups can invest considerable resources in their efforts to shape public policy. They are constrained not only by the rules of democratic decision-making but by the need to elicit sufficient cooperation from other groups to develop an enforceable and sustainable social contract.

The contracting problem extends well beyond education and old-age security to include unemployment, health insurance, and a host of other public goods, including environmental sustainability. Family-specific problems are also apparent: the increased incidence of divorce and the rise of non-marital childrearing,

results of the weakened patriarchal social family contract, lead to increased risks of poverty among mothers and children. The prospect of fertility declining below replacement levels creates political pressure to provide more direct public support for parental commitments. Efforts to prop up or reconfigure the patriarchal social family contract run up against employers' demands for highly educated (male or female) workers, as well as the continuing economic and cultural empowerment of women.

Yet here again, complementarities as well as conflicts between contractual logics come into play. The welfare state, often tellingly termed "the nanny state," assumes some of the responsibilities for dependent care once imposed entirely on families. A significant portion of taxes paid to the state help finance services, such as education, social insurance, and old age security, which reduce the cost to families of caring for their own dependents. Affluent families, as well as capitalist firms facing international competition, have incentives to limit the potentially redistributive impact of the welfare state. For reasons related to political representation as well as ethnic/racial conflict, the elderly in general derive greater benefits from the welfare state than do mothers and children.⁵⁹

The Decline of Patriarchal Capitalism

These conflicts and complementarities unfold differently according to specific circumstances. In the eighteenth-century United States, many aspects of the traditional gender division of labor likely increased overall productivity. Men's physical strength led them to specialize in heavy agricultural work, and women experienced a comparative advantage in work that could be combined with infant care. In the household-based economy of early New England, demographic success contributed to economic success. Many fathers openly

⁵⁸ Gary Becker and Kevin Murphy, "The Family and the State," *Journal of Law and Economics* 31:1 (1988), pp. 1-18.

⁵⁹ Nancy Folbre, *Valuing Children*.

professed their hopes to claim a share of the work performed by the younger generation in return for the promise of a later transfer or bequest.⁶⁰ Men married women and shared market income with them in return for a commitment to “honor and obey” and assume responsibilities for family care.

These were social—not merely individual or familial—bargains, conditioned by pre-established contractual rules. Yet these bargains proved difficult to enforce in a world of geographic mobility and economic opportunity. The expansion of the frontier pulled many young men toward the West, while tilting sex ratios destabilized the traditional division of labor, creating pressures for young women to work outside the home. Co-residence of adults and elderly parents began to decline, and the implicit contract of support for the older generation became more difficult to enforce.⁶¹ The growth of wage labor also modified the process of retirement. While the elderly who owned farms or businesses could gradually reduce their hours of work as their strength ebbed, those who began failing when they were employed for a wage were simply let go. As a result, the elderly became particularly susceptible to poverty.

Women organized collectively on the state and local as well as federal level, often forming coalitions with other disempowered groups. The Married Women’s Property Acts, which were passed state by state, gave wives independent control over property and earnings.⁶² As access to divorce gradually increased, women

gained the right to custody of young children. Feminists were unsuccessful in their efforts to win legislation that would guarantee a wife access to one-half her husband’s earnings in return for fulfillment of her domestic responsibilities. But after about 1890, women began gaining access to higher education. Feminists started focusing their efforts on the right to participate in federal elections, finally gaining the franchise in 1920.⁶³

States developed Mother’s Pensions and Old Age Pensions that provided a modicum of social insurance for indigent widows and elderly. The Social Security Act of 1935 both federalized and expanded these benefits. By providing greater retirement benefits for married than for single men and offering benefits to surviving widows, Social Security essentially provided public remuneration for non-market work that married women provided in the home. Likewise, the tax deductions and exemptions for dependents built into the federal income tax code offered public recognition and subsidy of family work. These subsidies remained, however, quite small relative to total costs.⁶⁴

A long-run process of fertility decline that had begun in the nineteenth century was interrupted by the post-World War II baby boom. Yet married women and mothers continued to increase their participation in wage employment, and both legal and technological supports for traditional family forms began to weaken. Divorce, birth control, and abortion gradually became an accepted part of the social landscape. In the 1970s most states moved toward no-fault rules that made divorce easier and contributed to a sharp upward shift in marital dissolution. Reliable oral contraceptives gave women a form of birth control they could practice even without their partner’s cooperation.⁶⁵

60 For a more detailed discussion of this point in the context of early New England, see Nancy Folbre, “The Wealth of Patriarchs: Deerfield, Massachusetts, 1720-1840,” *Journal of Interdisciplinary History* VVI:2 (1985), pp. 199-220.

61 Stephen Ruggles, “Multigenerational Families in Nineteenth Century America,” *Continuity and Change* 18:1 (2003), pp. 139-165.

62 Rick Geddes and Dean Lueck, “The Gains from Self-Ownership and the Expansion of Women’s Rights,” *American Economic Review* 92:4 (2002), pp. 1079-1092.

63 For a more detailed account, see Folbre, *Who Pays for the Kids?*

64 Folbre, *Valuing Children*.

65 George Akerlof, Michael Katz, and Janet Yellen, “An Analysis of Out-of-Wedlock Births in the U.S.,” *Quarterly*

Legalization of abortion in 1972 also increased reproductive choice.

While all these changes made it easier for women to opt out of biological motherhood, they also made it easier for men to opt out of social and economic fatherhood. Poor specification and enforcement of paternal child-support responsibilities put mothers at risk. Wives who specialized in family work found that divorce settlements offered them little compensation for the loss of individual earnings potential. Those who had contributed to the development of their husband's human capital—whether by helping put them through school or supporting their career efforts—enjoyed only weak claims on the resulting increase in his lifetime earnings.

By the 1980s, most of the formal rules of family law could be described as gender-neutral. Men no longer enjoyed many special legal prerogatives purely as a result of their gender. The very absence of formal rules protecting risky investments in care, however, left mothers and other caregivers in a weak position. Standardized obligations based on gender were reduced at the cost of a reduction in standardized obligations based on kinship. Family obligations have increasingly become a focus of individual negotiation. Capitalism has become less patriarchal, affording women more individual rights. Yet these changes have simultaneously increased the economic risk to women taking on care responsibilities.

From Gender Inequality to the Care Penalty

The movement of women into higher education and paid employment in the U.S. con-

tributed to considerable improvement in the earnings of full-time women workers relative to those of men during the second half of the twentieth century. That this change took place across all major racial/ethnic categories in an economic environment marked by growing polarization in virtually every other dimension of wealth and earnings makes it all the more remarkable. Nonetheless, full-time employment between graduation and retirement remains much less common for women than for men, largely as a result of their commitment to family care. A more accurate picture of gender earnings inequality takes into account such differences in labor force participation over the course of a lifecycle.⁶⁶

Even controlling for differences in labor market experience, mothers earn less than other women, either because employers discriminate against them or because they devote less energy to paid employment, or both. As Joan Williams argues, employers often prefer an “ideal worker” who is not only fully committed to paid employment but also enjoys the back-up services of a dedicated homemaker or care provider.⁶⁷ Women are of course more likely than men to provide care for children, disabled family members (including disabled children), and the elderly.⁶⁸

Most empirical research has focused on the labor market effects of motherhood. As overt forms of sex discrimination have declined, the relative impact on women's earnings of commitments to children, or the “motherhood penalty,” has become increasingly salient. In 1991, by one estimate, it accounted for more than 60

Journal of Economics 111: 2 (May 1996), pp. 277-317; Claudia Goldin and Lawrence Katz, “The Power of the Pill: Oral Contraceptives and Women's Career and Marriage Decisions,” *Journal of Political Economy* 110:4 (2002), pp. 730-770.

66 Stephen J. Rose and Heidi I. Hartmann, “Still a Man's Labor Market: The Long-Term Earnings Gap,” Washington, D.C. Institute for Women's Policy Research, 2004.

67 Joan Williams, *Unbending Gender. Why Family and Work Conflict and What to Do About It*. New York: Oxford University Press, 2000.

68 Philip N. Cohen and Miruna Petrescu-Prahova, “Gendered Living Arrangements Among Children with Disabilities,” *Journal of Marriage and Family* 68:3 (2006), pp. 630-38.

percent of the difference in men's and women's earnings in the U.S.⁶⁹ The penalty varies considerably across the advanced capitalist economies, shaped in large part by welfare state provisions.⁷⁰ Recent audit studies reveal evidence of outright discrimination against mothers.⁷¹

Rates of poverty among mothers with young children in the U.S. are high by international standards and would be even higher if poverty measures captured the time costs of rearing children.⁷² Reliance on measures of market income alone tends to conceal important trends; these measures increase along with hours worked, but do not reflect the increased costs associated with employment (including child care, transportation, and food purchased away from home). While more empirical research on these topics is badly needed, gender inequality now seems less biting than trends that have been labeled "the pauperization of motherhood" and the "motherization of poverty."⁷³

Public Transfers to the Young and Old

The evolution of both public education and public pensions in the U.S. reveals many dimensions of collective conflict. Residential segregation combined with local financing channeled public investments in education in ways that reproduced existing class and racial/ethnic inequalities.⁷⁴ School policies tended to reinforce

the gender division of labor, restricting the opportunities and subjects of study available to women as well as the jobs available to them as teachers.⁷⁵ Political coalitions challenging these effects became visible in the 1950s and 1960s, gradually bringing about a slight redistribution of educational spending toward less empowered groups.⁷⁶ Yet backlash against this redistribution has also proved fierce, for example helping to inspire tax revolts.

Forms of public support for the elderly have likewise followed a complex political trajectory. Pensions for Civil War combatants and state programs of means-tested assistance to the elderly foreshadowed the passage of the Social Security Act of 1935. Demands for a universal uniform benefit were fended off in favor of a system of employment-based taxes with a roughly proportional incidence (regressive taxes counterbalanced by a progressive benefit structure). While most low-wage Black and Hispanic workers were initially excluded from coverage, a number of political factors—including the growing political mobilization of the elderly as a voting bloc—contributed to the steady expansion of Social Security spending in both absolute and relative terms.⁷⁷

The Social Security system carefully tied the traditional arrangements of the patriarchal social family contract to the capitalist employment contract, reinforcing the traditional breadwinner/homemaker division of labor and authority. Both employers and workers would

69 Jane Waldfogel, "Understanding the 'Family Gap' in Pay for Women with Children," *Journal of Economic Perspectives* 12:1 (1998), pp. 137-156.

70 For an excellent summary, see Janet Gornick and Marcia Meyers, *Families That Work*. New York: Russell Sage, 2003.

71 Shelly Correll and Stephen Benard, "Getting a Job: Is There a Motherhood Penalty?" *American Journal of Sociology*, 112:5 (March 2007), pp. 1297-1339.

72 Nancy Folbre, *Valuing Children*.

73 Nancy Folbre, "The Pauperization of Mothers: Patriarchy and Public Policy in the US," *Review of Radical Political Economics* 16:4, 1985, pp. 72-88; Robert W. Drago, *Striking a Balance: Work, Family, Life*. Cambridge, MA: Dollars and Sense, 2007.

74 Samuel Bowles and Herbert Gintis, *Schooling in Capitalist America: Educational Reform and the Contradictions*

of Economic Life. New York: Basic Books, 1976; Robert Margo, *Race and Schooling in the South, 1880-1950: An Economic History*. Chicago: University of Chicago Press, 1990. Claudia Goldin, *Understanding the Gender Gap*. New York: Oxford University Press, 1990; Roland Benabou explores these issues in more theoretical terms in "Unequal Societies: Income Distribution and the Social Contract," *American Economic Review* 90:1 (March 2000), pp. 96-129.

75 Goldin, *Understanding the Gender Gap*.

76 On education, see "Robin Hood School" in Nancy Folbre, *The Invisible Heart: Economics and Family Values*. New York: New Press, 2001.

77 Nancy Folbre, *Who Pays for the Kids?*

pay a share of wages into a fund that would cover the costs of dependent spouses and workers. Married workers with children benefited far more from this “family wage” system than single workers—paying exactly the same taxes, they received at least 50 percent more in total retirement/disability and survivor insurance benefits. Single men and women and married women who worked for pay were essentially taxed to help support the stay-at-home wives and children of married men. Retirement benefits for both spouses typically took the form of checks made payable to and essentially under the control of the wage-earner, typically a male head of household.

These policies discouraged married women from seeking paid employment, but they were not enough to stem the tide of steady increase in their labor force participation. Ironically, the Social Security system itself benefited from this trend. As married women entered wage employment in increasing numbers, they began making contributions in the form of taxes that seldom increased their benefits (given the choice between benefits based on their own earnings and those based on their husbands’ earnings, the latter were almost always greater). At least initially, changes in women’s roles increased total contributions to the Social Security system.

The expansion of a state-sponsored safety net, along with low unemployment and rapid economic growth, may have contributed to the baby boom of the 1950s. By the 1970s, however, fertility rates in the U.S. were beginning to more closely resemble those of European countries. Native-born white women raised just about the number of children necessary to replace themselves and their partners. Immigrants, particularly Hispanics, helped keep overall U.S. birth rates relatively high, but rapid decline to below-replacement fertility in countries such as Spain, Italy, Japan, and South Korea began to create demographic anxiety. Why

should parents rely on their own children to support them in old age when they could depend on income transfers from other peoples’ children?

The rate of married women’s entrance into wage employment leveled off in the 1990s. Meanwhile, other trends had contributed to significant increases in the cost of caring for the elderly, among them the expansion of the Medicare system, longer life expectancies, and the spiraling cost of health care. Projections of continued fertility decline began to undermine confidence in the long-run viability of intergenerational transfers. Intensified international competition and accelerated immigration began to undermine employer incentives to support the family welfare state. Why devote resources to producing and educating the next generation of workers when the costs of importing workers—or exporting jobs—are so low?

Public policies in the U.S. and elsewhere seem to have socialized the benefits of children more successfully than the costs, redistributing resources from parents to non-parents and from mothers (who devote the most time and money to the next generation) to everyone else.⁷⁸ Age-based redistribution through the state is embedded not only in retirement and health programs but in the very structure of an economic system that endows the younger generation with knowledge, technology and capital, while retaining the right to tax their earnings to repay public debt.⁷⁹ Commitments to

78 Folbre, *Who Pays for the Kids?* and *Valuing Children*; Shirley Burggraf, *The Feminine Economy and Economic Man. Revising the Role of Family in the Post-Industrial Age*. New York: Perseus Books, 1997; Ann Crittenden, *The Price of Parenthood*. New York: Metropolitan Books, 2001; Philip Longman, *The Empty Cradle: How Falling Birthrates Threaten World Prosperity*. New York: New America/Basic Books, 2004.

79 John Myles, “A New Social Contract for the Elderly,” in Gøsta Esping-Andersen, with Duncan Gallie, Anton Hemerijck, and John Myles, *Why We Need a New Welfare State*. New York: Oxford University Press, 2002, pp. 130-172; David Thomson, *Selfish Generations? How Welfare States*

raising the next generation may be intrinsically satisfying, but economically speaking, they go largely unrewarded.

The Rise of Neoliberalism

The internal tensions of patriarchal capitalism help explain the resurgence of neoliberal policies designed to reduce government spending and encourage greater reliance on market forces, including borders more open to international labor migration and capital flows. On the one hand, increased public support for the development of human capital offers important social benefits. On the other hand, U.S. employers are far less dependent on “home-grown” workers than they once were. Neoliberal critiques of the modern welfare state rely heavily on the patriarchal premise that parenting is “not really work” and that women can and should provide whatever care services are needed.

This premise became apparent during the changes made to public cash assistance (a.k.a. welfare) in 1996, which tightened requirements that indigent mothers seek paid employment. Amid much discussion of the incentives built into public subsidies that might discourage the supply of paid labor, little if any attention was devoted to the possibility of discouraging the supply of unpaid family care (except in the hope that indigent mothers might choose to bear fewer children). Yet the resulting economic stress increased the number of children from poor families relegated to non-parental and foster care.⁸⁰ Child poverty rates in the U.S. spiked during the Great Recession and remain high by historical standards, at 22 percent.⁸¹

Grow Old. Wellington, New Zealand: The White Horse Press, 1991.

80 Nancy Folbre, “Disincentives to Care: A Critique of U.S. Family Policy, Chapter 11, in *The Future of the Family*, ed. Daniel Patrick Moynihan, Timothy Smeeding, and Lee Rainwater. New York: Russell Sage Foundation, 2004, pp. 231-261.

81 Valerie Strauss, “New Census Data: Children Remain

A second example of resistance to paying the costs of care lies in the uneven development of provision for the elderly within the U.S. While the elderly population as a whole enjoys significant subsidies for both income and health care, support for provision of direct care services—whether in nursing homes or through home visits—is much more limited. Only those elderly with extremely low income—those who have basically spent down their remaining assets—enjoy eligibility for Medicaid subsidy for care services. Furthermore, the quality of Medicaid-financed nursing home services is abysmally low. Elderly men enjoy a significant buffer against this problem—the likelihood that they will enjoy the care services of a younger spouse. Elderly women with no surviving spouse are by far the most vulnerable.⁸²

A third, less direct example of freeriding on provision of care labor is provided by immigration policies that reduce pressure for increased public provision of child care, elder care and education. Many low-wage women immigrants find jobs as “under-the-table” nannies, housekeepers, or companions for the elderly, making it easier for high-wage women to increase their hours of market work without public subsidy. Use of specific visas and targets for highly-educated workers, such as computer programmers, helps avert labor shortages that might otherwise result from steady increases in the cost of enrolling at public colleges and universities.⁸³ This market-based solution to care provision may be cost-effective in the short run, but it is not sustainable in the long run, because it deprives the low-income countries who are raising and educating these immigrants of their ability to capture any payback beyond voluntary (and often temporary) individual remittances.

America’s Poorest Citizens,” *Washington Post*, 2013.

82 See essays by Susan Eaton and Madonna Harrington Meyer in Nancy Folbre, Lois Shaw, and Agneta Stark, eds. *Warm Hands in a Cold Age: Gender and Aging*. New York: Routledge, 2006.

83 Nancy Folbre, *Saving State U.* New York: New Press, 2010.

Section 3: Policies for Care

In the U.S. today, the costs of care provision continue to be divided unequally between men and women, and shortfalls in public support for care provision lower living standards, intensify social inequality, and jeopardize the development of human capabilities. Efforts to address these problems will define the future of the social-democratic welfare state.

Redesigning the Welfare State

The traditional left, influenced by traditional Marxian theory, has failed to develop a systematic and sustainable vision of the welfare state. Just as patriarchal systems took family care for granted as the “natural” responsibility of women, welfare states often take public support for care for granted as a moral responsibility rather than an economic commitment. Just as traditional social theory idealized family life and downplayed conflict within it, defenders of the welfare state often resist discussion of distributional conflict based on class, race/ethnicity, gender, and age. Just as reluctance to measure or value unpaid labor helped minimize attention to it, reluctance to measure, value, or report the lifetime net benefits of social spending has rendered such benefits largely invisible.

Perhaps because our social insurance system has evolved in piecemeal fashion, determined by strategic happenstance rather than systematic planning, it seems arbitrary and inflexible. The structure of taxes and income-tested benefits is so unspeakably complicated that many students with advanced degrees in public policy don’t fully understand it. Further, social insurance policies have created divisions between the old and young and between the poor and the middle class, undermining their own political base. We lack a clear accounting

system that enables people to understand what they get from the welfare state compared to what they put into it, a factor that heightens public cynicism and suspicion.

The analysis of the care economy outlined above generates three specific suggestions to address this problem:

1. Develop better accounting tools to show taxpayers what they get in return for what they pay and demonstrate the benefits of social over private or self-insurance.

Most of us can estimate with relative accuracy what we pay in taxes. We write checks for property taxes, examine customer receipts for sales taxes, and fill out a torturous income tax return on April 15. But few of us can estimate what we get in return for our taxes over the lifecycle. It’s hard to assign an individual consumption value to public goods like roads or environmental regulation. It’s also difficult to estimate past and future benefits that we have or will individually consume—what was spent on our public education, or what will be spent on our health and retirement security. As a result, it’s easy to imagine that we’re paying far more in taxes than we’re receiving in benefits.

Conservatives insist that this is exactly what is happening. Every year, they garner considerable publicity for what they term “Tax Freedom Day”—the point in the year when the average American worker would have fulfilled all their tax responsibilities if their entire paycheck had been signed over to the government since January 1.⁸⁴ This rhetorical device calls attention to the percentage of our income we pay on average in taxes, about 28 percent. Tax Freedom Day usually falls about 28 percent of the

⁸⁴ For more details, see www.taxfoundation.org/taxfreedomday.

way through the calendar year, not far from April 15, the day many of us hate not because of the taxes we pay but because of the stupid, mind-wasting, time-sucking forms that determine our liability.

Consider an alternative framing: Tax Payback Year. This is the year, or more specifically the age, at which the average taxpayer will have repaid the government for all that was spent on his or her health, education, and safety up to the year that taxpayer entered paid employment. Our public and private accounting systems don't make this calculation easy, but I estimate that it takes about seventeen years for average taxpayers simply to repay what older taxpayers invested in them.⁸⁵ Further, many of the taxes paid after that age will finance future individual consumption of health and retirement benefits. In principle, one could estimate, at death, whether a taxpayer or (group of taxpayers) was a net contributor or a net beneficiary of the tax system, bearing in mind that the work devoted to raising future taxpayers also represents a contribution.⁸⁶

The purpose here is not to stigmatize those who take out more than they put in, any more than insurance programs stigmatize those who receive the greatest benefits. Rather, the purpose is to build support for an actuarially sound system in which everyone can clearly see how social insurance works, redistributing costs and risks over the lifecycle. In my experience, very few people have ever heard of the concept of Tax Payback Year, much less tried to estimate it on a personal basis. They have no idea how much their taxes benefit them through public goods and social insurance, compared to how much they benefit

other people who may or may not have been as hard-working as they. Even when they see the taxes they pay compared to the benefits they will receive—as in a statement from the Social Security Administration—it doesn't include an estimate of the insurance value of add-ons like Survivor's Benefits, or any counterfactual, such as how much you would be likely to receive if your social security contributions had been invested in the stock market.

Imagine trying to sell someone a private insurance policy by giving them detailed information about the premia they would have to pay, but not offering any estimate of the probable benefits they would receive. Then tell them they have no choice but to buy the policy. Should we be surprised to witness a backlash against such policies, especially when fueled by strategic political manipulation and misinformation? Social insurance is often more efficient than individual insurance because it allows people to pool risks, and mandatory participation solves problems of adverse selection—when those who need insurance most are the only ones who sign up for it. But social insurance that pools risk for a heterogeneous population is less attractive to those who anticipate little need of it than private insurance that excludes the participants most likely to impose liabilities. Increasing economic inequality reduces solidarity that discourages social insurance, which, in turn, increases economic inequality.

Progressive audiences often react negatively to this emphasis on making the case for social insurance. Many prefer to argue simply that we should increase taxes on the wealthy. Many would prefer to rely on ideals of responsibility and care for others, worrying that shifting to economic analysis promotes the self-interested logic of capitalism itself. But this proposal is not inconsistent with efforts to change the burden of taxation, and does not require any abdication of moral commitments. It simply suggests that voters need a better sense of what their

⁸⁵ For more details see Nancy Folbre, "Tax Payback Year" at www.economix.blogs.nytimes.com/2010/04/05/tax-payback-year.

⁸⁶ For more details, see Nancy Folbre, "The Present Value of Producing Future Taxpayers," at www.economix.blogs.nytimes.com/2010/03/29/the-present-value-of-producing-future-taxpayers.

moral commitments are going to cost them, partly because they are prone to vastly overestimate these costs.

2. Replace or reform welfare state programs that have divisive effects, such as pitting the “officially poor” against those whose resources place them just out of range of eligibility for benefits. Recognize that means-tested benefits can create problematic incentives as well as undermine social solidarity.

Universal benefits, such as a guaranteed basic income, are both easier to administer and more equitable than means-tested benefits. They have traditionally garnered support from some conservatives, such as economist Milton Friedman, an early advocate of a negative income tax.⁸⁷ However, a guaranteed basic income plan must be attentive to how benefits for working-age adults are calibrated with benefits for children, other dependents, and their caregivers.

Some progressive economists advocate changes to the EITC and Child Tax Credit that would reduce phase-out rates and move toward a more universal benefit.⁸⁸ Such proposals deserve serious consideration, but a child allowance—or unified transfer unaffected by family earnings or marriage status—represents a simpler solution. This approach would be complemented by the intergenerational accounting system outlined above, which could help childless adults see the economic benefits they derive from public support for parenting.

The Affordable Care Act offers another case in point. The legislation was designed primarily to provide coverage to those who lacked it, without much explicit consideration of those already paying for health insurance. The require-

ment that all individuals buy coverage, accompanied by the promise of subsidies for those who cannot afford it, left many voters unsure of their own eligibility for assistance. Indeed, ambiguity in the law regarding the cost of individual versus family coverage continues to plague the program.⁸⁹ A universal single-payer proposal would offer benefits to a much wider cross-section of the population.⁹⁰

Even unemployment benefits—an aspect of the social safety net that seems indispensable in an era of conspicuous market failure and persistent joblessness—elicit resentment from many taxpayers. In the 1930s and 1940s, public works programs obviously had many flaws. However, they helped legitimize and substantiate the motivation and talents of the previously unemployed. The Obama administration’s main efforts in this regard have focused on efforts to hire more state and local workers, a subset of the labor force that many private sector workers view as more economically secure and less vulnerable to risk than themselves. The political outcome might have been different had public sector employment been made more broadly available, especially to men and women experiencing job losses in manufacturing.

3. Actively pursue tax reforms that would shift taxation away from labor income toward high-level consumption including carbon taxes. On the local level, move away from a property tax based on real-estate alone to one that also includes consideration of financial wealth.

The U.S. tax system is generally considered politically intractable. On both the left and the right, resistance to change is often explained

87 See Bruce Bartlett, “Rethinking the Idea of a Basic Income for All,” *New York Times*, December 10, 2013.

88 See Robert Cherry’s “New Mothers Tax Relief Policy,” at www.userhome.brooklyn.cuny.edu/rcherry/General_Economic_Policies.html.

89 See Robert Pear, “Ambiguity in Health Law Could Make Family Coverage Too Costly for Many,” at www.nytimes.com/2012/08/12/us/ambiguity-in-health-law-could-make-family-coverage-too-costly.html?page-wanted=all.

90 See Nancy Folbre, “The Single-Payer Alternative,” *New York Times*, November 25, 2013.

by reference to political corruption and special interests. It's not easy to find clear and compelling reform proposals. However, a progressive consumption tax would represent a big step in the right direction.⁹¹ More specifically, my colleague James Boyce makes a strong case for policies that would price carbon in ways that could have an egalitarian economic impact (through a cap-and-dividend or a tax-and-dividend system), encouraging environmental sustainability as well as raising revenues.⁹²

Taxing all wealth—including financial wealth—rather than real estate alone would both expand the tax base and improve fairness. The tax revolt in the U.S. began with a concerted movement against escalating property taxes in California. Yet the movement had populist roots and could have swung left rather than right.⁹³ By taxing real estate, but not other forms of wealth, local tax systems gave middle-class households a strong financial incentive to band together to limit increases. Today property values are escalating, but they have yet to regain their pre-2007 heights in many areas of the country. Meanwhile, the stock market has come much closer to full recovery, but unrealized capital gains remain completely untaxed, while even realized gains are taxed at a lower rate than labor income. This needs to change. A financial wealth tax linked to citizenship, rather than to residence, should be imposed on the national level.

Specific Care Policies

Specific public policies tailored to care needs are also a high priority. These include work/

family policies that facilitate and support family caregivers, expanded provision of affordable, high-quality child care and early education, greater adult care services in home and community-based settings as well as nursing homes, and improved wages, benefits, training, and working conditions for child care and adult care workers.

Work-Family Policies

The federal Family and Medical Leave Act (FMLA) guarantees some American workers the right to twelve weeks of job-protected unpaid leave from paid employment in order to cope with their own illness, that of a spouse or parent, or the birth or adoption of a child. However, it leaves many workers ineligible for unpaid leave either because their employers are not covered by the law or because the person requiring care does not fit the criteria stipulated (for instance, a gay or lesbian partner, an in-law or other extended family member). Even when they are eligible, workers are often unable to take advantage of unpaid leave for financial reasons. Although some workers enjoy firm-provided paid maternity or paternity leave, such coverage is concentrated at the high end of the job market.

Unlike most affluent countries, the United States does not provide federally guaranteed paid leave from work. The experience of other countries, as well as the states of California and New Jersey, which have implemented paid family leave policies, demonstrates the viability of a national paid family leave program. Janet Gornick and Marcia Meyers have developed a detailed proposal for a six-month paid parental leave.⁹⁴ Each employed parent would have his or her entirely non-transferable leave entitlement, increasing incentives for paternal

91 Robert Frank, "The Progressive Consumption Tax," at www.slate.com/articles/business/moneybox/2011/12/the_progressive_consumption_tax_a_win_win_solution_for_reducing_american_economic_inequality_.html.

92 James Boyce, "Carbon Tax or Permits," available at triplecrisis.com/ask-an-economist-carbon-tax-or-permits.

93 Isaac Martin, *The Permanent Tax Revolt: How the Property Tax Transformed American Politics*. Stanford, CA: Stanford University Press, 2008.

94 Gornick, Janet C., and Marcia K. Meyers et al. *Gender Equality: Transforming Family Divisions of Labor*. London: Verso, 2009.

participation. Payment would be determined by a percentage of earnings, with a cap on the level of earnings that could be replaced (which reduces the impact of earnings inequality). Parents would be allowed to take up their benefits either full-time or in combination with part-time employment, allowing them to draw their entitlements incrementally. A more concerted effort to promote gender equality in parenting would make the amount of leave available to mothers contingent on the length of leave taken by fathers.⁹⁵

Sick Leave

Parents are not the only workers who need more flexibility. While the federal Social Security program covers permanent or near-permanent disability, over 40 percent of all employees in the United States—and a much higher percentage in low-wage jobs—lack access to paid time to care for themselves or an ailing family member.⁹⁶ Models for paid sick leave programs include a federal initiative introduced in June 2007 that would provide up to eight weeks of paid leave for a worker's serious health or family care needs. Such a program would help reduce transmission of infectious disease (a serious problem with food-service workers, in particular), dampen worker turnover, and likely reduce public spending on paid care services and public assistance.⁹⁷

Family Responsibility Discrimination (FRD)

Both women and men remain susceptible to workplace discrimination against employees with family responsibilities.⁹⁸ Some states and cities prohibit this. As a result, lawsuits filed by individuals who believed they were treated unfairly by supervisors because they stated a need to provide care for a family member increased almost 400 percent between 1996 and 2005 and are now garnering substantial publicity.⁹⁹ Verdicts in these cases have reached \$11.6 million for an individual, and \$250 million in a recent class action suit.¹⁰⁰ Federal legislation prohibiting family responsibility discrimination could considerably improve the legal remedies available.

Financial Support for Family Caregiving

While U.S. policies currently offer modest financial support for childrearing through income tax deductions, the Child Tax Credit, the Child and Dependent Care Tax Credit, and the Earned Income Tax Credit, these benefits are unevenly distributed across income levels and represent a relatively small share of the total costs of raising children—no more than about 10 percent, if the market value of parental time is taken into account.¹⁰¹ The Child and Dependent Care Tax Credit, which is currently limited to 35 percent of expenses, can be used

95 Brighthouse, Harry and Erik Olin Wright, "Strong Gender Egalitarianism," in Janet C. Gornick and Marcia K. Meyers et al. 2009. *Gender Equality: Transforming Family Divisions of Labor*. London: Verso, 2009, pp. 79-92.

96 Institute for Women's Policy Research, "44 Million U.S. Workers Lacked Paid Sick Days in 2010," Briefing Paper, available at <http://www.iwpr.org/pdf/B293PSD.pdf>.

97 Hartmann, Heidi, and Vicky Lovell, "A US Model for Universal Sickness and Family Leave: Gender-Egalitarian and Cross-Class Caregiving Support for All," in Janet C. Gornick and Marcia K. Meyers et al. *Gender Equality: Transforming Family Divisions of Labor*. London: Verso, 2009, pp. 231-251.

98 Joan C. Williams and Stephanie Bornstein, "The Evolution of 'FRd': Family Responsibilities Discrimination and Developments in the Law of Stereotyping and Implicit Bias," *Hastings Law Journal*, 59:6 (2008), pp. 1311-1358.

99 Mary C. Still, *Litigating the Maternal Wall: U.S. Lawsuits Charging Discrimination Against Workers with Family Responsibilities*. San Francisco: Center for Work Life Law, www.worklifelaw.org/pubs/FRDreport.pdf.

100 Cynthia T. Calvert, *Family Responsibilities Discrimination: Litigation Update 2010*. San Francisco: Center for Work Life Law, www.worklifelaw.org/pubs/FRDupdate.pdf; For a summary of the Novartis sex discrimination case, see Patricia Hurtado and David Glovin, "Novartis Must Pay Punitive Damages in Sex-Bias Case, Jury Rules," *Business Week*, May 18, 2010.

101 Nancy Folbre, *Valuing Children*.

to help defray costs of paid care for an adult family member, but only if that care recipient lives with an employed caregiver for more than half the year. One legislative proposal introduced in Congress in 2009 would expand this definition to include parents or grandparents not residing with the caregiver.¹⁰² Elders and people with disabilities are eligible for a tax credit, but their unpaid caregivers are not. There is no counterpart to the Child Tax Credit for care of an adult, nor is there any increment to the Earned Income Tax Credit based on financial responsibility for a dependent adult. Some family caregiver advocates demand an extension of the Child Tax Credit to cover care for adults in need of assistance, whether family members or friends.¹⁰³ A federal bill introduced to Congress by Rep. Christopher Carney of Pennsylvania would provide a refundable tax credit of \$2,500 for caregivers of family members or dependents with long-term care needs.¹⁰⁴

During the 2000 presidential campaign, candidate Al Gore proposed modifications to calculations of Social Security benefits credits to help offset the loss of retirement benefits when mothers take time out of paid employment to care for children.¹⁰⁵ This proposal has been extended to include caregivers for adults in need of assistance. Congress has considered legislation along these lines but has not yet passed such a law.¹⁰⁶ Another proposal would allow parents and other caregivers to draw

down Social Security benefits, either as an addition to or a postponement of retirement benefits, if they withdraw from paid employment to provide care.¹⁰⁷

Foster Care

Both kin and non-kin foster care can rightly be considered unpaid care work, since basic maintenance payments (the payments that are available for the care of most foster children) are targeted to meet the costs of the foster child's material needs, not to compensate foster parents for their time. These low rates make attracting and retaining quality foster parents extremely challenging. The expectation that the foster care system, which serves hundreds of thousands of children with intensive and complex needs each year, can provide an adequate supply of consistently high-quality care without any real compensation for caregivers may simply be unrealistic. Research indicates that increasing payment rates would substantially improve the likelihood of children being placed in foster homes rather than institutional care, and decrease the number of placements they experience.¹⁰⁸

Concerns about the inadequate supply of non-kin foster homes have led to increased mobilization of family members to take on parental roles. Legal rulings dictate parity in foster care payments to kin, but in practice many kin foster parents receive no public support. Reliance on informal placements and alternative

102 Janemarie Mulvey, and Christine Scott. 2010. "Dependent Care: Current Tax Benefits and Legislative Issues." Congressional Research Service, www.assets.opencrs.com/rpts/RS21466_20100129.pdf.

103 See the Caregiver Credit Campaign, www.caregivercredit.org.

104 For more details on the Caregiver Tax Relief Act, see the Family Caregiver Alliance, www.caregiver.org/caregiver/jsp/content_node.jsp?nodeid=2324&chcategory=43&subcategory=45&chitem=417.

105 James Dao, "Gore Proposes New Benefits For Parents and Widows," *New York Times*, April 5, 2000, p. A19.

106 See H.R. 1161, Social Security Caregiver Credit Act of 2007, www.govtrack.us/congress/billtext.xpd?bill=h110-1161.

107 Nancy Rankin, 2002. "Fixing Social Insecurity: A Proposal to Finance Parenthood." pp. 265-271, in Sylvia Ann Hewlett, Nancy Rankin, and Cornel West, eds, *Taking Parenting Public: The Case for a New Social Movement*. New York: Rowman and Littlefield, 2002; Myra Marx Ferree, "An American Road Map? Framing Feminist Goals in a Liberal Landscape," in Janet C. Gornick and Marcia K. Meyers et al. 2009. *Gender Equality: Transforming Family Divisions of Labor*. London: Verso, pp. 283-316.

108 Brian Duncan and Laura Argys, "Economic Incentives and Foster Care Placement." *Southern Economic Journal*. 74:1 (2007), pp. 354-62.

licensing policies provide flexibility and can reduce administrative hurdles to placing children with willing kin caregivers who do not meet (or have not yet met) the technical requirements for licensure. When kin caregivers can provide care that would otherwise be provided by non-kin, society theoretically obtains more quality care (if we believe that there is added value to kin caregiving) at lower or no cost.

However, from the caregiver's perspective the costs are significant. Kin caregivers, many of them poor, elderly, single women, are asked to become unpaid caregivers and are not provided with even the minimal subsistence-level payments that basic monthly foster care maintenance rates represent. Moreover, even many kin caregivers are unaware that they are eligible for foster care payments. Equalizing maintenance payments for kin foster parents operating under alternative licensing standards or even informal care arrangements would represent an important step to providing adequate support to family caregivers.¹⁰⁹

Improving Low-Wage Jobs

In their classic discussion of the contemporary American workplace, Stephen Herzenberg, John Alic, and Howard Wial point to our "collective failure to imagine ways of improving the economic performance of much of the service sector."¹¹⁰ This collective failure is particularly apparent in low-wage care jobs, where turnover rates are high and care quality often suffers. A serious effort to strengthen labor market institutions could alter the incentives currently facing employers and move

the U.S. toward a high-performance/high-pay regime that could benefit care recipients as well as workers.

Low-wage care workers seem to be largely stuck on treadmills, walking nowhere and without much opportunity to climb a ladder toward better working conditions or job opportunities. Concern about poor labor market outcomes has fueled interest in training, both outside and inside the workplace. High-quality career and technical education offering access to good jobs after high school without shutting off postsecondary options have a potentially important role to play. Career academies, which provide occupational training and work experience in specific economic sectors within high schools, could target care occupations.¹¹¹ Community colleges have developed promising initiatives targeting particular occupations, though their efforts seem fragmented and inadequate.¹¹² Recent initiatives to improve and expand community college programs, however, could address this problem. For-profit colleges are also playing a role in this area, but their success rates remain controversial.¹¹³

Unionization

Unionization could substantially improve job quality in paid care employment. While highly adversarial labor-management relations can be problematic, union membership is often associated with high performance work practices because, among other things, it increases

¹⁰⁹Sandra Bass, Margie K. Shields, and Richard E. Behrman. 2004. "Children, Families, and Foster Care: Analysis and Recommendations," *The Future of Children* 14(1), pp. 4-29.

¹¹⁰Stephen A. Herzenberg, John A. Alic, Howard Wial, *New Rules for a New Economy. Employment and Opportunity in Postindustrial America*. Ithaca: Cornell University Press, 1998, p. 149.

¹¹¹Harry J. Holzer, Julia I. Lane, David B. Rosenblum, and Fredrik Andersson, *Where Are All the Good Jobs Going?* New York: Russell Sage, 2011.

¹¹²Chris Benner, Bob Brownstein, Laura Dresser, and Laura Leete, "Staircases and Treadmills: The Role of Labor Market Intermediaries in Placing Workers and Fostering Upward Mobility," Paper presented at the Industrial Relations Research Association, Annual Meeting, New Orleans, January 4-8, 2001.

¹¹³Kelly Field, "For-Profit Colleges Could Do More on Shortage of Health-Care Workers," *New York Times*, January 20, 2011.

the extent to which workers' voices are heard. Low-wage workers are particularly likely to benefit. One study based on an analysis of national data from 2003 to 2007 found that unionization was associated with a 20.6 percent wage premium for workers in the lowest 10th percentile of earnings, compared to 13.7 percent in the 50th percentile.¹¹⁴ In service-sector jobs, the union wage premium—calculated after controlling for observable differences among workers in education and experience—amounts to about 10.1 percent, or about \$2 per hour. The differentials are even more striking for benefits: unionized service-sector workers are about 19 percentage points more likely to have health insurance and about 25 percentage points more likely to have a pension than their non-union counterparts.¹¹⁵

Low-wage care workers fit this pattern. Between 2003 and 2006, unionized child care workers were paid an average of \$11 per hour, compared to \$8.27 for non-unionized workers; 56.6 percent had health care benefits compared to 13.7 percent of non-unionized workers. Differences for home care aides and nursing and home health aides were smaller in terms of wages, but still significant (\$9.87 per hour compared to \$9.00 an hour, and \$11.52 compared to \$10 per hour, respectively). Almost 50 percent of unionized home care aides had health care benefits, compared to less than 22 percent of non-unionized aides, and almost 80 percent of nursing and home health aides enjoyed such benefits, compared to 37 percent of their non-unionized counterparts.¹¹⁶ However, union membership in low-wage care

occupations remains significantly lower than in relatively high-wage care occupations such as teaching and nursing.

State policies hold significant implications for both the likelihood and the form of unionization, particularly where home care and family day care providers are involved. The public authority model that establishes states as employers of record has proved remarkably successful. In California, for example, quasi-public intermediary organizations have been established for home care workers that act as the employers with which workers can collectively bargain.¹¹⁷ The California model is promising not only because it improves worker pay and benefits and reduces turnover, but also because it increases consumer choice and improves the viability of home- and community-based care services. Higher wages and benefits made it easier for consumers to hire the care providers they preferred, including their own family members.¹¹⁸

A variant of the public authority model has been applied to family day care providers, based on state-level executive orders that allow these providers to meet and negotiate with the state on specific issues such as reimbursement rates. Illinois has taken the lead in this area. Family childcare workers are also organized in Washington, while efforts are ongoing in Oregon, Iowa, New Jersey, New York, and Michigan.¹¹⁹ A recent legal challenge to home care workers' unions in Illinois warrants close

114 John Schmitt, *The Union Wage Advantage for Low-Wage Workers*. Report, Center for Economic and Policy Research. Washington, DC: Center for Economic and Policy Research, 2008, www.cepr.net.

115 Schmitt, John. 2009. *Unions and Upward Mobility for Service-Sector Workers*. Washington, D.C.: Center for Economic and Policy Research, www.cepr.net.

116 John Schmitt, *The Union Wage Advantage for Low-Wage Workers*. Report, Center for Economic and Policy Research. Washington, DC: Center for Economic and Policy Research, 2008, www.cepr.net.

117 Candace Howes, "Upgrading California's Home Care Workforce: The Impact of Political Action and Unionization," *The State of California Labor* 4 (2004), pp. 71-105, www.irle.ucla.edu/research/scl/2004.html.

118 Candace Howes, "Living Wages and Retention of Home-care Workers in San Francisco," *Industrial Relations* 44:1 (2004), pp. 139-63.

119 Laura Dresser and Adrienne Pagnac, *Better Jobs for In-Home Direct Care Workers*. Direct Care Alliance Policy Brief No. 5. New York: Direct Care Alliance, 2011, www.directcarealliance.org/_data/global/images/Policy-Brief5_InHome.pdf.

attention, as an adverse decision could dampen unionization efforts nationwide.¹²⁰

Minimum Wage Policies

While most low-wage care workers earn more than the minimum wage, the legislative minimum provides a floor with a significant impact on overall wage contours. The relatively low level of the U.S. federal minimum wage (\$7.25 per hour in 2013), measured by historical standards, helps explain the trend toward increasing wage inequality. State and local efforts to increase minimum wages through “living wage” campaigns have enjoyed success in many areas, although state-wide minimum wage requirements that exceed the federal floor are rare, with only nine states requiring wages to be higher than the federal minimum (California, Connecticut, District of Columbia, Illinois, Massachusetts, Nevada, Oregon, Vermont, and Washington).

Other countries have adopted minimum wage standards for specific occupations. For example, in Germany minimum wages are collectively bargained based on occupational groupings. This approach deserves consideration in the U.S., where “prevailing wage” laws have been primarily applied in construction jobs. Several states have mandated prevailing wages and benefits for service workers employed by businesses supplying services to state agencies.¹²¹ Because the public sector provides considerable support for both child care and adult care, public policies setting higher standards for pay and benefits could have a substantial

impact. For instance, government could require that child care and adult care workers financed through Temporary Assistance to Needy Families (TANF) or Medicaid abide by a “living wage” standard.

Labor Law and Immigration Reform

Unionization efforts have become increasingly difficult in the U.S., largely as a result of changes in the balance of power between employers and employees, including concerted efforts to contest union elections. Until very recently, the federal Fair Labor Standards Act (FLSA) was interpreted to exclude coverage for home care workers on the grounds that they provide mere “companionship” services (by contrast, domestic workers providing housework services have long been covered under the FLSA). New York’s Domestic Workers Rights bill, passed in July 2010, makes it easier for that state’s household employees to assert their rights.¹²² Other states should consider development and adoption of similar bills.

Immigration reform also holds particular significance for care workers. Some health care advocacy groups, including the American Health Care Association and the National Center for Assisted Living, have called for expanded visa programs for nurses and long-term care workers.¹²³ While such policies could alleviate short-term labor shortages, they could also discourage investment in the education and training of U.S. workers. The danger of creating a “brain drain” from developing countries such as Ghana and the Philippines is worrisome as well. Defending the human rights of current

¹²⁰See Service Employees International Union press release at www.seiuhcilin.org/2013/10/01/press-release-illinois-home-care-workers-respond-to-supreme-court-decision-to-hear-case-challenging-union-fees.

¹²¹Paul Sonn and Stephanie Luce, “New Directions for the Living Wage Movement,” pp. 111-135, in Annette Bernhardt, Heather Boushey, Laura Dresser, and Chris Tilly, eds. *The Gloves-Off Economy. Workplace Standards at the Bottom of America’s Labor Market*. Urbana-Champaign, IL: Labor and Employment Relations Association, 2008.

¹²²Nicholas Confessore and Anemona Hartocollis, “Albany Approves No-Fault Divorce and Domestic Workers’ Rights,” *New York Times*, July 1, 2010.

¹²³See report of the American Health Care Association and the National Center for Assisted Living, www.ahcancal.org/advocacy/issue_briefs/Issue%20Briefs/IBImmigrationReformWillHelpLTC.pdf.

immigrants and providing them with a path to citizenship should be a higher priority.

Institutional Innovations

Innovations in care provision can come from the bottom up, building and strengthening traditions of community responsibility. Some communities have developed collaborative strategies for sharing and bartering care. Local cooperatives in the San Francisco Bay area, Washington, D.C., and New York City provide a template that could be promoted in other

areas. Elder care communities such as Senior Citizen Match have developed systems for exchanging services denominated in terms of labor hours. Religious congregations often mobilize to help provide care services for their members.¹²⁴ The “social economy” of Quebec provides a model for public promotion of democratically organized care provision.¹²⁵ In the UK, Co-Operative Childcare operates fifty nurseries nationwide, and won a 2012 award for “Cooperative of the Year.”¹²⁶ In the U.S. excellent models of worker-owned home care have been developed and proved quite successful.¹²⁷

Conclusion

Virtually all of the policies suggested above are likely to face stiff opposition. Indeed, for all the reasons outlined in preceding sections, people who need or provide care assistance are typically among the least empowered members of society. But care provision can and should be recognized as a basic human right. Further, there are at least three economic reasons to believe that political coalitions in favor of expanded and improved care provision could be mobilized.

First, everyone faces at least some risk of requiring assistance; in this sense, all care expenditures represent a form of social insurance from which everyone in principle could benefit. Second, well-coordinated and organized care provision is often more cost-effective than haphazard, inadequate care, just as preventive health care is far more efficient than emergency room treatment of non-emergencies. Third, care provision offers positive economic benefits to society as a whole through the improvement of human capabilities, including capabilities to work, to govern, and to care for the next generation.

The dramatic increase in economic inequality in the U.S. over the last twenty years is both a cause and consequence of amplified problems in the care economy. An affluent minority has distanced itself not just from the poor, but also from a declining middle class hard hit by persistent unemployment and declining real wages. The austerity agenda, buttressed by misleading claims about public spending and debt, has led to significant cuts in public employment and in social safety net programs. These trends, in turn, have adversely affected families at the bottom of the income distribution, leaving their children and elderly especially vulnerable to economic hardship.

124 Margaret Harris, “Quiet Care: Welfare Work and Religious Congregations,” *Journal of Social Policy* 24 (1995), pp. 53-71.

125 Marjorie Mendell and Nancy Neamtam, “The Social Economy in Quebec: Towards a New Political Economy,” in Laurie Mook, Jack Quarter and Sherida Ryan, eds., *Why the Social Economy Matters*, Toronto: University of Toronto Press, 2008, pp. 32-58.

126 See their website at www.thecooperativechildcare.coop.

127 John W. Lawrence, “Cooperative Care: A Cooperative Model for Homecare,” *Grassroots Economic Organizing*, www.geo.coop/node/53.

The power of the care framework lies in its potential to inspire political coalitions that bring together workers, consumers, and citizens around a vision of social responsibility that builds on family and community values of care for others. Women are particularly likely to recognize the benefits of public provision and social insurance that reduce the private burden of care for children and the elderly. Yet men are also increasingly aware of the costs of care, in part because these are no longer as generously subsidized by women as they were under traditional patriarchal regimes.

If care remains “invisible” within larger discussions of economic and social policy, the rationale for positive change will be much harder to establish. Hence, the importance of bringing care to the fore, building on traditional family values of responsibility for dependents but

extending these beyond traditional definitions of kinship and exclusively female obligation into the public sphere.

Greater attention to the care economy is an absolute structural necessity for the global capitalist economy. Just as the global warming resulting from increased greenhouse gas emissions will impose significant costs on business, the social “chilling” resulting from continued destabilization of family and community care is likely to prove stressful and expensive. Like ecological economics, care economics pushes us to think beyond the logic of the market to consider the long-run demands of physical and social sustainability. If we do not learn to better care for ourselves—for our fathers and mothers, children and neighbors, sick and elderly—we risk a future world that is ever less inhabitable for all but the most privileged few.

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