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001. email	Ruby Shamir to Nicole Rabner et al, re Ruby in NY (partial) (1 page)	11/24/1999	P6/b(6)

COLLECTION:

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First Lady's Office
Domestic Policy Council (Nicole Rabner)
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FOLDER TITLE:

NPRM [Notice of Proposed Rulemaking] re Birth and Adoption Unemployment Compensation Initiative [3]

2012-1035-S
kc1072

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

this proposed regulation. Under 5 U.S.C. 605(b), the Secretary has certified to the Chief Counsel for Advocacy of the Small Business Administration to this effect. Accordingly, no regulatory flexibility analysis is required.

Small Business Regulatory Enforcement Fairness Act

This proposed rule is not a "major rule" as defined by section 804 of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. Chapter 8). This proposed rule will not result in an annual effect on the economy of $100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based entities to compete with foreign-based entities in domestic and export markets.

Effect on Family Life

The DOL certifies that this proposed rule has been assessed in accordance with section 654 of Pub. L. 105-277, 112 Stat. 2681, for its effect on family well-being. The DOL concludes that the proposed rule will not adversely affect the well-being of the nation's families. Rather, it should have a positive effect on family well-being by permitting States to enable more parents to take leave from their employment to be with their newborns or newly-adopted children.

List of Subjects in 20 CFR Part 604

Employment and Training Administration, Labor, and Unemployment Compensation.

Catalogue of Federal Domestic Assistance Number

This program is listed in the Catalogue of Federal Domestic Assistance at No. 17.225, Unemployment Insurance.

Signed at Washington, D.C. on __________, 1999.

____

ALEXIS M. HERMAN

Secretary of Labor

Words of Issuance

For the reasons set forth in the preamble, the DOL proposes that Chapter V of Title 20, Code of Federal Regulations, be amended by adding new part 604 to read as follows:

Part 604–REGULATIONS FOR BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION

Subpart A–General Provisions

Sec.

§604.1 What is the purpose of this regulation?

§604.2 What is the scope of this regulation?

§604.3 What definitions apply to this regulation?

Subpart B–Federal Unemployment Compensation Program Requirements

§604.10 Beyond the interpretation of the able and available requirements for Birth and Adoption unemployment compensation, does this regulation change the Federal requirements for the unemployment compensation program?

Subpart C–Eligibility

§604.20 Who is covered by Birth and Adoption unemployment compensation?

§604.21 When does eligibility for Birth and Adoption unemployment compensation commence?

§604.22 Are parents who leave employment to be with their newborns or newly-adopted children eligible for Birth and Adoption unemployment compensation, or is it limited only to parents who take approved leave?

Authority: 42 U.S.C. 1302(a); 42 U.S.C. 503(a)(2) and (5); 26 U.S.C. 3304(a)(1) and (4); 26 U.S.C. 3306(h); Secretary's Order No. 4-75 (40 FR 18515); and Secretary's Order No. 14-75 (November 12, 1975).

Subpart A–General Provisions

§604.1 What is the purpose of this regulation?

This regulation allows the States to develop and experiment with innovative methods for paying unemployment compensation to parents on approved leave or who otherwise leave employment to be with their newborns or newly-adopted children. States' experiences with Birth and Adoption unemployment compensation will enable the Department of Labor to test whether its interpretation of the Federal "able and available" requirements promotes a continued connection to the workforce in parents who receive such payments.

§604.2 What is the scope of the regulation?

This regulation applies to and permits all State unemployment compensation programs to provide benefits to parents on approved leave or who otherwise leave employment to be with their newborns or newly-adopted children. A State's participation is voluntary.

§604.3 What definitions apply to the regulation?

The following definitions apply to this regulation:

(a) *Approved Leave* means a specific period of time, agreed to by both the employee and employer, during which an employee is temporarily separated from employment and after which the employee will return to work for that employer.

(b) *Birth and Adoption unemployment compensation* means unemployment compensation paid only to parents on approved leave or who otherwise leave employment to be with their newborns or newly-adopted children.

(c) *DOL* means the United States Department of Labor.

(d) *Newborns* means children up to one-year old.

(e) *Newly-adopted children* means children, regardless of age, who have been placed within the previous 12 calendar months with an adoptive parent(s).

(f) *Parents* means mothers and fathers (biological, legal or who have legal custody of a child during the adoption process).

(g) *Placement* means the time a parent becomes legally responsible for a child pending adoption.

(h) *State(s)* means one of the States of the United States of America, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands.

Subpart B–Federal Unemployment Compensation Program Requirements

§604.10 Beyond the interpretation of the able and available requirement for Birth and Adoption unemployment compensation, does this regulation change the Federal requirements for the unemployment compensation program?

No. This regulation does not change the Federal unemployment compensation requirements. Under its authority to interpret Federal unemployment compensation law, the DOL interprets the Federal able and available requirements to include experimental Birth and Adoption unemployment compensation. The regulation applies only to parents who take approved leave or otherwise leave employment to be with their newborns or newly-adopted children.

Subpart C–Eligibility

§604.20 Who is covered by Birth and Adoption unemployment compensation?

If a State chooses to provide Birth and Adoption unemployment compensation, all individuals covered by the State's unemployment compensation law must also be covered for Birth and Adoption unemployment compensation. Just as with current unemployment compensation programs, individuals may not be denied experimental Birth and Adoption unemployment compensation based on facts or causes unrelated to the claimant's unemployment, such as industry, employer size or the unemployment status of a family member. The introduction of such facts or causes would be inconsistent with Federal unemployment compensation law.

§604.21 When does eligibility for Birth and Adoption unemployment compensation commence?

Parents may be eligible for Birth and Adoption unemployment compensation during the one-year period commencing with the week in which their child is born or placed with them for adoption. Weeks preceding the week of the birth or placement and weeks following the end of the one-year period are not compensable.

§604.22 Are parents who leave employment to be with their newborns or newly-adopted children eligible for Birth and Adoption unemployment compensation, or is it limited only to parents who take approved leave?

States may limit Birth and Adoption unemployment compensation to parents who take approved leave or may extend Birth and Adoption unemployment compensation to parents who otherwise leave employment to be with their newborns or newly-adopted children. However, the intent of Birth and Adoption unemployment compensation is to support all parents who wish to take time from employment to be with their newborns or newly-adopted children.

The following appendix will not appear in the Code of Federal Regulations.

Model State Legislation

Section ___. Birth and Adoption Unemployment Compensation.

(a) An individual who is on a leave of absence from his or her employer or who left employment to be with the individual's child during the first year of life, or during the first year following placement with the individual for adoption, shall not be denied compensation under Section _____ for voluntarily leaving employment, Section ____ relating to availability for work, Section _____ relating to inability to work, or Section _____ for failure to actively seek work.

(b) Section ____, concerning the reduction of the amount of compensation due to receipt of disqualifying income, shall apply to payments under this section. In addition, the following payments shall cause a reduction in the compensation amount:

(1) any payment from the employer resulting from a birth or adoption described in subsection (a); and

(2) any payment resulting from a birth or adoption described in subsection (a) from a disability insurance plan contributed to by an employer, in proportion to the employer's contribution to such plan.

(c) Compensation is payable to an individual under this section for a maximum of 12 weeks with respect to any birth or placement for adoption.

(d) Each employer shall post at each site operated by the employer, in a conspicuous place, accessible to all employees, information relating to the availability of Birth and Adoption unemployment compensation.

(e) Any compensation paid under this section shall not be charged to the account of the individual employer.

(f) Two years following the effective date of this legislation, the commissioner shall issue a report to the governor and the legislature evaluating the effectiveness of the Birth and Adoption unemployment compensation program.

(g) This section shall be applied consistent with regulations issued by the U.S. Department of Labor.

The following appendix will not appear in the Code of Federal Regulations.

Commentary on Model State Legislation,

Including Policy Issues

General

Must States implement a Birth and Adoption unemployment compensation (BAA-UC) program?

No. This program is voluntary for the States. However, implementation of BAA-UC will require some legislation on the part of every State seeking to adopt the program. The Model State Legislation is provided for the convenience of States that wish to implement a BAA-UC program.

Does this regulation enable a State to pay UC for other types of family or medical leave?

No. This regulation enables a State to pay UC to parents on approved leave or who otherwise leave employment to be with their newborns or newly-adopted children. Permitting payment of UC for other types of family leave or care would be inconsistent with this experimental program.

Must all employer-paid leave be exhausted before BAA-UC is available?

No. BAA-UC is designed to provide partial wage replacement to parents of newborns or newly-adopted children. The Model State Legislation assumes that any wages paid for the period of employer-provided leave will be deducted. However, States need not deduct these wages from BAA-UC.

Does this regulation impose any solvency requirements upon the States before they enact BAA-UC?

No. The DOL expects that a State will not enact changes without assessing the effect on the solvency of its unemployment fund. Each State has the responsibility to assess the cost to the State's unemployment fund whenever coverage, benefit expansions, or tax changes are considered within the State's UC program. Consequently, DOL expects prudent decision makers in a State to examine the State's solvency position and projected taxes and benefit payments under current law before deciding to enact BAA-UC legislation.

Monetary Qualifications and Benefits

What are the earnings and employment requirements for BAA-UC?

States may establish their own requirements. The Model State Legislation assumes that States will use the same earnings and employment criteria that apply to all other individuals.

What is the weekly benefit amount for individuals eligible for BAA-UC?

States may establish their own weekly benefit amounts. The Model State Legislation assumes that individuals eligible for BAA-UC will receive the same weekly benefit amount as other individuals eligible for UC.

How does the receipt of other income effect payment of BAA-UC ?

States will determine whether BAA-UC will be reduced by other income. Under the Model State Legislation, the amount of BAA-UC will be reduced in the same manner as any other payment of UC as provided under State law. The Model State Legislation also provides for the deduction of any payment from the employer as a result of the birth or placement for adoption, and for the deduction of any disability insurance payment received as a result of the birth or placement for adoption in proportion to the employer's contribution to the disability insurance plan. This provision, which is limited to payments triggered by the same event which triggers BAA-UC, reflects the view that the unemployment fund should not be held responsible when wage replacement is available from other sources, particularly when both payments are financed by the employer. States should examine their laws to determine if all types of appropriate income are, or should be, deductible. For example, some leave payments which are not normally deductible under State law may cover costs of birth and adoption leave.

How does the BAA-UC entitlement relate to regular UC payments?

States are free to determine this. The Model Legislation assumes that BAA-UC counts toward the maximum number of weeks of regular UC.

Period of Eligibility

When may BAA-UC benefits begin?

Under Section 604.21 of the proposed regulations, parents may receive BAA-UC only during the one-year period commencing with the week in which the child is born or placed for adoption. For example, an individual taking leave in the 51st week following birth or placement for adoption, would be eligible for BAA-UC only for weeks 51 and 52. Periods preceding the week of birth or placement for adoption are not compensable. States are free to reduce the one-year period.

How many weeks of BAA-UC may individuals receive?

States are free to determine this. The Model State Legislation provides a maximum duration of 12 weeks per individual with respect to any one birth or adoption. Since the Family and Medical Leave Act of 1993 (FMLA) allows up to 12 weeks of unpaid leave for such events, States may wish to have an identical amount. States may also relate the duration of leave to the individual's weekly amount of UC. For example, for each birth or adoption, an individual may receive an amount equal to 12 times the individual's weekly UC.

To prevent confusion between FMLA and BAA-UC, States should inform potential BAA-UC beneficiaries of the dissimilarities between the two programs (for example, BAA-UC does not guarantee job retention).

If a child is born in the middle of the week or the placement occurs in the middle of the week, is BAA-UC payable for this week?

Under the Model State Legislation, BAA-UC would be payable for this week, assuming all applicable eligibility conditions, such as the deductible income provisions, are met. States may provide the full weekly compensation amount for this week or prorate the weekly amount to reflect only periods following birth or adoption. If the amount is prorated, the State may pay the remaining balance for the last partial week if the individual is still on leave.

Must the individual serve a waiting period?

No. Nothing in Federal law requires States to have a waiting week for regular UC or BAA-UC. However, not having a waiting week for BAA-UC would eliminate the 50 percent Federal share for the first week of *all* Extended Benefits claims. Under 20 CFR 615.14(c)(3), a State is not entitled to a Federal share for the first week of Extended Benefits if the State's law provides "at any time or under any circumstances" for the payment of UC for the first week of unemployment.

When is a child considered "placed" for adoption?

Under 604.3(g) of the proposed rule, placement occurs at the time a parent becomes legally responsible for a child pending adoption. State UC agencies should consult the adoption laws of their States to determine precisely when placement occurs.

Other Eligibility Issues

May both parents receive BAA-UC? If so, may they both receive such compensation at the same time?

The answer to both questions is "yes." States implementing BAA-UC must allow both parents, if otherwise eligible, to receive BAA-UC concurrently or consecutively. A State may not prohibit payment of BAA-UC simply because the other parent is taking leave for the same purpose. A State law which does so is inconsistent with Federal law because the eligibility of one parent will be determined based on whether the other parent is receiving UC. Specifically, in a 1964 conformity decision involving the State of South Dakota, the Secretary of Labor held that Federal law prohibits the introduction of any eligibility test unrelated to the fact or cause of the individual's unemployment. (See Secretary of Labor's Decision of September 25, 1964, In the Matter of the Hearing to the South Dakota Department of Employment Security Pursuant to Section 3304(a) of the Internal Revenue Code of 1954, transmitted by Unemployment Insurance Program Letter No. 787, October 2, 1964.) The recipient status of the other parent is unrelated to the fact or cause of an individual's unemployment. Thus, both parents may receive BAA-UC, whether concurrently or consecutively. Similarly, States may not limit use of BAA-UC to the "primary" parent.

Must BAA-UC apply to individuals employed by all employers subject to State UI law?

Yes. As explained in the previous answer, States may not impose eligibility conditions not related to the fact or cause of the individual's unemployment. Assuming the services are taxable for UC, States may not, for example, limit BAA-UC based on employer size.

May States provide BAA-UC to individuals who otherwise leave employment (not on approved leave) to be with their newborns or newly-adopted children?

Yes. While States are free to determine their own requirements, there are compelling reasons for providing BAA-UC to individuals who otherwise leave employment. Although many employers may grant leave, others may not. The DOL believes that all parents should be treated identically for UC purposes when they take time away from employment to be with their newborn or newly-adopted child. As such, their eligibility for BAA-UC should not be based on whether an employer is required to grant the leave, but on the parent's reason for wanting to take the leave.

May eligibility be conditioned on whether the individual gave notice to the employer?

Yes. Although the Model State Legislation does not provide for such a condition because it may result in denials due to the technicality of when the individual requested leave, States may impose it. The basis of such a requirement is that employers should be given sufficient time to accommodate the leaving/absence of the individual. If such a provision is included, the DOL recommends that the notice be required to be given no more than 30 days prior to birth or placement, but only where practicable. The FMLA contains a 30-day requirement or shorter notice period where giving 30-day notice is not practicable; it does not require notice when the necessity to take leave is unforeseeable. (Section 102(e), Family and Medical Leave Act, Pub. L. 103-3 (February 5, 1993).)

May eligibility be conditioned on whether the individual chooses not to return to work?

Yes. However, based upon Jenkins v. Bowling, 691 F.2d 1225 (7th Cir. 1982), States may not delay payment until after the individual returns to work. Section 303(a)(1), SSA, requires the full payment of benefits when due, precluding States from delaying payment while awaiting the individual's return to work. A State may, however, declare an overpayment of benefits after the individual fails to return to work.

May an individual be paid BAA-UC under the Federal-State extended benefit program or any of the federally funded unemployment programs?

It depends on the program. Benefits under the UC for Federal Employees (UCFE) and UC for Ex-Servicemembers (UCX) programs are, by Federal law, required to be paid on the same terms and subject to the same conditions as State benefits (with exceptions not relevant here). Therefore, BAA-UC will be paid to individuals under these programs to the same extent as under State law.

Individuals may only receive Disaster Unemployment Assistance (DUA) when their unemployment is caused by a disaster as provided in 20 CFR Part 625. However, if they meet their State's Birth and Adoption UC provisions, then they will satisfy the availability requirement at §625.4(g), and so may qualify for DUA. For example, an individual who is unemployed due to a major disaster may later give birth. If this individual satisfies the BAA-UC requirements in the State's law, she may receive DUA.

Extended Benefit claimants may not receive Birth and Adoption UC since they cannot meet the systematic and sustained work search requirements in 20 CFR 615.8(g).

Individuals claiming trade readjustment allowances (cash benefits) under the Trade Adjustment Assistance and the North American Free Trade Act Transitional Adjustment

Assistance programs will be ineligible since such individuals are required to either be in full-time training or conduct the systematic and sustained work search required for the Extended Benefit program.

Financing costs of BAA-UC

May BAA-UC costs be socialized among employers?

Yes. States are free to socialize or not socialize costs of BAA-UC. The Model State Legislation socializes costs–also called "noncharging." An employer may be reluctant to bear all the costs of BAA-UC caused by an employee taking leave since the employer will not have caused the individual's unemployment. Since noncharging is permitted when the unemployment is caused by the employee, it is permitted in this situation. This position applies to both contributory and reimbursable employers.

May BAA-UC costs be paid from a State fund other than the State's unemployment fund, for example, a State's temporary disability (TDI) fund?

Yes. Nothing in Federal UC law governs the treatment of moneys in these funds because they are financed by a separate tax and held separately from the State's unemployment fund. For example, a State with a TDI program may enact a special disability insurance tax on employers and deposit the proceeds in a disability fund. If the State chooses to use one of these funds (or create such a fund) to pay birth and adoption leave benefits, the requirements of DOL's BAA-UC regulation will not apply.

Administrative Costs

May States use administrative grants received from the Federal government to pay for the administration of a BAA-UC program?

Provided that all the requirements of the BAA-UC regulation are met, the use of administrative grants is permissible, including for purposes of studying and evaluating the BAA-UC program. However, if the regulation's requirements are not met, the expenditures of grant funds are not for the proper and efficient administration of the State's law as required by section 303(a)(8) of the Social Security Act.

Reporting

Will States need to amend their laws to address any Federal reporting requirements concerning BAA-UC?

Although this is a matter for States to determine, the DOL anticipates that few, if any, States will need to amend their laws since most State laws already contain language concerning reporting. Many of these laws are based on the language on page 95 of The Manual of Employment Security Legislation, as revised September 1950, which requires that the agency "make such reports, in such form and containing such information as the Secretary of Labor may from time to time require, and shall comply with such provisions as the Secretary of Labor may from time to time find necessary to assure the correctness and verification of such reports."

What are the reporting requirements?

The DOL has not yet finalized a methodology for evaluating State BAA-UC programs. When that methodology is completed, State reporting requirements will be issued in a separate information collection request and, if subject to the Paperwork Reduction Act, published for public comment in the Federal Register.

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6348

June 21, 1999

The Honorable William Clinton
President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

For six decades, American workers have had the security of knowing that if they lost their job, they could receive unemployment benefits to feed their families and pay their bills. The unemployment trust fund has proved to be an invaluable safety net for millions of workers since 1935.

For this reason, we are writing to express our strong opposition to your effort to raid this fund for purposes other than helping jobless families. Your decision allowing states to use unemployment compensation funds to provide paid family leave benefits pits out-of-work Americans against their neighbors who have jobs. This is simply wrong. It also is a direct violation of a longstanding and successful policy enacted during the administration of Franklin D. Roosevelt.

As the Committee on Economic Security said in its 1935 recommendations to Congress, the Unemployment Compensation program is intended to provide "compensation in cash for limited periods when (workers) lose their jobs." The report stated clearly that funds are "payable only for involuntary unemployment."

Your new policy jeopardizes this 64-year-old program by allowing its funds to be drained for other purposes. Instead of circumventing public comment through executive fiat, you should bring legislation before Congress for open and honest discussion.

We hope you will reconsider a policy that clearly endangers the economic security of struggling American families.

Sincerely,

Nancy L. Johnson
Chairman, Subcommittee
on Human Resources

Bill Archer
Chairman

cc: The Honorable J. Dennis Hastert, Speaker of the House
The Honorable Alexis M. Herman, Secretary of Labor

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release May 24, 1999

May 24, 1999

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: New Tools to Help Parents Balance Work and Family

Since I became President, my Administration has worked hard to make sure that parents have the tools they need to meet their obligations at home and at work. I am proud that the very first bill I signed into law was the Family and Medical Leave Act (FMLA). Since 1993, the FMLA has allowed millions of Americans to take up to 12 weeks of unpaid leave -- without fear of losing their jobs -- to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, son, daughter, or spouse. Too many American workers, however, have been unable to take the leave they need because they simply cannot afford to go without a paycheck.

Therefore, I am taking new steps toward enabling workers to take the leave they need.

First, I hereby direct the Secretary of Labor to propose regulations that enable States to develop innovative ways of using the Unemployment Insurance (UI) system to support parents on leave following the birth or adoption of a child. In addition, I direct the Secretary to develop model State legislation that States could use in following these regulations. In this effort, the Department of Labor is to evaluate the effectiveness of using the UI system for these or related purposes. In a 1996 study conducted by the Commission on Family and Medical Leave, lost pay was the most significant barrier to parents taking advantage of unpaid leave after the birth or adoption of a child. This new step will help to give States the ability to eliminate a significant barrier that parents face in taking leave.

Second, I direct the Director of the Office of Personnel Management to propose government-wide regulations to allow Federal employees to use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter, or parent with a "serious health condition," as that term is defined for the purpose of applying the FMLA. Currently, the amount of sick leave that can be used to care for a family member who is ill is limited to 13 days each year for most Federal employees. By enabling Federal workers to use the sick leave they have earned, we will eliminate a significant barrier to caring for a family member with a serious health condition. The use of paid sick leave under this policy will be subject to the same conditions as the use of unpaid leave for these purposes under the FMLA. In particular, the same notification and certification requirements that govern the use of unpaid leave to care for a spouse, son, daughter, or parent under the FMLA will apply to Federal employees who use paid sick leave for this purpose. I believe the Federal Government has an important role to play in setting an example for the Nation.

Finally, I direct the Director of the Office of Personnel Management to establish an Interagency Family Friendly Workplace Working Group within 90 days to promote, evaluate, and exchange information on Federal family-friendly workplace initiatives. I also direct the head of each executive department and agency to appoint a family-friendly work/life coordinator to serve as a member of this Working Group. Working Group representatives will be responsible for making sure that Federal employees are aware of the full range of options available to them to meet their personal and family responsibilities (such as alternative work schedules, telecommuting, part-time employment, and job sharing). The coordinators also will provide employees with information about child and elder care resources currently available in their communities, and establish and promote parent support groups, elder care support groups, and on-site nursing mothers' programs.

WILLIAM J. CLINTON

# # #

NOVEMBER 30, 03:10 EST

Clinton Seeks Expanded Leave Plan

By ANNE GEARAN
Associated Press Writer

WASHINGTON (AP) — President Clinton is proposing that parents receive state subsidies while taking time away from work to care for a new baby.

Budget signing
AP/Doug Mills [18K]

The payments would come from the same system that now pays temporary benefits to the unemployed, the White House said Monday. Parents then could draw at least a portion of their regular salaries during leaves timed to the birth or adoption of a child, the White House said.

Clinton was announcing the proposed new rules today before leaving for a three-day trip to the West Coast and Pennsylvania. Democratic fund-raising events in California and Philadelphia will bracket Clinton's address to the World Trade Organization in Seattle on Wednesday.

The proposed parental leave rules would allow states to experiment with their differing unemployment insurance systems under a voluntary pilot program. Advocates say the program would be inexpensive for states, which already collect payroll taxes and distribute unemployment benefits.

A White House official, who spoke on condition of anonymity, said states may decide for themselves whether they have enough money in the unemployment pot to begin administering parental leave payments, and may also decide the terms and duration of those payments.

BUDGET

TOP STORIES

- Clinton Seeks Expanded Leave Plan

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Bill signed
AP/Khue Bui [28K]

payments.

At least four states — Massachusetts, Vermont, Maryland and Washington — already are considering extending unemployment benefits to new parents. At the urging of these states, Clinton in May directed the Labor Department to formulate regulations that would allow states to legislate changes under which surplus unemployment funds could be used for parental leave.

The unemployment insurance system, set up in the 1930s, already allows states considerable flexibility in determining eligibility for unemployment benefits. But federal rules bars states from using unemployment insurance funds for other purposes.

The proposed new rule, which would take effect early next year, does not require congressional action.

Parents are already entitled to up to 12 weeks of unpaid leave with the guarantee of job protection. Since the Family and Medical Leave Act was passed in 1993, some 24 million people have used some or all of their entitled 12 weeks to care for a new baby or other family member.


New budget
AP/Khue Bui [18K]

A 1996 federally commissioned study found parents cited the loss of income as the main reason for forgoing the unpaid leave.

The same study found that nearly one in 10 people who took unpaid leave ended up on welfare during their time away from work.

Diplomacy, Human Rights a Y2K Issue

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PRESIDENT WILLIAM J. CLINTON
DEPARTURE REMARKS
PARENTAL UNEMPLOYMENT PAY
THE WHITE HOUSE
NOVEMBER 30, 1999

Good morning. In a few minutes I am heading to Seattle where I will engage in a dialogue with America's trading partners from around the world about how we can best use the enormous potential of the global economy to not only grow our prosperity, but to also improve the everyday lives of citizens and working families. Before I go, I want to tell you how we are using the enormous potential of our strongest economy in years, to help American families balance the sometimes tremendous demands of work and family.

Surging technology and soaring prosperity define America at this moment. But those achievements don't come cheap. They require an enormous commitment of time and effort from America's workers, many of whom are being forced to make an unacceptable choice: between being good workers and being good parents. The truth is, in our 'round- the- world, 'round-the-clock economy there just don't seem to be enough hours in the day for parents to do everything they need to do.

I am proud that the first bill I signed as President was the Family and Medical Leave Act. Since 1993, millions of Americans have used it to take up to 12 weeks of unpaid leave to care for a newborn or a sick relative without losing their jobs. The importance of this option has been confirmed by the testimony of experts and parents at the first White House Conference on Child Care in 19---, and from groups like the American Academy of Pediatrics. They all tell us that the healthy development of newborn babies absolutely depends on quality bonding and nurturing time with parents or other primary caregivers in the early months of life.

But, the current law just meets a fraction of the need. Too many families can't take advantage of the Family and Medical Leave law because they can't afford to take the time off without a paycheck. In fact, many low-income workers who use the benefit wind up on public assistance to make ends meet. This is simply unacceptable. No other civilized, industrial nation treats parents this way.

Last May, in a commencement speech at Grambling State University, I directed the Secretary of Labor to issue a rule to allow states to offer paid leave to new mothers and fathers. Today, I am announcing the Labor Department's proposed regulations that will authorize the use of unemployment insurance by any state that wishes to do so to help new parents. **I believe that the flexible and voluntary use of this option by states will go a long way toward strengthening families and keeping working parents on the job at work and at home.**

As I have said, on the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE FIRST LADY

TO Nicole Rabner

FROM Ann O'Leary

FAX # 973-746-3046

PHONE #

OF PAGES (including cover)

COMMENTS Nicole - Pls. call when you receive. Terry needs comments back ASAP.
Thanks.
-Ann

losing the income they need to support their families. This new authority by states move us in the right direction and gives us a new tool in our national efforts to strengthen the American family and reward the dignity of work.

Thank you.

→ Kagin

Steve Cain, Labor 693-4600
800 662 4151

Terry Edmunds, Tom's event 62777
v. short remarks

Joanne Howes, Fran Visco 530 2900
aft. 10 am

Sue

~~KT~~

Alex Keenan, OMB
SSBG - child welfare - ideas broadly &c
54503

Excerpts from "A Workable Balance: Report to Congress on Family and Medical Leave Policies

"Many infants are born into homes where both parents work. The American Academy of Pediatrics notes that infants (whether biological, adopted or foster children) are particulrly vulnerable during the first few months of life, and require the active involvement of a parent or primary caregiver in the nurturing process. An infant's physical, cognitive and social development depend on establishing a strong attachment to its parents or primary caregiver. For parents to fulfill these important developmental needs, time off from work is often needed." p. 9.

"To the extent that it is possible to generalize across the public and private sectors, it appears that paid maternity leave was more available to employees with relatively high levels of skills and income." p. 43 [So those that would need the income the most, low paid workers, wouldn't be those ones who would get it so baby ui would help them.] See p. 42 for more maternity/paternity leave stats.

EUROPEAN UNION

DELEGATION OF THE EUROPEAN COMMISSION

REVISED

November 2, 1998

EUROPEAN PARLIAMENT - EUROPEAN COMMISSION

EUROPEAN UNION VISITORS PROGRAMME

The International Leader Programme of the European Union

MEMORANDUM FOR PARTICIPANTS
1999

This memorandum is designed to help you prepare for your visit to the European Union (EU) as a participant in the European Union Visitors Programme (EUVP).

Please note that your EUVP invitation may be subject to reconsideration in the event of a change in the nature of your employment. You are asked to notify the EUVP Coordinator at the Washington Delegation immediately of any change of employment.

1. INTRODUCTION

The EUVP enables young leaders from non-member countries to visit the European Union as guests of the European Parliament and the European Commission. The programme will help you discuss matters of mutual interest with officials of the Union's Institutions, as well as with organizations and individuals in certain Member States. We hope your participation will help you gain through first hand experience a better understanding of the Union and that the experience will be of benefit to you both professionally and personally in future years.

2. VALIDITY, DURATION AND SCOPE OF THE VISIT

Your EUVP study-grant is valid only for the 1999 calendar year and cannot be extended. The duration of your visit will be for 8 working days (plus travel time). We will send you a draft itinerary and work with you on travel and hotel arrangements. Once an itinerary has been agreed, changes are not permitted apart from exceptional circumstances. Travel arrangements must be finalized fourteen weeks prior to your departure.

All visits begin and end in Brussels where meetings will be arranged with staff of the EU Institutions and with the Belgian authorities (a total of 5 days). Your first appointment in Brussels will be a programme discussion with the EUVP Secretariat to finalise details (meetings, tickets, finances,etc.).

You may spend two days in Strasbourg for meetings with Members and officials of the European Parliament. Depending on your area of interest, meetings may also be arranged in Luxembourg at other EU institutions (Court of Justice, European Investment Bank, Court of Auditors, Statistical Office). **Or** you may visit one other EU member country for a portion of your programme (typically three working days).

3. TIMING

Visits take place during most of 1999, **except during the following dates**:

Easter - March 29 -April 5
Summer break - July 19 - August 23
Christmas (December 20 - 31)

4. STATEMENT OF PURPOSE

To ensure that your programme accurately reflects your professional interests, you should prepare a *Statement of Purpose* which must include:

- a brief description of your current responsibilities;
- EU theme(s) you wish to study;
- specific topics you wish to discuss in your chosen EU member country;

As attachments please include the following:

- list of names of individuals (or organizations) with whom you wish to meet;
- up-to-date resume (indicating language(s) in which you are able to conduct meetings without the aid of an interpreter);
- 3 recent photographs (passport size; black and white or colour)
- questionnaire for member state to be visited
- copy of the first page of your passport or similar ID document

Your *Statement of Purpose* should be sent to the Washington Delegation as soon as possible, and not less than 14 weeks before your departure. For your guidance, a sample *Statement* is attached.

5. HOTELS

Unless otherwise requested, single accommodations will be reserved in standard category hotels (normally three star).

Hotels require at least 24 hours notice of cancellation. **Don't be a 'no-show'!** Failure to cancel or late cancellation will entail a legal obligation on your part to pay for a room you have not occupied. In such a case, the EUVP will not accept responsibility for payment. Check-out time is normally 12 noon, unless prior arrangements are made with the hotel. Telephone calls made from hotels are very expensive. Be sure to check the rates before making long distance calls.

6. TRAVEL

You will be given a pre-paid economy class round-trip air ticket from your home to Brussels. You must travel on European airlines. Travel within the European Union will be by plane or train. Train travel is first-class. Train tickets will be issued upon arrival in Brussels.

Baggage	Maximum free baggage allowance on economy class flights within the European Union is 20 Kgs (44 lbs) plus one piece of carry-on luggage.
Travel documents	Check your passport's validity and/or visa(s) prior to departure.
Car rental	The EUVP will authorise car rental for official travel only where no alternative mode of transport is possible. It must be authorised in writing, prior to your departure from the United States, by the EUVP, Brussels. Car rental for personal travel prior to, or following your EUVP will be own your responsibility. If necessary, you should obtain an International Drivers' Licence before leaving the United States.

7. PRIVATE TRAVEL

You are welcome to travel in Europe privately before or after your study-tour. Your exact travel dates (outbound and return) must be clearly indicated in writing before any reservations are made by the EUVP. Any and all supplementary costs are met by you personally.

The EUVP cannot make travel arrangements for accompanying family members. However, the EUVP will make joint hotel reservations upon request, **in writing**. Remember you will have a full programme of meetings, an accompanying family member will spend long periods alone!

8. ARRIVAL IN BRUSSELS

You will not be met on arrival at Brussels Airport. You should make your own way to the hotel (either by taxi or by train and metro). Be sure to use only official taxis. Taxi fare from the airport to the hotel will be approximately **800** Belgian Francs (BF). The approximate cost by train and metro is **140** BF. You are advised to have sufficient Belgian Francs on arrival in Brussels to cover initial expenses.

A letter from the EUVP will be waiting for you at the hotel reception desk.

9. Financial Arrangements

Per diem	You will receive a *per diem* of **8,000** Belgian Francs (BF) for the duration of your visit, including travel time, maximum 11 days, to cover your hotels and meals. The *per diem* will be suspended if you are obliged to interrupt your programme for personal reasons. $1.00 is approximately equivalent to 30 BF. The exchange rate fluctuates. Rates are printed daily in major newspapers.
Special allowance	You will also receive a *one time special allowance* of **10,000** BF to cover incidental expenses such as transfers from airports to downtown areas, local transport costs, taxis, etc.
Currency	In converting the *per diem* and the *special allowance* into local currencies we suggest that you use travellers cheques, which will be supplied upon request in Brussels. Travellers cheques are not always accepted by hotels, shops, restaurants, etc. They should be cashed as required, preferably at a bank. Banks are normally closed on Saturdays, Sundays and public holidays. However, it is usually possible to cash travellers cheques and exchange currency (at less favourable rates!) in the main hotels, at railway stations, airports, etc. Major credit cards are generally accepted in all EU countries.
Refund	If for any reason you must shorten your stay, you are required to return the balance of your *per diem* and *special allowance* to the EUVP in Brussels.

10. Insurance

The EUVP will provide health and accident coverage during your travel to and from the European Union and while you are participating in the programme. Insurance against loss or theft of your personal effects is not included.

11. Changes and Cancellations

Itinerary	Once your travel and hotel arrangements have been set, they are final. Changes are expensive and can be allowed only if absolutely unavoidable.
Appointments	Please remember that last-minute cancellation of meetings or late arrival causes inconvenience and should be avoided.

12. FOLLOW-UP REPORT

We sincerely hope that your participation in the European Union Visitors Programme will enable you to establish and strengthen personal and professional contacts and friendships in the European Union. You are encouraged to keep in touch with the people you meet during your stay.

You are requested to send a detailed report on your EUVP visit, within four weeks of your return home, to:

Willy Hélin, Director
Press and Public Affairs
EC Delegation, 2300 M. Street, NW
Washington DC 20037.

Please include in the report your comments on the

- specific *policy areas* of your programme;
- quantity and level of *appointments* arranged;
- logistical *arrangements*.

Finally, please remember to keep us informed of any change of address or occupation.

Bon Voyage!

To prepare for your visit to the European Union you are invited to make use of the home page of the Washington Delegation at http://www.eurunion.org

Europa
The European Commission
Directorate General

es da de el en fr it nl pt fi sv

European Union Visitors' Programme - EUVP

What is the EUVP ?

The European Union Visitors' Programme (EUVP) provides the framework and funds for a 12-days individual study programmes for young leaders from non-EU Member States. They can visit the EU in order to gain a first-hand impression of the Union's policies, Institutions and achievements, peoples and the differing cultures of its 15 Member States.

A further aim of the programme is to increase mutual understanding between professional men and women from without and within the European Union.

The EUVP is jointly sponsored and administered by the European Parliament and the European Commission. Since 1974 over 1500 travel-grants have been awarded.

What is an EUVP grant ?

An EUVP grant is valid for a maximum of 12 days. The grantee visits the EU Institutions in Brussels, Luxembourg and Strasbourg. Instead of visiting Strasbourg, he or she can visit one Member State of his or her choice. Travel and subsistence costs are met by the programme.

Who is eligible to participate in the EUVP ?

EUVP participants can be broadly defined as active or future decision makers and opinion-moulders, whose potential influence and/or leadership prospects within their respective professional spheres are likely to be of long-term importance to the EU and, in particular to the European Parliament and Commission.

More specifically, the categories of EUVP participants include :

- Political milieu, **including members of national and regional parliaments, party officials and advisers to politicians**
- Government, parliamentary officials, in particular those exercising responsibility in areas of particular relevance to the EU
- Media, especially those exercising an editorial function in areas of particular relevance to the EU (e.g. as foreign editor or political correspondent of a national/regional newspaper, radio or TV current affairs producer/presenter, etc.)
- Academics, responsible for teaching or researching in the fields of EU/international affairs

- Trade unionists, exercising a national responsibility in the field of international relations
- Other, private sector lawyers, industrialists, bankers etc. are not normally considered eligible as EUVP participants, except where they exercise responsibility and influence outside the confines of an individual company (e.g. as a member of a national commission or Chamber of Commerce etc.)

Countries from which EUVP candidates are selected include ASEAN Countries, Australia, Baltic States, Canada, Central and Eastern European countries, China, CIS, Cyprus, EFTA countries, Gulf States, Indian sub-Continent, Iran, Israel, Japan, Central and South America countries, Malta, Maghreb and Mashreq countries, Mexico, New Zealand, Occupied Territories, South Korea, Turkey, the United States and former Yugoslavia.

How are EUVP participants selected ?

WHAT'S NEW
MAIL-BOX
SITE MAP
INDEX
SEARCH
INFORMATION
FEEDBACK

A Committee under the co-chairmanship of a Vice-President of the European Parliament and a Member of the European Commission, selects the EUVP participants from a short-list, drawn up by officials of the EC Delegations in the non-member countries concerned.

Currently, approximately 160 visitors are selected annually for individually tailored EUVP study-grants.

Further details about the European Union Visitors Programme can be obtained from the EUVP Secretariat.

European Union Visitors Programme
Mr. Peter BARKER - JONES, Head of EUVP
Rue de la Loi 200
B-1049 Brussels
Tel: 29.55472 or 29.54448
Fax: 29.64300

St. Louise Chapel

on the IL de la cite

guide
near Notre Dame

13^{th} C

La Tour D'Argent

. Tour D'Argent 3x.

Bistro next door.

La Rottisserie Beaujolias
D'~~Bour~~

. Cluny museum

Roman ruins

. Rodin museum

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Ruby Shamir to Nicole Rabner et al, re Ruby in NY (partial) (1 page)	11/24/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Domestic Policy Council (Nicole Rabner)
OA/Box Number: 15418

FOLDER TITLE:

NPRM [Notice of Proposed Rulemaking] re Birth and Adoption Unemployment Compensation Initiative [3]

2012-1035-S
kc1072

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

Ann O'Leary
11/24/99 12:59:47 PM

Record Type: Record

To: Ruby Shamir/OPD/EOP@EOP
cc: nicole r. rabner/who/eop@eop, katharine button/who/eop@eop, anna richter/opd/eop@eop
bcc:
Subject: Re: Ruby in NY

I'm in Maine:

P6/(b)(6)

Happy Turkey day to all!

Ruby Shamir

Ruby Shamir
11/24/99 12:57:42 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP@EOP, Ann O'Leary/OPD/EOP@EOP, Katharine Button/WHO/EOP@EOP, Anna Richter/OPD/EOP@EOP
cc:
Subject: Ruby in NY

If anyone needs to reach me this weekend, I will be in NY:

P6/(b)(6)

Signal will have the number. Happy Thanksgiving!!

Andrea Kane 11/24/99 03:11:40 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: NGA initiative on low-income working families

FYI, this may be a good source of emerging ideas from the states on supporting working families. May come in handy as we develop our '01 ideas.

News Release

NGA Home Page | News and Information | News Releases | 1999

October 13, 1999

Contact:
Terrell Halaska
202/624-5364

NGA ANNOUNCES NEW STATE POLICY ACADEMY

Seven States to Focus on Expanding Opportunities for Low Income Families

Washington, D.C.— To help states meet the challenges and opportunities posed by the New Economy, the National Governors' Association (NGA) announced today that seven states will take part in the NGA Center for Best Practices Academy on Expanding Opportunities for Low-Income Families to Advance in the New Economy. State teams from Colorado, Indiana, Kentucky, Michigan, Montana, Ohio, and Washington will develop comprehensive state strategies for helping low-income families achieve greater economic success. They will craft reforms in their workforce, welfare, health, child care, income support, and tax policies that will encourage individuals to assume greater responsibility for their economic futures. At the same time, these state teams will consider how government and business can best work together to develop and maintain a competitive workforce.

"These states are working on the cutting edge of welfare reform policy by focusing on issues related to the working poor," said NGA Executive Director Ray Scheppach. "The new global economy is placing increased pressure on low-income workers to gain the skills and experience necessary to stay employed and to advance. States, working in partnership with employers, must find new ways of sustaining people's long-term attachment to work and helping them achieve greater economic security."

The academy is a highly interactive team-based process for crafting policy strategies and solutions to complex policy challenges. By working together, states can share best practices, learning from one another what works and what doesn't. Through this process:

Colorado will partner with several counties in its devolved welfare system to develop market-based, public-private approaches for addressing these challenges within the diverse economic conditions facing the state;

Indiana plans to reach consensus among state agencies and key stakeholders on policy objectives and benchmarks of success in improving the quality of life for limited income working families and will develop solid action steps to achieve this goal;
Kentucky will build on its success in reducing welfare caseloads by implementing more partnerships with the private sector, local government and community groups to support families by adapting existing services to be more responsive to their changing needs;
Michigan plans to reward work, help families become as self-sufficient as possible, and provide continued support for low-income working families through cross system efforts and state tax policy changes that are independent of the welfare system;
Montana plans to develop a comprehensive legislative and administrative strategy, including memoranda of understanding among stakeholders, to prevent recidivism, eliminate long-term welfare dependence and promote continual advancement from low-wage entry-level jobs into self-sustaining careers;
Ohio plans to create a new vision of a flexible workforce system that meets the needs of customers in the 21st century and develop operational models on local service delivery and state administration that support a continuum of services and benefits at the county level; and
Washington state intends to identify ways to make job retention and wage and skill progression services more cost effective and useful for employers and low-income parents, who must balance work and family responsibilities, and explore strategies for expanding health care, quality child care and other benefits that support low-income families.

For more information about the NGA Center for Best Practices Academy on Expanding Opportunities for Low-Income Families to Advance in the New Economy, please contact Evelyn Ganzglass at 202/624-5394 or Randy Desonia at 202/624-5319.

For state-specific information, please call team leaders at:

Colorado
Marva Livingston Hammons, Executive Director, Colorado State Department of Human Services at 303/866-5096

Indiana
Carlis Williams, Executive Assistant for Human Services, Office of the Governor at 317/232-1971

Kentucky
Sharon Perry, Principal Assistant, Cabinet for Families and Children at 502/564-7130

Michigan
Doug Howard, Director, Michigan Family Independence Agency at 517/373-2000

Montana
Wendy Keating, Administrator, Job Service Division, Montana Department of Labor and Industry, at 406/444-2648

Ohio
Jacqueline Romer-Sensky, Ohio Department of Human Services, Office of the

Director at 614/466-6282

Washington
Ken Miller, WorkFirst Performance Coordinator, Office of Financial Management at 360/902-0580

Related Links:

More information on the new economy.
More information on welfare reform.
NGA Center for Best Practices

Message Sent To:

Cynthia A. Rice/OPD/EOP@EOP
Eugenia Chough/OPD/EOP@EOP
Nicole R. Rabner/WHO/EOP@EOP
Devorah R. Adler/OPD/EOP@EOP
Jeanne Lambrew/OPD/EOP@EOP
Christopher C. Jennings/OPD/EOP@EOP
Brian V. Kennedy/OPD/EOP@EOP
Larry R. Matlack/OMB/EOP@EOP
Jack A. Smalligan/OMB/EOP@EOP
Anil Kakani/OMB/EOP@EOP
Maureen H. Walsh/OMB/EOP@EOP

PRESIDENT CLINTON: TAKING NEW STEPS TO SUPPORT AMERICA'S PARENTS

November 30, 1999

> "On the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. Achieving that goal cannot come overnight and will require a significant shift in how our nation helps families to succeed at home and work. But it can make all the difference in your lives. It will demand thought and creativity, a willingness to experiment; it has to be done in a way that gives families flexibility and doesn't undermine our dynamic and growing economy."
>
> --President Clinton, May 24, 1999

Today, President Clinton will announce new steps to help workers meet their responsibilities to their jobs, and their more important responsibilities to their families. He will announce a new proposed regulation to enable states to provide partial wage replacement for new parents. This step builds on the President's long-standing commitment to strengthening America's families and supporting parents.

Working to Make Parental Leave More Affordable. A 1996 study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. Today, President Clinton will announce new proposed regulations by the Department of Labor that will enable states to use the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. Several states have asked the Administration whether they could use the UI system for this purpose consistent with federal law. Once finalized, the new regulations will authorize this experimental expansion of the UI system, thereby allowing states that wish to use unemployment insurance to assist new parents to put their plans into effect. The experimental program is designed to test the proposition that providing Unemployment Compensation to parents after birth or adoption will increase their attachment to the labor force. This new program will be wholly voluntary for the states, and states will have considerable flexibility to design their own programs. [The regulations will be published in the Federal Register for public comment and are also available for review on the Department of Labor's web site at www.tk.]

Advancing An Agenda To Help Parents Balance Their Responsibilities At Home And At Work. Throughout his Administration, President Clinton has fought to provide families with the tools they need to meet their responsibilities at home and at work. The President has:

- Signed the the Family and Medical Leave Act, providing workers with up to 12 weeks of unpaid, job-protected leave;
- Fought and won dramatic expansions in after-school programs, including $450 million in the FY 2000 budget agreement, more than doubling the program's size;
- Fought for and won significant increases in Head Start, including $607 million in the FY 2000 budget agreement, helping low-income toddlers prepare for school;
- Proposed a new tax credit for families struggling with long-term care costs; and
- Put forward an ambitious initiative to make child care better, safer, and more affordable for working families; and
- Proposed expanding the FMLA to cover more workers and allow leave for more parental activities, including parent-teacher conferences and routine doctor's visits.

BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION (UC)
Q&A
11/30/99 draft

Q: What is the Birth and Adoption UC initiative?

A: This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to provide partial wage replacement to parents on leave following the birth or adoption of a child and to evaluate the effectiveness of using the UC system for these or related purposes. This regulation will permit interested States to experiment with methods for allowing the use of the UC program for this purpose.

Q: Will States be required to develop UC programs for parents of newborns and newly-adopted children?

A: No. State participation is wholly voluntary.

Q: Who will be eligible to receive UC for the birth or adoption of a child?

A: This experiment extends only to parents on approved leave or who otherwise leave their employment to be with newborns or newly-adopted children. Time taken for personal illness or to care for other family members is not compensable under this proposed program.

Q: When will parents be able to collect UC after the birth or adoption of a child?

A: It is difficult to predict when individuals will be able to collect UC to be with their newborns or newly-adopted children. The Department of Labor (Department) anticipates publication of a final regulation in early 2000. States may enact legislation authorizing a Birth and Adoption program based on this regulation. Each State's legislation would set the dates to begin operation of the program in its State.

Q: How will the regulation deal with such things as benefit amounts and employer costs?

A: The guiding principle of this regulation is to allow for maximum State flexibility within the experiment's parameters, as States currently have in determining UC policies. Consequently, each State will establish its own eligibility requirements and benefit amounts. Although the model State legislation accompanying the proposed regulation socializes costs, each State will decide whether to spread costs broadly throughout the system or limit costs to the particular employers whose employees use this benefit.

Q: Why use the UC program for this type of paid leave? Don't States have other resources available to them?

A: While States may have other options available to them, legislation was introduced in several States during 1999 and prior years to make individuals on various types of family and medical leave eligible for UC. The President's directive to the Department essentially requires that States be provided the flexibility -- on a voluntary basis -- to pay UC to parents who take approved leave or otherwise leave employment after the birth or adoption of a child.

The proposed regulations for this experiment, within certain parameters, leave the specifics of each State plan to its legislature, which will need to pass specific amendments to the State UC laws to authorize such payments.

Q: Is the President exceeding his legal authority by proposing this change through regulation instead of in Congress?

A: No. The Department of Labor has the authority and responsibility to interpret Federal Unemployment Compensation (UC) statutes and has done so in the past with the UC program's requirements in such areas as jury duty, temporary layoffs, illness, and training.

The Administration is proposing to exercise this authority to examine how the UC system could help provide benefits for workers who take leave after the birth or adoption of a child. This pilot program would be voluntary, and is simply part of the Administration's overall effort to help working parents both on the job and at home.

Q: Why is this initiative limited to parents of newborns and newly-adopted children?

A: In following the President's directive, the Department is seeking to assist States that may want to use their UC systems to enable more parents to be with their newborns or newly-adopted children as part of an overall interest in supporting policies which help Americans balance the responsibilities of family and work.

Data from these State experiments will help to evaluate the proposition that providing UC to the parents of newborns and newly-adopted children who take approved leave or who otherwise leave their employment will increase their attachment to the labor force. In order to gain information on the impact of adapting the UC program to address the needs of such employees, the Department is defining the experimental program to cover the parents of newborns and newly-adopted children. This class of employees is a small, easily-defined group that can be used to test whether compensating absences from employment will assist individuals in maintaining, or even improving upon, their connection to the workforce by enabling them to better meet their parental and family needs.

The Department believes the needs of parents in balancing work and family are an important area for experimentation. States will remain free to use other mechanisms, such as separate funds or a Temporary Disability program, to reach other populations.

Q: Would this change unfairly impact unemployed workers by draining resources away from the unemployed to provide for parents taking leave?

A: No. Each state has the responsibility to assess the cost to its unemployment fund whenever coverage changes, benefit expansions, or tax changes are considered within its UC program. Consequently, we expect prudent state decision-makers to examine the state's solvency and projected taxes and benefit payments under current law before deciding to enact any birth and adoption UC legislation.

Q: How much will this proposal cost?

A: The cost estimate, which is based on the voluntary nature of the experiment and the expressed interest of a small number of states, ranges from zero to $76 million.

Q: Massachusetts also introduced a bill that would pay UC to individuals on family and medical leave. The estimated costs of that bill were $200 million. How does this compare with the Department's estimate?

A: The Department's cost estimate which is based on the voluntary nature of the experiment coupled with the expressed interest of a small number of States and limited to those individuals who could be eligible for the birth and adoption experiment, ranges from zero to $68 million. The Massachusetts cost estimate was based on a much broader group of potential recipients and includes costs for individuals who are on leave under the Family and Medical Leave Act and the State's maternity law, and others not covered by either law.

Q: In 1997 the Department of Labor, in response to a bill introduced in the Vermont legislature, stated that the UC program could not be used to pay leave taken under the Vermont family and parental leave program. Why has the Department changed its policy in this area?

A: The Vermont bill would have permitted all individuals taking leave for a variety of reasons under its family and parental leave program to receive UC. The Department interprets Federal UC law to require, in general, that individuals be able to work and be available for work to be eligible for UC. In response to changes in the workforce and societal needs, the Department is considering expanding its interpretation of "able and available" to permit the payment of UC to provide partial wage replacement to employees who take approved leave or otherwise leave their employment to be with their newborns or newly-adopted children. Because this would be an expansion of the Department's earlier interpretation, as set forth in the response to the Vermont proposal, the Department is issuing a notice of proposed rulemaking to permit the public to comment on the interpretation. The Department is proposing an experimental program, which would allow the Department to test whether providing parents with UC at this point in a child's life will help employees maintain, or even promote, their connection to the workforce.

Balancing work and family – toughest. There have been some states that have expressed interest in using the UI program to take a step to helping workers balance the needs of work and family. The DOL is using regulations to enable states to do this and in so doing to test whether or not this improves attachment to the labor force – to see if we have better workers because of programs of paid leave. To bond with parent, to develop stable child care systems – use these state experiments to test whether this is right. Are people more likely to maintain their labor force attachment.

PRESIDENT WILLIAM J. CLINTON
DEPARTURE REMARKS
PARENTAL UNEMPLOYMENT PAY
THE WHITE HOUSE
NOVEMBER 30, 1999

Good morning. Joining me here at the podium today are Katie Banks and her son, Collin of Fairfax, Virginia; and Jonathan and Teresa Graham of Baltimore. I will say a little more about them in a moment.

In a few minutes I am heading to Seattle where I will engage in a dialogue with America's trading partners from around the world about how we can best use the enormous potential of the global economy to not only grow our prosperity, but to also improve the everyday lives of citizens and working families. Before I go, I want to tell you how we are using the enormous potential of our strongest economy in years, to help American families balance the sometimes tremendous demands of work and family.

Surging technology and soaring prosperity define America at this moment. But those achievements don't come cheap. They require an enormous commitment of time and effort from America's workers, many of whom are being forced to make an unacceptable choice: between being good workers and being good parents. The truth is, in our 'round- the- world, 'round-the-clock economy there just don't seem to be enough hours in the day for parents to do everything they need to do. That is why my Administration has worked hard to help parents balance work and family.

Last May, I asked the Secretary of Labor to develop new ways to address this problem. Today, I am announcing a Labor Department rule that lets states use their unemployment insurance systems to offer paid leave to new parents. This initiative is totally voluntary for states, and it helps them empower more working parents like families that are standing with me today.

When little Collin was born, his mother, Katie was working as a waitress and his dad was working as the head electrical technician for a small company. Unfortunately, Collin was born ill and had to be in intensive care for several weeks. Katie took unpaid leave and eventually quit her job to be with her son. Collin's dad, Eric, wanted to take leave but couldn't afford it. Once Collin was well enough, Katie looked for and fortunately landed another job. But both Collin and her husband would have and should have been able to take paid leave to care for their son. That's what this parental leave initiative ~~will~~ do.
could

hope

I believe that giving states the flexibility to experiment with paid ~~leave~~ is one of the best things we can do to strengthen our families and help new ~~mothers~~ and fathers meet their responsibilities both at home and at work. ~~State~~ flexibility and the voluntary nature of this effort are key. In this strong economy, we ~~expect a number of~~ states ~~to~~ take advantage of this new option…and those that do sh~~ould have no trou~~ble
will
and we believe

balancing this new benefit with the imperative of maintaining a fiscally sound unemployment insurance program.

This effort builds on my Administration's commitment to giving working families more tools to help them adapt to the new demands of our growing economy -- from expanding the Earned Income Tax Credit, to our Welfare-to-Work efforts. From increased funding for child care to Hope Scholarships that are helping more young people get into college. In the budget bill I signed yesterday, we fought for and won a doubling of resources for after-school programs to give young people a safe place to study between the end of their school day and the end of their parents' work day.

And I am proud that the first bill I signed as President was the Family and Medical Leave Act. Since 1993, millions of Americans have used it to take up to 12 weeks of unpaid leave to care for a newborn or a sick relative without losing their jobs. The importance of this benefit has been confirmed by the testimony of experts and parents at the first-ever White House Conference on Early Childhood Development and Learning in 1997, and from groups like the American Academy of Pediatrics. They all reinforce what we already know from common sense: Giving parents and primary caregivers time to bond and nurture their children leads to healthy development, including boosting critical language and literacy skills.

But, the current law just meets a fraction of the need. And the number one reason families give for not taking advantage of the Family and Medical Leave is that they just can't afford to take the time off without a paycheck. The actions we are taking today will go a long way towards alleviating that burden. And I believe it will strengthen parents' bonds to both their children and the workforce.

As I have said, on the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. This new state authority will move~~s~~ us in the right direction and give~~s~~ us another tool in our national efforts to strengthen the American family and reward the dignity of work.

Thank you.

CWLA Child Welfare League of America, Inc.
440 First Street, NW, Third Floor, Washington, DC 20001-2085 • 202/638-2952 • FAX 202/638-4004
Website: http://www.cwla.org

FAX TRANSMITTAL FORM

DATE: 11/29/99

TO: Nicole Rabner

AGENCY:

FROM: FX 202-456-2878

Karabella (942-0261)

NUMBER OF PAGES, (INCLUDING THIS FORM): 4

COMMENTS: Per my voice mail

FOR FURTHER INFORMATION, PLEASE CONTACT CWLA AT THE NUMBER INDICATED ON THE TOP OF THIS PAGE. FOR FURTHER INFORMATION REGARDING CONFERENCES/INSTITUTES/TRAININGS, PLEASE VISIT OUR WEB PAGE AT: http://www.cwla.org

SAVE THE DATES!!
1999 CWLA
Conferences/Training

****

December 6-7, 1999
National Center for Consultation & Professional Development and Managed Care Institute Leadership Retreat: Mergers and Strategic Affiliations
Sarasota, FL

****

December 8-10, 1999
Effective Supervision II training,
The Marist House,
Framingham, MA

****

February 28-29, 2000
Black Administrators in Child Welfare Annual Symposium
Washington, DC

****

March 1-3, 2000
CWLA National Conference, Children 2000: Faces of the Future
Washington, DC

****

May 10-12, 2000
Finding Better Ways 2000,
The Adam's Mark Hotel
Philadelphia, PA

****

August 2-4, 2000
Florence Crittenton Roundtable,
San Francisco, CA

****

September 27-29, 2000
Biennial Leadership Summit,
New Orleans, LA

****

October 23-25, 2000
Tools that Work 2000, The Renaissance Atlanta Hotel, Atlanta GA

****

December ??-??, 2000
National Adoption Conference

****

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CWLA Child Welfare League of America, Inc.
440 First Street, NW, Third Floor, Washington, DC 20001-2085 • 202/638-2952 • FAX 202/638-4004

November 29, 1999

MEMORANDUM

TO: **Nicole Rabner** KP
FROM: **Karabelle Pizzigati, Child Welfare League of America**
RE: **Foster Care Independent Living Event**

We are very pleased that the White House is considering hosting an event to celebrate the passage of the Foster Care Independence Act of 1999 and to encourage speedy implementation. We want to thank you for all the Administration did throughout the year to make the legislation a reality. The First Lady and Mrs. Gore's public endorsement of the initiative at the event last January was instrumental in providing supporters with the high level recognition and boost they needed to motivate nationwide efforts on the legislation.

A list of suggested invitees is being forwarded under separate cover.

Purpose of Event:

1. Public recognition of the Administration and Congressional supporters for all their work.

2. The announcement by the President/First Lady/Secretary Shalala of the formation or the renewal of interagency collaborative work in the following areas:
   a) Health care — Extension of benefits under Medicaid and CHIP
   b) Housing — E.g., designation of two hundred Section 8 certificates
   c) Employment — Workforce investment activities by Department of Labor with specific inclusion of emancipating foster youth for work opportunities as well as part of Youth Advisory Councils
   d) Education — Coordination with school to work activities, 21st Century Schools and IDEA programs
   e) Mentoring/ OJJDP—E.g., Expressed inclusion of foster youth in mentoring efforts.

3. The issuance of a challenge by the President/First Lady/Secretary Shalala to the states to implement the legislation thoughtfully and rapidly, with a strong focus on positive outcomes for youth.

4. The raising of public awareness about the issues surrounding foster care and the young people who "age out" of the system.

Messages:

- The Foster Care Independence Act takes a big step toward improving lives of young people transitioning into adulthood.
- The new John H. Chafee Foster Care Independent program will create opportunities for states to:
  - Customize independent living services to the needs of diverse foster youth.
  - Provide to those youth a stronger continuum of services, including health care, housing, and mentoring.
  - Support a more intensive level of preparation in critical life skills and employment.
  - Help connect youth in foster care to what they need to achieve successful adulthood.
  - Increase accountability so that young people in transition know they have somewhere to turn and that promises made will be kept.
- Our work has just begun! Now it is up to the states and many partners, including health professionals, educators, business and media leaders, to implement the legislation fully—to make it work
- The end of foster care is not the end of caring.

Suggested speakers:

President Clinton
The First Lady
Secretary Shalala
1-2 Former foster youths chosen from key states — CA, TX, MD, CT, ME, WV, RI, MS
1-2 Congressional supporters — Rep. Tom DeLay, Rep. Nancy Johnson, Rep. Ben Cardin, Sen. Jay Rockefeller, Sen. Lincoln Chafee, Sen. Susan Collins, Sen. Kit Bond
Governor from a key state that is actively moving forward with a health care, housing, and education agenda consistent with the new legislation — MO, MN, ME, MD, SC, CA, CT, AZ

Should be publicly recognized for work on legislation:

National Foster Parents Association
Child Welfare League of America
Children's Defense Fund
Adoption advocate — e.g., Joe Kroll
National Conference of State Legislators
National Conference of Juvenile and Family Court Judges
National CASA (Court-Appointed Special Advocates)

Should be publicly recognized for raising national awareness about the needs of young people who transition from care:

The Casey Family Program
The Annie E. Casey Foundation
Benton Foundation
The David and Lucile Packard Foundation
National Resource Center for Youth Services (federally funded center in Oklahoma)
National Foster Care Awareness Project
Carol Williams

Additional Spokespersons:

Former foster youth from Youth Involvement Project (23)—including California Youth Connection

PRESIDENT WILLIAM J. CLINTON
DEPARTURE REMARKS
PARENTAL UNEMPLOYMENT PAY
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I believe that giving states the flexibility to experiment with paid leave is one of the best things we can do to strengthen our families and help new mothers and fathers meet their responsibilities both at home and at work. State flexibility and the voluntary nature of this effort are key. In this strong economy, we expect a number of states to take advantage of this new option...and those that do should have no trouble will balanc~~ing~~e this new benefit ~~with the imperative of~~ ~~maintaining~~ a fiscally sound unemployment insurance program.

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As I have said, on the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. This new state authority moves us in the right direction and gives us another tool in our national efforts to strengthen the American family and reward the dignity of work.

Thank you.

final. press statement → Suzannah Valdez

Terry Bergman

Bruce
Loretta
Terry
me

693-6140

Paid Parental Leave Initiative

briefing

8:35 — briefing
8:50
8:55 statement

Eugenia Chough 11/29/99 12:42:55 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: Cynthia A. Rice/OPD/EOP@EOP, J. Eric Gould/OPD/EOP@EOP, Andrea Kane/OPD/EOP@EOP
Subject: CEA chapter for review

CEA is circulating its 2000 Economic Report of the President for our review. Chapter 5, "The Changing American Family" examines issues related to our teams. I'll send a hard copy to Ruby and Devorah. I'd be happy to consolidate our comments and send back to CEA if you can get edits to me by COB Wednesday. Thanks.

Genie

Message Sent To:

Ruby Shamir/OPD/EOP@EOP
Ann O'Leary/OPD/EOP@EOP
Nicole R. Rabner/WHO/EOP@EOP
Devorah R. Adler/OPD/EOP@EOP
Jeanne Lambrew/OPD/EOP@EOP

The Changing American Family

Much about the American family has changed over the course of the century. Most children in 1900 lived in a two-parent rural family where the father was the breadwinner and the mother was a homemaker. Today, by contrast, almost half live in two-earner nonfarm families and more than a quarter live in single-parent families. Families today enjoy a much higher standard of living than their 1900 counterparts and their members are living longer and healthier lives. Nevertheless, the rise of the two-earner couple and the single-parent family has created a new set of challenges for American families as they try to balance the need to work and the rewards from work against the needs and rewards of family life that are measured more in time than in money.

This chapter examines these changes in the American family and the challenges these changes pose. It begins with an overview of a number of indicators of change over the century, paying particular attention to four key trends: increased female labor force participation, changes in marriage and divorce, increases in out-of-wedlock births, and increases in life expectancy and health. It then turns to the key challenge of balancing work and family. Notwithstanding substantial increases in living standards over the course of the century, American families continue to face substantial financial challenges. Most families are able to meet the basic needs of food, clothing, and shelter, but many find themselves strapped when it comes to meeting other needs like child care, education expenses, and, increasingly, care for older relatives. At the same time, families find themselves facing a "time crunch," as more family time is devoted to earning a living, leaving less for other family activities. For many single-parent households, the time crunch is compounded by a "money crunch" as they struggle to find the resources to meet even basic necessities. The chapter concludes with a discussion of policies that this Administration has pursued over the past several years in an effort to address the challenges families face as they try to balance work and family in the 21st century.

KEY TRENDS SHAPING THE AMERICAN FAMILY

The past century has seen a number of changes that have helped shape the American family (see box 5-1). In 1900, a woman began her married life young—entering her first marriage at age 22—and typically married a man who was four years her senior. Families also had greater numbers of children, as infant mortality was near 10%. Life expectancy at birth was low, about 48 years for women and 46 years for men. Divorce rates were also low (less than 2% among women aged 35-54), but over 8 percent of women aged 35-44 and 17 percent of women aged 45-54 were widowed. And families tended to stay put -- over three-fourths of individuals lived in the state in which they were born. As we approach the 21st century, marriage remains a fairly universal experience, but the median age at first marriage for women has risen to 25. Life expectancy at birth has increased substantially, in part due to declines in infant mortality, with women and men having life expectancies of 79 and 73 years, respectively. In contrast to the nearly 17 percent of women aged 45-54 who were widowed in 1900, that same percentage today is divorced.

Box 5-1 – Contrasting American Families Then and Now		
	1900	1999
Labor force participation rate of women, percent	20.0	60.2
Age at Marriage of Mother	21.9	25
Age at Marriage of Father	25.9	26.8
Reason for Marital Dissolution, women age 35-44	Death	Divorce
Infant Mortality Rate, percent	9.99[b]	2[d]
Life Expectancy of Women at birth	48.3	79.0[f]
Life Expectancy of Men at birth	46.3	73.0[f]
Life Expectancy of Women at age 65	12.2	18.9[f]
Life Expectancy of Men at age 65	11.5	15.7[f]
Number of polio cases, per 100,000	5.5[a]	0
% born in state of residence	78.2	61.8[e]
% born in region of residence	90.8	73.3[e]
Probability of being in a 7 or more person HH	20.4	5.1[d]
Probability of being in a one-parent family	7[c]	27
Median married Family Income (1998 $)		$54,180
Notes: (a) 1912; (b) 1915; (c) 1950; (d) 1970; (e) 1990; (f) 1996		

In addition to describing the four key trends that seem particularly important in shaping the American family over the course of the century, this section also suggests potential causes of these changes. It is important to recognize, however, that many of the underlying behaviors of these trends are interrelated and that there is often no simple direction of causation.

WOMEN IN THE WORK FORCE

The substantial increase in female labor force participation has been one of the most important economic changes to affect the American family over the past century. Marriage and work trends have combined so that a higher proportion of women than ever before experience a period of independent living and employment before marriage, leading to greater labor force attachments that could conflict with family obligations. These increases have been pervasive across racial and ethnic groups and both within and across cohorts of women.

Today the portion of women in the labor force is three times what it was at the beginning of the century (see Chart 5-1) Women's labor force participation rose sharply after World War II, but the movement of women into the labor market was well underway prior to that point. By 1998, female labor force participation had reached 59.8 percent. While married women and women with children participated in the paid labor force at somewhat lower rates, these groups experienced a parallel dramatic increase (see Chart 5-1). The rate for women with children increased from 47.3 percent in 1975 to 72.3 percent in 1998. A myriad of factors have contributed to this growth in women's attachment to the paid labor market, including increases in female wages and changes in family structure.

CHART 5-1: Female Labor Force Participation 1900-1998

FAMILY FORMATION AND DISSOLUTION

A second major trend that has shaped the current state of American families is a change in family formation and dissolution. Today, individuals are spending a smaller fraction of their adult lives within marriage (Spain and Bianchi 1996, p. 25). This is not to suggest that marriage is less important or conveys fewer benefits to the participants than previously. Despite considerable changes in the institution over the past century and differences across racial and ethnic groups, marriage remains a fairly universal experience. Throughout the century, over 90 percent of all women aged 55-64 have been married at some point, and in 1997, that proportion stood at 95.3%. (computed based on Coontz). In addition, the median duration of marriage rose modestly in the last half of the century (chart 5-2). Marriage is correlated with higher wages for men, longer and healthier lives for both men and women, and a greater overall level of economic security (Waite 1995).

Nonetheless, the patterns of family formation and dissolution are different now than in 1900. A number of factors have contributed to this change. One factor is a change in the way marriages end; for younger and middle-aged couples, the relative importance of divorce has increased while that of the death of a spouse has declined. While there is some evidence that the fraction widowed may have been over-reported early in the century because of social stigmas associated with being either unmarried or divorced, it was much more common for younger women to be widowed than divorced. In 1900, about 1 percent of women aged 35-44 reported being divorced, while about 8 percent reported being widowed. The two rates were almost the same in 1950 (just under 4 percent), and by 1997 the relative magnitude of the two groups was completely reversed from 100 years before. Whatever the source, however, the end of marriage tends to be associated with large declines in economic well-being, particularly for women and children as described below.

CHART 5-2: Fraction of Women who are Widowed and Divorced

An examination of divorce rates provides further perspective. Particularly notable are the sharp spike in the divorce rate immediately after World War II and the prolonged and significant increase in the rate between the mid-1960s and the early 1980s (see Chart 5-3). Since the 1980s the divorce rate has declined slightly but remains historically high. Explanations for the rise in the divorce rate included the growing economic independence of women, as described in the previous section, which has both created tensions within marriage and made divorce economically possible. At the same time, however, the change in labor force participation may be a response to a greater chance of being divorced and having to survive on one's own. Another factor is changes in state divorce laws in the 1970s and 1980s, which include the famous movement from "fault" to "no-fault" divorce.

CHART 5-3: Divorce Rates and Median Marriage Duration

Two other changes in family formation are important. The first is an increase in the age at first marriage, which also contributes to individuals spending less time in marriage. In 1900 half of all women began their first marriage by age 22; by 1950 this had dropped to age 20 (chart 5-4). Starting in the 1950s and 1960s, however, the median age at first marriage for women increased and is now up to almost 25 years of age. Men have traditionally married at a later age than women but their median age at first marriage exhibits the same U-shaped pattern over the century.

CHART 5-4: Median Age at First Marriage for Males and Females

Second, the fraction of individuals choosing to live together outside of a formal marriage has risen dramatically in the latter half of this century. One study reports that only 3 percent of women born between 1940 and 1944 had ever lived in a nonmarital cohabitation by age 25, while for women born 20 years later, 37 percent had cohabited by that same age (Bumpass and Sweet 1989). Thus despite the decreases in marriage rates and the increases in the age of first marriage across cohorts, the evidence actually indicates that individuals are still forming coresidential relationships at about the same point in their lives (Bumpass, Sweet, and Cherlin 1991).

OUT-OF-WEDLOCK CHILDBEARING

Childbearing behavior and the increase in out-of-wedlock births represent a third set of changes that has shaped the American family over the century. Immediately after World War II the average number of children born to a woman over her lifetime began to increase – the start of the baby-boom. In 1945 , the number of live births per 1000 women between ages 15-44 was 85.9. This number peaked in 1957 at 122.9. In more recent years, the number of births is down and women are having them later in the life-cycle. These large changes in fertility behavior and the corresponding changes in population have important implications for the U.S. economy and policies such as Social Security and Medicare.

CHART 5-5: Births per 1000 women – 1940-1998 (from Farley, p. 118)

An equally important change is the rise in out-of-wedlock births. The number of births per 1,000 unmarried women aged 15-44 increased from 7.1 in 1940 to 46.9 in 1994 (see Chart 5-5). The rate for black women aged 15-44 increased from 35.6 to 89.9 from 1940 to 1970, dipped to 82.9 in 1980, was back up to 93.9 in 1990 and has recently seen a decline to 75.9 in 1995. The rate for white women aged 15-44 increased most precipitously after 1980, rising from 17.6 to 37.5 in 1995 (Blau, et. al). The percent of births to unmarried women of all ages increased eightfold, from 4 percent in 1950 to 32.6 in 1994. Similar trends are evident for very young women. The percent of births to unmarried teens rose from 31.9 percent to 75.5 percent over the period 1970-1994. From 1980 to 1990 the birth rate to teens aged 15-19 climbed from 53.0 to 59.9 (per 1,000 teens); the unmarried teen birth rate rose from 16.5 to 30.6 for whites and 87.9 to 106.0 for blacks over the same period (also per 1,000). While the rate of childbearing by young women may not have changed that dramatically prior to that point, the rate to unmarried teens had been increasing for decades. This is a particular problem since the resources of unwed teens is significantly less than those of other families. Administration efforts to address this problem are discussed later in this chapter.

Combined with the changes in family formation and dissolution already discussed, these trends in childbearing behavior have led to large increases in the percent of children growing up in single parent households. The share of one-parent families rose from 7 percent in 1950 to 27 percent in 1997 (Chart5-6). About half of all black children under age 18 live in single mother households, up from 30 percent in 1970. The fraction of white children living in single mother households rose from 8 percent in 1970 to 17 percent in 1990 **(update)**.

LIFE EXPECTANCY AND HEALTH

The health and life expectancy of Americans has increased dramatically over the century. Major public health initiatives and medical advances have led to the virtual eradication of numerous diseases that at one time killed or severely impaired large fractions of the population. As a result of improvements in maternal and infant health, the infant mortality rate dropped by more than 90 percent from 100 per 1,000 live births in 1915 to 7.2 per 1,000 in 1997. Technological innovations, better health and nutrition of mothers, greater access to prenatal care, and greater use of vaccines and antibiotics all contributed to these tremendous improvements. A similar success story is found in the area of maternal health. In 1915, 6-9 women died because of pregnancy-related complications for every 1,000 births. By 1997 this rate dropped to 0.1 deaths per 1,000 live births – a 99 percent decline. Advances also have been seen in other areas. The rate of death from coronary disease and stroke has declined by 51 percent since 1972, infectious diseases like typhoid and cholera have been greatly reduced because of improved sanitation and living conditions, and the widespread use of vaccines has eliminated diseases like smallpox and polio.

These improvements have meant a longer lifetime for most Americans. Over the century, the average lifespan in the U.S. increased by more than 30 years with five-sixths of that increase being attributed to improvements in public health (MMWR 4/2/99). Life expectancy at birth for a woman rose from 48.3 in 1900 to 79 by 1996. For men it rose from 46.3 to 73 in 1996. Older Americans now have longer life expectancies as well. The life expectancy of men at age 65 rose from 11.5 years in 1900 to 15.9 years in 1997. Combined with the changes in fertility behavior over the century, the changes in life expectancy have led to an increasing share of the population that is elderly – a trend that will continue as the baby boom becomes old.

An important implication of increased life expectancy is a change in the extended family. Over 70 percent of adults aged 30-54 in the early 1990s had relatives that spanned three or more generations; over 40 percent of adults aged 50-59 were in four-or-more-generation families. In addition, greater numbers of family members from different generations live together; nearly 2.4

million households are now multi-generational. Longer life expectancy has meant that more grandparents are able to watch their grandchildren grow to adulthood. For example, in 1969, 22.7 percent of women aged 60-61 had living elderly parents; by 1992 this had increased to 28.1 percent. These trends all point to an increasing need to balance work and family, as working individuals may face multiple caregiving responsibilities for elderly parents, infirm spouses, and grandchildren.

CHALLENGES FAMILIES FACE

Over this century, the American family has experienced many positive changes that have resulted in richer lives for parents and their children. In monetary terms, average family income has increased and poverty has decreased. In non-monetary terms, individuals live longer and are much healthier. However, while the average family has gained over this past century, the gains have not been evenly spread across all families. As the discussion of recent trends indicates, families that are single-headed households have risen dramatically (through out-of-wedlock births or divorce), and these families have benefited less from the overall economic growth of this century.

This section examines the ways in which the trends discussed above co-mingle to create challenges that families face today—we call these challenges the "money crunch" and the "time crunch." While most women are working more and thus contributing to family income, a money crunch is most pronounced in single-headed households and less-educated households. In the case of the time crunch, while women are working more and contributing more to family income, these same women have less time for child care and home-care. In addition, working people may need to spend more of their rising incomes on the costly care of their aging parents, or to use their non-employed hours for care of aging parents.

THE "MONEY CRUNCH"

In the post-war period, families have become wealthier—median family income rose from $21,000 in 1950 to $47,000 by 1998 in 1998 dollars. The ongoing expansion of the economy contributed significantly to this gain in recent years: median family income of $41,500 in 1993 was about equal to what it was in 1973, at $41,500, but by 1998 it had risen to $46,700. However, while the recent prosperous years have produced earnings gains that are widespread across demographic groups, some continue to lag behind. The individuals in these groups are the focus of the money crunch. From the policy perspective, it is also these individuals who are the intended beneficiaries of recent policies, such as the expanded Earned Income Tax Credit, that are discussed at the end of this chapter.

The money crunch—or inadequate income to cover basic family needs—is felt by different family types for different reasons. Median family income differs substantially as a function of female labor supply and family structure (chart 5-7). For married couples with a wife not in the paid labor force, median family income in 1996 is approximately the same as the median level in 1971, despite a recent increase. Similarly, the median income of female-headed families has been nearly flat since the early 1970s, despite signs of improvement in the current economic expansion. In contrast, the median income for married couples with an employed wife has grown markedly since the early 1970s, with pronounced growth in recent years. Note however that these measures of real income are computed using the historical CPIUX1 which can understate growth rates of income for all groups.

Chart 5-7: median family income by family structure

As we consider the earnings trends by family structure, we also must remember that more families are headed by single parents. Corresponding to the family groups in chart 5-7, the share of families that are headed by a single parent has increased very significantly over time—from xx percent in 1969 to 23 percent of all families (Census income book) in 1998 (see Chart 5-8). The share of all married couple families with an employed wife has risen from 20.5 to 52.3 from 1951 to 1998, while the share with a non-employed wife has declined from 69.2 to 28.8. Thus, though the overall share of families headed by couples has declined from 89.7 percent to 81.1 percent from 1951 to 1998, the composition within this group has shifted dramatically towards working women. Given these shifts in family composition and differential earnings patterns, each of these three demographic groups is considered in turn. But before doing so, we summarize two relevant issues— income distribution and family needs.

Chart 5-8: share of families by family structure

Income Distribution

After rising markedly in the 1970s and 1980s, income inequality has been declining since 1994, in the prosperous years of the current economic expansion; however, pronounced educational differences in wage levels remain. During the years of rising income inequality, wage levels for the well-educated rose substantially relative to those for the less-educated, as discussed in Chapter 4. This widening wage gap continues to contribute to income disparities across demographic groups.

Rising Family "Needs"

As incomes have risen this century, consumption patterns have changed. In 1950, the typical family spent 30 percent of its income on food and 9 percent on clothing. By 1995, those percentages had fallen to 14 and 5 percent, respectively. Moreover, entirely new forms of consumption have taken their place. Over 80 percent of households have cars, up from roughly 50 percent in 1950, and the typical family has two cars and two television sets. As technological change has lowered the relative cost of food and made other expenditures feasible, consumers have turned to more attractive goods, such as CD players, VCRs, and personal computers. It is estimated that in 1997, more than 33 percent of households owned a personal computer, 61 percent had a cordless phone, and 88 percent had a VCR.

Thus, we may need to change our notion of family needs, from traditionally basic purchases to the additional acquisition of standard consumption goods like automobiles, cars, TVs, and computers. When families feel they do not have access to such standard goods, they too may feel a money crunch.

Finally, a rising need for the working mother is child care, and these costs can be substantial. It is estimated that from 1986 to 1993 direct expenditures on child care have risen from 6.3 to 7.3 percent of family income. **[add educational expenses?]**

Female-Headed Families

The share of families that are headed by a single parent has increased very significantly over time, yet the percent of children in single parent households has increased more dramatically, from xx percent in 1969 to 23 percent in 1998 (chart 5-8). These children live in families headed largely by women—only 19.1 percent of single-headed households in 1998 are families. As described in the section above, this increase has arisen from a combination of rising non-marital child-bearing and rising divorce rates.

Female-headed families are the most likely to suffer from inadequate financial resources. Despite rising median hours of work from 1969 to 1998 (chart 5-9), median income for this group has not grown on average over the last thirty years (chart 5-7). As discussed later in this chapter, helping this group had been a priority of this Administration, via the Earned Income Tax Credit and minimum wage increases.

Chart 5-9: hours of work of women heading families

The effects of divorce and bearing a child out of wedlock contribute directly to income losses for female-headed families. It is estimated that 22 percent of women who get divorced experience a 50 percent or more decline in family income. Also, never-married mothers are less likely to have a child support award than divorced (44 percent versus 73 percent in 1993) and, if they actually received support, the amount of the award is much smaller ($1,700 versus $3,600 per year – Greenbook). Overall, roughly half of all women who are single parents receive public assistance.

Reflecting these poor earnings, poverty rates for female-headed families are very high—the rate of poverty was 38.7 percent for this group in 1998, compared to a substantially lower 6.9 percent for married-couple families with children (though these poverty rates are based on income that does not include support from public assistance). Given the higher incidence of poverty and lower-earnings levels of female-headed households, elevating the economic status of these families has been of particular concern in the policy initiatives of the 1990s, and in recent years, this rate has begun to decline. These initiatives are discussed at the end of this chapter.

Married-Couple Families

Largely due to the entry of women into the labor force, there has been a substantial increase in the economic well-being of families, but not all families have experienced equal growth of well-being. Many of these families allude to an increasing money crunch, which occurs when the increasing hours of work of wives has not produced sufficient income to keep pace with the perceived rising costs of family needs. Thus, the families who are most likely to feel this money crunch are those in the lower quintile of the income distribution, where median family income has grown by only xx percent over the last thirty years, despite gains from the current economic expansion of the 1990s. In contrast, for those families in the upper quintile of the income distribution, average income has grown by xx percent, though their expenses have also risen with the purchase of higher-quality child care and education. **[get numbers]**

Among those families with non-working wives, median annual income is only slightly more than half that of families with working wives. Thus, the families with non-employed wives are not the wealthier families, but are instead families from across the income spectrum. These families are allocating the wife's time to child-care even though it can result in a "cash-poor" lifestyle. In contrast, the families with employed wives have considerably more disposable income on average, which in many cases is likely to remain higher even after subtracting the costs of working such as child care expenses.

THE "TIME CRUNCH"

Since 1950, female labor force participation rates have increased dramatically and wives' decisions to enter the labor market have resulted in a marked increase in median family incomes. While the choice to enter the labor market provides more material wealth for families, it also results in less home time. A 1995 national survey asked individuals whether they "always feel rushed, even to do the things you have to do," and 33 percent said yes, up from 24 percent in 1965. The increase in women in the labor force may have contributed to this feeling of time pressure. In this section, evidence on changes in parents' allocation of time is presented, to examine how patterns of family care have changed as women have entered the labor force.

The demands of maintaining a family while in the paid labor market can create tremendous strain on individuals' time—in both single-mother and married-couple families—which we refer to as the "time crunch." Because almost three-quarters of current caregivers in the home are women and because our data indicates that husbands have not increased their time in caregiving, the rise of women in the labor force has meant that the balance between work and family is especially pronounced for women. This section begins by looking at all working mothers before discussing special circumstances of female-headed families.

Time Use and Child Care

As women have shifted towards market work and contributed to rising family earnings, their rising hours of work have resulted in less time for home-based activities. Using data from the Current Population Survey of individuals, chart 5-10 shows the time parents potentially have available to spend with all their children, after subtracting time spent at paid work and allowing eight hours per day for sleep. All families experienced a decline from 1982 to 1995. Since the mean number of children in families has also declined over this time (from 2.78 in 1982 to 1.96 in 1995 for women aged 40-44), time per child may have declined less.

Chart 5-10: CPS derived residual time available for child care

Our best source of information on time use comes from a study that makes use of the Time-use Diaries that have been conducted from 1965 to 1995. These surveys ask individuals to keep a daily record of how they spend their time during a specific day. Though rich in detail on time use, these studies survey a fairly small number of individuals and thus cannot be used to examine trends for subgroups of the population.

This diary data can be used to illustrate the time crunch for working mothers. Employed women spend one-third less time on child care and household tasks than women do who are not in paid employment. The primary change in time use for this group is that their increase in employed hours has been nearly equally offset by a reduction in housework. Men have also increased their hours in housework by 5.0 hours per week (though the data does not separate fathers from all men). Nevertheless, despite the assistance of husbands and purchased inputs into home care, employed women still have 25 to 30 percent less free time today than in 1965.

This data also displays a modest reduction in home-based care for children. Employed women spend 6.7 hours per week for child care and women would do not work outside the home spend 12 hours per week. Within each of these two groups, the average weekly hours spent on child care has not changed from 1965 to 1995. Similarly, the husband's weekly hours spent on child care has remained constant over the last thirty years at 2.6 per week. But what has changed over time is the number of employed women, so as these numbers have risen the average amount of time spent on child care in the home among all families has fallen from approximately 10 to 8 hours per week. However, it should be noted that these numbers refer only time spent directly on child care—time spent on home activities that include the children is not counted here.

Undoubtedly the time crunch is worse for single-headed families. These families are lower-income and thus are less able to purchase substitutes for their time in the home, such as home-based child-care or cleaning services or products to ease home efforts. And finally, they lack the assistance that a spouse provides. Alternatively, they may rely more on intergenerational care, and this can be an important alternative for them. [see Box 5-2 on this.]

Time Use and Parental Care

Americans are now healthier and are living much longer lives, so the elderly are now a much more vital part of their families and are providing extensive assistance to their families (see Box 5-2). However, because the elderly are an increasing share of the population, it is also anticipated that there will be a greater demand for their care in the future. Already in 1996, more than 5 percent of households spent over 20 hours a week in caregiving for the elderly (DOL book). And since nearly two-thirds of family caregivers are working, the need to balance work and family will likely increase in the next century. The Families and Work Institute estimates that about 42 percent of workers will provide some form of elder care by 2002 (DOL book). In the discussion above, we have focused on the time costs and money costs of raising children and the stresses that families bear because of these costs. Layered on top of this is the generational crunch – the time and money costs of eldercare that arise when families are already maintaining a delicate balance between work and family. With parents living longer and their daughters who traditionally provide their care now in the paid labor force, the costs of parental care and the generational crunch are likely to become even more substantial in the 21st century.

Over the last ten years, there has been an explosion of home-based care for the elderly, and this care has been provided largely by women. From 1987 to 1996, the number of US households that provided unpaid care to elderly adults more than tripled, from 7 million to 22.4 million (National Survey of Caregivers). The average caregiver, then and now, is a married middle-class woman in her 40s with a high school education, and the average care recipient is most likely her mother or mother-in-law. However, while more women are providing in-home care, each is spending somewhat less time on that care. Today the average caregiver spends fewer hours per week, is less likely to be co-resident, and is more likely to use paid services.

While more families are providing in-home care for the elderly, the use of formal care has also increased substantially. From 1987 to 1996, the number of nursing homes increased 20 percent, and the size of the elderly nursing home population also increased 29 percent from 1980-1990. Rising life expectancies have placed more elderly in formal care and the formal care population is becoming older and increasingly frail; the proportion of nursing home residents over age 85 increased by about 14 percent and the percent of residents with 3 or more ADL (Activities of Daily Living) limitations rose from 72 percent in 1987 to 83 percent in 1996. It was estimated that the lifetime risk of institutionalization for those reaching age 65 in 1990 is 43 percent.

Thus, while life expectancy has risen and the elderly are far healthier today than in the past, they are also much sicker towards the end of their lives and require more extensive care. It is this care that often becomes the responsibility of their adult children.

The explosion in caregiving responsibility for parents is contributing to the overall "time-crunch" that the American family is facing; 43 percent of elderly caregivers say their caregiving has caused them to have less time for other family members. These changes surely arise in part because today's average caregiver is balancing work and family, with half of all caregivers working full-time outside the home. Another study noted that 40.8% of daughters and 29.6% of sons involved in caregiving had either quit their jobs or made work adjustments to accommodate care demands. Surveys of caregivers underestimate parental care needs, however, because they cannot measure the frequency with which employed potential caregivers choose not to provide care.

While the purchase of formal care may help to alleviate the time-crunch felt by families, it may instead contribute to a money-crunch. The average cost of a nursing home is now more than $40,000 per year, and of those admitted to a nursing home at age 65 or older, the average length of stay is 26 months for women and 19 months for men. In fact, nearly 50 percent of the costs of long-term care are paid out-of-pocket by nursing home patients and their families, and most of the remaining costs are borne by Medicaid. The Administration's long-term care initiative attempts to address this crunch.

In the future, the time and money commitments associated with parental care may become even more severe, given the trends we have identified above. The increase in the labor supply of women has raised their wages and thus raised the opportunity cost of their time. Thus, as employed women age and their parents require more care, women's higher wages may make them increasingly reluctant to curtail their market work—thus they will face a greater time crunch in the care of their parents. To the extent that these women have had children later in life, they also are stuck in the generation crunch of caring for both. And among those women who do not have children at home, they may instead have grandchildren to care for (see Box 5-2) — using data from 1992-94, it is estimated that over 40 percent of individuals aged 50-59 were members of families with at least four generations (this includes in-laws for married people). For the next century, the increasing cost of elderly care will also fall on fewer children--the declining fertility rates of the baby boom generation will result in half as many children available to take care of their elderly parents. This anticipated increasing "time crunch" may result in more substitution towards formal care, as the greater wealth of the baby boom generation and their children may make such care more affordable; however, if the cost of that care continue to rise at above-average rates, these same individuals are likely to experience an increasing "money crunch" as well.

Box 5-2: The Role of Grandparents

Over the last three decades, the share of children under age 18 living in a household headed by a grandparent has risen by more than 70 percent (see chart 5-11). The driving force in the 1990s has been an increase in the share of children living in households with neither parent present. Between 1980 and 1990, by contrast, the increase came from children living in grandparent-headed households with just a single parent present The share in such households with the father as the single parent present, while small, continues to grow in the 1990s.

The rise in female labor force participation has created a greater overall demand for grandchild care that extends beyond living arrangements. Of grandparents caring for grandchildren in a non-custodial relationship, over 60 percent cited the employment of the grandchild's parents and/or the desire to help the grandchild's parents financially as reasons for providing care. In addition, in a sample of working mothers aged 19-26 with a youngest child under 5 years old, nearly 25 percent utilized grandmothers as the principal caregiver (this share rises to almost 39 percent among full-time working mothers).

The preceding section documents that while the care of elderly parents may exacerbate the "time crunch" and "money crunch" that many families now experience, the increasing health and longevity of elderly also suggest that elderly may be a potential resource that can help families balance these other pressures. In recognition of the delicate balance that many American families are trying to maintain, the Administration has proposed a number of ways to help. Some of these are highlighted in the section below.

SUPPORTING FAMILIES IN THEIR EFFORTS TO BALANCE WORK AND FAMILY

Changes in American families and work patterns have created new opportunities as well as significant policy challenges for private employers and government. To the extent that today's workers demand more flexible work conditions or other non-wage-related benefits, employers may have to comply with these demands in order to attract and retain the kind of high-quality work force they desire. But real world labor markets do not always respond instantly to changing conditions. In addition to its responsibility for trying to maintain full employment, government can play a role in setting certain norms (such as the Family and Medical Leave Act) or providing an example (such as flextime, as discussed below).

INCREASING THE FINANCIAL RESOURCES OF FAMILIES

A strong economy is a critical prerequisite to the economic well-being of families. As discussed in Chapter 2, the labor market has performed excellently overall in recent years. Since 1993, families in each quintile of the income distribution have experienced solid and roughly equal percentage gains in income. Low-wage workers have also experienced steep declines in unemployment. In 1993, 11.1 percent of workers without a high school degree were unemployed; today that rate has fallen to 7.2 percent. Among high school graduates (with no college), the rate has fallen from 6.6 to 3.9 percent. Thus, the gains from this strong labor market are extending to low-wage workers, who must balance work and family on a modest paycheck. However, the long period of decline in average wages of less skilled workers from the 1970s to the early 1990s made it hard for many low-income families to make ends meet, and this Administration, besides pursuing sound macroeconomic and budget policies to foster the expansion, has pushed for policies that make work pay for lower wage working families facing a money crunch.

Expansions in the Earned Income Tax Credit

The Earned Income Tax Credit (EITC), a refundable tax credit for low-income workers, has been expanded substantially since 1993. The EITC is not currently included in the definition of money income used to compute the official poverty rate, but calculations based on an alternative income concept that does include the EITC show that it lifted more than 4.3 million Americans out of poverty in 1998—more than double the number in 1993. In 1998, the EITC lifted more than 2.2 million children out of poverty, and over half of the decline in child poverty between 1993 and 1997 can be explained by changes in tax relief, most importantly the EITC.

Increases in the Minimum Wage

The minimum wage was increased from $4.25 in 1993 to $5.15 in 1997, boosting the wages of 10 million workers. The combined effects of the minimum wage and the EITC have dramatically increased the returns to work for families with children. For example, between 1993 and 1998, families with one child and one earner who worked full-time at the minimum wage experienced a 14 percent ($1,303) increase in their income, after inflation, as a result of these two policies alone. Similar families with two children experienced a 27 percent ($2,699) increase in their income.

Welfare Reform

Legislation enacted in 1996 transformed the Nation's welfare system into one that is work-focused and time-limited. Although it may produce short term strains for some in balancing work and family, the new policy has the potential to increase the financial independence and long-term well-being of low-income families. The Administration's teen pregnancy initiative (box 5-2) could also play a supporting role by reducing the incidence of that particular source of strain.

Box 5-2 The National Strategy to Prevent Teen Pregnancy

Despite a consistent decline in the teen birth rate in recent years, teen pregnancy remains a significant problem. Each year, more than 900,000 pregnancies occur among American teenagers aged 15-19. The babies of these young women are often low birth weight and have disproportionately high infant mortality rates. On January 4, 1997, President Clinton announced a comprehensive effort to prevent teen pregnancy in this country. The new initiative, led by the Department of Health and Human Services, responded to a call from the President and Congress for a national strategy to prevent out-of-wedlock teen pregnancies and to a directive, under welfare reform, to assure that at least 25 percent of communities in this country have teen pregnancy prevention programs in place.

- **Implementing New Efforts Under Welfare Reform.** Under the welfare law signed by President Clinton on August 22, 1996, unmarried minor parents are required to stay in school and live at home, or in an adult-supervised setting, in order to receive assistance. The law supports the creation of Second Chance Homes, which provide teen parents with the skills they need to become good role models and providers for their children, giving them guidance in parenting and in avoiding repeat pregnancies. The welfare law also provides $50 million a year for five years in new funding for state abstinence education programs. The Balanced Budget Act of 1997 provides funding for a national evaluation of the program. Finally, the new welfare law includes tough child support enforcement measures which will send the strongest possible message to young girls and boys that they should not have children until they are ready to provide for them.

- **Supporting Promising Approaches.** The Clinton Administration continues to support innovative teen pregnancy prevention strategies tailored to the unique needs of communities. HHS-supported programs in this area already reach about 34 percent, or 1,616 communities in the United States.

- **Building Partnerships.** HHS has built partnerships with national, state, and local organizations.

- **Disseminating Information on Innovative and Effective Practices.** On October 25, 1999, Secretary Shalala unveiled a comprehensive guide, developed in partnership with the National Campaign to Prevent Teen Pregnancy, intended to help communities and non-profit organizations establish successful local teen pregnancy prevention programs.

- **Improving Data Collection, Research, and Evaluation.** The national strategy is working to improve data collection, research, and evaluation to further our understanding of the magnitude, trends, and causes of teen pregnancies and births; to develop targeted teen pregnancy prevention strategies; and to assess how well these strategies work.

- **Sending a Strong Abstinence Message.** The national strategy places a special emphasis on sending a strong abstinence message.

Recent policy changes designed to ease the welfare to work transition and support working low-wage families include a $4 billion increase over six years in child care assistance to families moving from welfare to work; the creation of the Children's Health Insurance Program (CHIP) to extend health care coverage to uninsured children; new rules that allow states to expand Medicaid to cover more low-income families who work, including more two-parent families; and 60,000 new housing vouchers in 2000 for low-income families. The Welfare-to-Work Tax Credit, enacted in 1997, provides a credit equal to 35 percent of the first $10,000 in wages in the first year of employment, and 50 percent of the first $10,000 in wages in the second year, to encourage the hiring and retention of long-term welfare recipients. The credit complements the Work Opportunity Tax Credit, which provides a credit of up to $2,400 for the first year of wages for eight groups of job seekers.

Social Security and Medicare

The President has proposed to use the benefits of fiscal discipline and debt reduction to strengthen Social Security, extending its solvency from 2034 to 2050. Social security is a key source of income for those over age 62—it was the major source of income for 63% of beneficiaries in 1992, representing over 90% of income for 26% of the beneficiaries and the sole source of income for 14%. These benefits are an especially important component of income for households in the lower income brackets and are the largest single source of income for all but the highest income quintile of the elderly.

Medicare is the main source of health insurance for the elderly, insuring nearly 99 percent of those aged 65 and older. Nevertheless, rising health care costs have meant that the percentage of enrollees' per capita income needed to cover such costs has increased. The Administration is exploring ways to ensure that Medicare continues to meet the needs of its beneficiaries.

Other Policies to Help Families

The Administration has addressed the money crunch facing middle class families as well. In 1999, 27 million families with 45 million children received the $500-per-child tax credit enacted in 1998. Tougher child support enforcement has helped to ease the economic burden on single mothers and enforce responsibility for economic support of children on both parents. In 1998, federal and state child support enforcement collected an estimated $14.3 billion from non-custodial parents, nearly an 80 percent increase since 1992. The number of families that are receiving child support has increased to 4.5 million in 1998, an increase of 59 percent since 1992. There have also been substantial expansions in support for vocational education, community college, and skill development, including the creation of Hope Scholarships, increases in the maximum Pell Grant, and the passage of the Workforce Investment Act of 1998. These are discussed in detail in the next chapter on Learning and Skills.

INCREASING THE FLEXIBILITY OF PAID WORK

In shifting from work in the home to work in the market, many women find themselves with less flexibility in responding to family needs. This shift has also called upon men to take a greater role in childcare and in helping with other family needs. The result is that flexibility on the job is becoming increasingly important to families.

The Family and Medical Leave Act

The Family and Medical Leave Act (FMLA) of 1993 requires employers with 50 employees or more to provide up to 12 weeks of unpaid, job-protected leave a year to eligible employees to care for a newborn, newly-adopted or foster child, a child, spouse or parent with a serious health condition, or for the serious health condition of the employee, including maternity-related disability. The FMLA also requires employers to continue health benefits during leave. Employees are eligible to take leave if they have worked for a covered employer for at least one year, and for 1,250 hours over the previous 12 months. Since 1993, millions of workers have taken advantage of the FMLA to spend necessary time with their families.

The experiences of both employers and employees with the FMLA were documented in a national survey, sponsored by the Department of Labor. The survey found that a third of employers (and two-thirds of employers in larger worksites) believed that the FMLA had positive effects on employees' ability to care for their family members. Most employers also reported that compliance costs were small or negligible, and that there was no noticeable effect on either business or employee performance. Among employees, the survey found that the majority of those who took family or medical leave found it relatively easy to arrange, and few reported concerns about job-related consequences of taking leave. It also found that employees with family incomes under $30,000 per year were more likely to take leave than employees with higher incomes, highlighting the importance of FMLA to lower-income workers. Today, 91 million workers are covered by the FMLA. The Act has emerged as a significant step in helping a larger cross-section of working Americans meet their medical and family caregiving needs while still maintaining their jobs and their economic security.

The President has proposed expanding the Act to cover businesses with 25 employees or less – extending coverage to an additional 10 million workers. He has also proposed allowing FMLA-covered workers to receive up to 24 hours per year for parent-teacher conferences or to accompany a child, spouse, or elderly parent for routine medical and dental care.

Work Arrangements that Promote Flexibility

The need for greater job flexibility by families is also leading to new work arrangements between private employers and their employees regarding when and where paid work is performed. An increasingly popular work arrangement is "flextime," which allows workers to vary the time they begin or end work. In 1997, 28 percent of full-time wage and salary workers had flexible work schedules. This was up sharply from 12 percent in 1985, the most recent prior year when data were collected. The Federal government has led by example by instituting flextime, allowing employees some discretion in when they work their allotted hours. The President has proposed a flextime initiative that would allow *all* workers to take "time-and-a-half" overtime compensation in the form of compensatory time for family and medical leave purposes or vacation instead of cash.

Another approach to allowing greater flexibility on the job is doing work at home for pay. This arrangement is used by a small but growing share of workers. In 1997, for example, 3.3 percent of all wage and salary workers were doing work at home for pay, up from 1.9 percent in 1991. Also, another way parents share child care is by working different shifts. In order for shift work to make combining paid work and child care easier, however, the choice of shifts must be voluntary. In 1997, 83 percent of full-time wage and salary workers were on regular daytime schedules, 4.6 percent were on evening shifts, 3.9 percent were on employer-arranged irregular schedules, 3.5 percent were on night shifts, and 2.9 percent were on rotating shifts.

IMPROVING ACCESS TO HIGH QUALITY, AFFORDABLE CHILD CARE

Most parents adjust to an increase in their paid work time by increasing their use of child care providers. The availability, cost, and quality of child care are crucial to the well-being of our children and the ability of parents to balance adequately the needs of work and family. The primary child care arrangements for preschool-age children of employed mothers in the fall of 1994 were divided roughly equally among care in the child's home (by a relative or nonrelative), care in another home (by a relative or nonrelative), and care in an organized child care facility. Since comparable data were first collected in 1986, the trend shows a slight increase in the proportion of children receiving care in their own homes, relatively fewer children receiving care in another home, and relatively more children receiving care in an organized facility.

The Administration has consistently emphasized the importance of child care availability and quality. Since 1993, child care subsidies for low-income families have grown by 80 percent. In addition, the Administration's budget proposal [**update**]for the fiscal year 2000 includes a variety of proposals to help make child care more affordable and improve its quality, including an investment of $7.5 billion over five years in the Child Care and Development Block Grant; combined with the funds provided in welfare reform, this new investment would enable the program to serve over one million additional children by fiscal 2004. Also, the President's budget includes $5.1 billion over five years to increase the Child and Dependent Care Tax Credit for three million families earning under $60,000 a year, and $3 billion over five years in a proposed Early Learning Fund to improve the quality of care children receive.

In addition, the Administration is addressing the need for after-school care for children. Since 1970 the percentage of married couples who work full time, year round and have school-age children has nearly doubled (from 18.7 percent in 1970 to 37.3 percent in 1997). Today, the parents of over 28 million school-age children work outside the home. This has led to a strong demand for quality programs to ensure that children are safe and learning in the hours in which they are not supervised by a parent. In fact, experts estimate that every day roughly 5 to 7 million children are left unattended at home. The Clinton Administration has responded to this demand by increasing its investment in after-school programs from $40 million to $200 million in the 1999 fiscal year, which is estimated to reach roughly 400,000 children this year. And the President's fiscal year 2000 budget **[update]** would triple the investment in these programs to $600 million.

EASING THE BURDEN OF LONG-TERM CARE

Like Social Security and Medicare, long-term care will become a primary concern of baby-boomers as they approach retirement age. In 1994 an estimated 2.1 million elderly living in the community needed help because of problems with three or more activities of daily living (such as eating, bathing, dressing, or moving around) or because of a comparable cognitive impairment. That number will rise as the population ages, and the fast-growing population of the "oldest old," those 85 and older, is at greatest risk.

Much long-term care today is provided informally: about 65 percent of elderly persons living in the community and needing long-term care assistance rely exclusively on unpaid sources, most often family and friends. Surveys have found that 8 of every 10 caregivers provide unpaid assistance averaging 4 hours a day, 7 days a week. For many, such assistance competes with the demands of paid employment. In addition, home and community-based care requires substantial out-of-pocket expense, totaling over $5 billion in 1995.

The Administration has proposed four initiatives to help relieve the burden of families with members in need of long-term care:

- *A tax credit of up to $1,000 for people of all ages with three or more limitations in activities of daily living (or a comparable cognitive impairment).* Persons needing long-term care themselves, or their family members who care for and house them, can claim the credit, which phases out at incomes of $110,000 for couples and $75,000 for unmarried taxpayers. The credit would provide financial support for about 2 million Americans, broadly expanding an existing set of tax allowances.

- *The National Family Caregiver Support Program* . This would fund State initiatives establishing "one-stop shops" that assist families caring for elderly relatives through training, counseling, and arranging for respite care.

- *A national campaign to educate Medicare beneficiaries about the program's limited coverage of long-term care and help inform their care decisions.* The need for information is great: nearly 60 percent of Medicare beneficiaries are unaware that Medicare does not cover most long-term care.

- *A proposal that the Federal Government serve as a model employer*, by offering nonsubsidized, quality long-term care insurance to all Federal employees and using its market leverage to negotiate favorable group rates.

Millions of adults and a growing number of children have long-term care needs because of a health condition from birth or a chronic illness developed later in life. Moreover, with the number of Americans age 65 and older and 85 or older projected to double by 2030, long-term care is a need that will grow in the 21st Century. The Administration is addressing this need.

CONCLUSION

The American family in the 21st century faces a completely different world and a new set of challenges from its counterpart of a hundred years ago. It would probably be a mistake, however, to conclude that the general problems of too little time and too little resources are new. Families today enjoy a much higher standard of living than families did a hundred years ago, and families back then certainly had to work long hard hours. But expectations appear to be different today. Great changes in the economy have opened up great opportunities, and people aspire to take advantage of those opportunities.

Chart 5-1 **Labor Force Participation for Women**

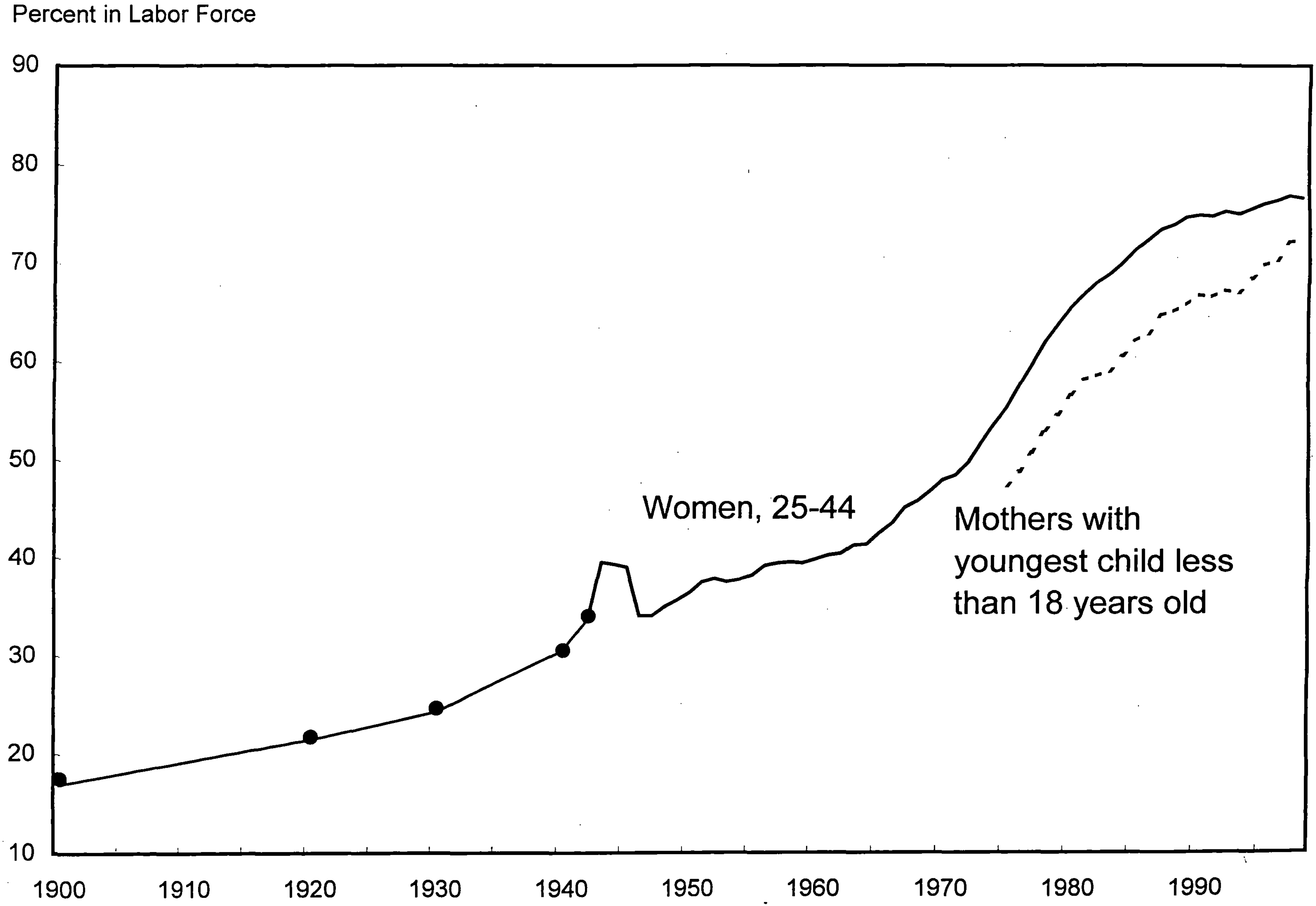

Chart 5-2 **Percent Widowed or Divorced by Age Range**

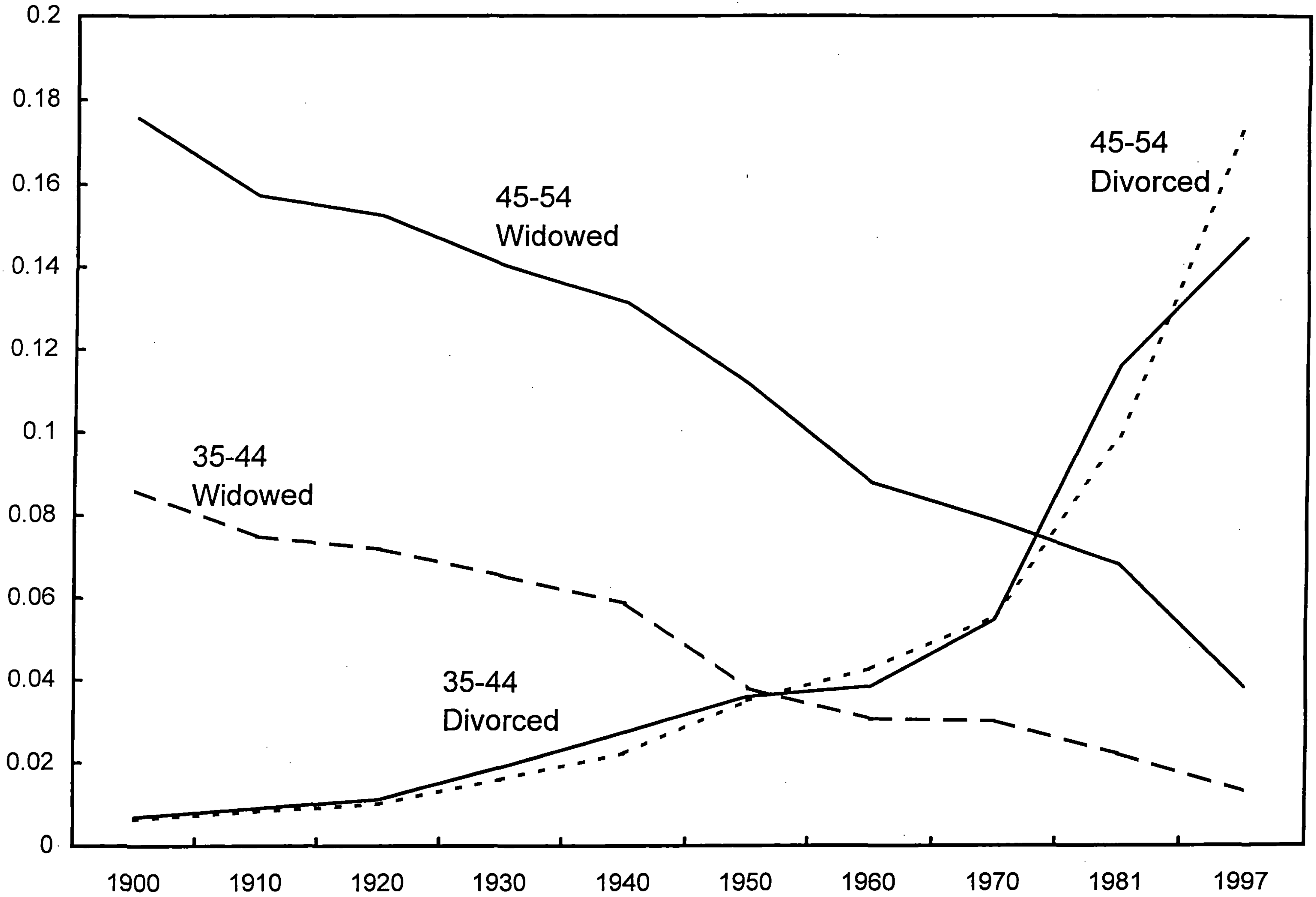

Chart 5-3 **Divorce Rates and Median Marriage Duration**