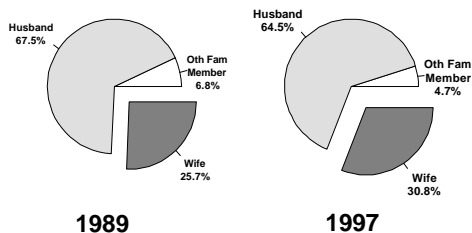


Earnings and Employment Trends ♦ December 1999

The Working Arrangements of Couples: Changes in the 90s

Statistics Canada's Survey of Consumer Finances shows that earnings of BC women continue to grow in importance as a source of family income. This is a continuation of the trend that started in the 1950s when women began moving out of the home and into the workplace.

The Wife's Contribution to Family Earnings has increased from 26% to 31%



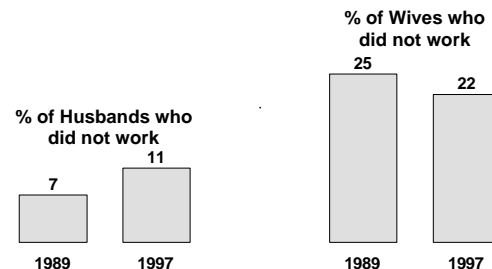
However, women's increasing contribution to family earnings during the most recent decade is not the result of the same societal shift that revolutionized family life in the previous quarter century. Gone are the days when most labour market and income distribution changes can be explained by women's increased labour market participation—the participation of BC women in the workforce has been stable since 1989.

To explore the reasons for the more recent trend, this article looks at the changes that occurred between 1989 and 1997 in how couples shared in the earning of family income. That is, who worked in the workplace, how much did each work and how much did each earn, vis a vis their partner. The analysis includes only

those families where both the husband and wife are under the age of 65.

As is well documented, women's hourly earnings have been climbing relative to men's, as women continue to make in-roads into the higher paid occupations. This holds true for comparative wages between husbands and wives, as well. For example, in 1989, among couples who both worked full-time/full-year, wives earned only 59 per cent of what their husbands earned. By 1997, wives' wages had increased by 51 per cent compared to only a 28 per cent increase for their husbands. This meant that wives had gained on their husbands by 11 percentage points. By 1997, wives working full-time/full-year were earning 70 per cent of what their husbands were earning. This relative improvement of women's wages is the first

The incidence of husbands not working increased while that for wives, decreased.



factor that has increased wives direct contribution to family earnings.

The second factor is the evolving working arrangements between husbands and wives. This is primarily a trend towards fewer wives and more husbands taking a full year off work.

The chart above shows that in 1997 wives were still more than twice as likely to be out of the workforce for the whole year as their husbands. However, the gap has narrowed considerably

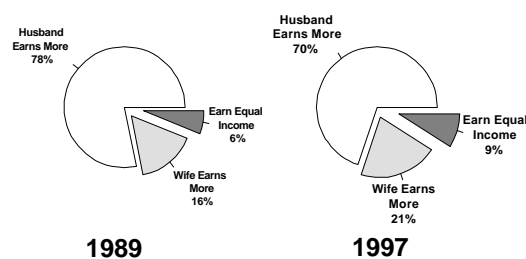
since 1989, from an 18 percentage point difference to an 11 percentage point difference. The most interesting reason for this shift is that husbands, in the prime of their working lives (age 25-54), are now more inclined to take time off work.

The proportion of husband/wife dual earner couples, where both the husband and wife worked at least part of the year, is 73 per cent, virtually unchanged between 1989 and 1997. As well, the combinations among the dual earner couple as to which spouse worked full-year/full-time or part-year/part-time has remained amazingly stable, with only a slight increase in wives working full-time while their husbands worked part-time. The table below shows the different combinations of husband/wife working arrangements for 1989 and 1997

<u>Husband & Wife Working Arrangements</u>	<u>1989</u>	<u>1997</u>
Both husband and wife working full-time/full-year.	30%	30%
Husband working full-year/full-time and wife working part-year or part-time.	28%	28%
Wife working full-year/full-time and husband working part-year or part-time.	6%	8%
Both husband & wife working part-year or part-time	8%	8%
Sub-total: both husband and wife working	72%	73%
Husband working, wife not working	21%	16%
Wife working, husband not working	3%	5%
Neither working	4%	6%
Total Husband-Wife Families	100%	100%

In earlier times when women moved into the workforce, husbands did not appear to adjust their workforce behaviour in response to their wives' new-found earning capacity—the number of dual earner couples just kept increasing. It now appears this upward trend has finally stabilized and couples are slowly moving towards a more equal sharing of the workload of earning income.

By 1997, 1 in 5 wives earned more than their husbands



These two factors, the narrowing male-female wage gap and the more equitable sharing between husband and wife in workplace activity, has meant that the distinction as to which spouse is the primary bread winner in the family is gradually becoming less gender specific.