

Making Mothers Count: New Economic Statistics May Help Unpaid Caregiving Become Visible

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The Mothers & More POWER Plan emphasizes the importance of the unpaid caregiving work mothers do. It also refers to the American Time-Use Survey, which few people have heard about. What is this survey and why should we care about it?

The POWER Plan

Here's what it says in the POWER Plan:

We seek broad acceptance that the work of caring for others is valuable and vital work that is essential to our families, communities and society as a whole. To that end, we seek to redefine the meaning of “work” such that the work of caring for others is regarded as equal to paid work and is treated that way in both the public and private sectors. To encourage this we will:

- Educate mothers about, raise public awareness about, and monitor the progress of the work of the federal gov-

ernment's American Time-Use Survey, which will capture data on how Americans spend their time, including time spent on unpaid caregiving work.

- Advocate that unpaid caregiving work is equal in value to paid work whenever it is implied otherwise.
- Act to create a plan for using and publicizing the Time-Use Survey data and encourage policy makers to make effective use of the data.

Measuring the Nation's Economic Conditions

The US government collects information on national economic conditions. The Department of Commerce surveys businesses and individuals asking about their buying and selling. This information is published online in a series of tables called the National Income and Product Accounts (NIPAs). The Department of Commerce's goal is to estimate the value of all the goods and services produced in this country each quarter. This total is the Gross Domestic Product (GDP).

The GDP and the NIPAs are useful statistics—the Commerce Department has touted them as one of the greatest economic inventions of the 20th century. The GDP and the underlying data in the NIPAs are used by businesses when they are trying to decide whether or where to build a new plant, whether to hire or fire, or whether to purchase another firm. Individual and institutional investors deciding what to do with their money use them. The Federal Reserve Board uses them when deciding whether interest rates should be adjusted. The Congressional Budget office uses these statistics to determine the economic impact of a proposed piece of legislation. In addition, agencies like the International Monetary Fund and the World Bank use them to measure economic growth in developing countries.

The Shortcomings

However, economists have pointed out shortcomings in this system. For instance, what if you build a manufacturing plant in a place with no environmental regulations? The GDP captures the new economic activity associated with the plant, but what about the environmental degradation it causes?

Another problem economists have noted is that statistics like the GDP have no way of accounting for the loss of natural resources. Let's say a country has valuable resources, like oil or old-growth forests. If they sell their oil or lumber, the GDP reflects the sale. One form of wealth (ancient forests or oil deposits) has been exchanged for another

(cash). The GDP doesn't reflect the loss of the natural resources that are no longer available. It's as if you sold your house. Now you have cash, but you don't have a house.

The GDP includes everything that is bought or sold. Things like environmental degradation or undeveloped natural resources don't have a market price, so it's hard to include them. But if you leave them out, you're assuming that their value is zero, and that's obviously not true.

How Mothers Fit In

What does this have to do with mothers? Think about the work you do. You care for small children. This work has value. As an economist might say, you are contributing to our country's human capital. But this work doesn't get counted in government statistics because no money is changing hands. If you cared for your neighbor's child and were paid, it would be counted. That would be "market work," as opposed to unpaid, or "nonmarket work." As it is, your work is invisible. By leaving your work out of economic measurements, in effect, the value of your work is zero.

Without counting the unpaid, nonmarket labor we do, economists have no way to answer a number of important questions. Here are two examples taken from a 2000 article by a leading government economist:

"To what extent is the growth rate of production and the increase in per capita income in a nation simply a reflection of the increasing participation of women in the labor force and the associated shift from nonmarket household production to market production?"

"What are the relative rewards and trade-offs of market vs. nonmarket work?"

These questions have an even greater resonance in developing countries, where a significant proportion of economic activity takes place in the home. Without measuring unpaid work, such as food you produce and consume yourself, it is difficult to accurately measure changes in economic activity when people switch from subsistence agriculture to manufacturing. The increase in manufacturing is counted but the loss of food production is not. In this case, the GDP would overestimate economic growth.

Measuring Unpaid Work

Recognizing these issues, the UN has taken the lead in promoting the measurement of unpaid work. More than 50 countries around the world have begun to do time-use surveys. Asking people how they spend their time, whether they are engaged in paid work, childcare, home maintenance,

volunteer work, commuting, relaxation, etc. Measuring the changes in these activities over time will help economists begin to answer questions about unpaid work.

In the United States, a major time-use survey began this year and the first results will appear on the Bureau of Labor Statistics' website in mid 2004. Researchers have done surveys like this before, but this is the largest survey of its kind and is expected to continue indefinitely. Now we should have a better picture of the work mothers do and the trade-offs we make to care for our families. This information will allow legislators and policy makers to gauge the impact of their decisions on families. This is a significant step for those of us who believe that the unpaid work mothers do is as important as paid work.

Economists are also looking for ways to develop measures of "nonmarket economic activity" and organize them into accounts equivalent to the NIPAs. New economic indicators based on this data could be developed, perhaps superseding the GDP as the common measure of overall economic activity. Developing these new accounts, however, would require estimating the monetary value of nonmarket activity, which is difficult and controversial. The National Academy of Sciences has assembled a panel of economists to work on this issue.

For Mothers & More, it's been exciting to see that unpaid caregiving is finally getting attention. We eagerly await the appearance of the data from the American Time-Use Survey, and we are monitoring the debates among economists. We'll discuss new developments on the POWER Loop and here in the *Forum* as they arise. We'll invite experts to join us on the POWER Loop to discuss new developments. We'll post this article, related information and links on the Mothers & More website (www.mothersandmore.org).

Someone once said, "The most extreme form of discrimination is invisibility." This invisibility is what we addressed during the Mother's Day Campaign, "Making Mothers Count." Having information on unpaid caregiving available to us and to economists and policy makers is a significant first step in making mothers count.

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See page 10 for information about upcoming POWER Loop guests.