

# NEW AMERICA FOUNDATION

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## WORK & FAMILY PROGRAM

THE AMERICAN FAMILY: INDICATORS OF ECONOMIC STRESS

JANUARY 2004

### *American families have been working harder and harder...*

Since 1977, the number of hours worked by dual and single earner couples has increased on average 12 hours a week. Americans work longer hours than workers in other developed countries, including Japan. In 70% of American families all parents are already working – the reverse of 1960 when 70% of all families had at least one parent at home full-time (*Families and Work Institute; Organization for Economic Co-operation and Development, The Atlantic Monthly*).

### *...In order to keep income increasing...*

After World War II, median family income in the US grew annually by almost 3%. The annual growth rate slowed in the 1970s and 80s to about 1%. It picked up to 2% from 1995-2000 (*Economic Policy Institute*).

### *...But costs have risen faster...*

*Health costs:* The amount of premiums that insured employees pay for family coverage has increased about 50% over the past three years while 43.6 million Americans (15% of the population) did not have health insurance in 2002 (*US Census Bureau; Kaiser Family Foundation*).

*Child Care costs:* Today's parents pay an average of \$4,000-6,000 a year for each child to attend full-day child care (*Children's Defense Fund*).

*Education costs:* Average college tuition increased 14.1% at four-year public institutions and 6% at four-year private colleges, 2002-2003 (*The College Board*).

*Housing costs:* Between 1983 and 1998, median housing prices increased 79% for married couples with children (*Federal Reserve Board*).

### *...And so have calls from the bill collector.*

Credit card debt increased for the average family by more than 50% over the last decade. Low-income families saw a 184% increase in their debt (*Demos: A Network for Ideas and Action*).

### *Today, families are benefiting from tax cuts and refinancing but job losses and slower wage growth have pushed incomes down...*

Job losses and slower wage growth resulted in a decline in median family income of just under \$1,500 over the past two years (*Economic Policy Institute*).

### *...And families are falling further behind...*

Between 2000 and 2002, there was a 26% increase in US non-business (i.e. personal, household) bankruptcy filings (*American Bankruptcy Institute*).

The number of American families living in poverty increased by 400,000 in 2002 (*US Census Bureau*).

### *...Employers and government programs are offering less, not more, protection for sickness and old age.*

19.9 million Americans worked full-time in 2002, but still lacked health insurance benefits (*US Census Bureau*).

In March 2003, less than half (49%) of Americans employed in private industry participated in any employer provided retirement plan. Over the last ten years, enrollment in defined benefit plans has decreased, while enrollment in defined contribution plans has increased (*Bureau of Labor Statistics*).

In 2001, more than a quarter of the American workforce was employed in nonstandard jobs, including part-time work, temping, contract work, self-employment, on-call work, and day labor. Almost all types of nonstandard work offer lower hourly wages, poorer benefits, and less job security than standard employment (*Economic Policy Institute*).

The debt resulting from recent policies produces a burden of \$13,000 over the next six years for each member of a family and reduces funds available for future Social Security and Medicare payments (*Citizens for Tax Justice*).