THE LIFE-CYCLE SQUEEZE: THE INTERACTION OF MEN'S OCCUPATIONAL AND FAMILY LIFE CYCLES

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Abstract—This paper is concerned with analyzing one structural source of pressure for wives to contribute to family income. This is the "life-cycle squeeze"—the situation where a man's resources are inadequate to meet the needs engendered by the number and ages of his children. Studies of how economic needs vary by family life-cycle stage indicate that one high point of need occurs when men are in their forties and early fifties. However, 1960 Census data on earnings patterns by age indicate that in only relatively high-level professional, managerial and sales occupations do average earnings peak at the same time family income needs are peaking. For most blue-collar and many medium- and low-level white collar occupations, median earnings are highest for younger men, and men at an age when family costs are at their maximum are earning somewhat less, on the average. As a consequence, the families of such men run the risk of a deterioration in their level of living unless an additional income is brought into the household.

INTRODUCTION

This paper is concerned with one aspect of a larger study focusing on the socioeconomic function of work in the lives of American women and their families. The major data sources for the study are the original 1960 1/1,000 public use sample and, for 1970, a 3/1,000 sample of whites and a 1/100 sample of blacks from the five-percent County Group Public Use Sample of the 1970 Census. Unfortunately the files are not yet set up for the 1970 data, so that the discussion will be limited to a portion of the analysis done so far on the 1960 1/1,000 sample of the white noninstitutional population. The data discussed in this paper come from two subsamples of the main white sample. One is a subsample of all white males 18-64 years of age in nonfarm civilian occupations, and the other is a subsample of white couples where the husband is 18-64 years old and in a nonfarm civilian occupation.

Two major goals of the study are to analyze how the function of married women's paid employment varies among families of men at different occupational levels and to analyze this variation in life-cycle terms. The fact that women's work rates are closely related to life-cycle stage has been extensively documented in the literature on female labor-force participation (Cain, 1966; Bowen and Finegan, 1969; Sweet, 1968). However, such studies have focused heavily on one aspect of the importance of life-cycle stage, namely, the deterrent effect of having preschool children in the home on mothers' labor-force participation. Much less attention has been paid to how life-cycle variations in other variables may have an impact on women's labor-force participation and on the overall function of that participation for her family. For example, numerous stud-
ies have observed that married women’s work rates are heavily dependent on their husbands’ incomes, or some related income variable, the major component of which is the husband’s income (Cain, 1966; Bowen and Finegan, 1969; Sweet, 1968; Mincer, 1962). There are many sources of variation in the incomes of men. However, a major one is age or, put another way, the man’s career life-cycle stage. The earnings of men are not usually uniform over their lives. Young men tend to have lower than average incomes, and this is sometimes the case for older men as well. Furthermore, life-cycle earnings patterns vary among occupational groups, so that the earnings by age curves for different occupations are not only at different levels but also are not even parallel. As a consequence, a simple comparison of average earnings does not adequately explore the nature of income differentials among occupations. Hence, a life-cycle approach may be quite valuable in helping us better understand the reasons for predictable variations in men’s incomes both within and across occupational groups and hence in helping us better understand the function of wives working at different points in the family life cycle.

It is possible, however, to carry the analysis still further. The nature of the effect of husband’s income on wife’s labor-force participation is rather complex, and if we conceptualize the problem a little more carefully, we see that the life-cycle approach offers rather interesting analytical possibilities. Thus the empirically observed relationship between wife’s labor-force participation and husband’s income only makes theoretical sense if it is not the husband’s income alone which is the important economic factor but rather how well his income balances out against the family’s consumption and savings aspirations. Presumably it is the existence of a discrepancy between the family’s economic aspirations, on the one hand, and the husband’s income, on the other, which is the important push factor producing the observed correlation between wives’ labor-force participation and husbands’ incomes. Sweet recognized this explicitly in his study and, in preference to a measure of income alone, used a measure of “income adequacy” which took into account variations in family composition and hence in the number of people that must be supported by a given income (Sweet, 1968, pp. 77–82, 164–169, 216–221).

If the husband’s income is really a surrogate for the interaction of two variables—husband’s income and the family’s economic needs or aspirations—then a life-cycle analysis of both variables separately and in interaction may increase our understanding of predictable structural sources of economic pressures encouraging married women’s labor-force participation. For just as the earnings of men are not uniform over the life cycle, neither are family economic needs. And the times of greatest need may not coincide with the times of the husband’s peak income. For example, we might hypothesize that one high point of need occurs relatively early in a couple’s married life when investments in housing and heavy household consumer durables are likely to be high—or at least the desire to invest in them is. However, the husband’s earnings will tend to be relatively low at this time. Another high point of need undoubtedly also occurs when the children reach expensive adolescence. The completion of high school is becoming a nearly universal phenomenon in our society and some college training, an increasingly frequent event (U. S. Bureau of the Census, 1972). As a result, the economic dependency of children is continually being prolonged—and at a time in life when they are probably the most expensive to maintain. An important question to investigate, then, is how life-cycle variations in economic need interact with the husband’s