WHAT DOES THE STORK BRING TO WOMEN'S WORKING CAREER?

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CONCLUSIONS

- New mothers face a significant increase in the probability of transition from employment to non-employment

AND

- A negative wage gap with respect to childless women for women working full-time after childbirth

BUT

- Part-time mothers are less likely to exit employment, pointing to part-time as a family-friendly contract

- Family wage gap does not emerge when mothers pass to part-time

MOTIVATIONS

- Increase in female participation to the Italian labour market ⇒ Decline in the total fertility rate (minimum value of 1.2 in 2000)

- Most of the literature for Italy has analyzed the relationship between women’s participation and fertility (Del Boca (2002), Del Boca, Pasqua, Pronzato (2005), Del Boca, Pasqua (2004))

- Little attention to employment penalties after motherhood (also due to a lack of suitable data)

EFFECT OF CHILDREN ON WOMEN'S WORK: A simple theoretical model

Testable predictions of the model:

T.I. 1. Women becoming mothers are more likely to be observed reducing the actual number of worked hours (moving to part-time or exiting)

T.I. 2. Women earning lower wages before childbirth are more likely to be observed reducing their worked hours

T.I. 3. Women working full-time before childbirth are more likely to exit after childbirth if part-time jobs are less available in their relevant labour market

T.I. 4. Women working part-time before childbirth are less likely to exit after childbirth with respect to women working full-time before childbirth

T.I. 5. Relative wages of mothers with respect to non-mothers decrease after childbirth if they work full-time after childbirth, not if they work part-time

SAMPLE SELECTION

- From WHIP we select women aged 18–45 employed from t-1 to t-4

- Some of them are in maternity leave in 0 (mothers in 0). The control group is made of non-mothers

- We study their employment situation for 5 years afterward.


EMPIRICAL MODEL

A. Exit from employment (testable prediction 1-4)

We analyse the transitions of women out of employment after childbirth:

1) \[ p(x_{t+1} = 1) = F(M_t + \alpha x_{t+1} + \gamma x_{t-1} + \delta x_{t} + \tau x_{t-1}) \]

Then, we focus on the role of part-time jobs in reducing the probability of exiting employment:

2) \[ p(x_{t+1} = 1) = F(M_t + \alpha x_{t+1} + \gamma x_{t-1} + \delta x_{t} + \tau x_{t-1} + \beta \times \text{part-time}) \]

(only on women working full-time up to 0)

3) \[ p(x_{t+1} = 1) = F(M_t + \alpha x_{t+1} + \gamma x_{t-1} + \delta x_{t} + \tau x_{t-1} + \beta \times \text{part-time}) \]

4) \[ p(x_{t+1} = 1) = F(M_t + \alpha x_{t+1} + \gamma x_{t-1} + \delta x_{t} + \tau x_{t-1} + \beta \times \text{part-time}) \]

B. Wage gap (testable prediction 5)

Following Jacobson, Lalonde and Sullivan (1993), we estimate:

\[ w_{t+1} = \gamma + \xi_{t+1} + \sum_{k=1}^{k} M_t \eta_{t-k} + \epsilon_{t+1} \]

(weekly wages in euros)

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