

Couples' Strategies to Buffer Income After Job Loss: The Added Worker Effect and Linked Life Courses

Abstract submitted for the 11th International German Socio-Economic Panel User Conference

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After job loss, the family can be an important provider of income stability that supplements re-employment and public transfers. In couple households, income losses due to displacements may be offset by an increase in partners' earnings. This so called "Added Worker Effect" (AWE) especially occurs after men's job losses because they often have partners who do not work full-time and hence can increase their hours. Previous research on the AWE mostly dealt with the question whether the AWE actually exists and how it is influenced by welfare state benefits. I argue that this literature largely neglected the variation of the AWE due to household characteristics. Following the idea of "linked life courses", I expect that life courses within couples exert mutual influence on each other. This influence, which is strongly structured by gender norms, affects employment behavior. From this perspective, male job loss undermines the basis for men's gender role as breadwinners. This counter-normative situation offers the opportunity to study the impact of gender norms on couples' employment behavior. Presumably, the occurrence of the AWE hinges on their adherence to gender norms and the resulting individual life courses previous to job loss. Therefore, household structure should govern who profits from the AWE in interaction with the labor market and the welfare state. I test the implications of this perspective using panel data from West Germany (GSOEP) and the United States (PSID), two countries that differ in terms of female labor force participation. I apply a Difference-in-Difference estimator with matching to isolate the effect of job loss on women's labor force participation. Results confirm the expectation that male breadwinner couples have lower income support through the AWE than modern and semi-modernized couples. However, this is more pronounced in the US, presumably because of the higher acceptance of working mothers.