

Employment Insecurity and the Transition to Parenthood

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Abstract

During the last twenty-five years the German labour market has undergone deep crises and severe transformations that were inter alia accompanied by the allocation of an increasingly large share of workers, particularly young adults, to temporary jobs. Whereas many recent studies have shown temporary employment to bear substantial socio-economic risks for the employees (e.g. lower wages, worsened career chances), research about demographic consequences of temporary labour market positions is rather limited. The aim of this paper is to contribute to this research field by an in-depth analysis of the impact of temporary jobs on the transition to parenthood.

Constantly low fertility rates and delayed entry into parenthood are of great concern. Besides changing cultural patterns, economic determinants have been used for explanation of fertility behaviour. As temporary employees experience less income security and instable future career prospects, they lack the economic security to enter long-term commitments. Thus, parenthood and childbearing can be expected to be delayed for employees holding temporary contracts. Furthermore, we argue that the negative impact of temporary jobs on childbearing varies across gender and educational groups. We expect the effect to be stronger for men because they are or at least they feel to be responsible for a secure economic basis. The effect should be also stronger for low-educated persons as their job insecurity is associated with higher unemployment risks and, thus, stronger economic uncertainty.

The analyses are based on SOEP data for the period from 1985 to 2006 for West Germany. The longitudinal data structure allows us to track individuals over time and to consider simultaneously the dynamic processes of employment careers and transitions to parenthood. We use discrete time duration models to take into account these dynamic aspects. To control for heterogeneity, we use a rich set of individual demographic and employment related time-variant characteristics as well as partner's information, which can be extracted from the SOEP household information.

Preliminary results support our hypotheses: employment insecurity affects the transition to first parenthood and the effects vary according to gender and education.