

## DIW Applied Micro Seminar

### **Title: Returning to work after childbirth: The role of job satisfaction**

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#### *Abstract:*

The study explores women's job satisfaction around the time they first become mothers. In the first part, we examine whether job satisfaction is an important determinant of female labour market attachment after childbirth, and, in the second part, how job satisfaction changes for those women who return to paid work. Childbirth is a crucial transition in a woman's life at which many women decide to permanently or temporarily withdraw from the labour market depending on individual preferences and constraints. However, the impact of job satisfaction on women's employment decisions has been under-researched. High job satisfaction prior to childbirth increases a woman's opportunity costs – that is, the value of her best foregone alternative – of quitting paid employment after childbirth. On the other hand, women who did not enjoy their jobs before childbirth may find that giving up employment to stay home with children is a more attractive alternative than returning to paid employment. However, individual constraints, such as the availability and cost of childcare or the need for a second income may limit the role of job satisfaction in labour market decisions. Using two longitudinal European datasets – the British Household Panel Survey and the German Socio Economic Panel – the study investigates whether women's job satisfaction before childbirth impacts labour market attachment in the United Kingdom and Germany. Labour market decisions depend to a large extent on social norms and family policies, such as the duration of maternity leave, which vary considerably across countries. Using hazard models we find in the UK, but not in Germany, that women with high job satisfaction prior to child birth are significantly more likely to return to paid employment earlier than those with previously low job satisfaction.

The study further considers changes in job satisfaction of those women who return to work after the birth of a first child. It is argued that job satisfaction might change considerably after the birth of a first child due to increased work-family conflict and changes in career prospects. Our results indicate that job satisfaction prior to childbirth is higher than after a woman's return to work. Women who return to work within two years of childbirth report higher job satisfaction than those who return later, but some of these differences disappear with the inclusion of additional control variables.