

The Motherhood Wage Gap: Does Timing Matter?

(preliminary paper)

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Abstract

Although we observe an increase in gender equality on the labour market in the last decades, like rising participation rates of women and a narrowing of the gender wage gap, there is substantial evidence of a wage penalty for women once they have children. In order to shed light on the effect of motherhood timing on career outcomes, the paper investigates whether postponing the first birth counteracts the negative effect of having children on wages. Using data from the German Socio-Economic Panel (GSOEP) for the years 1991-2013, I estimate a fixed-effects model that allows to reveal the underlying mechanisms of the motherhood wage penalty. I include measures for changes in wage growth before childbirth to control for factors that simultaneously influence childbirth and wages. Since the age at first birth is time-invariant, I estimate the fixed-effects model separately for different age-at-first-birth categories. Additionally, I test for self-selection in the labour market. The results indicate that a postponement of the first birth narrows the motherhood wage gap and thus, has a positive influence on wages. Nevertheless, high productive women who give birth later in life seem to self-select out of the labour force.