

Locus of Control and Mothers' Return to Employment

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Abstract

This paper investigates the effect of differences in locus of control (LOC) on the length of mothers' employment break after childbirth. Using data from the German Socio-Economic Panel Study (SOEP), duration data reveals that women with a more internal LOC return to employment more quickly. We argue that there is evidence that this effect is related to differential appreciation of the wage penalty related to later return to the labor market after childbirth. Mothers with very external LOC are found to be insensitive to wage penalties implied by late return. Given the job protection enjoyed by mothers in Germany, economic consequences of differences in this noncognitive skill can be expected to be larger in other settings.

Keywords: Locus of Control, Noncognitive Skills, Personality, Maternal Employment, Female Labor Supply, Survival Analysis

JEL-codes: J22, J24

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