

At School in the Afternoon: Labour Supply of German Mothers with Primary School Children

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Abstract

The relationship between childcare availability and mothers' decision to work on the labour market has been extensively studied, with findings suggesting that increases in the availability of childcare raise maternal labour supply. Most of this literature examines childcare for children below compulsory school age, with the view that schools provide fully subsidized childcare. However, the extent schools do so depends on the length of the school day and the problem of childcare remains especially acute in countries with only half-day schooling and little afternoon care options.

In this paper we examine the case of Germany and use data from the German Socio-Economic Panel (SOEP) to estimate the effect of being at school in the afternoon on maternal labour supply. We look at the changes in maternal employment when children change from kindergarten to primary school. In order to give our estimates a causal interpretation, we have to tackle two empirical challenges: selection bias and reverse causality. We make use of the rich pre-treatment information in the SOEP, including detailed data on children and their childcare usage, and on parents and their employment histories. The data also comprise information that is usually unobserved, such as job search behaviour and the intention to work. Further, the data include the date of the interview and detailed calendar information on individuals' labour force status, which helps to mitigate concerns that mothers' decisions to work precede the choice of enrolling their children in an afternoon program.

Based on these unique data, we find that being at school in the afternoon increases the mother's probability to start working, to work full-time, and to increase the number of hours they work as their child enters school. Our findings highlight how childcare availability continues to shape mothers' employment patterns well after school entry.