Timing Is Not Everything: How Age of Children Affects Women's Earnings in 20 Occupation Groups

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Background

Fertility delay has been linked to women's increased educational attainment, labor force participation, and continuity of employment (Livingston and Cohn 2010). More women today are college graduates postponing childbearing, giving them more time to establish a career and accumulate resources.

Between 1970 and 2013, women's mean age at first birth increased from 21.4 to 26 years old. Not only has the age at first birth increased, a larger share of births has shifted to women over age 34 (Mathews and Hamilton 2014).



Women are also more likely to return to employment following a birth, and to return sooner than women in earlier generations.



Women with children are still more likely to remain out of the labor force and work part time compared with women without children.



Do women with children also earn less than women without children?

Previous research indicates that mothers earn less than non-mothers. Researchers describe this earnings gap as a "wage penalty" or "family gap" associated with motherhood (Budig and England 2001; Waldfogel 1998). The wage gap is sensitive to timing of children as well as educational attainment and type of employment (Anderson, Binder, and Krause 2003; Amuedo-Dorantes and Kimmel 2004).

Fertility delay and access to more resources should enable women in professional occupations to maintain greater continuity of employment and experience a smaller wage penalty. On the other hand, women in professional occupations are described as having extensive work-family conflict because of long hours of work and intense parenting and employer demands (Stone 2007; Blair-Loy 2003). Women in these occupations who scale back their work hours or re-enter after a career break are shown to experience career penalties and a significant wage cut (Epstein et al. 1999).

Research Questions

Do mothers earn less than non-mothers? Is the earnings gap similar across occupations?

Do all women benefit economically from fertility delay or is the benefit concentrated among women in particular occupations?

Data and Sample

Data: 2013 American Community Survey (ACS) Sample: Women ages 18 to 50, currently employed full-time, year-round (N= 29,240,583).

Definitions

Mothers = Women between the ages of 18 and 50 with at least one own child aged 0 to 17 living at home.

Preschool child = At least one child aged 0 to 5 living at home. Includes households that have a preschool child and a school-age child.

School-aged child = At least one child aged 6 to 17 living at home. Excludes households with preschool-age children.

Delayed fertility = Women ages 30-50 with a preschool child; women ages 40-50 with a school-age child. This measure is a conservative approximation, as women are grouped by age and may include a small number of women with early or normative fertility with children at the top of the age group. It also assumes later fertility among women with preschool and school-age children who are classified according to the age of the youngest child.

Results

Among full-time workers, women with children earn more than women without children.





Source: 2013 American Community Survey



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Young mothers earn less than non-mothers, but older mothers earn more than non-mothers.

- Mothers between the ages of 18 and 29 and mothers ages 30 to 39 with school-age children experience an earnings penalty relative to women without children.
- Women who are between 40 and 50 with preschool children have a large earnings premium.



The earnings gap between mothers and non-mothers varies by occupation.

Mothers in managerial and professional occupations have an earnings premium

- Larger earnings premium among mothers of preschoolers in computer, engineering, science, and legal occupations, where mothers earn between \$9,300 and \$15,300 more per year.
- Mothers of school-age children earn substantially more than non-mothers in management, science, and computer occupations, ranging from \$8,700 to \$9,400 per year.

In non-managerial and professional occupations:

- Mothers of preschoolers experience an earnings penalty, except among those working in sales or protective service occupations.
- The earnings gap is smaller between non-mothers and mothers of school-age children.
- Mothers of school-age children earn less than non-mothers in agricultural, food preparation, and production occupations.

Do mothers in managerial and professional occupations earn more than nonmothers even if they have children when they are young? Conversely, can women in service, office, construction, or production occupations experience an earnings premium by delaying fertility?

Figure 7. Earnings penalty or premium by occupation and age among mothers of preschool children, 2013* Management Business and financial Engineering Social service Arts and media Healthcare practitioners

- Healthcare support

- - Personal service

Agriculture

Construction

Production and transportation

Source: 2013 American Community Survey

Women in most managerial and professional occupations experience an earnings premium so long as they are Among mothers of school-age children, young age is associated with earnings penalties in most occupations not young mothers. Fertility at older ages is associated with an earnings premium.



Figure 8. Earnings penalty or premium by occupation an

Source: 2013 American Community Survey

relative to non-mothers. No occupation provides a premium.

- Mothers of school-age children in engineering and legal occupations, and health care practitioners have large earnings penalties among young mothers.
- Mothers in protective service and cleaning and maintenance show no statistical difference in earnings from non-mothers, even if they have their children young.



• Among mothers of preschoolers, older age is associated with an earnings premium in most management and professional occupations and protective service, office, and sales occupations.

• Mothers of preschoolers in science and education occupations experience a premium at all ages.

• Having children at older ages does not translate into an earnings premium for women in construction, production, agriculture, health care support, cleaning and maintenance, or food preparation, where mothers earn less than non-mothers or there is no statistical difference in their earnings.

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The Representation of Mothers and Non-Mothers **Across Legal Occupations**

Legal occupations stand out for having among the largest premiums for delayed fertility. Part of the earnings gap is a result of women going into different jobs within these fields. This may indicate that in this field, the parenthood gap in earnings stems from unequal representation across legal occupations and is sensitive to fertility timing. Younger mothers may be on a different career track and may not easily reach earnings parity with non-mothers or late mothers.

Figure 9. Percent Distribution of Women Ages 18 to 50 in Legal Occupations by Age and Presence of Children, 2013



Summary

- Mothers are less likely to be employed than non-mothers, which results in a selection effect among those who remain employed. Mothers with higher earnings prospects tend to remain in the labor force (Landivar 2014). As a result, mothers earn more than non-mothers overall.
- Women in managerial and professional occupations experience the largest earnings penalty for early motherhood, and also the largest earnings premium for older motherhood.
- Fertility delay is not an effective strategy for increased earnings in most other occupations. There is no premium for older motherhood in most non-managerial and professional occupations. These occupations are less likely to require advanced degrees or offer career ladders so fertility delay would not necessarily result in more extensive educational preparation or career progress.

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For information on confidentiality protection, sampling error, nonsampling error, and definitions, see:

https://www.census.gov/acs/www/Downloads/data_documentation/Accuracy/ ACS_Accuracy_of_Data_2013.pdf.

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