

Motherhood and the Labor Market

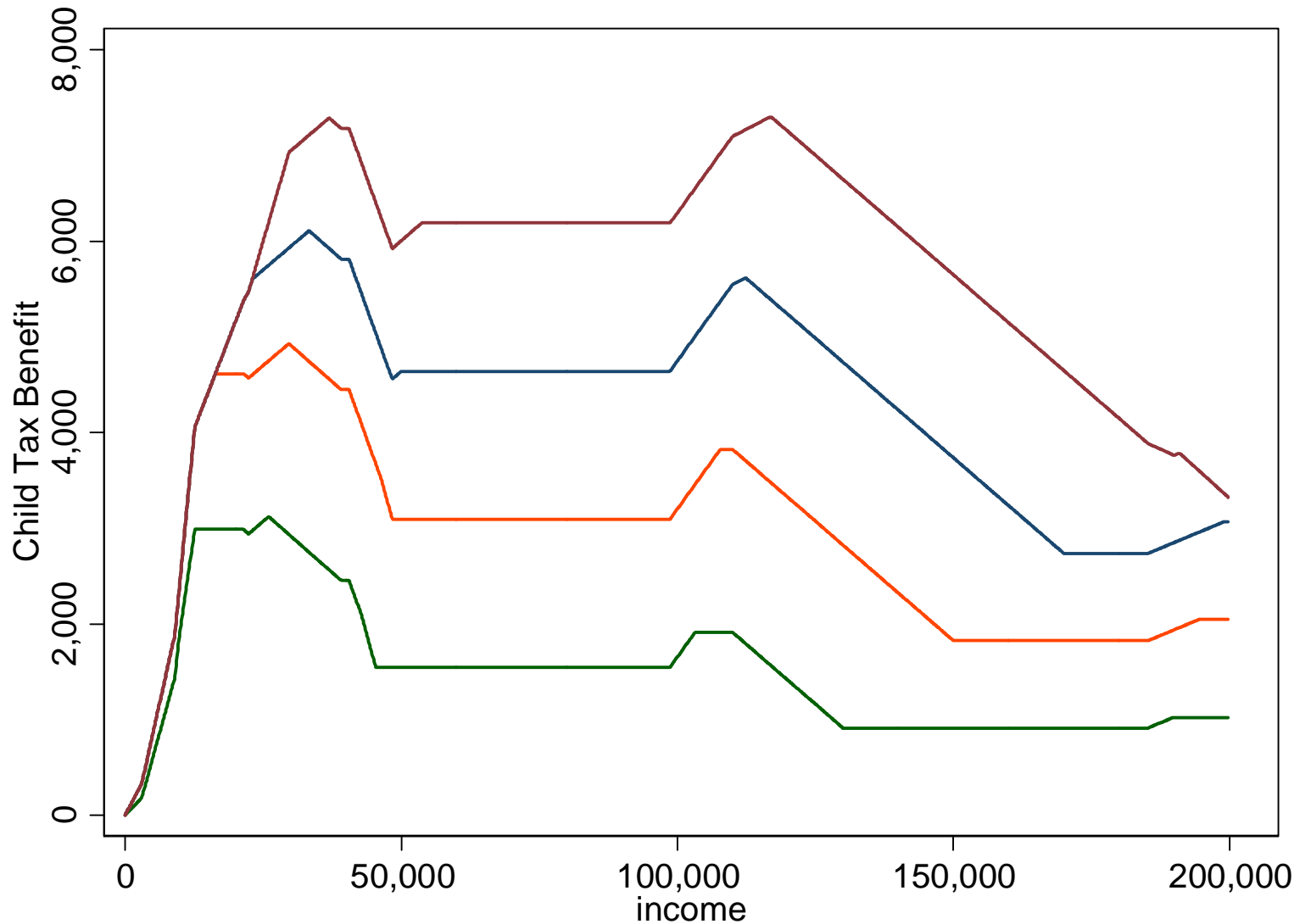
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Fertility Incentives

- Crump, Goda, and Mumford (2011)
 - Child tax benefits cause a short-run fertility response.
- Lovenheim and Mumford (2012)
 - Housing wealth increase causes short-run and long-run fertility response

2011 Federal Child Tax Benefits, Married Filing Jointly

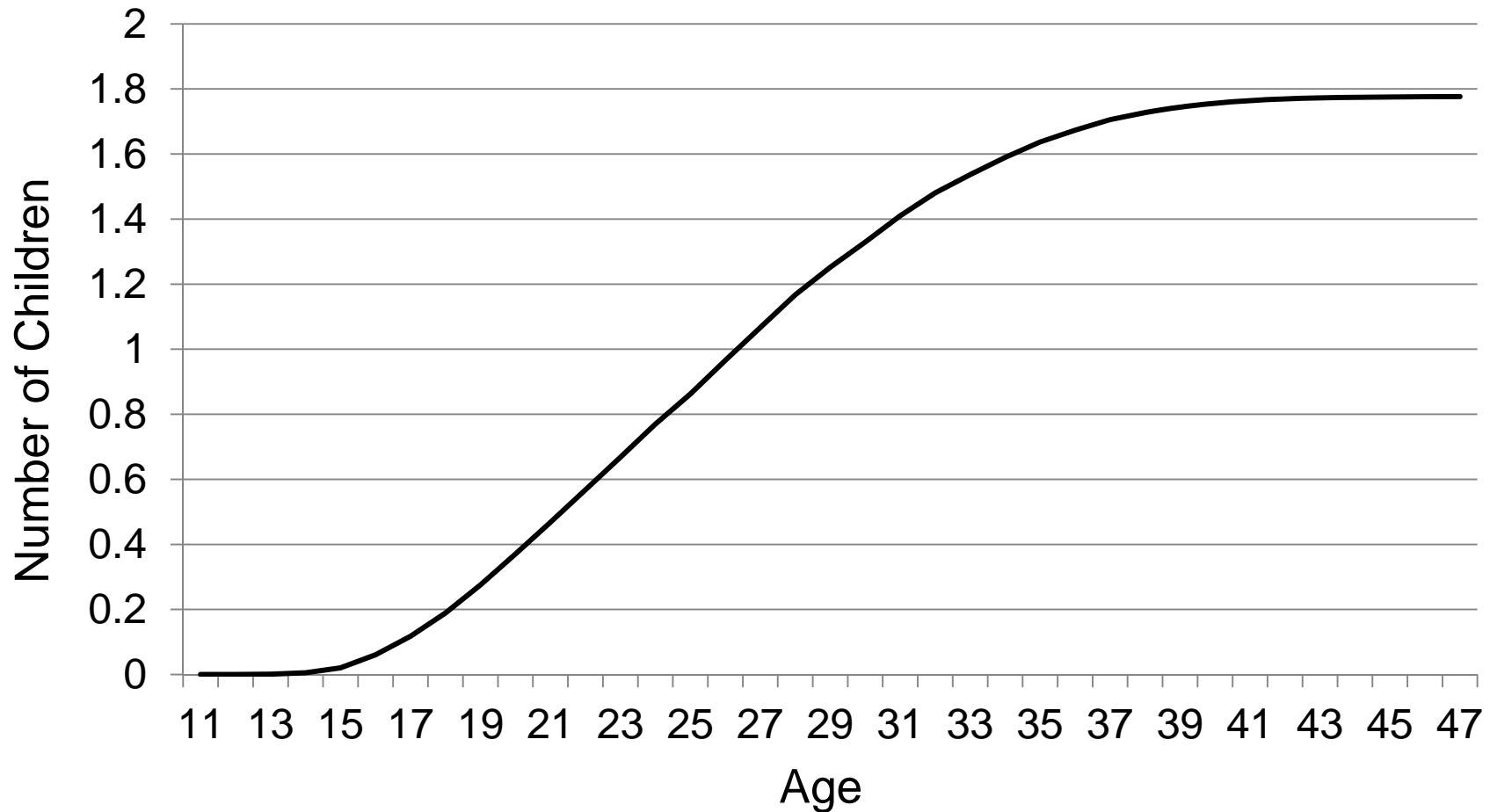


Notes: NBER taxsim calculator, does not include head of household or childcare

National Longitudinal Survey of Youth 79

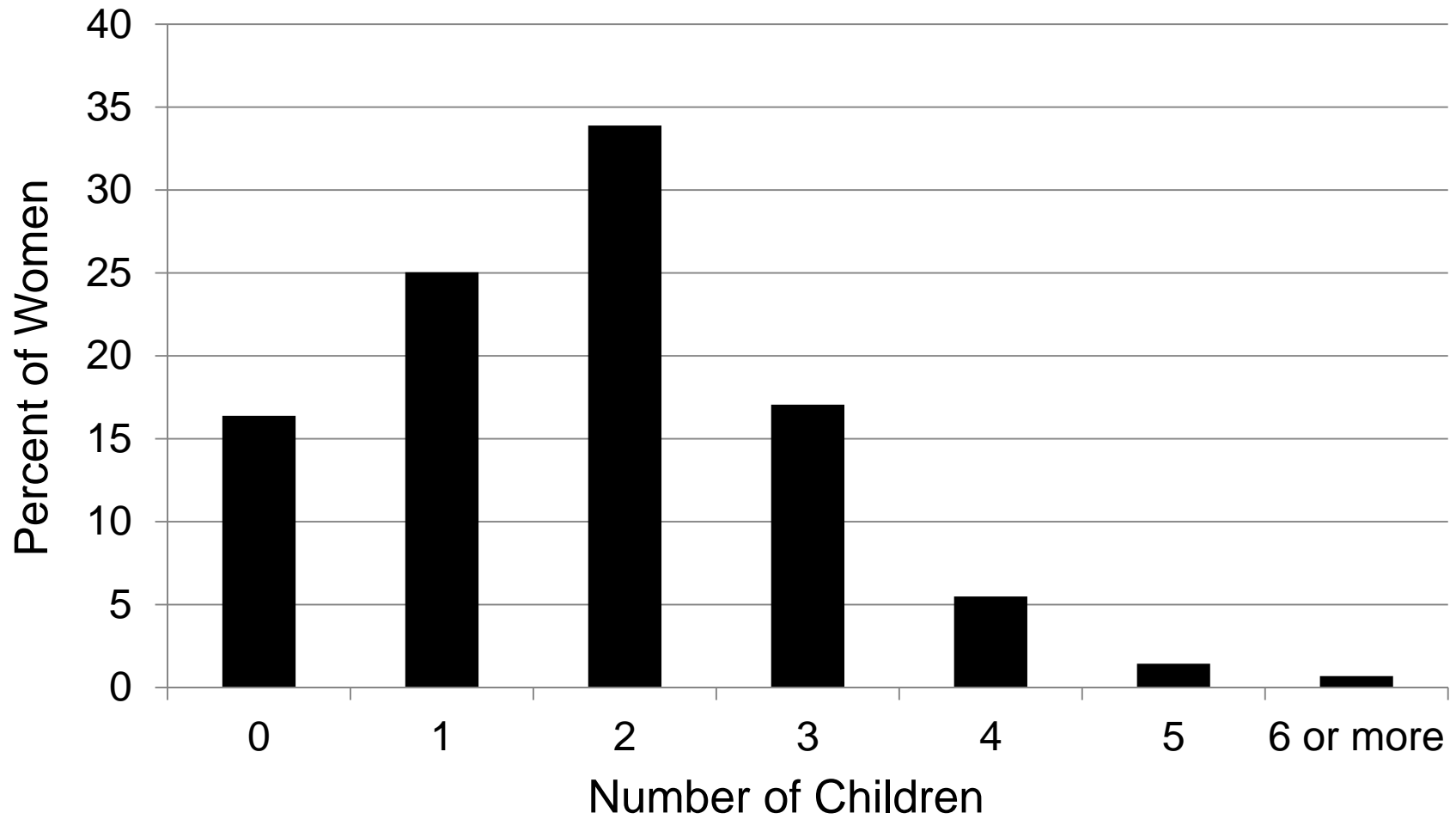
- Nationally representative sample of young men and women who were 14-22 years old when surveyed in 1979.
- Today, I'll show you information about 4,520 women in the NLSY that have complete work and fertility histories from 1979 to 2008.

Average Number of Children by Age



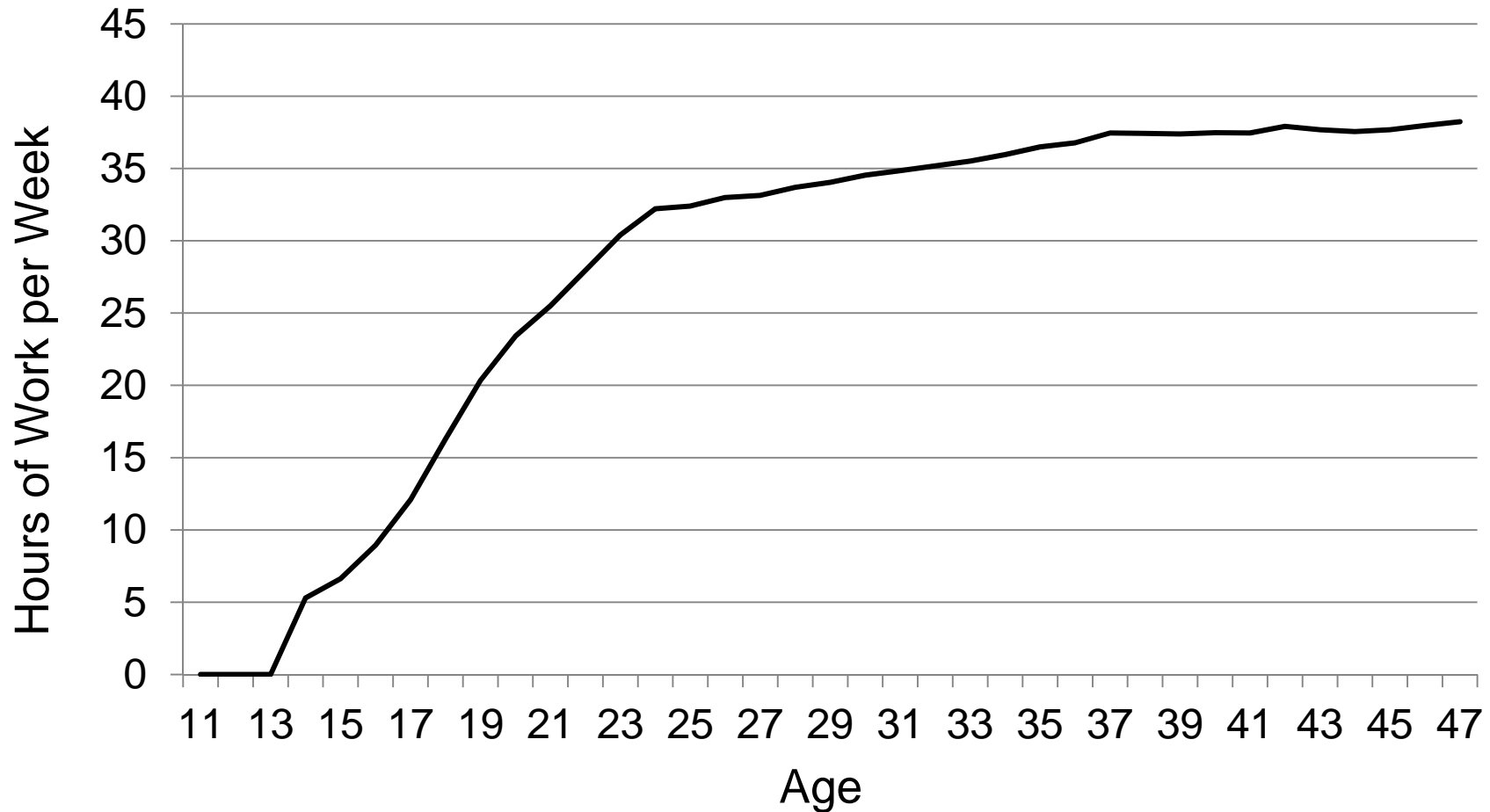
Notes: Average number of children ever had by age of woman

Completed Fertility



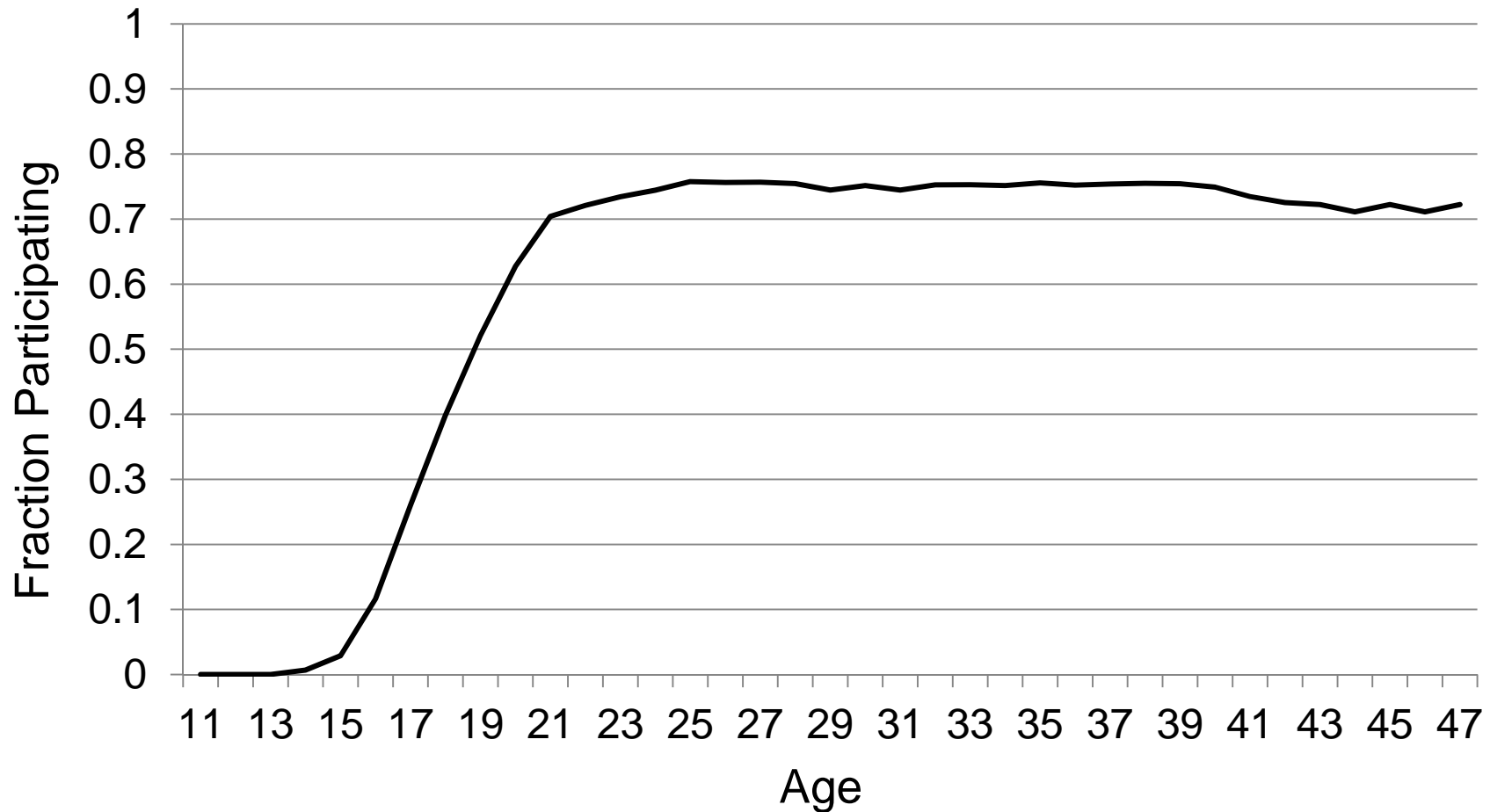
Notes: Total number of children born by age 47

Average Hours of Work by Age



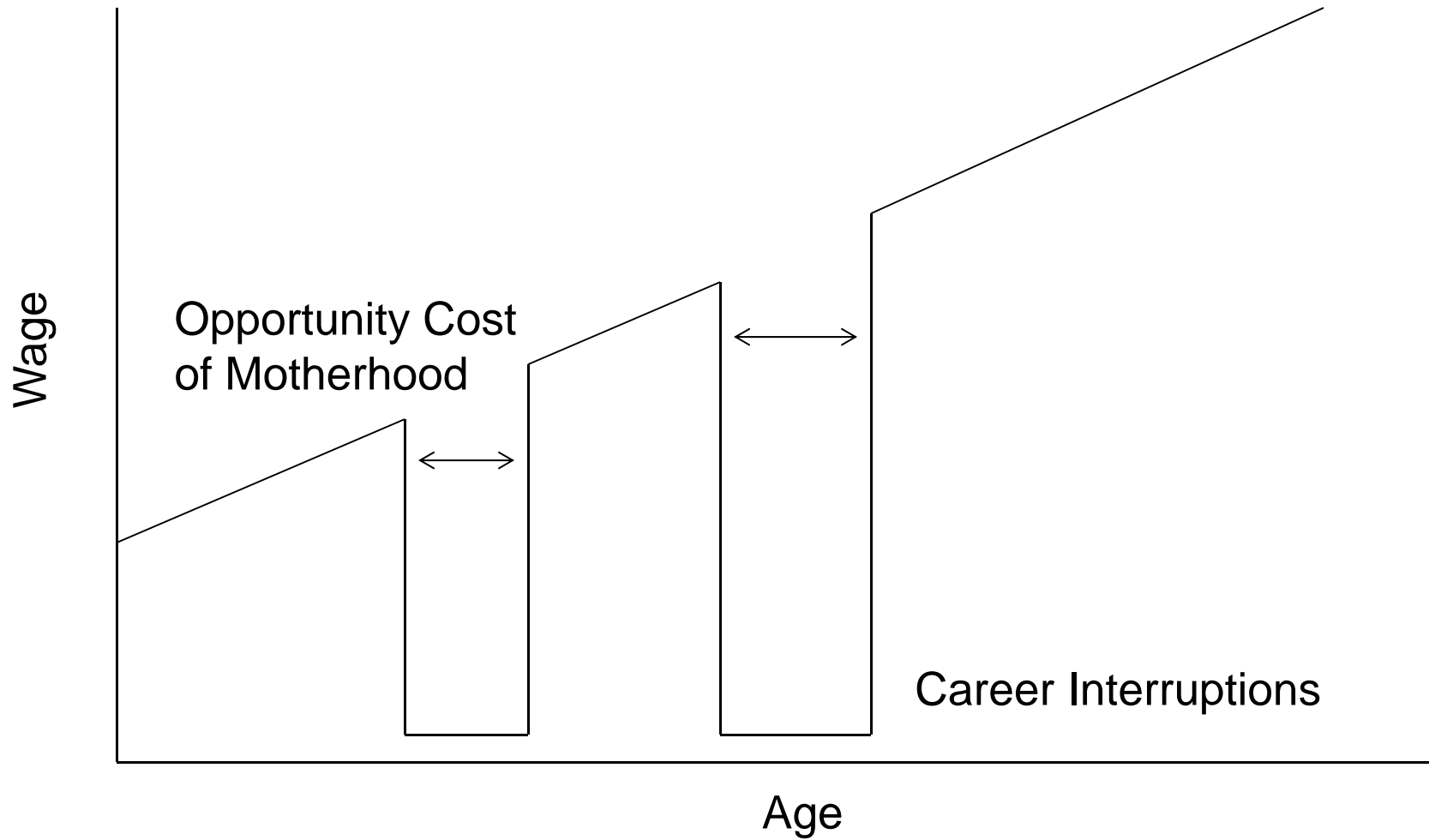
Notes: Average annual hours of work divided by 50 for those women who are participating in the labor market

Labor Force Participation

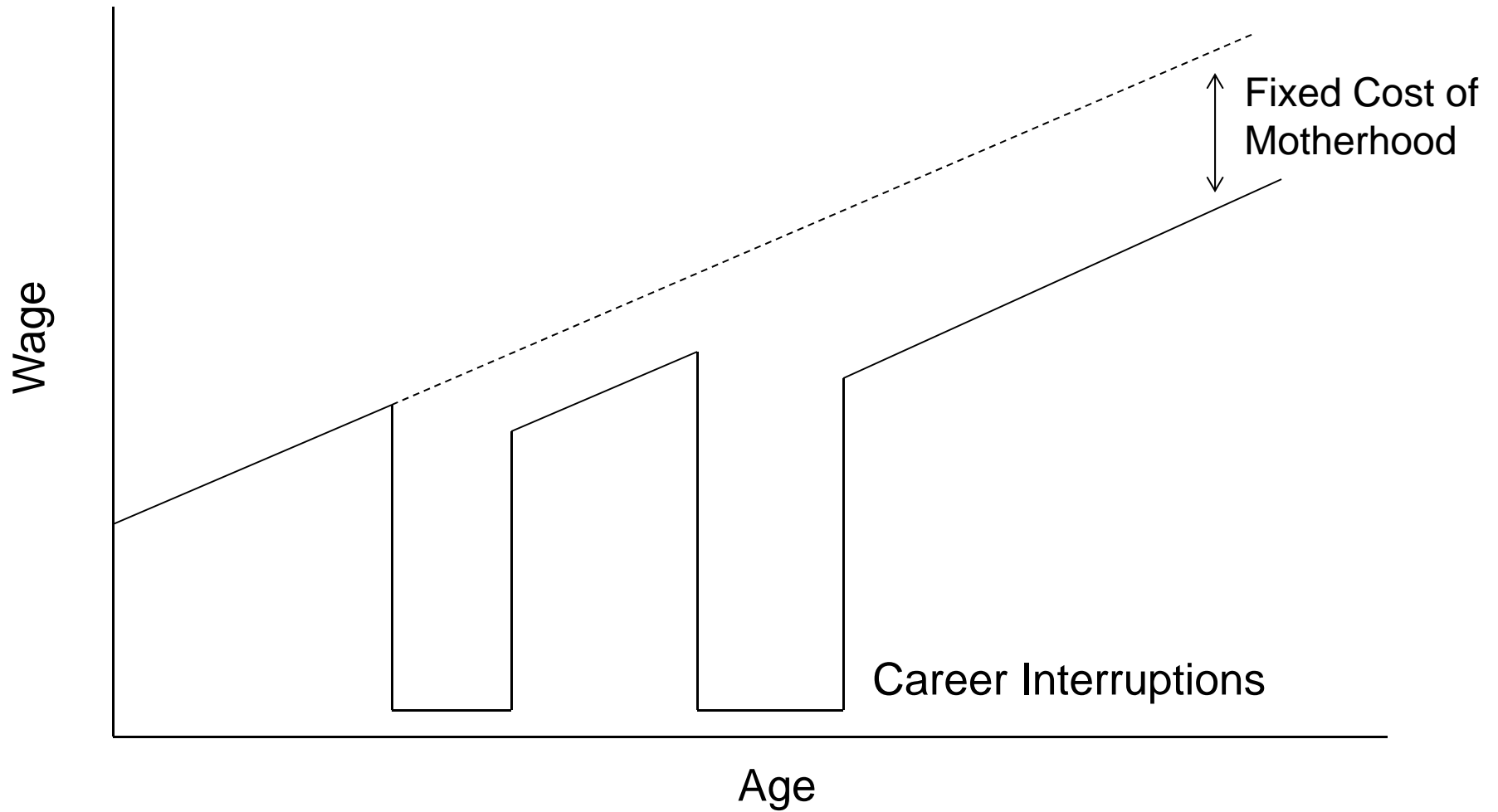


Notes: Labor Force Participation defined as working more than 250 hours per year for pay.

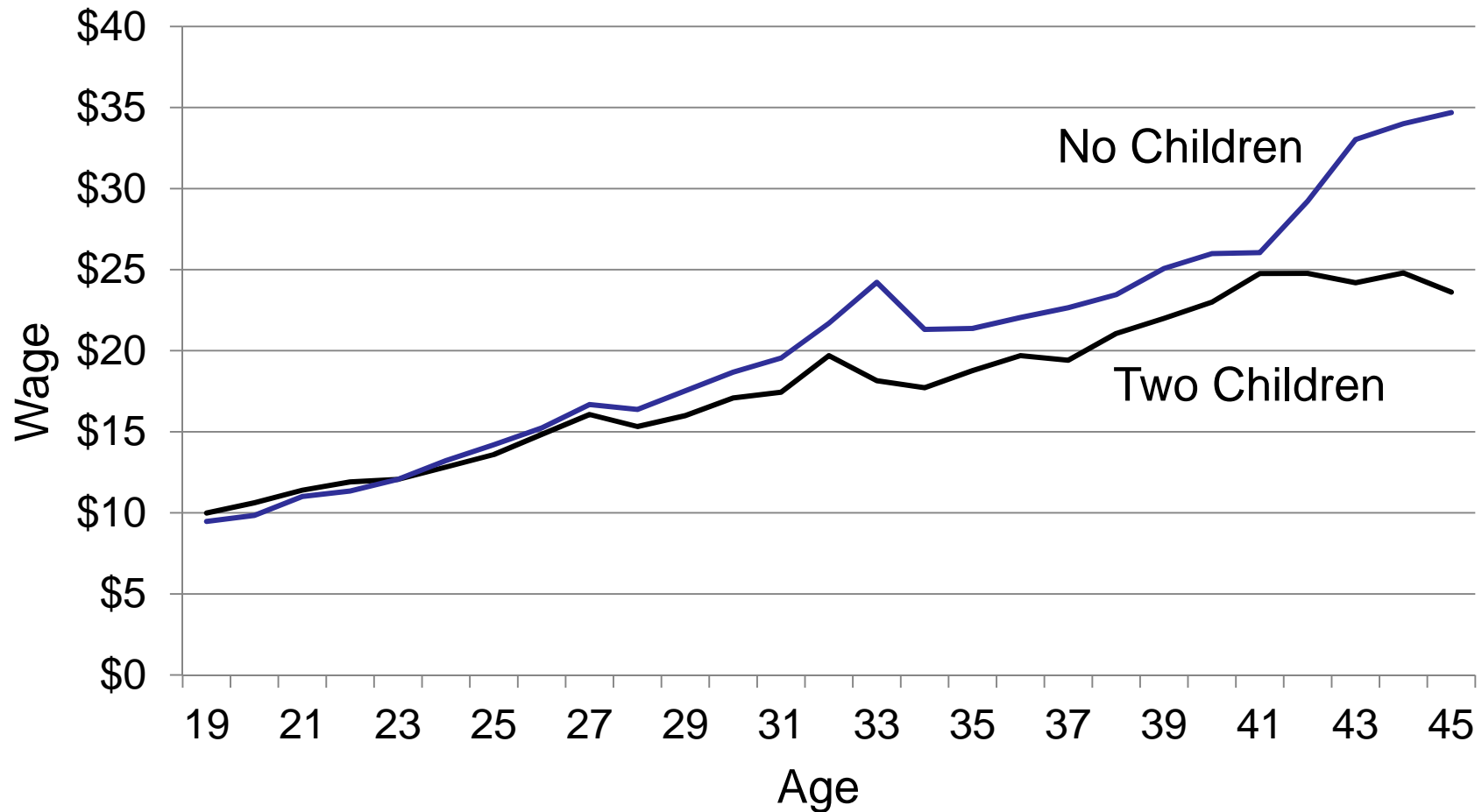
No Human Capital Depreciation



Human Capital Depreciation



Average Wage by Age



Notes: Average annual hours of work divided by 50 for those women who are participating in the labor market

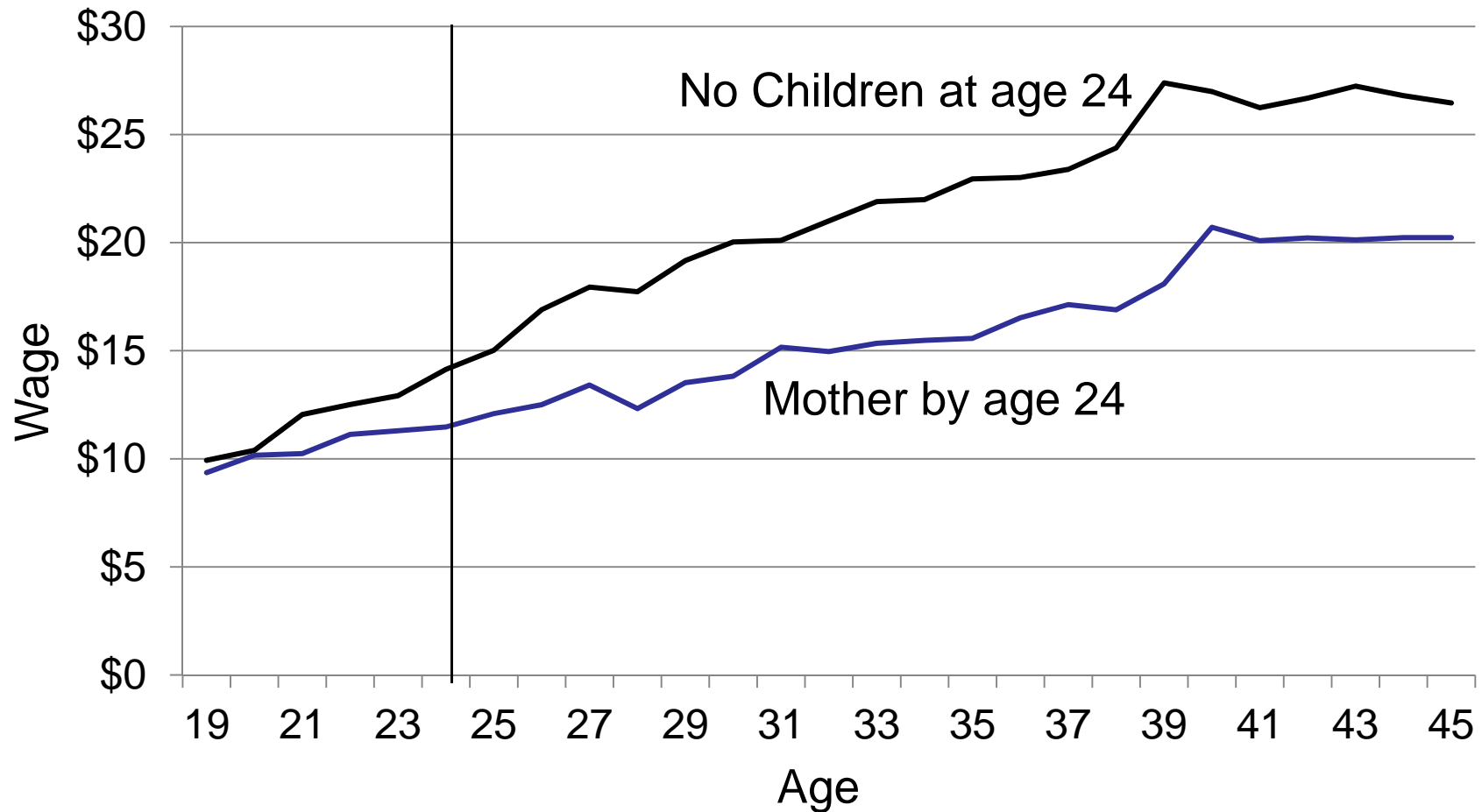
Identification Problem

- Are women that have no children different than women who have two children even before they have children?
 - Education
 - Occupation
 - Career Attachment
 - Dedication to Job
 - Ability

Alternative is Unobserved

- Denote the wage a woman earns at age a by w_a^0
- If she has a child then the wage would be w_a^1
- The problem is that for the same woman we only observe one or the other, never both.

Average Wage by Age for Mothers



Notes: Average annual hours of work divided by 50 for those women who are participating in the labor market

Identification Problem

- A woman who gives birth at 23 might be a different sort of person than a woman who gives birth at 24 and those differences might impact future earnings.
 - Maybe the 23 year-old is less ambitious.
 - Maybe the 23 year-old started her family sooner because she saw that her career was going badly.

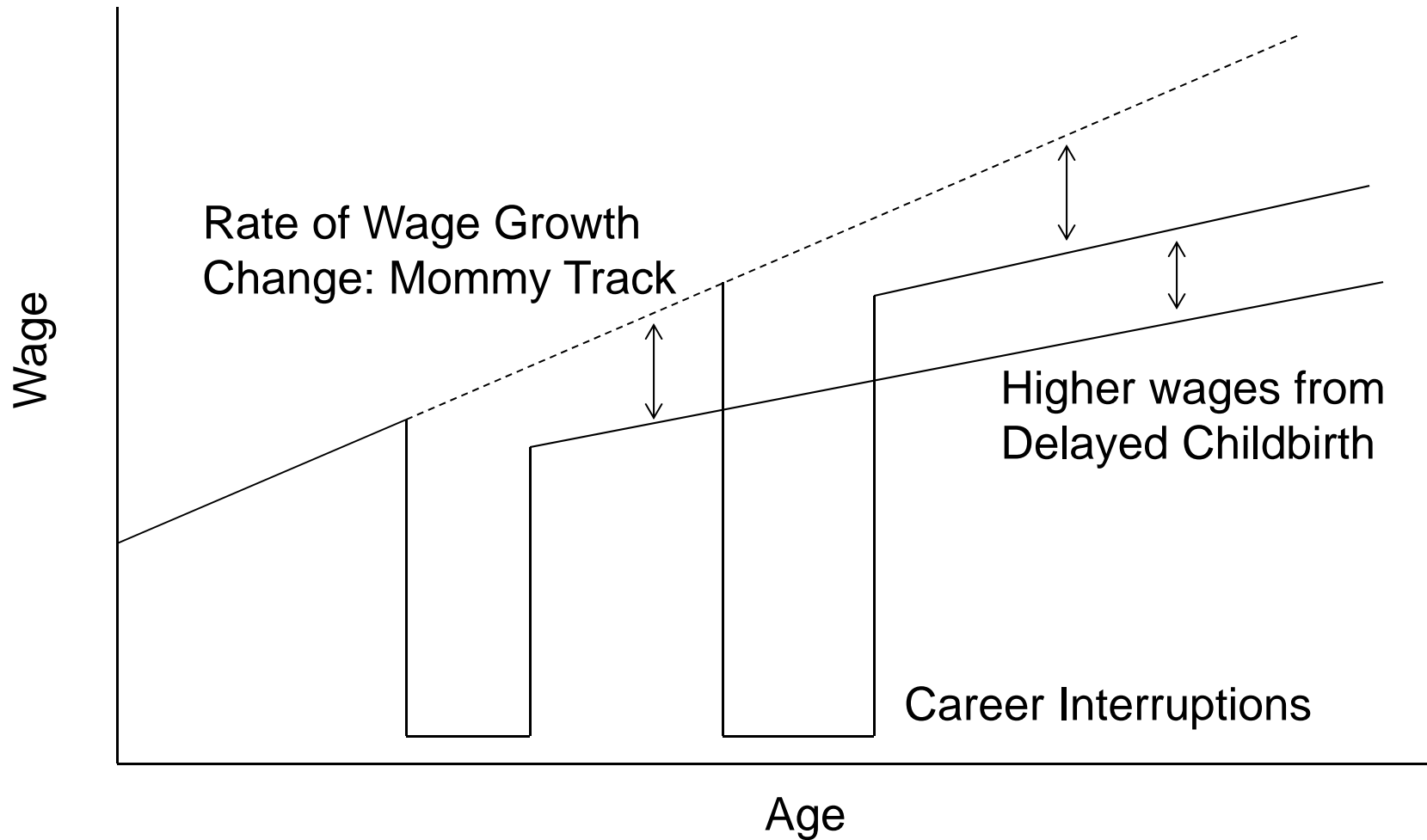
Miller (2011)

- Instead of comparing random 23 year-old mothers with random 24 year-old mothers, Miller compared 23 year-old mothers with 24 year-old mothers who had miscarried at age 23.
- So, there are two groups of women that made the same choice to have their first child at age 23, but some had their first child delayed by an act of chance.

Two Additional “Experiments”

- Compare 24 year-old mothers with 23 year-old mothers who conceived while using birth control (neither wanted to give birth at age 23).
- Compare 24 year-old mothers with 23 year-old mothers who had both been trying to get pregnant starting at age 22.
- Repeat all three comparisons for every age group.

Reduced Return to Experience



Results

- A woman with no children in her 20s will increase her lifetime earnings by 10 percent if she delays the birth of her first child by one year.
 - She will earn about 3 percent higher wages for the rest of her life.
 - She will also work more hours on average (wage effect).
- Larger effect for college educated women: 4.7 percent higher wages.

Fraction of College Degrees to Women

