EFFECTS OF HAVING KIDS ON MOTHERS’ WORKING HOURS: New UK evidence

Having a second child has little impact on the working hours of mothers with high or intermediate skills but the effect is large and negative for low-skilled women. That is one of the findings of research on fertility and labour supply by Claudia Hupkau and Marion Leturcq, to be presented at the annual congress of the European Economic Association in Geneva in August 2016.

Their study considers a group of 3,000 women aged 20-36 who all had their first child in 2000-01 in the UK. The researchers distinguish high- and intermediate-skilled women from low-skilled women based on their occupation before the birth of their first child; and they focus on labour market outcomes measured when the first child reaches 6-12.

The results suggest that high- and intermediate-skilled women manage to combine larger families with participation in the labour market, except for working long hours. When there is a decrease in the number of weekly hours worked associated with a second child, it is mostly due to different career aspirations and not to the second child.

In contrast, for low-skilled mothers, the severe decrease in the number of weekly hours worked associated with having a second child is due to the second child and not to career aspirations. This suggests that childcare services may be too costly or not suitable for the needs of low-skilled women, who are more likely to work shifts and whose working hours do not match the hours of formal provision.

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Having young children is associated with a decrease in the involvement of mothers in the labour market: while some mothers keep working full-time, some decrease the weekly number of hours worked and other give up working altogether.

In the UK over the 2000s, the labour market participation rate of women aged 16 to state pension age with a child aged 0-4 is close to 60%. But it is close to 75% for women with a child aged 5-10 and reaches 80% when the child is older. The decrease in the participation rate of mothers is also associated with a larger number of children.

But women with higher career aspirations may also be the ones that decide to have fewer children. The observed difference in labour force participation between women with no children and women with children may thus be misleading: women may decrease their participation in the labour market not because of children but because of different career aspirations.

If so, policies aiming at conciliating work aspirations and family life should not affect mothers’ participation in the labour market. But if children keep women out of the labour force, these policies are key ingredients in sustaining women’s participation in the labour market.

Disentangling the impact of children from the impact of career aspirations requires observing a characteristic that affects the number of children but is not related to women’s career aspirations. When trying to conceive their first child, some couples face limited physical ability to conceive and carry a baby to term. This inability is revealed by a longer time to conception.
Many of them will manage to have a child, but eventually they might not have as many children as they would like to. The reason they have fewer children is not related to their career aspirations, but to some inability independent of their will.

Comparing the labour force supply of women who experienced fertility problems at the conception of their first child with women who did not face such problems makes it possible to assess the impact of having two children rather than one child on their mothers’ labour force supply.

This study considers a group of 3,000 women aged 20-36 who all had a first child in 2000-01 in the UK. The researchers distinguish high- and intermediate-skilled women from low-skilled women based on the type of occupation they had before the birth of the first child, and they focus on labour market outcomes measured when the first child reaches 6-12.

The main results are that:

- High- and intermediate-skilled women who have more than one child decrease the number of weekly hours worked by five hours, and the proportion of women working more than 30 hours per week decreases by 40%. But having a second child does not affect the proportion of women working more than 20 hours and their participation in the labour market.

- Low-skilled women decrease the number of weekly hours worked by 18 hours, and the proportion of women working more than 20 hours per week decreases by 50%. Their participation in the labour market also decreases, but not as strongly as the proportion of women working long part-time jobs.

These results suggest that high- and intermediate-skilled women manage to combine larger families with participation in the labour market, except for long hours. The decrease in the number of weekly hours worked associated with a second child is mostly due to different career aspirations and not to the second child.

Yet the severe decrease in the number of weekly hours worked by low-skilled mothers associated with a second child is due to the second child and not to career aspirations. This suggests that childcare services may be too costly or not suitable for the needs of low-skilled women, who are more likely to work shifts and whose working hours do not match the hours of formal provision.

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Fertility and Labour Supply: New Evidence from the UK

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