

Job search and mobility over the life cycle: Implications for the child penalty

Abstract:

We document using Dutch administrative and survey data that women's job mobility drops around childbirth. Women make fewer job-to-job transitions starting one year before birth until many years after. They are also less likely to engage in on-the-job search and work in jobs with low amenities related to irregular hours. We develop a life-cycle labor supply, job search and job switching model for women in which mothers and pregnant women face higher search costs. Jobs are characterized as bundles of wages and amenities, the latter decrease work disutility. We estimate the model and quantify a novel child penalty channel: because (expecting) mothers perform less job search, they remain in jobs with low wages and amenities, therefore working and earning less. Search costs related to childbirth reduce lifetime earnings by 10.1%, accounting for 33.7% of the child penalty. A recent reform that eliminated tenure requirements for parental leave increased job switching before birth but decreased employment.

This paper is joint work with Minji Bang

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