

# The 10-year baby window that is the key to the women's pay gap

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Women who have their first child before 25 or after 35 eventually close the salary divide with their husbands. It's the years in between that are most problematic, research shows.

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## AVAILABILITY

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## EXCERPTS

Today, married couples in the United States are likely to have **similar** [3] educational and career backgrounds. So while the typical husband still earns more than his wife, spouses have increasingly similar incomes. But that changes once their first child arrives.

Immediately after the first birth, the pay gap between spouses doubles, according to a recent study — entirely driven by a drop in the mother's pay. Men's wages keep rising. The same pattern shows up in a variety of research.

But the recent study reveals a twist. When women have their first child between age 25 and 35, their pay never recovers, relative to that of their husbands. Yet women who have their first baby either before 25 or after 35 — before their careers get started or once they're established — eventually close the pay gap with their husbands.

The years between 25 to 35 happen to be both the prime career-building years and the years when most women have children.

The study — a **working paper** [4] published by the Census Bureau in November — is one of **several** [5] recent **papers** [6] that **show** [7] that children account for much of the remaining gender pay gap. That gap has narrowed significantly over the past four decades, as women have gotten more education and entered male-dominated professions, but a divide remains.

Women who have babies late typically have different career paths from those who have them early. Those who first give birth in their late 30s tend to be more educated with higher-earning jobs, while those who have babies in their early 20s have less education and lower earnings.

Low earners have a smaller pay gap in general, and people who have babies in their late 30s could have a smaller pay gap because they are less likely to have more than one child. But the fact that both groups of women recover their earnings, relative to their husbands, suggests there's also something about having children outside the prime career-building years that hurts women's pay less, no matter the occupation.

One explanation is that the modern economy requires time in the office and long, rigid hours across a variety of jobs — yet pay gaps are smallest when workers have some control over when and where work gets done. In high-earning jobs, hours have grown longer and people are expected to be available almost around the clock. In low-earning jobs, hours have become much less predictable, so it can be hard for working parents to arrange child care.

The issue, in general, comes down to time. Children require a lot of it, especially in the years before they start school, and mothers spend disproportionately more time than fathers on child care and related responsibilities. This seems to be particularly problematic for women

building their careers, when they might have to work hardest and prove themselves most, and less so for women who have already established some seniority or who have not yet started careers.

Women are **more likely** <sup>[8]</sup> to reduce their work hours, take time off, turn down a promotion or quit their jobs to care for family. Even in families in which both parents work full time, women spend **almost double** <sup>[9]</sup> the time on housework and child care. And when women work fewer hours, they are paid **disproportionately less** <sup>[10]</sup> and become **less likely** <sup>[11]</sup> to get raises or promotions.

“This shows that the birth of a child is really when the gender earnings gap really grows,” said Danielle H. Sandler, a senior economist at the Census Bureau and an author of the paper.

The study found that over all, women earn \$12,600 less than men before children are born and \$25,100 less afterward. It analyzed earnings for opposite-sex, married couples who had their first child between 1978 and 2011, using earnings records from the Social Security Administration and data from the Census Bureau’s survey of income and program participation. It includes women who were working two years before their first child was born, no matter how their hours changed afterward.

The pay gap grows larger with each additional child. It does not begin to shrink until children are around 10. For most women, their pay never reaches that of their husbands.

One surprise about the recent round of research is that the findings have been so **similar** <sup>[12]</sup> in the **United States** <sup>[13]</sup> and family-friendly **Scandinavia** <sup>[14]</sup>. The two have very different economies and family policies, yet in both places, women’s pay plummets after they have children. Scandinavian nations have generous paid parental leave as part of federal policy, while the United States government offers none.

It might be because both types of policies — no paid leave and very long paid leave — lead women to stop working. Economists have found that **moderate-length leaves** <sup>[15]</sup> of several months are ideal for women to continue working.

“It seems like there could be a middle ground,” Ms. Sandler said, “where you’re given enough leave where you don’t have to quit your employment, but not so much time that you have the incentive to be out of the labor force for a long time.”

Research has shown other policies that would help: programs to help women re-enter the labor force; flexibility in when and where work gets done; subsidized child care. It also helps if men take time off after children are born and spend more time on child care, studies show.

The spousal pay gap was largest for those who had children in the 1980s. In the 1990s, the gap appeared to shrink. Mothers who had their first child then were still paid less than their husbands, but the gap started declining when the children were around 5, and recovered by the time they were 14.

Yet in the 2000s, the pattern reversed. The spousal pay gap is still large when children enter high school, and women do not seem on track to recover their earnings relative to their husbands. It’s unclear why.

It could be because the economy was stronger in the 1990s; because women’s labor force participation has flattened in recent years; or because women are having babies a little later, during the prime of their careers.

The pay gap is smaller for workers with lower earnings and less education. But the paper found that by the time children were 12, the less educated women had a gap similar to more educated ones, maybe because low-income women are more likely to stop working after having children.

High-earning women, by contrast, have a bigger pay gap earlier in their children’s lives because they have more income to lose.

“A woman who takes off some time or slows down or shifts into a smaller firm will be losing out on a really high income, which her husband appears to be getting” because he does not take time off or shift his career, said Claudia Goldin, a Harvard economist whose research has

found<sup>[16]</sup> the same pattern<sup>[11]</sup>.

The group of women who had the biggest post-baby pay gap compared with their husbands was, paradoxically, women who earned more than their husbands before having children.

This is the opposite of what economists would predict of couples' division of household labor based on rational financial decision-making. But it fits with previous research<sup>[17]</sup> showing just how entrenched our gender roles are at home, even as women play a bigger role in the economy.

-reprinted from The New York Times

**Related link:** A stunning chart shows the true cause of the gender wage gap<sup>[18]</sup>

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