

The fatherhood bonus and the motherhood penalty: Parenthood and the gender gap in pay ^[1]

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Excerpts:

While women have made progress vis-a-vis men in terms of employment and earnings, the recent Bureau of Labor Statistics Report reveals that an overall gender gap in pay persists, such that among full-time workers, women earned 81 cents on a man's dollar in 2012. Progress has stalled in the 21st century in reducing this inequality. Consider that in 1979 women earned 63 cents to a man's dollar, and that this gap declined every year until 2003, when it reached the current 81 cents level and has remained there ever since. In past decades, between 1979-89, or 1989-99, the gender pay gap declined by 8 to 10 percentage points. Yet in the most recent decade 2003-2013, the gender pay gap has declined by 1 point. Figure 1 from the BLS report reveals this stall in progress.

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The comparisons of the gender pay gap by marital and parenthood statuses are striking in the BLS data. The smallest gender pay gap is found among unmarried men and women: Unmarried women earn 96 cents to an unmarried man's dollar, and childless women (including married and unmarried) earn 93 cents on a childless man's dollar. In contrast, wives and mothers fare far less well. Even among full-time workers, married mothers with at least one child under age 18 earn 76 cents on a married father's dollar. Single mothers earn 83.1 cents to a single custodial father's dollar (that single moms are much less likely to be employed full-time relative to single dads is masked by this estimate among full-time workers). These figures show that married mothers of minor children experience the largest wage gaps. Marriage and motherhood are statuses that the majority of American women experience at some point in the course of their lives. Though age at first marriage and age at first birth are creeping upward, most Americans eventually engage in parenthood. Despite men's increased participation in childcare, women, even full-time employed women, still carry the lion's share of domestic and child-related responsibilities.

Moreover, American workplaces have made few accommodations for the needs of workers to balance family and work responsibilities.

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Given the complex pressures and resources that women at varying earnings levels encounter both at home and at work, it is reasonable to expect differences in the processes leading to motherhood wage penalties among workers with at varying earnings levels. First, the composition of workers on factors shaping the motherhood penalty may systematically differ by earnings level. For example, relative to low-wage workers, high-earning women are likely to live in households with greater resources (e.g., a marital partner, higher family income), possess greater human capital (education), and hold jobs with more family-friendly characteristics (health benefits, greater autonomy and flexibility). The greater assets possessed by higher earners may enable mothers to more easily replace their child caregiving with high-quality services, therein providing both a motivation to increase earnings and the ability to reduce work-family conflict. This may result in smaller motherhood wage penalties relative to lower-wage women. On the other hand, these same household resources might enable high-wage mothers to reduce their labor force participation when children are small, through employment interruptions and reduced working hours. If so, motherhood penalties might be larger among high-wage workers.

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Employer changes induced by work-family conflict may account for some of the unexplained penalty at the lowest quintiles. One solution to work-family conflict for low-income mothers without access to family leave or subsidized daycare may be simply quit their jobs with the intent of starting over when family crises abate. The job-quit solution to resolve child care crises is likely more common among low-wage workers due to the high costs of formal childcare and their greater reliance on unpaid relatives and friends as caregivers. These friends and relatives of low-wage workers are likely to be facing their own financial and personal challenges, resulting in inconsistent care availability. Moreover, childcare tends to be least available in poor communities, where low-wage women more likely live. Whatever the source, it is clear that, according to our results, the women who least can afford it pay the largest proportionate penalty for motherhood.

Related link: The motherhood penalty vs. the fatherhood bonus ^[2]

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