Wives, Mothers and Wages: Does Timing Matter?

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Current trends in marriage and fertility patterns suggest that young Canadian women are delaying family formation and concentrating on developing their careers. It is a well-documented fact that the acquisition of job-related skills and significant wage growth is concentrated at the start of workers’ careers—which generally coincides with decisions regarding marriage and children. If this is the case, then the timing of marriage and children may be considered proxies for omitted, unobserved characteristics, related to human capital skills, differentiated work history or labour force attachment.

Using data from the 1998 Survey of Labour and Income Dynamics, this study provides Canadian evidence on the effect of marital status and parenthood status on the wage rates of Canadian women. As well, this paper attempts to determine whether decisions regarding the timing of family formation influence the wages of women and whether these decisions have a permanent or temporary impact on earnings. The main results of the paper are as follows.

After controlling for differences in work history, labour force qualifications and selected job characteristics, there is no association between marital status and wages while the evidence on the relationship between wages and motherhood is mixed.

When the timing of children is taken into account, mothers who had their children later in life earned 6.0% more than mothers who had their children early after controlling for a variety of productivity related characteristics. This wage gap between mothers who delay having children and those who have children early is widespread among mothers of all ages yet is greatest among younger Canadian women. There are many possible reasons for this discrepancy, including differences in motivation to pursue training or higher education, the ability to accept promotions and to migrate towards high paying jobs. Interestingly, there is no significant difference in the wages of women that delay having children and women that have no children. There is no significant association between the timing of marriage and wages.

The wage advantage associated with delaying parenthood is greater for younger generations of mothers than older generations. This may reflect on the one hand, mothers assuming traditional family roles that may limit their involvement in the labour market. On the other hand, it may reflect important changes in the types of careers available to women of different generations.