

# Motherhood and paycheques

by Marie Drolet

This article has been adapted from "Wives, Mothers and Wages: Does Timing Matter?" Analytical Studies Branch Research Paper Series No. 186, Statistics Canada Catalogue no. 11F0019MIE2002186, available on the Statistics Canada Web site at [www.statcan.ca](http://www.statcan.ca).

Current trends in marriage and fertility patterns suggest that young Canadian women are delaying having families while they concentrate on developing their careers. In 1979, the average age of women at their first marriage was 22; by 1996 it had increased to 27. A comparable trend exists in the fertility

patterns of Canadian women. In 1970, the fertility rate (the average number of live births per woman) was 2.3; by 1993, the rate had declined to 1.7.

At the same time, the labour force participation rate among married women aged 25 to 44 increased from 50% in 1976 to 78% in 1998. Family commitments, however, may limit

women's participation in the labour force and result in different work histories for women than men. Women with children are more likely to work part-time, for example. This study uses data from the 1998 Survey of Labour and Income Dynamics to first examine the effects of motherhood on the wages of Canadian women and then whether

CST

## Mothers born before 1960 earn less than other mothers

Average	All women		Women born before 1948		Women born between 1948 and 1960		Women born after 1960	
	Children	No children	Children	No children	Children	No children	Children	No children
Hourly wage rate	\$15.61	\$15.87	\$15.39	\$18.93	\$16.47	\$19.17	\$14.41	\$14.38
Age	42	33	55	54	44	43	32	28
Number of years of schooling	14	15	13	14	14	15	14	15
Years of potential work experience	24	13	37	34	24	22	12	7
Actual years of full-time, full-year work experience	16	12	23	31	18	21	9	7
Percentage of potential work experience spent working full-year, full-time	68	87	63	89	73	94	77	96

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1998.

mothers' wages are affected by the age at which they have children.

### Does motherhood affect women's wages?

In 1998, women with children spent less time working full-year, full-time (68% of their years of potential work experience) than women without children (87% of their years of potential work experience).<sup>1</sup> At the same time, the average hourly wages of mothers were 2% less, overall, than those of women who did not have children.

When comparing the wages of mothers and non-mothers by age group, the differences between them were much higher for older women. For women born before 1948, those who had no children had an average hourly wage rate in 1998 that was 23% greater than those who had children. For women born between 1948 and 1960, the difference was 16%, but for women born after 1960, the wage gap had largely disappeared. In 1998,

the average hourly wage rate for this youngest group of women was \$14.38 for those without children and \$14.41 for those with children.

At the same time, with each successive generation of women, the proportion of potential work experience spent working full-year, full-time increased for mothers. Mothers born prior to 1948 spent 63% of their years of potential work experience working full-year, full-time compared to 73% for mothers born between 1948 and 1960, and 77% for those born after 1960.

### Delaying motherhood makes for higher wages

A significant portion of real lifetime earnings growth occurs during the first years after graduation,<sup>2</sup> which often coincide with decisions regarding marriage and children. The timing of labour force withdrawals related to children, then, may have important long-run implications for the earnings of women. In other words, the *timing*

of family formation may affect women's earnings.

In 1998, the average hourly wages of women who delayed having children were 17% higher than those who had children early. Part of this variation is due to the differences in the labour force history of women who postpone family formation. Compared with women who had children early, women who delayed childbirth had averaged roughly 1.7 more years of full-year, full-time work experience, and a larger proportion (77% versus 66%) of their years of potential work experience was spent working full-year, full-time. A similar pattern is observed for the various age cohorts. For each cohort, the average hourly

1. Years of potential work experience is defined as age minus number of years of schooling minus five.

2. Murphy, K. and F. Welsh. 1990. "Empirical Age-Earnings Profiles." *Journal of Labour Economics* 8, 2: 202-289.



## Delaying motherhood is good for the paycheque

Had children:	Mothers born before 1948			Mothers born between 1948 and 1960			Mothers born after 1960			All mothers		
	Early	On time	Delayed	Early	On time	Delayed	Early	On time	Delayed	Early	On time	Delayed
<b>Average</b>												
Hourly wage rate	\$14.42	\$15.96	\$16.89	\$14.79	\$15.71	\$16.34	\$15.47	\$16.74	\$17.64	\$12.39	\$15.25	\$16.16
Age	42	42	42	55	55	55	44	44	44	31	32	33
Number of years of schooling	13	14	14	12	13	13	13	14	14	13	14	14
Years of potential work experience	23	22	22	37	37	36	24	24	24	12	11	13
Actual years of full-time, full-year work experience	15	15	17	23	21	25	17	18	19	8	9	11
Percentage of potential work experience spent working full-year, full-time	66	70	77	63	57	67	68	75	80	66	80	86

Source: Statistics Canada, Survey of Labour and Income Dynamics, 1998.

## CST Measuring delays in motherhood

The concept of “delaying motherhood” refers to the difference between a mother’s actual age at the birth of her first child and an average age for giving birth for the first time. It is calculated by taking into account factors such as education level, major field of study, urban size and birth year of the mother. **Delaying** children refers to postponing the birth of the first child for at least one full year *after* the predicted age for having children. Having children **early** refers to having children at least one full year *before* the predicted age for the birth of a first child.

wages and full-year, full-time employment of women who delayed family formation were greater than that of women who had children early. While the wage advantage of mothers who delayed parenthood persisted after the birth of their first child, it decreased as their children grew older.

When differences in work experience are taken into account along with other factors,<sup>3</sup> women who delayed having children earned at least 6% more than women who had children early. However, the size of the gap differs depending on the age of the mother. The timing of motherhood seemed to have had little impact on the wages of older mothers. However, the wages of young mothers (those born after 1960) who postponed motherhood were at least 10% higher than the wages of those who had children early.

### Why the wage gap?

There are several possible reasons for the wage gap between mothers who interrupted their careers early to have children and those who waited until later. As noted earlier, the wage gap between mothers who delayed having children and those who had children early was greatest among younger women. This may reflect changes in the types of careers available to women born at different times. For example, from 1971 to 1991, the

number of women working in previously male-dominated fields such as management, natural sciences, engineering and mathematics grew considerably. Also, wage growth and promotion opportunities are substantial early in one’s career; if women miss this stage due to child-raising, they may not recover. Women who postpone childbirth may be leaving the work force at a time when interruptions are less critical for their careers, and consequently may have higher wages in the longer run.

Furthermore, women who do not have children early in their careers may be more flexible about making decisions concerning training, promotions, travel and other factors that affect job advancement. Those who have children early may find their choices more restricted because of family commitments. Additionally, it is worthwhile to consider that women who postpone children may be inherently more career-oriented and/or may have had higher wages at the beginning of their careers than those women who had children early.

### Summary

Current trends in marriage and fertility patterns suggest that young Canadian women are delaying family formation and concentrating on developing their careers. The timing

of motherhood appears to have a significant bearing on the wages of Canadian women. The work experience of women who postpone motherhood is different from that of women who have children early: in 1998, women who postponed having a family averaged roughly 1.7 more years of full-year, full-time work experience, and spent a larger proportion of potential years working full-year and full-time.

The wages of women who postponed motherhood were also different from those of women who had children early. Women who had postponed having children until later in life earned at least 6% more in 1998 than women who had their children early. This observation takes into account important differences in work histories and education.

- 
3. A variety of wage-determining characteristics were used in the analysis, including actual labour market experience, education, field of study, part-time status, region, and urban class size.



**Marie Drolet** is a senior analyst with Business and Labour Market Analysis Division, Statistics Canada.