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Work and Wage Dynamics around Childbirth

by Mette Ejrnæs, Astrid Kunze

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Abstract:

This study investigates how the first childbirth affects the wage processes of highly attached women. We estimate a flexible fixed effects wage regression model extended with post-birth fixed effects by the control function approach. Register data on West Germany are used and we exploit the expansionary family policy during the late 1980s and 1990s for identification. On the return to work after the birth, mothers' wages drop by 3 to 5.7 per cent per year of leave. We find negative selection back to full-time work after birth. We discuss policy implications regarding statistical discrimination and results on family gap.

Text: See [Discussion Paper No. 6066](#)



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