

How within Family Difference in Educational Attainment Associates with Labor Market Outcomes for Women After Their Firstborn Child

- using administrative data in Sweden

Discussion paper

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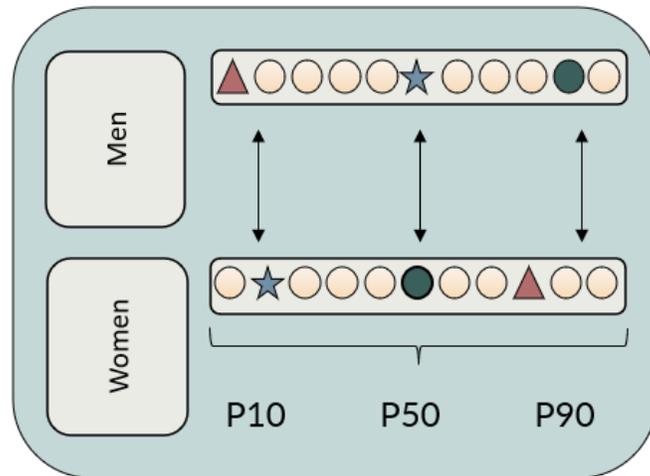
Introduction

- Sweden has for a long time been considered as one of the world's most gender-equal countries – *World Economic Forum* – never been ranked less than fifth.
- In Sweden today, a dual-earner model is more recognised than a male-breadwinner model.
- Although, on average, women earn 79.3 percent of men's disposable income (2020).
- Gender difference has often been studied from an individual perspective, not from a within family perspective.
- How economic equality within families looks, i.e., at the kitchen table where family decisions are made, are important to better understand women's labour market outcome.
- The education level is important for labour market outcomes.
 - > How does the economic equality within family looks like after the first child is borne?
 - > Does the women's relative educational level affect her labour market outcomes?

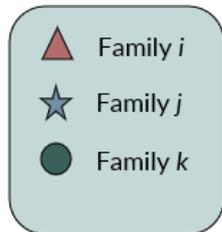
How to measure women's share of men's disposable income

- For women how are cohabiting with children

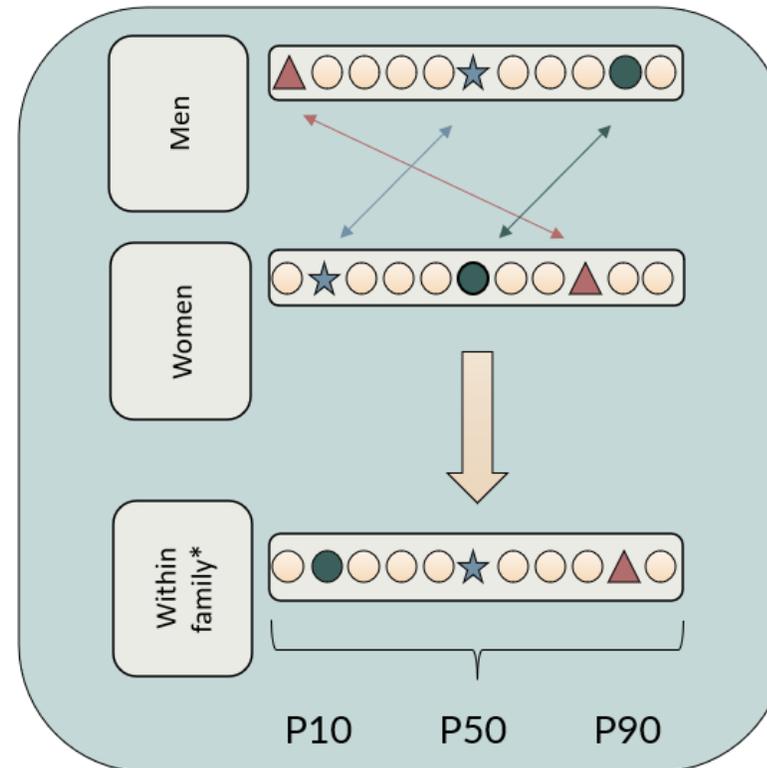
Traditional method



78.0 %



Within family method



75.6 %

Note.: * Women's share of men's income

Data

- The new register Labour market status (LMS) is used, together with Register of the total population, and Longitudinal integrated database for health insurance and labour market studies (LISA) .
- We limit our population to households with one woman and one man, and where the woman's age is between 20 and 64 years. Since we are mainly focusing on women's labour market outcomes.
- Includes families consisting of a woman and a man who are married or living in a marriage-like relationship at the same residential address.

Examples of quality of employment variables

Figure 1. Dimensions of quality of employment.



Table 1: Variables and their central tendency measure we use. Within each paratheses we try to categorise each variable and their belonging to sphere of quality of employment.

Median value	Mean Value
Income level (2)	Parental leave (4)
Income variation (2)	Sick leave (4)
Income gap* (2)	Divorced (3)
Commuting time (3)	Employed (3)
	Weakly attached employed (2)
	Managers (6)
	White-collar workers (6)
	Job changer (7)

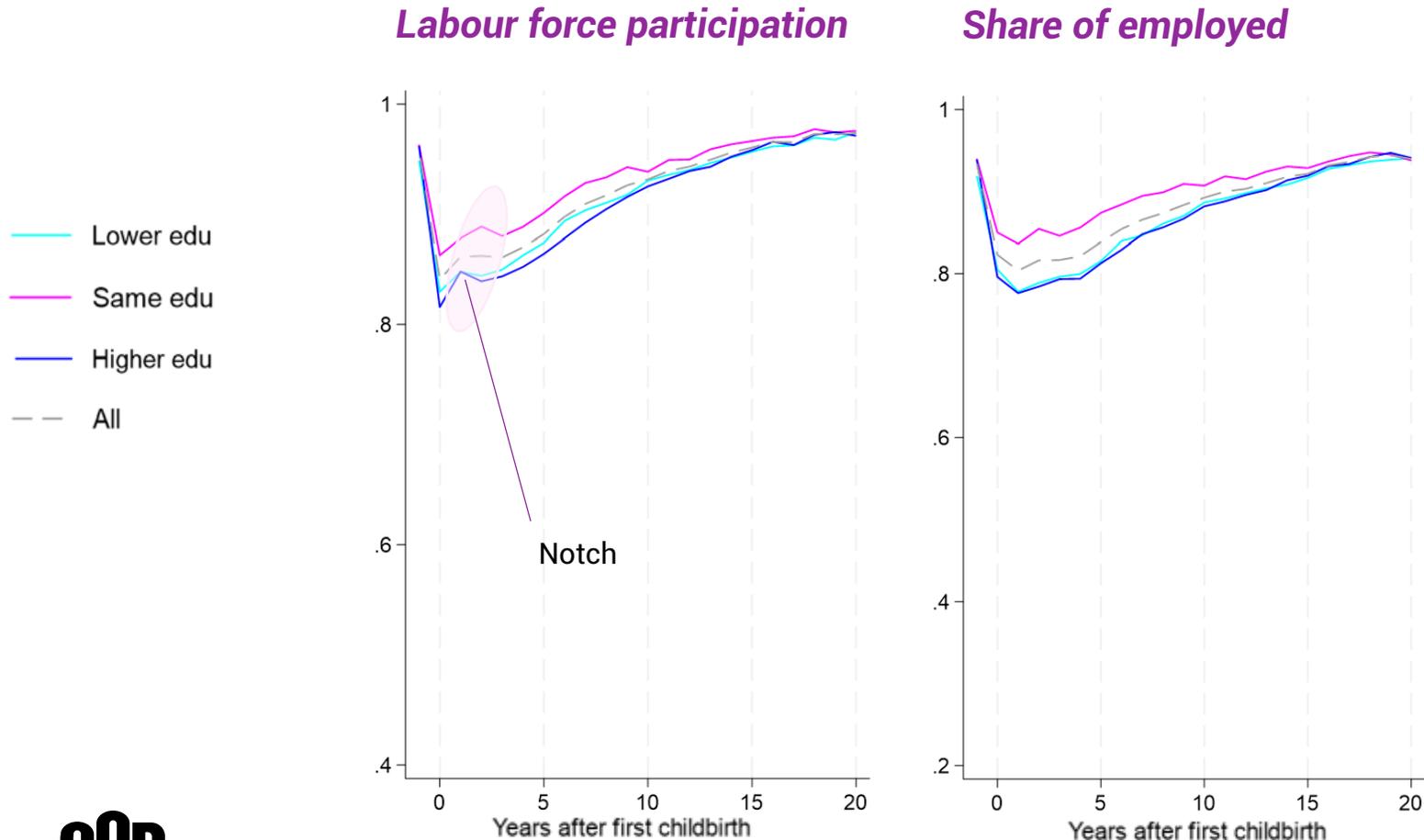
Note: * All individuals measured as disposable income.

This is our first attempt of categorizing some of our register variables into quality of employment categories - comments are very welcome!

Method

- The dataset is a cross-sectional with the purpose of study cross-sectional gender differences within families.
- The proposed methodological approach creates an opportunity to illustrate a so-called life-cycle perspective based on cross-sectional data.
- In a first step, families are arranged in cohorts according to the number of years since the woman had her first child. Hence, each group of women represents different cohorts.
- For example, all families where the woman is 40 years old or younger and have no children reflects the situation of women in the year before children are born (-1). The women who had children in 2020 has the 0 value, the women who had children in 2019 receive the value 1, and so on.
- Within family difference in educational attainment firstly split women into three (ISCED) groups: pre-secondary, secondary and post-secondary education. Secondly, we measure on a categorical scale of seven educational groups if there are any within family differences between woman and man.

Result - Women's labour market situation



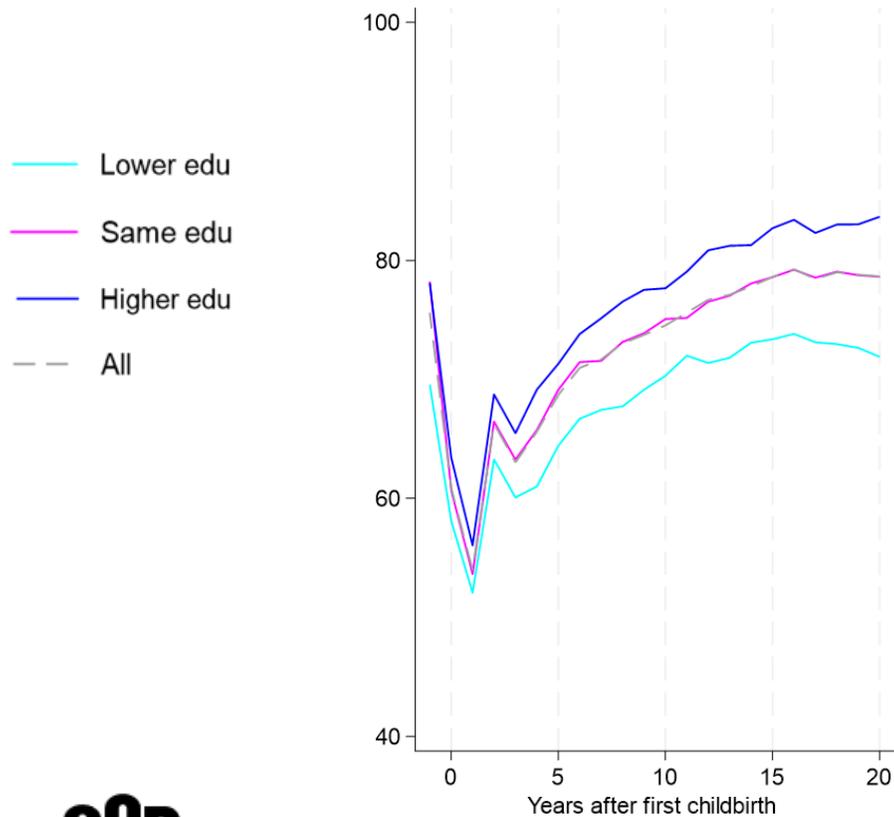
After the firstborn child:

- labour force participation
- share of employment

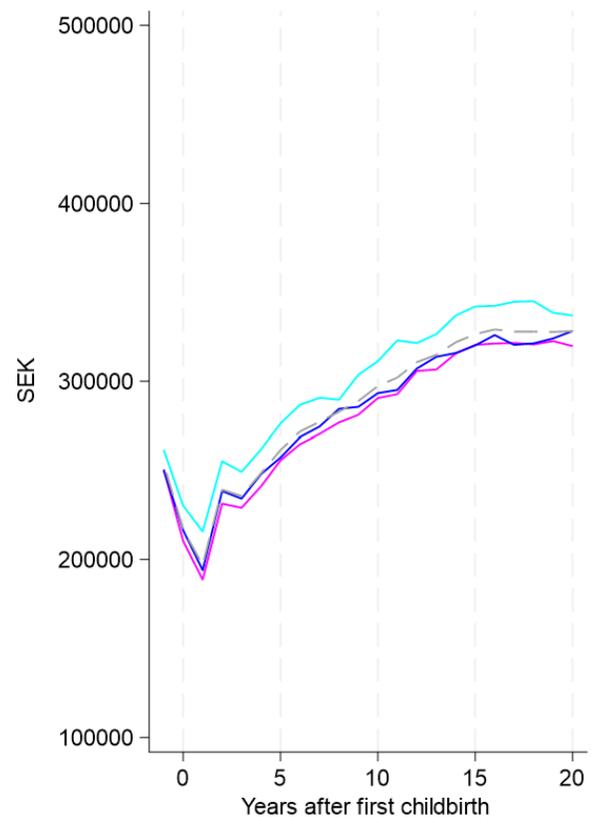
- Curvature implies that steep rise in “recovering” for women with higher or lower education level within family
- Less drop for women with equal education level
- 20 years after first child, the same rate of labour force participation and share of employment
- The notch reflects when men are on parental leave

Result - Women's disposable income

Women's share of husbands' disposable income



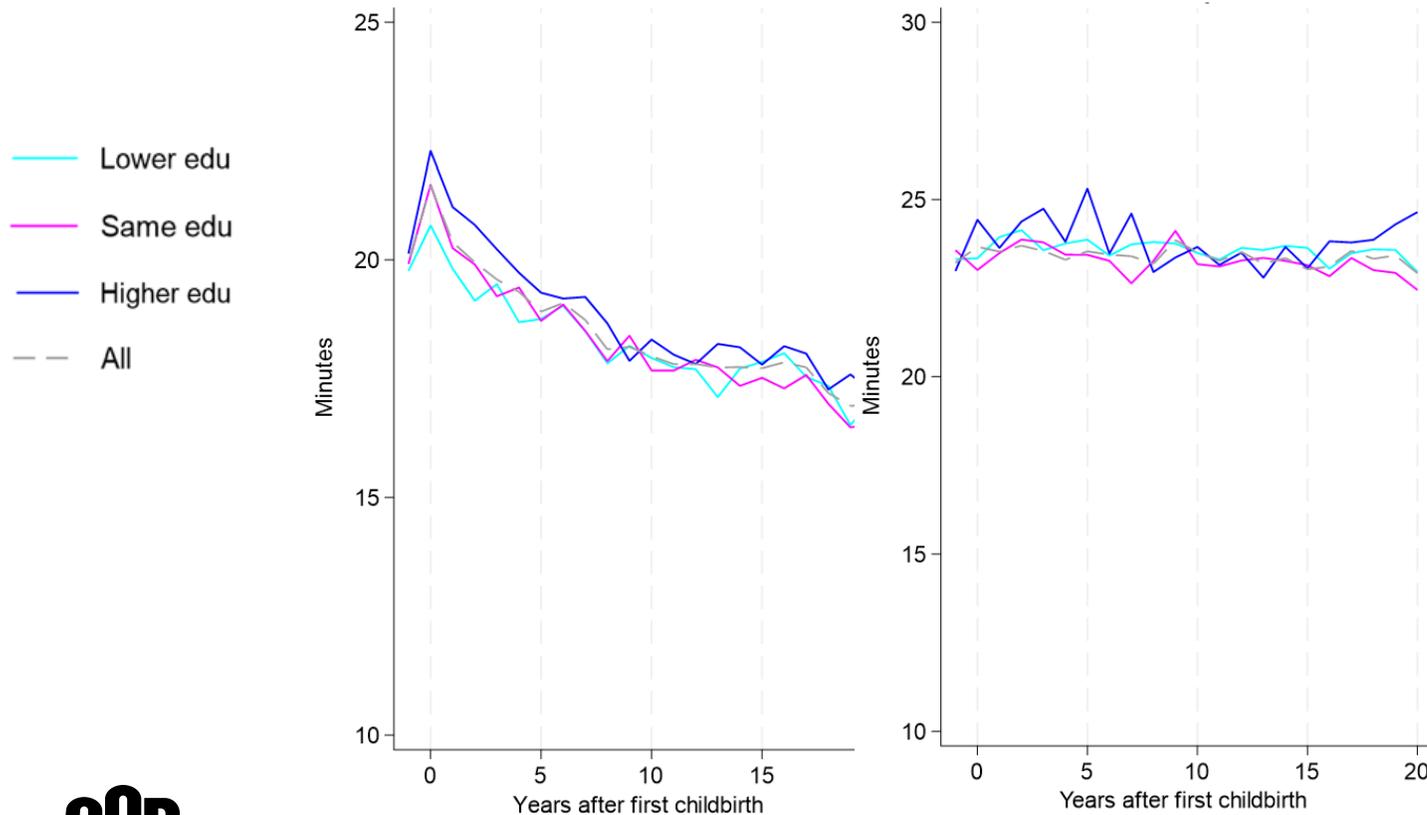
Women's disposable income, median value, 2020



- The higher relative education attainment the higher share of husbands' disposable income.
- On the other hand, women with lowest education attainment within family have the highest level of disposable income.

Result - Commuting time

Commuting time (one way) Women *Commuting time (one way) Men*

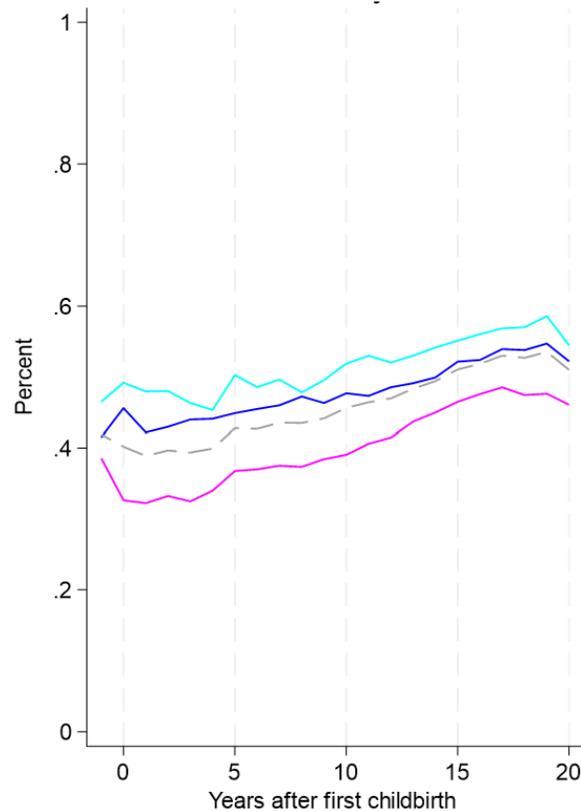


After the firstborn child:

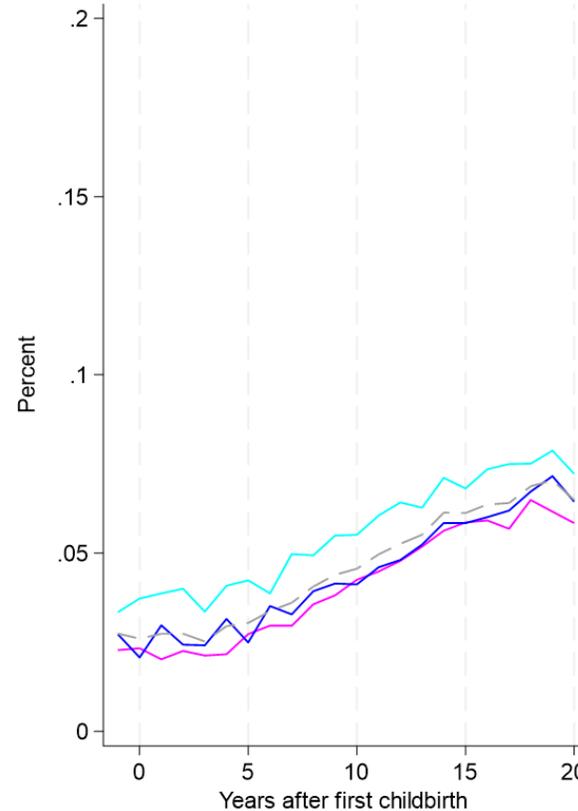
- Women reduce their commuting time
- Men does not reduce their commuting time, their behaviour is constant

Result - Women's occupations

Proportion of women in white-collar occupations



Proportion of women in managerial positions

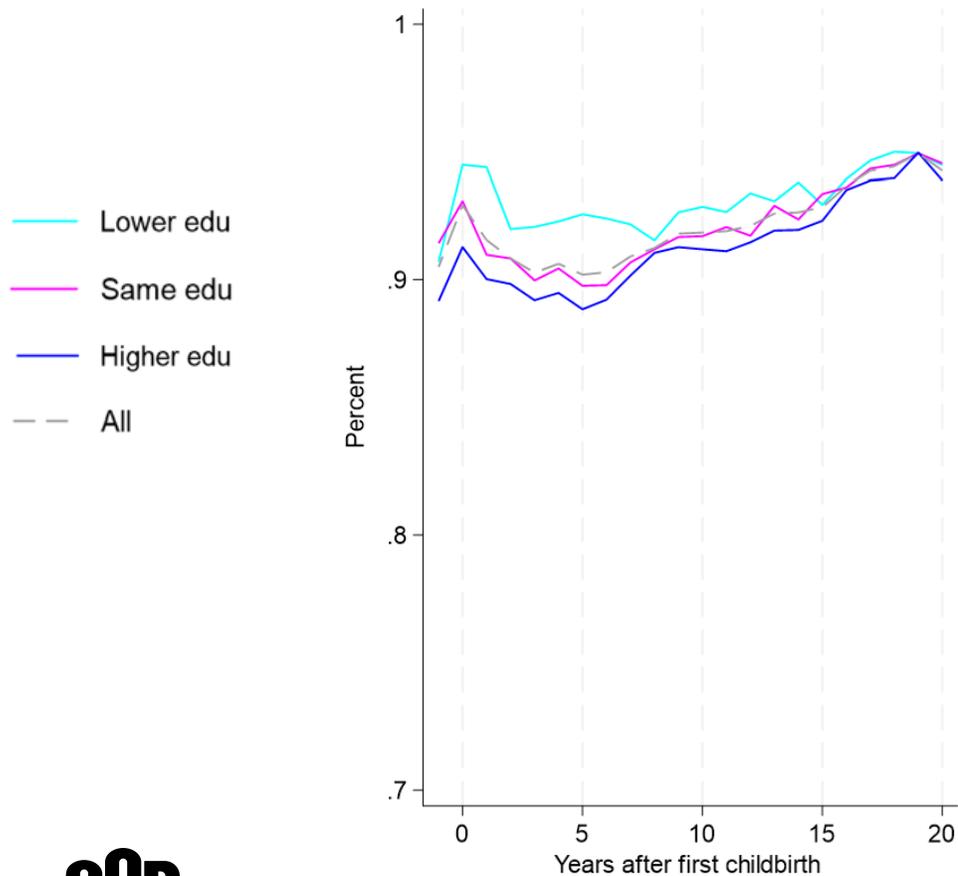


When women have lowest education attainment within family:

- They are more likely white-collar worker and having a managerial position
- Change employers at the similar rate

Result - an indicator of household's well-being?

Proportion of women remaining in the relationship



Women with *secondary education* and *lowest education attainment* within family have:

- Lower labour force partition and share of employment
- Slightly higher level of weakly attached to employment
- Lowest level of economic equality, although highest level of income. Also the highest future income variation.
- Reduced commuting time after their firstborn child compared to their husbands.
- Higher share of with-collar occupations and managerial positions
- But, change employers at the same frequency
- Why does more women with lower education level than their husband remain in the relationships in greater extent?
 - they have a higher well-being?
 - or can not afford to leave the relationship?
 - etc...

**Thank you
for your attention!**

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