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HYPOFAM The Rise of Hypogamy and its Consequences for Family Life

Assortative mating and heterogeneity in the magnitude of the child penalty

Lara Lebedinski (University of Vienna), Nadia Steiber (University of Vienna) and Rudolf Winter-Ebmer (JKU Linz)

Motivation and research question

- Gender income inequality explained largely by costs of childbearing
- Educational expansion with women outpacing men in educational attainment -> rise of **educational hypogamy** in couples
- **Question**: Does the magnitude of the child penalty depend on the educational composition of the couple?
- Hypothesis: When she has more education than him, this increases her bargaining power and is associated with a smaller child penalty.
- Counter-hypothesis: Gender display; neutralization of gender role reversal and negative selection into hypogamous unions.

Data and definition of variables

- Austrian register data from social security records - all first births 1990-2007 to Austrian mothers, married or un-married
- Outcome: Yearly earnings censored at contribution ceiling (gross)
- Balanced Panel: N=350 thousand couples experiencing first birth
- Education: compulsory, vocational, high-school/Matura, tertiary
- Educational pairings:
  Hypogamy: her education > his education (21%)
  Hypergamy: his education > her education (22%)
  Homogamy: his = her education (56%)

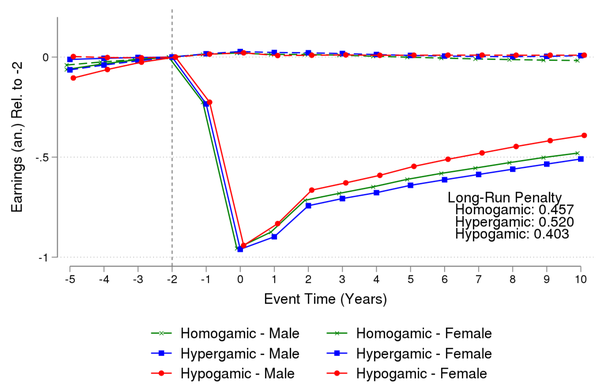
Event study approaches

- Event study following **Kleven et al. (2019)** to compute the *child penalty* in terms of the yearly income of women vs. men. Separate regressions for women and men with event time, age and year dummies. Long-run child penalty (t_{10}) relative to two years before first birth (t_{-2}).

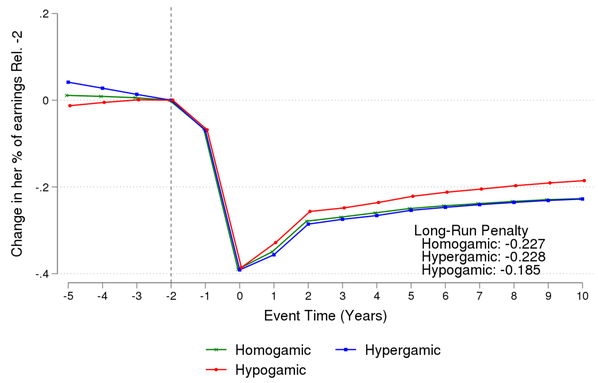
- Event study using couple-level approach (**Musick et al. 2020**) to compute the *child penalty* in terms of women's share of the couple's joint wage income (in %) following first birth. Couple level regression, same specification as Kleven approach except for dependent variable.

Results

***Kleven approach*: Separate regressions women/men**



***Musick approach*: Couple-level analysis**

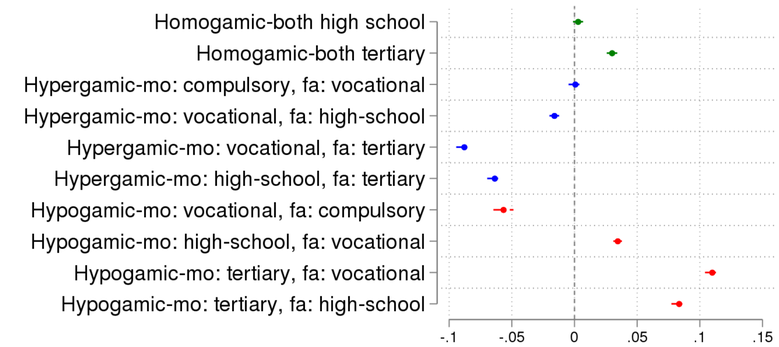


Heterogeneity in the effects of hypogamy and hypergamy

Child penalty defined for <u>each</u> couple as the change in her relative income (i.e. her % of couple's joint income) from two years before birth (t_{-2}) to the time when the first child is ten years old (t_{10}). Use this **couple-level child penalty** in linear model that includes educational pairings* as the main predictor and controls for year of birth, mothers' age at birth, district, and marital status at first birth. Positive coefficients indicate smaller penalty.

Educational pairings and the size of the child penalty

Reference couple (zero line): both partners with medium levels of education



*Note: We test difference between 11 pairings, 5 smallest pairings omitted (<1% of couples)

Conclusion

- ✓ Educational hypogamy associated with smallest child penalty, robust result that also holds using diagonal reference models (not shown).
- ✓ The couple-level approach makes use of information from actual couples rather than comparing averages and allows for a flexible specification and mediation analysis.
- ✓ Large degree of heterogeneity within couples defined as hypogamous: smallest penalty when mother is tertiary educated and father has a vocational degree.
- ✓ Work in progress: Investigate the mechanisms driving the difference in the magnitude of the child penalty between hypogamous and other couples, causal analysis.

References:
Kleven, H., Landais, C., & Søgaard, J. E. (2019). Children and gender inequality: Evidence from Denmark. American Economic Journal: Applied Economics, 11 (4), 181–209.
Musick, K., Bea, M. D., & Gonalons-Pons, P. (2020). His and her earnings following parenthood in the United States, Germany, and the United Kingdom. American Sociological Review, 85 (4), 639–674.

Contact: Nadia Steiber
Department of Sociology, University of Vienna
Rooseveltplatz 2, 1090 Vienna
nadia.steiber@univie.ac.at