

ESS22-054 - Parental Leave and Career Trajectories of Men and Women in Austria

Abstract

Career interruptions due to childbirth and subsequent parental leave are the quantitatively most important driver of gender differences in earnings. Even after mothers return to the labor market, they often work fewer hours and take up lower-paying jobs compared to their earlier employment. In this project, we propose to investigate leave choices of parents and examine how parental leave policies can shape leave-taking. Our analysis contributes to a better understanding of the gender gap in leave-taking, its consequences on work careers of mothers and fathers, and potential improvements in policy.

First, we descriptively analyze recent patterns in parental leave take-up of mothers and fathers in Austria. The unique combination of various administrative datasets at the newly established Austrian Micro Data Center (AMDC) allows us to provide a detailed characterization of parents who are most likely to take shorter and extended leave spells, by assessing the role of factors such as income, education, age, country of origin or region of residence. Moreover, we can quantify the consequences of leave-taking for future labor market outcomes for individuals themselves and their partners.

To learn about the importance of additional leave incentives for fathers, we examine the effects of a recent change in paternity leave policy. In March 2017, Austria introduced a one-month parental leave scheme tailored to fathers right after childbirth, colloquially referred to as 'daddy month'. Stronger involvement of fathers right after childbirth might spur a more egalitarian split of childcare duties and facilitate an earlier return of women to the labor market. We evaluate the overall take-up of this new scheme and analyze its impact on employment and earnings of parents.

In the second part of the project, we assess how financial and career considerations affect parental leave choices of fathers. Financial incentives differ markedly between low- and high-earning parents, and we use income data provided by the AMDC to estimate how these incentives affect take-up rates. Linking fathers to workplaces further enables us to analyze if competition effects among coworkers deter fathers from taking leave.

The third part of our project investigates the role of social norms. The AMDC includes detailed data on a number of person characteristics that we employ to proxy attitudes towards family and gender issues. This allows us to examine to what extent the effectiveness of parental leave policies depends on the social norms and attitudes of families.

Scientific disciplines:

Labour economics (80%) | Gender studies (10%) | Public finance (10%)

Keywords:

Parental leave policies; Paternal leave; Gender wage gap; Gender employment gap; Career paths for men and women; Peer effects

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Further links to the persons involved and to the project can be found under
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