

Is There a Motherhood Penalty? Decomposing the Family Wage Gap in Colombia

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One of the most important choices faced by individuals is whether to have a family or not. This choice implies to take into account several aspects such as future investments in human capital, the entry and exit of parents from the labor market, changes in consumption patterns, among others. In a traditional couple, getting married and having children do not have the same effect for women than for men. Nowadays, and during most of the last century, women are occupied in some other issues besides marrying and childbearing. They usually combine family life with professional life, as men have always done. This new role for women may imply a trade-off between human capital investments and the number of children. It may also imply a trade-off between cumulative labor experience and the number of children

There is evidence in the literature showing that certain family decisions may affect labor market outcomes of women - wages and working time - more than those outcomes of men (see for instance Lundberg and Rose (2002)). Although work and family responsibilities can be done simultaneously, the fact is that, on average, mothers spend more time with their children than fathers do. Women, after childbearing, usually stay longer out of the job market compared to men, which may affect their cumulative experience, job training and wages. In fact, childbearing may cause that mothers have to seek for another job more flexible in time, which gives them a penalty in their experience and salary. In the literature, there is a variety of explanations for the existence of this gap. These explanations ranges from the existence of unobserved heterogeneity, discrimination, and institutional features, to intermittences in jobs and less continuous labor tenure (see Waldfogel (1997), Anderson et al. (2003) and Amuedo-Dorantes and Kimmel (2008)).

Additionally, there are empirical studies comparing labor participation and wages of mothers and non-mothers. Their main interest is to find out if there is a 'family gap' between these two groups of women (Angrist and Evans (1998), Cruces and Galiani (2007), Peña and Olarte (2011), Budin and England (2001) among others). Most (not all) of the studies find, after controlling by socioeconomic characteristics of women, that there is a statistically significant gap in favor of non-mothers. However, in the opposite side, others as Piras and Ripani (2005) provide no conclusive evidence for different countries in Latin-America..

The purpose of this paper is to provide new evidence about the existence of gaps in wages between women with and women without children for the case of Colombia. To the best of our knowledge, this is an aspect that has only been studied by means of Mincerian equations without recognizing the existence of particular differences between the individuals in their characteristics\ distribution. In this sense, the contribution of this paper is twofold. First, we use a non-parametric approach which gives us an accurate idea of the actual differences between mothers and no-mothers in their labor earnings. This approach, designed by Ñopo (2008) for the study of gender wage gaps, has the advantage of providing a gap's decomposition according to

the set of common characteristics that are included in a matching procedure. Second, given that there is mixed evidence about the existence of penalty or premium of motherhood in the literature for different countries, we want to contribute with additional evidence for a developing country such as Colombia. As Waldfogel (1997) states, while the gender wage gap has fallen in recent years, the motherhood wage gap has actually increased. Thus, it is interesting to deepen in the origin of this wage penalty, which is done here using the Ñopo's decomposition method.