
Wage Differences Related to Motherhood and Children in the Family

MARIOLA PYTLIKOVÁ

Summary

- Statistical data show a persistent gender wage gap. Currently, women earn on average 78 per cent of men's average monthly wages. Women's median monthly wages amount to 85 per cent of men's median wage.
- The largest gender wage differences can be found for employees in age categories most likely to be affected by motherhood and parenthood duties. Specifically, for the 35–39 age group, the gender wage gap is 32 and 27 per cent, if measured by median monthly and hourly wages, respectively.
- Gender wage gap in the Czech Republic is also related to the number of children. For childless employees, the difference in median monthly wages equals to 15 per cent, and the gender wage gap increases with each additional child in the family. The difference in median monthly wages between men and women with one child is 20 per cent, 32 per cent between men and women with two children, and 36 per cent between men and women with three or more children.
- Gender wage gaps is highest when children need most care and are fully dependent on their parents. The older the children, the lower the difference; however, the pay gap does not close down when children reach adulthood; in fact, it still remains higher than the difference in median wages of childless employees. The gender gap in median monthly wages is around 39 per cent for parents with children aged 3–5; 37 per cent for parents with children aged 6–9; and 30 per cent for parents with children aged 10–18. The wage gap between men and women with adult children is approximately 24 per cent. The difference in median monthly wages between childless men and women is around 15 per cent.

- The differences in median monthly wages may be partially explained by the differences in hours worked. On average, men without children work 2 hours longer a week than childless women. After a child is born, men usually increase their working hours, working an average 44.4 hours a week when the children are small, whereas women with small children work an average 38 hours a week. This difference narrows down as the youngest child in the family grows, and the difference in working hours for employees with adult children is around 2.5 hours.
- Parenthood and childcare also affects the women's participation in the labor market, i.e. how economically active they are. The labor market participation of childless women aged 25–49 is extremely high in the Czech Republic—approximately 90 per cent. After a child is born, the women's participation drops rapidly to just under 20 per cent. The sharp drop in the participation of women with children aged 0–2 is not particularly surprising, considering the long and relatively generous maternity / parental leave (ML/PL) and the fact that childcare institutions for children under the age of 3 are not readily available for Czech women. Such a situation makes it difficult for mothers to effectively combine motherhood and career.
- Results of analyses using individual SILC data have revealed a statistically significant negative association between career interruption caused by long parental leave, and the person's subsequent wages. Extending ML/DL by one year, ceteris paribus, lowers wages by 1.1 per cent.
- The gender wage gap is also partially caused by sorting of women and men into various professions. According to our analyses, the sorting of women into lower-paid positions accounts for about 13 per cent of the total wage gap between male and female employees aged 20–49.
- Current legislation grants Czech parents one of the longest and most generous maternity / parental leaves in the world. Such a system, combined with the lack of publically financed childcare for children under the age of 3 and the employers' low rate of flexible working schemes' provisions, encourages women to stay home with children as long as possible, and it makes it difficult for mothers to combine motherhood and career. This might be also one of the explanation of the very low fertility rate in the Czech Republic, which is a long-term problem.
- As women are an important source of qualified labor force, their participation in the Czech labor market is strategically very important and also in terms of economic benefits (e.g. in terms of generating GDP). The time women spend outside the labor force due to their motherhood responsibilities therefore has a significant impact not only on their well-being, but also on the entire Czech economy and its performance.