

Measuring the Effect of the Timing of First Birth on Mothers' Wages in the Czech Republic

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Abstract

This thesis investigates the effect of fertility timing on women's long-run wages. Following the work of Herr (2016), by considering fertility timing in terms of labour market experience at the first birth, we study the effect on wages observed in the window 15 to 20 years after the labour market entry. This allows us to build different models for two groups of mothers: those entering the labour force with and without a child. We come to the conclusion that there is no effect of fertility timing for women entering the labour force already having a child. For women entering the labour force childless, the estimated postponement effect differs depending on whether they have an earning partner or not. If they do, there is clear cost of fertility delay by one more year (contrary to expectations) associated with a decrease in wages by 1%. This finding is very likely connected to a trend of lengthy parental leaves in the Czech Republic. If a woman does not have a partner, we observe an insignificant effect of first birth delay, yet positive. Comparing the results for women living in versus out of Prague, we see no significant difference in the effects.