The Price of Parenthood: A Study of the Family Pay Gap

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The Price of Parenthood: A Study of the Family Pay Gap

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This paper uses data from the National Longitudinal Survey of Youth to study how different family decisions contribute to higher earnings for men than for women. Special attention is paid to why women with children earn less than women without children. Multiple regression models are used to show how family variables such as marriage, the presence of young children, and family size cause these pay differences. Even after considering the number of hours worked, the results suggest that family variables are important determinants of income. For example, the presence of a young child is shown to increase the earnings of married men and significantly decrease the earnings of married women. This result, and other results reported in this study, support the hypothesis that there is a significant family pay gap in earnings between men and women. In addition, a slight family pay gap among women with different family conditions was found to exist.