

Parenthood and couples' relative earnings in Norway 2005-2014

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Background

With the advance of the gender revolution, the gender gap in paid and unpaid work in couples has been remarkably reduced. However, there is little knowledge whether the association between parenthood and within-couple income inequality has changed the most recent years, and whether such changes are linked to less impact of children on women's income and/or a stronger impact on men's income.

Objectives

We investigate to what extent parenthood, and particularly the presence of young children in the household, is related to within-couple inequality in earnings. Notably, we assess whether the importance of children changed between 2005-2014, a period in which work-family policies facilitating women's employment and promoting men's family involvement were substantially strengthened.

Data and methods

We use Norwegian register data on the total population of co-residential couples born 1946 to 1989, with information on partners' annual pensionable income from 2005 to 2014 (7,064,767 couple-observations/ ~700,000 couples each year). Specifically, using interactions and fixed effects models we compare the development of within-couple gender gaps in earnings over time between childless couples and couples with children of different ages, and within couples before and after childbirth.

Results

Women on average still earn less than their partner and this inequality increases with (young) children. This finding holds both in the comparison between couples with and without (young) children and when comparing couples' income gap before and after a childbirth. Across the study period (2005-2014) the within-couple gender gap in earnings was converging and becoming more similar between couples with and without (young) children. Our results indicate that the convergence is driven by an emerging association between having young children and fathers' earnings.

Conclusion

Parenthood persistently increases income inequality between partners. Nonetheless, the slight reduction of this income gap across the study period indicates slowly unfolding changes in how men and women prioritize paid labor after a childbirth.