

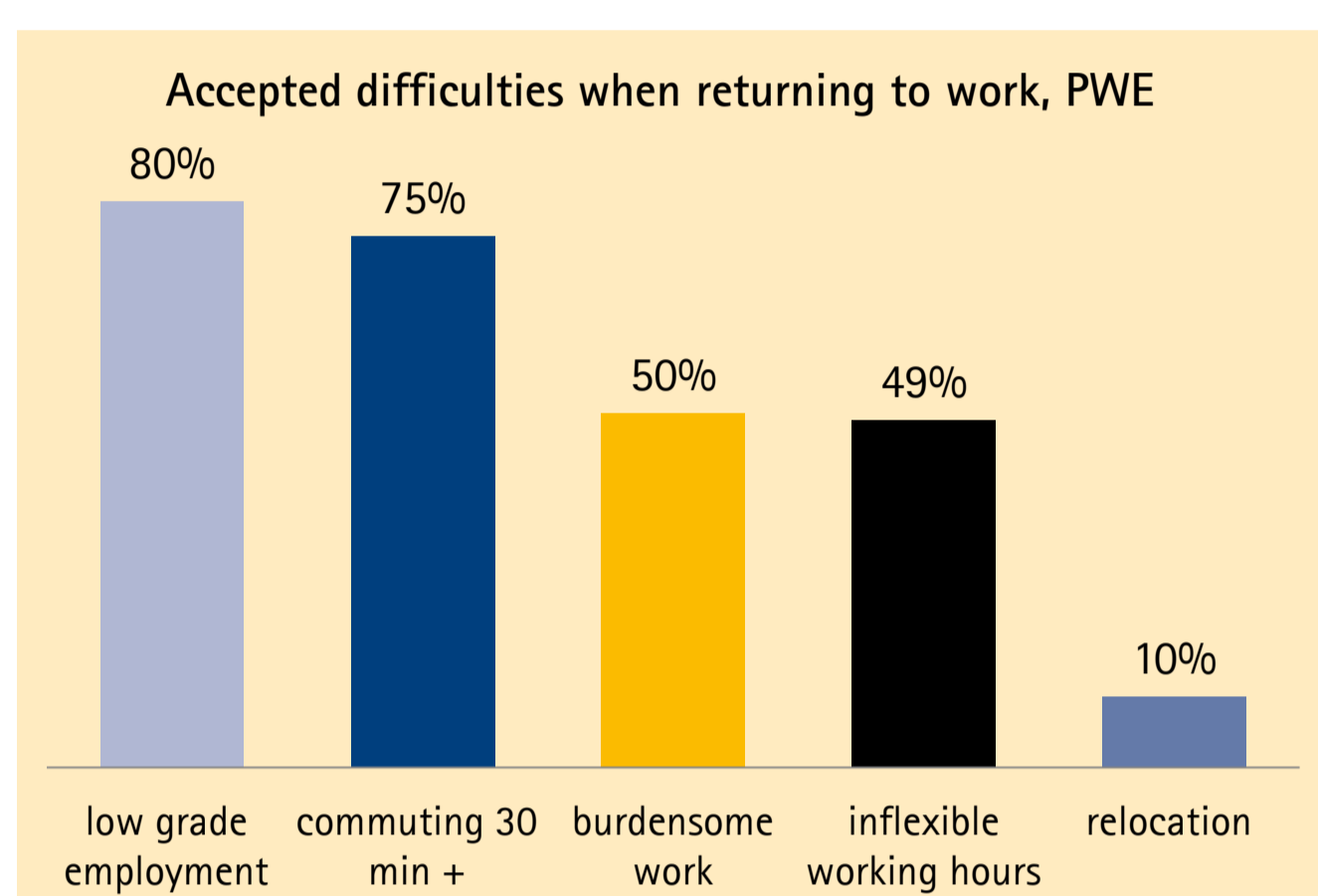
# It's not (all) about the money: What are prospective returners willing to accept for a job?

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Evidence from a factorial survey among mothers

## 1 Introduction

Findings on wage penalty for motherhood: women with children earn a substantial part less (in Germany up to 24 per cent) than men and also women without children. Empirically tested reason for wage penalty: less work experience and human capital depreciation during interruption, part-time work, and discrimination. Less empirically tested is selection into jobs: mothers select themselves into jobs with more favorable characteristics and those mother friendly jobs are paid less (cf. Felfe forthcoming).



### Research questions

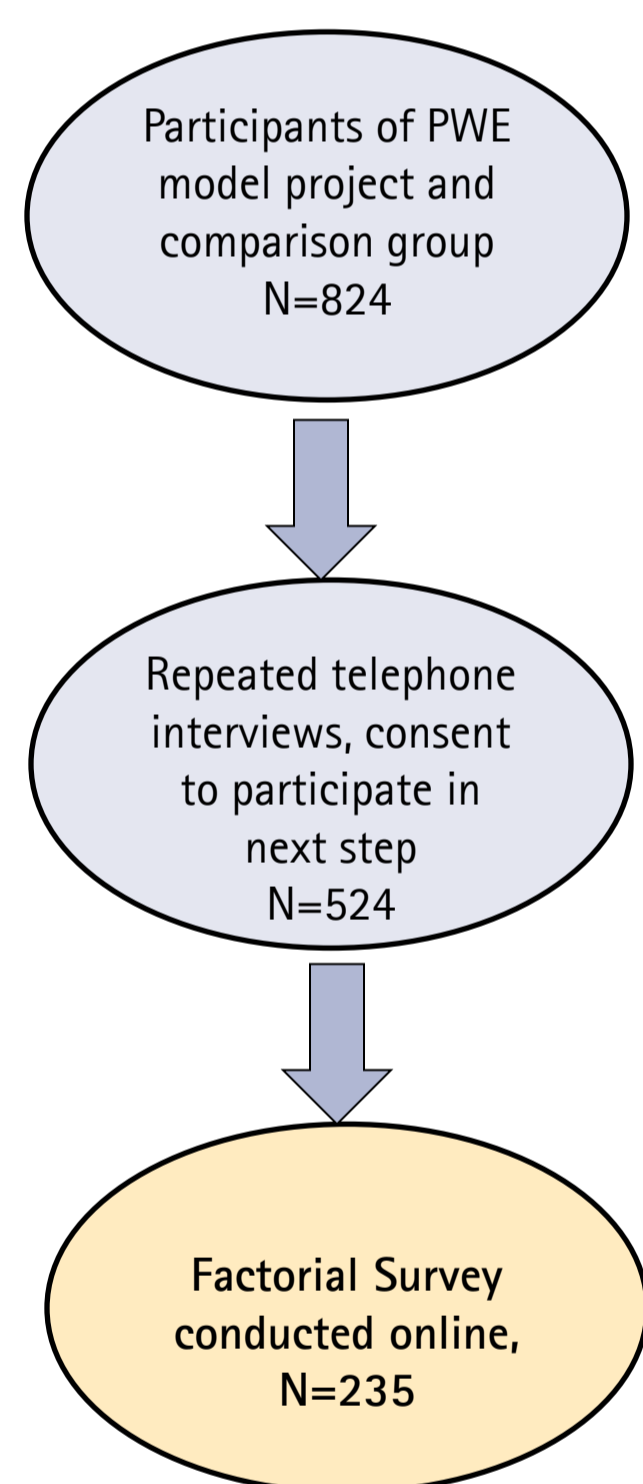
- How important are non-monetary job-characteristics compared to monetary job-characteristics for a (potential) return?
- Are their heterogeneities between women with different characteristics?

## 2 Theoretical Considerations and Hypotheses

**Theoretical Considerations:** Becker (1991): mothers seek jobs that are less demanding and allow for a better reconciliation of work and family. England and Budig's (2001) theory on compensation wage differentials (CWD): Some jobs are more desirable because they are "interesting, safe, pleasant or otherwise satisfying" (p. 69); these jobs are also taken for lower wages instead of more burdensome jobs. CWDs are dependent on the tastes for non-monetary job amenities and disamenities. Due to heterogeneities between individuals e.g. levels of educational attainment not all individuals are expected to have the same taste (Becker 1993).

- H 1:** The higher the wage-loss, the less likely it is that the searcher is going to accept the job-offer.
- H 2:** The more amenities non-monetary bear, the more likely it is that the searcher is going to accept the job-offer.
- H 3:** Non-monetary job-characteristics are expected to compensate for the wage loss.
- H 4:** The higher the level of educational attainment, the less likely it is that the searcher is going to accept disamenities.

## 3 Data



### Background Information and Sample

- joint model project PWE ("Perspektive Wiedereinstieg") of the BMFSFJ and the Federal Employment Service (Bundesagentur für Arbeit BA)
- women (project participants and comparison group generating with matching techniques) who have interrupted employment for at least three years (average interruption duration 11 years) but want to return / become active again

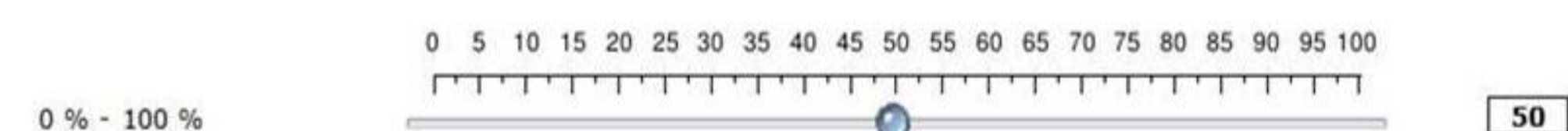
### Factorial survey

- orthogonalization of dimensions (main level and first order interactions): resolution V design (Dülmer 2007; Kuhfeld 1994, 2010)
- D-efficient design: reduction of vignette universe (N=973) to 200 vignettes, allocation of ten vignettes to one deck of vignettes resulting in 20 decks

## 4 Sample Vignette, Variables and Method

You **have just started to look for a job** and now receive the first offer. You have **no open applications** left. You are **clearly over-qualified** for this job. The **working hours** do not meet your requirements. You could only **work less than you originally planned**. Commuting to your new job would take **45 minutes one way**. Your **net salary** is about **10 per cent less** than the one you received before you interrupted your employment career. Your new job **has fixed working times** that were **scheduled beforehand**.

How likely is it that you are going to accept the job-offer?



**Method:** linear random intercept model (Rabe-Hesketh & Skrondal 2008)

$$Y_{ij} = \beta_0 + \beta X_{ij} + \gamma Z_j + \sigma Z_j X_{ij} + \mu_j + \varepsilon_{ij}$$

**dependent variable (Y):** vignette judgment

**set of variables on the vignette level (X):** six job dimensions

**variables on the individual level (Z) (telephone survey):** age, partnership situation; age of youngest child, residence, duration of interruption ...

**relative importance of dimensions (Bring 2004; Berk 2004):** variance decomposition (Groemping 2007)

## 5 Main Results

Vignette variables	Average job-acceptance rate 74.9 per cent	Explained Variance
phase: just started ref. already searching for a while	-0.2	0.00
situation: no open applications left ref. some applications left	2.8***	0.01
training: clearly over-qualified ref. according to training abilities	-7.4***	0.07
training: slightly over-qualified	-3.2***	0.07
working hours: more than planned ref. according to wishes	-13.2***	0.16
working hours: less than planned	-6.0***	0.16
commuting time: 30 minutes ref. 15 minutes	-6.8***	0.37
commuting time: 45 minutes	-20.6**	0.37
wage: 10 per cent less ref. according to previous job	-4.7***	0.33
wage: 30 per cent less	-18.1***	0.33
working hours: flexible ref. fixed	8.8***	0.06
working hours: agreed upon with supervisor	6.8***	0.06

\* p < 0.05, \*\* p < 0.01, \*\*\* p < 0.001; individual level variables controlled for

- job-acceptance rate varies from max: 86.8 per cent to min: 15.6 per cent
- wage loss and non-monetary job-dimensions are both important, especially commuting time
- search phase and search situation plays only a minor role
- interaction models with education (not displayed): significant effects for wage: 30 per cent loss (positive effect) and training: clearly over-qualified (negative effect)

## 6 Discussion and Next Steps

### Discussion

- besides monetary job-characteristics also non-monetary characteristics play a central role for shaping the job-acceptance decisions of mothers
- characteristics that have an influence on the time budget of the mother (e.g. commuting time) are more relevant for the mother than characteristics related to the job content (e.g. training level)
- better educated women are willing to accept a higher wage loss probably because they can afford the loss due to their higher earning potential
- but: they are less willing to accept jobs below their level of training
- factorial survey provides a different method how to address the relevance of certain job characteristics compared to descriptive results

### Next Steps

- validate behavioral intentions with realized job entries from wave 2 data
- currently: 2<sup>nd</sup> field phase including a split-design with an alternative factorial survey with yes/no decision to address robustness of results

## References

- Becker, G. (1991). A Treatise on the Family, Cambridge, Harvard University Press, MA.  
 Budig, M. and England, P. (2001). The Wage Penalty for Motherhood. American Sociological Review, 66, 204–225.  
 Felfe, C. (forthcoming). The motherhood wage gap: What about job amenities?, Labour Economics, Available online 14 July 2011, ISSN 0927-5371, 10.1016/j.labeco.2011.06.016.