

Parental Leave Policy and Long-run Earnings of Mothers

Online Appendix

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Online Appendix

Table 1: Descriptive Statistics on Daily Earnings of Mothers

Daily earnings in		Birth quarter				Total
		1st 2007	4th 2006	1st 2006	4th 2005	
		High-income mothers				
t - 2	Mean	97.92	99.56	98.95	100.14	
t - 1	Mean	108.55	109.36	107.22	109.94	
t+1	Mean	8.56	14.34	13.99	13.66	
t+2	Mean	37.65	35.54	32.56	33.20	
t+3	Mean	42.71	41.01	38.27	39.96	
t+4	Mean	44.47	43.47	40.14	41.31	
t+5	Mean	47.46	47.05	44.15	45.28	
t+6	Mean	50.52	50.51	47.22	47.85	
t+7	Mean	50.52	50.51	47.22	47.85	
t+8	Mean	53.15	52.58	49.63	49.72	
t+9	Mean	58.29	56.77	52.25	52.12	
	N	10,984	10,140	10,886	10,553	42,563
		Low-income mothers				
t - 2	Mean	14.90	15.54	14.42	15.38	
t - 1	Mean	18.04	18.45	16.90	18.42	
t+1	Mean	2.68	3.16	2.96	3.12	
t+2	Mean	8.55	6.81	6.32	6.40	
t+3	Mean	10.60	9.30	8.82	9.09	
t+4	Mean	13.14	12.00	10.97	11.44	
t+5	Mean	14.31	13.54	11.97	1.22	
t+6	Mean	15.18	14.55	13.22	13.69	
t+7	Mean	16.19	15.60	13.77	14.88	
t+8	Mean	16.94	16.39	14.90	15.80	
t+9	Mean	19.88	19.17	15.96	16.98	
	N	9931	9987	9930	9413	38,631

Source: IEB 1976-2016; own calculations.

Table 2: Descriptive Statistics on Control Variables, Nine years after giving birth

Variables		Birth quarter			
		1st 2007	4th 2006	1st 2006	4th 2005
High-income mothers					
Log(Daily Earnings 10 months prior-to-birth)	Mean	4.78	4.77	4.78	4.78
	SD	(0.21)	(0.20)	(0.20)	(0.20)
Non-German	Mean	0.09	0.08	0.08	0.08
	SD	(0.28)	(0.27)	(0.27)	(0.27)
Full-time work experience (months)	Mean	90.45	89.67	90.07	88.53
	SD	(57.77)	(57.17)	(56.60)	(55.42)
Part-time work experience (months)	Mean	35.60	33.69	35.74	33.57
	SD	(46.70)	(45.11)	(46.57)	(45.27)
Unemployment experience (Share of total work life)	Mean	0.01	0.01	0.01	0.01
	SD	(0.03)	(0.04)	(0.04)	(0.04)
Age at birth	Mean	31.97	31.89	31.81	31.81
	SD	(3.49)	(3.54)	(3.58)	(3.52)
Change of employer after birth	Mean	0.28	0.28	0.27	0.29
	SD	(0.45)	(0.45)	(0.44)	(0.45)
Employment ten months prior-to-birth					
Full-time	Mean	0.77	0.76	0.76	0.77
	SD	(0.42)	(0.42)	(0.43)	(0.42)
Part-time	Mean	0.23	0.24	0.24	0.23
	SD	(0.42)	(0.42)	(0.43)	(0.42)
Marginal Employment	Mean	0.00	0.00	0.00	0.00
	SD	(0.01)	(0.01)	(0.00)	(0.01)
Location of the establishment (before birth)					
West Germany	Mean	0.89	0.90	0.89	0.89
	SD	(0.32)	(0.31)	(0.31)	(0.31)
East Germany	Mean	0.11	0.10	0.11	0.11
	SD	(0.32)	(0.31)	(0.31)	(0.31)
Educational level					
No A-Levels/ No VT	Mean	0.03	0.02	0.02	0.02
	SD	(0.14)	(0.12)	(0.13)	(0.12)
No A-Levels/ VT	Mean	0.38	0.38	0.42	0.40
	SD	(0.49)	(0.49)	(0.49)	(0.49)
A-Levels/ No VT	Mean	0.01	0.01	0.01	0.01
	SD	(0.12)	(0.12)	(0.11)	(0.11)
A-Levels/ VT	Mean	0.27	0.27	0.26	0.27
	SD	(0.44)	(0.44)	(0.44)	(0.44)
University of Applied Science	Mean	0.08	0.08	0.08	0.09
	SD	(0.28)	(0.28)	(0.27)	(0.28)
University Degree	Mean	0.22	0.24	0.22	0.22
	SD	(0.42)	(0.42)	(0.41)	(0.42)

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Variables		Birth quarter			
		1st 2007	4th 2006	1st 2006	4th 2005
Tenure (months, 10 months prior-to-birth)	Mean	73.95	70.05	73.83	69.89
	SD	(50.28)	(49.68)	(50.99)	(50.27)
Number of children					
1	Mean	0.55	0.57	0.56	0.58
	SD	(0.50)	(0.50)	(0.50)	(0.49)
2	Mean	0.40	0.38	0.39	0.38
	SD	(0.49)	(0.49)	(0.49)	(0.49)
3	Mean	0.05	0.05	0.04	0.04
	SD	(0.21)	(0.21)	(0.20)	(0.20)
4	Mean	0.00	0.00	0.00	0.00
	SD	(0.07)	(0.05)	(0.06)	(0.06)
5	Mean	0.00	0.00	0.00	0.00
	SD	(0.01)	(0.02)	(0.02)	(0.00)
Observations		8,252	7,684	8,508	8,172
Low-income mothers					
Log(Daily Earnings 10 months prior-to-birth)	Mean	3.30	3.11	3.30	3.08
	SD	(0.60)	(0.60)	(0.64)	(0.60)
Non-German	Mean	0.18	0.18	0.18	0.17
	SD	(0.38)	(0.38)	(0.38)	(0.38)
Full-time work experience (months)	Mean	19.15	19.67	19.82	18.78
	SD	(27.63)	(29.67)	(29.79)	(28.69)
Part-time work experience (months)	Mean	27.31	26.14	28.30	27.21
	SD	(33.89)	(32.69)	(33.67)	(33.47)
Unemployment experience (Share of total work life)	Mean	0.04	0.04	0.04	0.04
	SD	(0.09)	(0.09)	(0.09)	(0.09)
Age at birth	Mean	26.17	26.14	26.22	25.85
	SD	(5.16)	(5.20)	(5.30)	(5.28)
Change of employer after birth	Mean	0.55	0.56	0.55	0.54
	SD	(0.50)	(0.50)	(0.50)	(0.50)
Employment ten months prior-to-birth					
Full-time	Mean	0.16	0.15	0.17	0.16
	SD	(0.37)	(0.36)	(0.37)	(0.37)
Part-time	Mean	0.56	0.56	0.54	0.53
	SD	(0.50)	(0.50)	(0.50)	(0.50)
Marginal Employment	Mean	0.28	0.29	0.29	0.31
	SD	(0.45)	(0.46)	(0.45)	(0.46)
Location of the establishment (before birth)					
West Germany	Mean	0.68	0.69	0.68	0.67
	SD	(0.47)	(0.46)	(0.47)	(0.47)
East Germany	Mean	0.32	0.31	0.32	0.33
	SD	(0.47)	(0.46)	(0.47)	(0.47)
Educational level					
No A-Levels/ No VT	Mean	0.09	0.10	0.10	0.10
	SD	(0.29)	(0.31)	(0.30)	(0.30)
No A-Levels/ VT	Mean	0.30	0.31	0.29	0.29
	SD	(0.46)	(0.46)	(0.45)	(0.45)
A-Levels/ No VT	Mean	0.02	0.01	0.01	0.01
	SD	(0.13)	(0.12)	(0.12)	(0.13)
A-Levels/ VT	Mean	0.15	0.15	0.15	0.15
	SD	(0.36)	(0.36)	(0.35)	(0.34)

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Variables		Birth quarter			
		1st 2007	4th 2006	1st 2006	4th 2005
University of Applied Science	Mean	0.01	0.01	0.01	0.01
	SD	(0.10)	(0.11)	(0.10)	(0.11)
University Degree	Mean	0.02	0.02	0.02	0.02
	SD	(0.14)	(0.14)	(0.14)	(0.15)
No Information	Mean	0.41	0.39	0.41	0.41
	SD	(0.49)	(0.49)	(0.49)	(0.49)
Tenure (months, 10 months prior-to-birth)	Mean	33.58	31.57	34.16	34.16
	SD	(30.33)	(30.25)	(30.24)	(30.63)
Number of children					
1	Mean	0.66	0.67	0.66	0.66
	SD	(0.47)	(0.47)	(0.47)	(0.48)
2	Mean	0.29	0.29	0.29	0.29
	SD	(0.45)	(0.46)	(0.45)	(0.45)
3	Mean	0.04	0.04	0.05	0.05
	SD	(0.20)	(0.19)	(0.21)	(0.21)
4	Mean	0.00	0.00	0.00	0.00
	SD	(0.05)	(0.05)	(0.06)	(0.07)
5	Mean	0.00	0.00	0.00	0.00
	SD	(0.00)	(0.01)	(0.02)	(0.02)
Observations		6,228	6,149	5,811	5,813

Source: IEB 1976-2016; own calculations.

Table 3: Descriptive Statistics on Mothers' Working Hours (conditional on working)

Working hours in		Birth quarter				N
		1st 2007	4th 2006	1st 2006	4th 2005	
High-income mothers						
2008	Mean	29.61	29.40	28.56	29.79	743
	SD	(12.96)	(12.17)	(11.76)	(12.17)	
	N	181	202	185	175	
2009	Mean	30.33	30.20	28.54	28.15	753
	SD	(11.41)	(11.80)	(11.46)	(12.30)	
	N	179	205	192	177	
2010	Mean	28.99	29.18	27.88	29.56	845
	SD	(11.78)	(11.06)	(11.36)	(12.07)	
	N	203	231	206	205	
2011	Mean	28.22	29.28	27.52	29.01	1008
	SD	(11.92)	(11.29)	(11.88)	(11.84)	
	N	269	246	254	239	
2012	Mean	27.72	28.64	28.11	28.38	947
	SD	(11.22)	(12.05)	(12.91)	(12.17)	
	N	249	234	224	240	
2013	Mean	28.44	28.16	27.46	27.96	980
	SD	(11.59)	(11.15)	(12.32)	(11.25)	
	N	261	245	241	233	
2014	Mean	28.30	27.94	28.11	28.29	1246
	SD	(11.53)	(11.21)	(12.00)	(11.06)	
	N	330	302	320	294	
2015	Mean	27.42	27.45	28.85	26.57	1306
	SD	(11.68)	(10.75)	(12.05)	(11.10)	
	N	350	331	304	321	
2016	Mean	28.98	28.56	28.63	28.35	1634
	SD	(12.27)	(11.73)	(11.59)	(11.29)	
	N	396	408	400	430	
Low-income mothers						
2008	Mean	31.11	28.68	28.67	24.78	162
	SD	(11.94)	(12.75)	(12.99)	(12.82)	
	N	38	41	39	44	
2009	Mean	24.43	23.32	24.30	24.78	191
	SD	(12.73)	(12.93)	(12.56)	(11.81)	
	N	47	47	46	51	
2010	Mean	23.88	23.29	22.76	24.10	219
	SD	(13.82)	(13.36)	(12.46)	(13.29)	
	N	57	48	55	59	
2011	Mean	27.35	26.28	24.21	24.77	214
	SD	(13.24)	(13.47)	(14.64)	(12.90)	

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		Birth quarter				
Working hours in		1st 2007	4th 2006	1st 2006	4th 2005	N
	N	51	50	61	52	
2012	Mean	23.40	23.66	21.78	23.54	226
	SD	(12.84)	(12.92)	(12.04)	(14.02)	
	N	57	59	64	46	
2013	Mean	20.65	22.29	21.92	19.59	234
	SD	(12.25)	(13.10)	(12.79)	11.25)	
	N	43	72	60	59	
2014	Mean	21.35	20.22	20.74	21.05	254
	SD	(12.33)	(11.89)	(11.37)	(11.89)	
	N	54	78	62	60	
2015	Mean	23.27	18.88	21.60	20.10	257
	SD	(15.38)	(11.81)	(10.88)	(11.05)	
	N	52	72	63	70	
2016	Mean	21.88	24.53	21.44	20.95	286
	SD	(12.11)	(23.46)	(13.00)	(13.62)	
	N	59	75	66	86	

Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, Microcensus 2008-2016, own calculations.

Table 4: Descriptive Statistics on Control Variables for selective years (Microcensus)

Variables			Birth half-year			
			1st 2007	4th 2006	1st 2006	4th 2005
High-income mothers						
2008	Age	Mean	33.23	34.25	34.55	34.94
		SD	(3.44)	(4.07)	(4.34)	(4.02)
	Married	Mean	0.76	0.80	0.79	0.78
		SD	(0.43)	(0.40)	(0.41)	(0.41)
	Single Mother	Mean	0.05	0.07	0.08	0.07
		SD	(0.22)	(0.25)	(0.27)	(0.25)
	German	Mean	0.93	0.93	0.94	0.93
		SD	(0.25)	(0.26)	(0.25)	(0.25)
	Foreigner, European	Mean	0.02	0.04	0.03	0.04
		SD	(0.15)	(0.21)	(0.16)	(0.20)
	Foreigner, Non-European	Mean	0.04	0.03	0.04	0.03
		SD	(0.21)	(0.17)	(0.19)	(0.17)
	Partner's age	Mean	36.09	37.00	36.85	37.96
		SD	(4.53)	(5.32)	(5.35)	(6.09)
	Net income	Mean	1355.64	1208.16	1419.46	1439.35
		SD	(1037.32)	(925.26)	(991.49)	(1348.31)
	Net household income	Mean	3936.94	3667.98	3952.53	4046.96
		SD	(2384.09)	(2081.73)	(2017.38)	(2502.27)
	Fulltime	Mean	0.49	0.46	0.42	0.38
		SD	(0.50)	(0.50)	(0.49)	(0.49)
Observations			181.00	202.00	185.00	175.00
2009	Age	Mean	33.85	35.11	34.55	35.60
		SD	(3.59)	(4.16)	(4.04)	(4.17)
	Married	Mean	0.75	0.80	0.84	0.81
		SD	(0.43)	(0.40)	(0.37)	(0.39)
	Single Mother	Mean	0.04	0.10	0.06	0.08
		SD	(0.21)	(0.30)	(0.23)	(0.28)
	German	Mean	0.93	0.91	0.92	0.92
		SD	(0.26)	(0.29)	(0.28)	(0.27)
	Foreigner, European	Mean	0.02	0.06	0.04	0.06
		SD	(0.13)	(0.24)	(0.20)	(0.23)
	Foreigner, Non-European	Mean	0.06	0.03	0.04	0.02
		SD	(0.23)	(0.18)	(0.20)	(0.15)
	Partner's age	Mean	36.67	38.24	38.06	38.60
		SD	(4.46)	(5.98)	(5.48)	(4.88)
	Net income	Mean	1636.57	1437.24	1504.10	1584.43
		SD	(1137.79)	(1056.65)	(1110.33)	(1603.86)
	Net household income	Mean	4138.89	3777.27	4183.53	4351.90
		SD	(2072.82)	(2129.47)	(2312.92)	(2683.81)

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Variables		Birth half-year				
		1st 2007	4th 2006	1st 2006	4th 2005	
Fulltime	Mean	0.40	0.49	0.40	0.39	
	SD	(0.49)	(0.50)	(0.49)	(0.49)	
Observations		179.00	205.00	192.00	177.00	
2016	Age	Mean	40.11	40.57	40.80	41.78
		SD	(4.66)	(4.76)	(4.97)	(4.97)
Married	Mean	0.76	0.79	0.74	0.82	
	SD	(0.43)	(0.41)	(0.55)	(0.39)	
Single Mother	Mean	0.18	0.18	0.22	0.13	
	SD	(0.39)	(0.18)	(0.41)	(0.34)	
German	Mean	0.94	0.91	0.90	0.92	
	SD	(0.24)	(0.28)	(0.30)	(0.28)	
Foreigner, European	Mean	0.03	0.05	0.05	0.06	
	SD	(0.16)	(0.22)	(0.22)	(0.23)	
Foreigner, Non-European	Mean	0.04	0.03	0.05	0.03	
	SD	(0.18)	(0.18)	(0.22)	(0.16)	
Partner's age	Mean	43.18	43.35	43.98	44.53	
	SD	(6.30)	(5.76)	(5.93)	(4.88)	
Net income	Mean	2026.98	2002.37	2138.54	1854.03	
	SD	(1559.57)	(1555.72)	(2037.86)	(1195.73)	
Net household income	Mean	4773.78	4922.81	4804.37	5003.35	
	SD	(2868.12)	(2982.95)	(3018.83)	(2871.30)	
Full-time	Mean	0.35	0.36	0.34	0.31	
	SD	(0.48)	(0.48)	(0.47)	(0.46)	
Observations		396.00	408.00	400.00	430.00	
Low-income mothers						
2008	Age	Mean	25.34	28.51	27.36	27.45
		SD	(5.38)	(7.31)	(6.03)	(6.03)
Married	Mean	0.55	0.63	0.56	0.57	
	SD	(0.50)	(0.49)	(0.50)	(0.50)	
Single Mother	Mean	0.18	0.29	0.21	0.30	
	SD	(0.39)	(0.46)	(0.41)	(0.46)	
German	Mean	0.87	0.80	0.74	0.84	
	SD	(0.34)	(0.40)	(0.44)	(0.37)	
Foreigner, European	Mean	0.03	0.00	0.08	0.05	
	SD	(0.16)	(0.00)	(0.27)	(0.21)	
Foreigner, Non-European	Mean	0.11	0.20	0.18	0.11	
	SD	(0.31)	(0.40)	(0.39)	(0.32)	
Partner's age	Mean	30.87	34.34	30.77	32.58	
	SD	(6.83)	(8.60)	(6.55)	(6.34)	
Net income	Mean	645.95	677.78	690.54	792.68	
	SD	(559.87)	(314.69)	(451.71)	(342.11)	
Net household income	Mean	1795.94	1982.81	1763.89	1964.47	
	SD	(1061.30)	(820.17)	(574.66)	(1224.84)	
Full-time		Mean	0.61	0.41	0.54	0.50

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Variables		Birth half-year				
		1st 2007	4th 2006	1st 2006	4th 2005	
	SD	(0.50)	(0.50)	(0.50)	(0.51)	
	Observations	38.00	41.00	39.00	44.00	
2009	Age	Mean	26.70	28.25	29.93	28.67
		SD	(5.63)	(6.40)	(5.99)	(5.86)
	Married	Mean	0.53	0.72	0.53	0.61
		SD	(0.50)	(0.45)	(0.50)	(0.49)
	Single Mother	Mean	0.26	0.26	0.17	0.35
		SD	(0.44)	(0.44)	(0.38)	(0.48)
	German	Mean	0.81	0.81	0.74	0.75
		SD	(0.40)	(0.40)	(0.44)	(0.44)
	Foreigner, European	Mean	0.06	0.02	0.11	0.04
		SD	(0.25)	(0.15)	(0.31)	(0.20)
	Foreigner, Non-European	Mean	0.13	0.17	0.15	0.22
		SD	(0.34)	(0.38)	(0.36)	(0.42)
	Partner's age	Mean	31.49	34.49	34.00	33.06
		SD	(8.51)	(7.06)	(7.32)	(4.80)
	Net income	Mean	645.56	663.33	679.38	864.67
		SD	(416.60)	(379.73)	(361.35)	(506.94)
	Net household income	Mean	1980.00	1982.14	1861.11	1894.05
		SD	(2074.04)	(873.93)	(704.99)	(975.07)

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Variables		Birth half-year			
		1st 2007	4th 2006	1st 2006	4th 2005
Full-time	Mean	0.34	0.30	0.37	0.33
	SD	(0.48)	(0.46)	(0.49)	(0.48)
Observations		47.00	47.00	46.00	51.00
2016 Age	Mean	35.59	34.43	36.33	36.16
	SD	(6.53)	(5.99)	(6.70)	(6.19)
Married	Mean	0.61	0.71	0.71	0.65
	SD	(0.49)	(0.46)	(0.46)	(0.48)
Single Mother	Mean	0.31	0.28	0.27	0.31
	SD	(0.46)	(0.45)	(0.45)	(0.46)
German	Mean	0.73	0.69	0.73	0.73
	SD	(0.45)	(0.46)	(0.45)	(0.45)
Foreigner, European	Mean	0.10	0.19	0.09	0.15
	SD	(0.30)	(0.39)	(0.29)	(0.36)
Foreigner, Non-European	Mean	0.17	0.12	0.18	0.12
	SD	(0.38)	(0.33)	(0.39)	(0.32)
Partner's age	Mean	40.00	39.84	41.02	39.84
	SD	(11.39)	(7.56)	(6.11)	(7.56)
Net income	Mean	962.07	1032.00	1014.23	877.65
	SD	(546.04)	(532.61)	(604.35)	(546.04)
Net household income	Mean	2353.51	2606.08	2665.39	2536.47
	SD	(991.12)	(1429.32)	(1118.24)	(1045.47)
Full-time	Mean	0.22	0.28	0.27	0.26
	SD	(0.42)	(0.45)	(0.49)	(0.44)
Observations		59.00	75.00	66.00	86.00

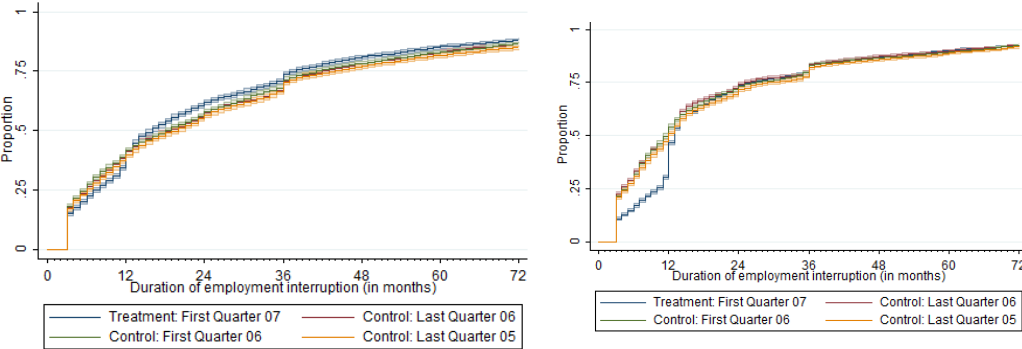
Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, Microcensus 2008-2016, own calculations.

Table 5: Effects of the parental leave reform on working hours

Working hours	2008	2009	2010	2011	2012	2013	2014	2015	2016
	b/se	b/se	b/se	b/se	b/se	b/se	b/se	b/se	b/se
University (vs. no VT)	1.12 (2.12)	4.35* (1.96)	5.24** (1.97)	3.71 (2.06)	4.39* (2.15)	6.80*** (1.62)	7.76*** (1.57)	5.58*** (1.41)	-7.80*** (1.55)
Birth 1st half (vs. 2nd half)	-0.18 (2.69)	0.44 (2.35)	-1.96 (2.29)	-1.92 (2.54)	-2.68 (2.40)	1.23 (2.12)	-0.85 (1.98)	-0.54 (1.82)	0.66 (2.14)
University * Birth 1st half (vs. 2nd half)	-0.95 (2.95)	0.16 (2.65)	0.59 (2.56)	0.46 (2.75)	2.47 (2.63)	-1.68 (2.33)	0.24 (2.16)	2.48 (2.01)	-0.43 (2.27)
Birth 06/07 (vs. 05/06)	-3.46 (2.51)	-2.06 (2.22)	-2.61 (2.41)	0.11 (2.46)	-1.65 (2.46)	0.70 (2.03)	-0.51 (1.84)	-1.84 (1.80)	3.39 (2.02)
University* Birth 06/07 (vs. 05/06)	-0.95 (2.95)	0.16 (2.65)	0.59 (2.56)	0.46 (2.75)	2.47 (2.63)	-1.68 (2.33)	0.24 (2.16)	2.48 (2.01)	-0.43 (2.27)
Treatment	5.53 (3.76)	0.18 (3.33)	3.18 (3.36)	2.79 (3.60)	2.95 (3.24)	-2.63 (3.11)	2.66 (2.85)	4.32 (3.03)	-3.63 (2.99)
University * Treatment	-4.12 (4.16)	-0.77 (3.72)	-1.81 (3.72)	-2.07 (3.91)	-4.22 (3.56)	-3.00 (3.41)	-2.13 (3.10)	-6.21* (3.25)	3.50 (3.19)
Age	0.17 (0.82)	-1.95* (0.79)	-1.03 (0.83)	0.44 (0.74)	0.82 (0.74)	0.41 (0.63)	-0.37 (0.59)	-0.82 (0.68)	-0.95 (0.65)
Age squared	0.00 (0.01)	0.03* (0.01)	0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	-0.01 (0.01)	0.00 (0.01)	0.01 (0.01)	0.01 (0.01)
Number of Children (ref: 1 child)									
2	0.91 (1.27)	-0.27 (0.93)	-1.11 (0.76)	-2.73*** (0.73)	-5.36*** (0.73)	-4.17*** (0.71)	-3.62*** (0.62)	-2.66*** (0.64)	-3.83*** (0.62)
3	0.12 (8.18)	-1.69 (4.44)	0.03 (3.25)	-2.23 (1.88)	-5.46*** (2.04)	-6.69** (1.40)	-7.01*** (1.15)	-5.95*** (1.04)	-6.33*** (0.89)
4							-6.67 (7.42)	-1.53 (3.15)	-9.73*** (2.04)
East Germany	4.06*** (0.94)	5.32*** (0.89)	5.63*** (0.88)	5.49*** (0.76)	6.69*** (0.78)	8.48*** (0.76)	7.49*** (0.65)	6.11*** (0.70)	6.56*** (0.64)
Nationality (ref: German)									
Non German, EU-Citizen	-1.68 (2.34)	-6.19** (2.06)	2.34 (1.99)	-2.40 (1.56)	2.27 (1.96)	0.92 (1.86)	2.87* (1.49)	-0.65 (1.50)	0.11 (1.31)
Non German, Non-EU-Citizen	-3.71* (2.04)	-1.53 (1.65)	-3.83* (1.65)	-3.43* (1.68)	-3.23* (1.39)	-1.70 (1.43)	1.39 (1.31)	-1.74 (1.35)	0.40 (1.48)
Marital status (ref: single)									
married	-2.44* (1.03)	-1.38 (1.00)	-1.42 (0.92)	-1.40 (0.87)	-2.24* (0.87)	-1.56 (0.86)	-2.51*** (0.71)	-2.28** (0.77)	-0.25 (0.70)
divorced	-12.62*** (3.80)	1.31 (2.39)	2.36 (2.49)	1.37 (1.92)	-1.87 (1.44)	-1.56 (1.46)	-2.39 (1.32)	1.10 (1.44)	2.73* (1.11)
Public sector	0.66 (0.90)	0.81 (0.84)	1.12 (0.78)	0.39 (0.72)	-0.10 (0.73)	-0.22 (0.67)	1.00 (0.58)	1.27* (0.58)	0.10 (0.53)
Region (ref: City)									
Urban Region	-0.73 (0.94)	-2.26* (0.88)	-0.54 (0.80)	-1.82* (0.76)	-2.47** (0.78)	0.03 (0.79)	-0.45 (0.67)	-0.15 (0.67)	-0.53 (0.62)
Rural region	1.05 (1.35)	-0.65 (1.24)	0.47 (1.19)	-0.42 (1.14)	-1.62 (0.97)	-1.36 (0.83)	-1.07 (0.70)	0.37 (0.73)	-0.55 (0.69)
Constant	27.85* (12.67)	57.72*** (12.77)	43.09** (13.96)	21.52 (12.95)	15.28 (13.11)	15.73 (11.49)	31.03** (10.64)	38.45** (12.83)	43.19*** (12.61)
R-squared	0.06	0.11	0.10	0.10	0.17	0.18	0.19	0.16	0.14
N	905	944	1064	1222	1173	1214	1500	1563	1920

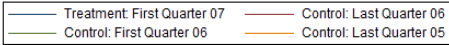
Source: RDC of the Federal Statistical Office and Statistical Offices of the Länder, Microcensus 2008-2016; own calculations. Treatment dummy equals 1 if the first child is born in the first half of 2007. VT: Vocational Training. Significance levels: * p < 0.05, ** p < 0.01, *** p < 0.001. Robust standard errors in parentheses.

Figure 1: Effects of the parental leave reform on the duration of employment interruptions in West Germany



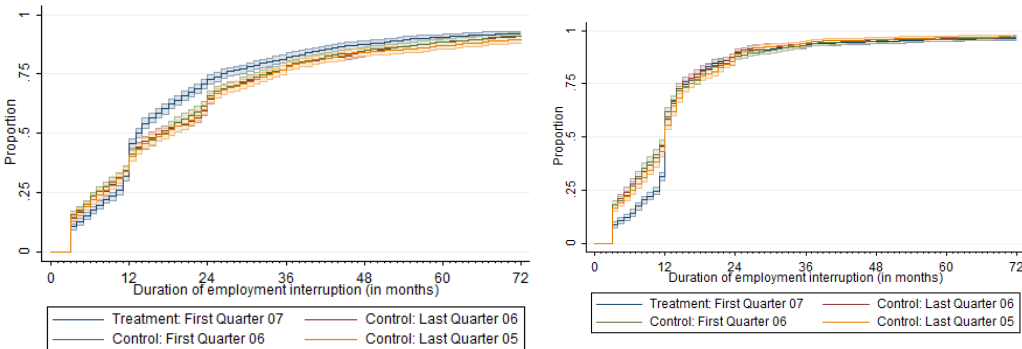
(a) Low-income mothers

(b) High-income mothers



Source: IEB 1976-2016; own calculations.

Figure 2: Effects of the parental leave reform on the duration of employment interruptions in East Germany



(a) Low-income mothers

(b) High-income mothers



Source: IEB 1976-2016; own calculations.

Table 6: Descriptive Statistics on Daily Earnings of Mothers, Medium-income mothers

		Birth quarter				
Daily earnings in		1st 2007	4th 2006	1st 2006	4th 2005	Total
Medium-income mothers						
t-2	Mean	56.83	57.40	57.40	57.97	
t-1	Mean	56.33	57.21	57.53	57.91	
t+1	Mean	5.50	5.16	4.93	4.96	
t+2	Mean	15.51	12.65	12.56	12.70	
t+3	Mean	18.87	17.92	16.70	17.05	
t+4	Mean	21.87	21.26	20.40	21.12	
t+5	Mean	22.53	22.13	21.28	21.43	
t+6	Mean	23.91	23.67	23.00	23.27	
t+7	Mean	25.69	25.54	24.57	24.77	
t+8	Mean	26.93	27.03	25.78	21.32	
t+9	Mean	430.05	30.04	27.51	27.66	
N		20,928	21,975	20,602	21,828	85,333

Source: IEB 1976-2016; own calculations.

Figure 3: Effects of the parental leave reform on the duration of employment interruptions for Medium-income mothers

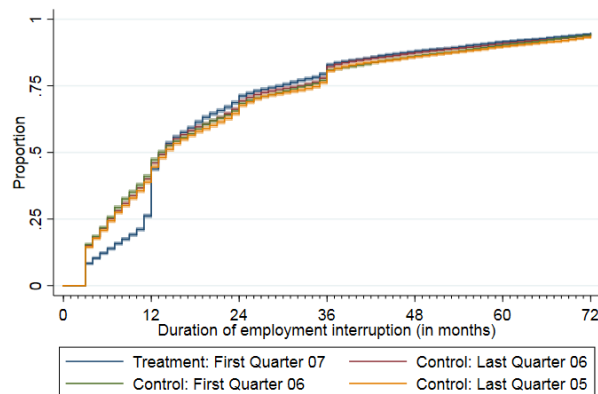


Table 7: Effects of the parental leave reform on daily earnings, nine years after birth

Daily Earnings	β	se	β	se
	low-income mothers		high-income mothers	
FirstQuarter	-0.19	(0.37)	-0.50	(0.49)
Reform	2.19***	(0.38)	6.28***	(0.53)
FirstQuarter \times Reform	0.70	(0.53)	2.17***	(0.73)
Previous wage	2.55***	(0.50)	67.45***	(1.22)
Foreign	-1.97***	(0.40)	9.06***	(0.71)
Full-time experience	0.08***	(0.01)	-0.03*	(0.02)
Full-time experience squared	0.00***	(0.00)	0.00***	(0.00)
Part-time experience	0.02	(0.01)	-0.09	(0.01)
Part-time experience squared	0.00	(0.00)	0.00	(0.00)
Unemployment work experience	-12.76***	(1.61)	-5.65	(4.91)
Age at birth	0.20***	(0.04)	1.02***	(0.08)
Change of employer after birth	-1.88***	(0.28)	-7.37***	(0.42)
Employment pre-birth (ref: Full-time)				
Part-time	9.31***	(0.65)	21.73***	(0.64)
Marginal Employment	8.96	(0.62)	33.49	(26.11)
East Germany	8.13***	(0.34)	20.38***	(0.61)
Educational level (ref: No A-Levels/ No VT)				
No A-Levels/ VT	2.58***	(0.47)	-2.53	(1.37)
A-Levels/No VT	2.77*	(1.19)	1.47	(2.16)
A-Levels/ VT	3.10***	(0.57)	-2.16*	(1.39)
University of Applied Science	4.44**	(1.47)	-0.59	(1.52)
University Degree	11.63***	(1.38)	3.42	(1.49)
No Information	3.75***	(0.62)	11.36	(10.01)
Tenure	-0.01**	(0.01)	-0.02***	(0.01)
Firm size (ref: < 50)				
50-100	6.46***	(0.03)	16.00***	(0.79)
101-200	6.33***	(1.04)	18.37***	(0.73)
201-500	7.95***	(0.97)	21.69***	(0.66)
>500	15.45***	(1.00)	27.13***	(0.57)
Missing	-24.49	(0.54)	-66.17***	(0.53)
Constant	16.12***	(2.16)	-282.55***	(5.85)
R-squared	0.23		0.55	
N	35,808		40,762	

Source: IEB 1976-2016; Besides firm size all variables refer to the employment spell 10 months prior to birth. Significance levels: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. Robust standard errors in parentheses.

Table 8: Effects of the parental leave reform on mothers' earnings with alternative specifications of the earnings variable

	Daily earnings in Euro, without imputed wages		Annual earnings in Euro		Daily earnings in logs, sample excluding non-working mothers	
	low-income	high-income	low-income	high-income	low-income	high-income
t-2	-0.31 (0.34)	-0.868 (0.470)	-157.672 (96.518)	199.510 (140.991)	-0.025 (0.016)	-0.013* (0.006)
t-1	0.15 (0.29)	0.325 (0.399)	-52.686 (53.843)	-58.211 (72.185)	-0.003 (0.013)	0.010* (0.004)
t+1	-0.56** (0.21)	-1.459* (0.600)	-236.857*** (63.688)	-1153.743*** (176.027)	0.036 (0.036)	0.067 (0.041)
t+2	1.37*** (0.31)	1.749** (0.674)	440.298*** (109.290)	625.325** (238.441)	0.054* (0.025)	0.099*** (0.018)
t+3	0.91* (0.36)	1.825** (0.700)	275.102* (127.439)	726.495** (245.319)	0.029 (0.024)	0.066*** (0.017)
t+4	0.85* (0.39)	1.607* (0.686)	235.314 (139.146)	565.280* (242.006)	0.012 (0.021)	0.047** (0.016)
t+5	0.20 (0.42)	1.129 (0.691)	136.880 (149.751)	557.263* (245.593)	-0.024 (0.021)	0.038* (0.016)
t+6	0.10 (0.45)	1.360 (0.697)	48.638 (158.306)	416.006 (248.283)	-0.013 (0.021)	0.046** (0.014)
t+7	0.79 (0.47)	1.437* (0.681)	199.394 (165.855)	599.010* (242.849)	0.022 (0.021)	0.033* (0.013)
t+8	0.77 (0.49)	1.346 (0.694)	352.134* (173.852)	750.150** (247.464)	0.004 (0.020)	0.020 (0.013)
t+9	0.70 (0.53)	1.921** (0.733)	212.258 (187.348)	966.456*** (260.426)	0.014 (0.020)	0.026* (0.013)
N	35.81	37.655	37.337	40.726		

Source: IEB 1976-2016; own calculations. Significance levels: * p< 0.05, ** p<0.01, *** p< 0.001.