

Dads on lowest wages face earnings penalties, whilst highest earning fathers get boost

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New research from Professor Lynn Prince Cooke looked at the average impact of children on men's and women's earnings, and also whether the impact of children differed depending on individuals' levels of earnings.

(Phys.org) —Fathers on the lowest incomes are predicted to incur financial penalties as compared with childless men, whereas highest earning dads are predicted to earn a further bonus, according to the author of a new study published in the journal *European Sociological Review*.

The research, conducted by Professor Lynn Prince Cooke in our Department of Social & Policy Sciences, analysed the impact of children on annual earnings among men and women in the UK, Australia and the US.

Using a newer statistical technique, she was able to look not only at the

average impact of children on men's and women's earnings, but also whether the impact of children differed depending on individuals' levels of earnings.

We already know that, on average, mothers face earnings penalties whereas fathers often receive an unexplained 'daddy [bonus](#).' The size of these penalties or premiums also differs across countries

Professor Cooke notes: "Working fewer hours creates gender economic disparities for Australian and British mothers, but employed mothers in these countries do not incur a further penalty when compared with low-waged childless women."

In contrast, the lowest-earning US mothers are predicted to earn 16 per cent less than childless women— an estimated penalty of more than \$1,500 per year for each child.

The highest-earning women in all three countries are not predicted to incur any significant motherhood penalty as compared with high-earning [childless women](#).

The analysis further reveals that the lowest-earning men in all three countries face small but significant fatherhood penalties, whereas high-earning British and US fathers garner significant premiums as compared with childless men.

In the UK, this means that men in the lowest earnings decile are predicted to earn about £480 less per year for each child, whereas men in the top 10 per cent of the earnings distribution are predicted to receive annual earnings bonuses of almost £3,200 for each child.

Professor Cooke explains: "Our study reveals that the lowest-earning fathers in all three countries are predicted to incur such earnings

penalties for each additional child, even after one considers factors such as their education and weekly work hours. In contrast, the highest-earning fathers all get sizeable financial boosts.

"These results highlight that the high level of market inequality is further penalising families at the bottom of the [earnings](#) distribution and rewarding those at the top. With the growing pressures to reduce welfare state expenditure, this speaks to even greater future inequalities among families and children."

More information: Cooke, L. P., 2014. "Gendered parenthood penalties and premiums across the earnings distribution in Australia, the United Kingdom, and the United States." *European Sociological Review* [dx.doi.org/10.1093/esr/jcu044](https://doi.org/10.1093/esr/jcu044)

Provided by University of Bath

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