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Abstract

Who 'Opts-out,' Who 'Opts-in,' and When?
Labor Force Attachment of New Mothers

ABSTRACT

Women's labor force attachment is an important public policy consideration for multiple reasons. Many previous studies suggest that once working mothers leave the labor market, re-entering the workforce becomes difficult. In addition, work interruptions can have a significant, negative impact on a woman's earnings when she returns to the labor force. A woman's first childbirth is an interesting event to study her labor supply, as she has to figure out how to combine work and childcare responsibilities. Despite the importance of this issue from the public policy standpoint, it appears there is less discussion on the broader population of working mothers. This paper contributes to the existing literature by documenting the behaviors of labor market attachment of new mothers from a nationally representative cohort. In particular, it focuses explicitly on women's exits and returns around the timing of their first childbirth using the National Longitudinal Survey of Youth (NLSY79) and examines whether there are systematic differences in these behaviors.