Later-baby mothers earn 10% more

Sarah Baxter, Washington

CAREER women will earn 10% more a year throughout their working lives if they delay having a baby by one year, according to new research.

Amalia Miller, 28, began investigating the price of motherhood because she and her friends were discussing the best time to have a baby.

Could it ruin careers to have children young? Would they be risking infertility by waiting too long?

Miller, an economist at the University of Virginia, had read Sylvia Hewlett’s much publicised book, Baby Hunger, about the regrets felt by childless career women and wondered whether there was a rational basis for their decision to put off motherhood.

She found that young university-educated mothers earned significantly less over their lifetimes than women who began their families as little as 12 months later. For unskilled workers the age of motherhood made no difference.

Miller’s work is in the tradition of her fellow economist Steven Levitt’s bestseller Freakonomics, focusing on real-life issues rather than fluctuations in the financial markets.

She discovered that a 24-year-old mother would earn roughly 10% less — right up to retirement — than a 25-year-old mother, while a 26-year-old would earn 10% less than a 27-year-old. The same applied to 29 and 30-year-old mothers and so forth.

Once women are on what Miller calls the “mommy track”, they tend to get sidelined by employers.

The 10% loss of earnings is remarkably consistent across Miller’s sample, taken from a study of more than 1,000 American women by the US Bureau of Labor Statistics. The figure derives partly from the higher wages that women who delay motherhood earn for the rest of their lives and partly from the longer hours they tend to work on their return.

The benefits of delay appear to lessen among professional women in their thirties whose careers are often established. “More experience seems to provide more of a buffer and, if you are at a point where your wages are levelling off anyway, timing doesn’t matter so much,” Miller said.

It suggests that the optimum time for women to have children is around 30, the age which Hewlett also believes is the “least risky” course for women.

Miller is hesitant about identifying the perfect age for motherhood but Atara, her younger sister, has given considerable thought to the subject. She is 27 and a successful lawyer at a New York firm. Married for nearly five years, she is now pregnant with her first child.

One of the partners at her law office congratulated her on her timing. “It’s ideal. You’re young but in the perfect place career-wise,” he said.

Atara has been at the same firm for four years so her career is already on track. She had noticed that fellow lawyers who had their first child after only a couple of years at work tended to be “relegated to the dregs”. She is also aware of a “generation gap” in her profession: many older women will have waited until they are partners in their firms before having children, but some have ended up in Hewlett’s “baby hunger” trap.

Miller had realised that young mothers could be more feckless or less ambitious than older ones, which could explain why they were less successful at work. So she compared women who had their first child at, for example, 26 with those who had miscarried at 26 and then had their first child at 27.

She also compared 26-year-old mothers to women who had tried to become pregnant at 26 but had not succeeded until they were 27, to prove that the drop in lifetime earnings was caused by the age of motherhood, rather than
character.

Hewlett, who is currently researching the impact of “extreme” jobs — at the top of the professions — on motherhood, said she was impressed by Miller’s work.

“It’s great stuff. It underscores the Catch-22 women are in. What makes it so compelling is it shows there is a penalty for having children that has nothing to do with one’s personal attributes,” she said.