

‘All for one and one for all?’ Do wage effects of fathers’ parental leave uptake vary by male coworkers’ use of parental leave in Finland?

Anna Erika Hägglund¹ Satu Helske¹ Simon Chapman¹ Jouni Helske¹

1. University of Turku
email: anna.hagglund@utu.fi

Abstract

Despite policy reforms extending fathers’ parental leave rights, a substantial share of fathers still does not use father-only-leave (Saarikallio-Torp & Miettinen, 2021). One prominent explanation for men’s limited use of parental leave is fear for career disadvantages. Taking care of children at home might signal lower work commitment to employers, and thereby induce employer discrimination. It is, however, not clear whether these fears are warranted. Previous studies both confirm and refute that parental leave fuels wage disadvantages among men (Bünning, 2016; Evertsson, 2016). Empirical evidence also suggests that wage implications vary along the skills and earnings spectrum, but the direction of effects is inconsistent (Evertsson, 2016; Morosow & Cooke, 2022)

The decision to take parental leave occurs in an organizational context. Organizational practices can constrain or incentivize fathers’ use of leave (Eriksson et al., 2022); correspondingly parental leave could impede pay raises in some workplaces, while having little effect in others (Johnsen et al., 2020). So far, organizational variation in wage effects following men’s parental leave is not well-understood.

In this study, we focus on the role of co-workers in Finland. We ask *whether the association between father-only-leave and wages varies by the leave uptake of male colleagues*. We hypothesize that the (potential) negative consequences diminish as fathers’ use of parental leave uptake becomes more common within the workplace.

Empirically, we use Finnish register data for the period 2008-2020. As individuals are linked to their employers, we observe variation in fathers’ leave-uptake both within and across workplaces. We analyze hourly wages 5 years prior and past child birth among first-time fathers. The results of distributed fixed effects model suggest that men overall are not penalized by taking father-only-leave. Yet father-only-leave is associated with wage disadvantages among tertiary-educated fathers. The results also highlight that fathers’ wages generally grow faster in workplaces, where a larger share of eligible male co-workers use father-only-leave. Wage consequences of fathers’ own leave uptake, however, does not vary systematically by leave-uptake of co-workers. In subsequent analyses, we will contrast fathers leaving the workplace with those who stay.

References

- Bünning, M. (2016). Work-family reconciliation for men: Do parental leave and part-time work affect fathers' hourly wages? *Kolner Zeitschrift Fur Soziologie Und Sozialpsychologie*, 68(4), 597–618.
- Eriksson, H., Billingsley, S., & Brandén, M. (2022). Parental Leave within the Workplace: A Re-assessment of Opposite Educational Gradients for Women and Men. *Sociology*, 56(5), 1032–1044.
- Evertsson, M. (2016). Parental leave and careers: Women ' s and men ' s wages after parental leave in Sweden. *Advances in Life Course Research*, 29(2016), 26–40.
- Johnsen, J., Ku, H., & Salvanes, K. G. (2020). *Competition and Career Advancement: The Hidden Costs of Paid Leave*. www.iza.org
- Morosow, K., & Cooke, L. P. (2022). The Impact of Taking Family Leaves Across Finnish Fathers' Wage Distribution. *Social Forces*, 101(1), 202–226.
- Saarikallio-Torp, M., & Miettinen, A. (2021). Family leaves for fathers: Non-users as a test for parental leave reforms. *Journal of European Social Policy*, 31(2), 161–174.