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Women's Labour Force Participation and Family Formation : The Case of Canadian Women

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The "traditional" family in which the father is the economic provider and the mother stays at home is no longer the predominant family model. In 1997, only about a quarter of all two-parent Canadian families with at least a child less than 16 fit that model. If the "traditional" model corresponds to what people experienced while growing up, the majority of Canadians under age 35 owe to consider the "typical" mother as one working outside the house while raising children.

There have been great changes in family patterns throughout the industrialized world during the last half of the twentieth century. Together with the rise in divorce among the married, the growth in cohabitation and the rise in non marital childbearing are arguably the most dramatic elements of this "second demographic transition". At the same time, women's roles outside the family was changing dramatically. Perhaps the most significant change was women's massive entry into the labour force. From 1976 to 2003, the rate of female labour force participation of Canadian mothers living with children under age 16 rose from 38% to 72%. Furthermore, globalization, competitive pressures, the proliferation of new technologies and the emergence of the service sector contributed to the erosion of work's traditional model of full-time, day-time employment, and to the development of the "7/24" economy.

What do these changes mean for family life? Are the changing patterns of family formation and mother's increasing participation in the labour market having an impact on the likelihood of having a first child? This study will assess the effect of Canadian women's labour force participation on the likelihood of family formation and how this effect has evolved over time.

Together with the proliferation of family events, women's work outside the home has certainly jeopardized the balance between work time and family time. Having a child not only increases family responsibilities, it also often impacts on both men's and women's careers. It is couples with young children that are suffering more from the "life-cycle squeeze". Dual-earner couples are now faced with the dilemma: career first or

children first? Women not in the labour force may not have the (economic) resources to bear and raise children.

Several theories on fertility decline in industrialized countries present women's massive labour force entry, their increased education, global increase in standards of living and secularisation in modern societies as determining factors. In this study, the "independence hypothesis", derived from Gary Becker's theory of family formation, is tested empirically. His economic theories rest on the centrality of a strong division of labor between married men and women. Decreased specialization, such as occurs when women also work and/or men also care for children, reduces "gains" and, argues Becker, should lead to delayed or even non-family events. The central question will be: Has the rise in female employment provided women the independence to avoid family roles or is the increase in women's earnings also has an "income effect," making family formation more feasible?

Becker has been widely cited by those who postulate a causal link between the increase in women's economic independence and the retreat from family over the past 30 years. However, many studies have found no evidence for such an effect at the individual level. These inconsistencies might occur if the processes influencing women's family transitions have been *changing*. Results from studies done on selected industrialized countries (including Canada) suggest that the revolution in women's economic roles may have had destabilizing effects, but some new pattern might be emerging. Canadian and US studies have shown that the effect of some human capital characteristics on the likelihood of entering a first union had changed over time, and that higher human capital had a positive effect on the start of conjugal life for younger women, while it may have had a deterring effect for older women. This study will assess how the effect of women's labour force participation has affected different generations of Canadian women.

Data are drawn from the 2001 Canadian General Social Survey (GSS), a nationally representative retrospective survey on family. Canadians reported full conjugal (all marital and non-marital unions) and fertility histories. They also provided information about the education and work histories, family of origin, fertility intentions, and family values and attitudes, as well as information on a broad range of background characteristics. The 2001 GSS sample is 24,310 adults, 15 years and over.

The analysis uses measures of both stable and time-varying respondent characteristics and activities. Given our focus on change, we highlight differences in family formation process for women of different ages, who entered the ages of first childbearing in different decades, considering most carefully the changing effects of their labour force participation. Our measure of female labour force participation takes into account women's movements into and out of the labour market as well as the cumulative effects that either continuous employment or repeated work interruptions might exert on their propensity to have a first child.

Demographic characteristics include birth cohort, age at first union, type of union (marital versus non-marital unions) and family background (including whether or not women were raised in a family where the mother was employed – to assess intergenerational transmission of family and work patterns). The effect of region of residence and religious practice while growing up is evaluated. Apart from participation, other labour force characteristics such as length of employment and number of work regime (part-time versus full-time) are included in the analysis. Available information on work characteristics of the spouse is used as well. Careful consideration is also given to education, another measure of women's human capital, using time-varying indicators of school enrolment and highest level of schooling.

Continuous time event history analysis techniques will be used. General proportional hazard (Cox) models are used to assess the effect of factors influencing the likelihood of having a first child.