

Are all the good men fathers? Wage dynamics around child birth

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Abstract

In this study we investigate the wage dynamics of men with and without children. Particular account is taken of the endogeneity of fertility of men. We hypothesize that family background is an important contaminating factor and we account for this usually unobserved factor by within brother and within twin estimation. For our empirical analyses we exploit rich Norwegian register data on cohorts of men born between 1955-65 for whom we have information about their complete earnings from 1967 until 2005, and complete information on their fertility including timing of births. Descriptives show that on average men with children earn around 6 per cent more than men without children. This holds also when we follow them over time from the beginning of their careers. This premium reduces when we apply within brother estimates. Within twin estimates become not significant and hence suggest that family heterogeneity is an important explanatory factor. **JEL codes:**

Key words: life-cycle earnings profiles, men, fertility, family background, twins, siblings

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