

Discussion of:
Self-Employed Mothers: Child Penalties,
Maternity Benefits, and Family Health

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Key Contribution

- Among the first papers to analyze:
 - ① How motherhood affects business performance of self-employed women
 - ② Impact of maternity benefits on self-employed mothers' business outcomes
 - ③ Impact of maternity benefits on mothers' childcare decision, fertility and health outcomes for mother and child
- Key insight: Self-employed mothers:
 - Choose to work less despite having flexible arrangements
 - This effect is persistent
 - Prioritize time with children over maintaining business income after receiving financial support

Health Benefits

- Maternal physical recovery
- Mental wellbeing
- Breastfeeding support

Child Development

- Enhanced cognitive outcomes
- Better health metrics
- Strong parent-child bonding

Family Benefits

- Shared parenting responsibility
- Work-life balance
- Financial stability

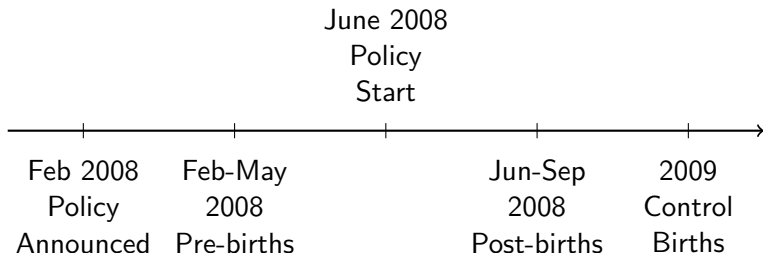
Societal Impact

- Gender equality
- Workforce retention
- Economic growth

- ① What is behind the persistence of maternity penalty?
 - Is this an issue of norms or it is a conscious division of household labor?
 - Role of partners/household arrangements?
 - Does business type/sector matter?
- ② Policy Implications
 - Optimal benefit design
 - More targeted support for female entrepreneurship after birth
 - Should also self-employed fathers receive the benefit?
- ③ External Validity
 - Are results specific to Netherlands/European context?
 - Would effects differ in places with less generous welfare systems?

- ① Control Group Selection
 - Can the likelihood of future children affect the control group composition
 - Consider restricting to completed fertility sample
- ② Multiple Hypothesis Testing
 - Many business and health outcomes tested
 - Consider adjusting p-values (e.g., Romano-Wolf correction)
- ③ Missing Heterogeneity Analysis
 - Quantile regressions
 - By business type (e.g., services vs retail)
 - By initial business size/income
 - By mother's previous experience/tenure
 - By presence of employees
- ④ Additional Analysis Suggestions
 - Impact on school readiness
 - Impact on siblings' outcomes

Setting & Key Dates



- Netherlands: €5,000 maternity benefit (\approx 4 months minimum wage)
- High take-up rate ($>$ 75%)
- No requirement to stop working

- Rich administrative data:
 - Business revenue (quarterly VAT returns)
 - Income and household finances
 - Healthcare utilization
 - Childcare usage
- Sample restrictions:
 - Small businesses (revenue $<$ €100,000)
 - Positive business income
 - Final sample: 2,451 self-employed women
 - *For male sample comparison: similar restrictions applied?*

- **Child Penalty Analysis:**

- Compare 2008 mothers vs. women without births in 2008-2011

- **Maternity Benefit Analysis:**

- Compare births just before vs. after June 2008 policy change
- February-May births (ineligible) vs. June-September births (eligible)
- Use 2009 births as additional control for seasonality

- Clean identification from policy timing:

- Benefit announcement in February 2008
- Cannot affect birth timing (already pregnant)

Key Finding 1: The Child Penalty in Self-Employment

- Sharp drop in business activity after childbirth:
 - 13pp lower probability of any revenue in birth quarter
 - 40% lower revenue if active
 - Effects persist 3+ years after birth
 - No effect for self-employed fathers (though sample definition needs clarification)
- Similar magnitude to employee child penalties despite flexibility of self-employment

Key Finding 2: Impact of Maternity Benefits

- Eligible mothers further reduce business activity:
 - 7.5% lower revenue in first 2 years
 - Reduction in business income \approx 50% of benefit amount
 - Net increase in household income
 - Evidence of increased savings
- Reveals preference for using benefit for reduced work rather than outsourced childcare
- *Surprising that there is no effect on maternal health or depression. This should be more central to the paper. Is this consistent with other literature?*

Key Finding 3: Child Health Effects

- Eligible mothers:
 - 5.2pp less likely to use formal daycare
 - Children have 15% lower healthcare costs in year 1
 - Reduced infections and medication usage
 - Effects reverse after age 3 (hygiene hypothesis)
 - No long-term health impacts

Thank You

Great paper!