

Careers under endless childcare

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The asymmetric sharing of family responsibilities between mothers and fathers is the key driver of gender wage gaps. Mothers indeed experience a major "child penalty", that is, sizable and persistent earning losses with respect to women without children having the same characteristics. In the case of fathers, instead, the birth of a child has negligible effects on earning paths. But what happens when the newborn has a disability? While parents may anticipate the career setbacks associated with having a child and take these into account when making fertility decisions, the onset of a child's disability introduces unexpected challenges that are far harder to prepare for.

Disability is not simply a condition that limits the life of the person who is affected, but it also profoundly impacts the other family members in many, different ways (Balbo and Bolano, 2024; Arora, 2014; Albrecht et al., 2001). When the family member with disability is a child, parents are likely to be the family members who bear the highest costs, being usually the main caregivers. Child disability is a non trivial phenomenon considering that in Europe around 4.4% of children under the age of 16 has a disability (EU statistics on income and living conditions (EU-SILC), 2021), that is around 3.6 million children. According to existing estimates (Parsons and Platt, 2011), 95% of children have on average two alive parents, therefore there are around 6.8 million parents who face the disability of a child. Unlike the general "child penalty," which parents might mitigate through careful planning, the impact of a disability is often unforeseen and, therefore, not factored into their original career or family planning. As a result, parents are faced with a sudden increase in caregiving demands that requires immediate adjustments in both their personal and professional lives. This unanticipated event can lead to greater disruptions in labor force participation, emotional strain, and financial stress than they might experience with a typically developing child, as parents struggle to balance work with the heightened demands of care. Furthermore, and most importantly, caregiving needs persist well beyond the childhood in such cases. Consequently, the labor market penalties associated with raising a child with a disability are potentially harder to navigate, as they fundamentally disrupt the plans and expectations parents had for their careers and family lives.

This study aims to examine the "child penalty" on parental employment for families who have a first child with disability in Italy, a country with unique social and economic factors. Italy's gender gap in earnings remains substantial, and female labor force participation is comparatively low. Furthermore, traditional gender norms place a heavier burden on mothers as primary caregivers, which likely intensifies the effects of having a child with a disability. By leveraging administrative data from INPS (Istituto Nazionale della Previdenza Sociale), we investigate the impact of severe child disability on parental employment trajectories by comparing the career paths of parents following the birth of a child with or without a severe disability, employing propensity score matching and event-time methods. We document significant negative effects on maternal labor market outcomes, both on the probability of remaining employed and on earnings. Preliminary results also suggest substantial effects on fathers, which contrasts with the general child penalty, where fathers are typically only marginally affected.