

*Parity Transitions and In-Work Poverty
across the Life Course in the US and Germany*

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Abstract

In this study, we go beyond institutional and stratification approaches to in-work poverty by analysing the short- and mid-term associations between parity transitions and the risk of belonging to the working poor across the life course. Longitudinal data from the US and Germany are applied to between-within random effects linear regression models to estimate how the risk of in-work poverty increases initially following the transition to a first, second, and third child as well as how the initial increase in the risk of in-work poverty changes in the following six years. We further explore differences by age groups when childbirth occurs. Our results show that transitioning into parenthood increases the probability of in-work poverty especially for younger individuals. The initial increase in the risk of in-work poverty is much larger in the US compared to Germany. However, the positive association between each parity transition and the risk of in-work poverty is highly persistent in both contexts for all age-groups.

Keywords: Parenthood; Poverty; Cross-National; Life Course.

INTRODUCTION

In-work poverty is an increasing concern in most western affluent democracies and poses challenges to traditional work-based anti-poverty strategies. The working poor, employed individuals who live in households whose income is below the poverty threshold, pose a challenge for the principle of meritocracy that legitimizes inequality in liberal societies. Studying in-work poverty is relevant both empirically and theoretically. First, in-work poverty does not simply mirror overall poverty and does not correspond to low-wage work tout court. Because the working population is larger than the non-working population, the working poor might represent the most typical poor (Brady, Baker, & Finnigan, 2013). Second, the sole existence of working poor households challenge the idea that employment is promoted as key path for escaping poverty and for reducing inequality.

Most research has studied the association between structural characteristics (education and social class) as well as ascriptive characteristics (gender and race) with in-work poverty (e.g., Andreß & Lohmann, 2008; Lohmann & Marx, 2018). However, family demographic processes, such as the transition to parenthood, as well as marriage and divorce, are tightly intertwined with labour market dynamics (Van Winkle & Struffolino, 2018). It is therefore necessary to simultaneously scrutinize the associations between employment, poverty and family transitions. However, the literature mainly relies on cross-sectional analyses and to date no comparative research has studied how the association between family demographic processes and in-work poverty risk vary across the life course in different welfare contexts.

This paper goes beyond the traditional institutional and social stratification approach to in-work poverty by analysing the role of family demographic processes in the risk of belonging to the working poor at different ages and across the life course. We concentrate on parity transitions, specifically the transition to first, second, and third child, for at least two reasons. First, although it is acknowledged that household compositions has an influence on the probability to be employed and live in poverty (see Crettaz, 2013 for a review), there is no research on how changes in household composition due to parity transitions affect the risk of in-work poverty and whether those vary by the number of children. Second, higher parity progression might not only increase households' risk of entering in-work poverty, but the number of young children exposed to households at risk of social exclusion.

We address three research questions: First, what are the short- and medium-term associations between parity transitions and in-work poverty? Second, do the short- and medium-term

associations between parity transitions and in-work poverty vary by the age at which parity transitions occur? Finally, are there differences across welfare states? We focus on the United States and Germany as ideal typical representatives of liberal and corporatist-conservative welfare states. The German labour market is highly regulated and German family policy is characterized by generous income support for families with children and long parental leave. In contrast, US family policy is residual without parental leave schemes and limited mostly to income tax credits and targeted relief for poor families with children. Comparing these two countries allows us to gain initial insights on whether institutional arrangements can ameliorate the association between parity transitions and the risk of in-work poverty across the life course.

To study the longitudinal dynamics of parity transitions and in-work poverty, we draw on data from the US Panel Study of Income Dynamics (PSID) and the German Socio-Economic Panel (GSOEP) included in the Cross-National Equivalent File (CNEF). We construct panels of households observed to transition to a first child, a second child, and a third child as well as households that do not make each respective parity transitions. Each household panel is then applied to between-within random effects models that simultaneously estimate the within-household change and between-household difference in the risk of in-work poverty in the years following each parity transition. These models have the additional advantage that we can adjust for time-constant characteristics, such as whether households ever transition to a first, second, or third child. In addition, we model whether the short- and medium-term association between each parity transition and the risk of in-work poverty varies across the life course. For example, do couples that enter parenthood experience a larger penalty than those that have children at later ages and does the persistency of those penalties decrease with age?

THEORETICAL BACKGROUND

Parity Transitions and In-Work Poverty

The baseline risk associated with each parity transition is driven ultimately by changes in household resources and household needs. Following the transition to parenthood, household incomes may decrease if one earner, typically the mother, withdraws from the labor market or reduces their work intensity. Further, household incomes may decrease due to motherhood penalties on the labor market (Budig & England, 2001), which have been shown to be largest

and most persistent for women with three or more children (Abendroth, Huffman, & Treas, 2014). The economic needs of households also increase with the number of children. In a report to the European Union on the costs of children, Letablier and colleagues (2009) estimate the relative direct cost of a first child to be between 20 and 30 percent the budget of an average childless couple. Although the marginal cost of each additional child is thought to decrease, the cumulated costs compared to a childless household will continue to increase with family size. In sum, the decrease in household income and the increase in household needs becomes larger and more persistent with each additional child. We therefore hypothesize that *the short-term increase in the risk of in-work poverty to be larger for higher parity transitions compared to the transition to first child (H1a) and the economic recovery in the medium term is faster for the transition to first child compared to higher parity transitions (H2a).*

Parity Transitions and In-Work Poverty across the Life Course

Age-specific risks may emerge as a consequence of violating the normative timetable for the transition to adulthood and family formation (Furstenberg, 2005). Early childbearing, especially teenage parenthood, is perceived by policy makers and the general public in the US to be one of the main hindrances to successfully graduate from college, find stable and high-earning employment, and avoid tumultuous partnership trajectories characterized by cohabitation and divorce. However, age differences in the association between parity transitions and in-work poverty may be a result of life course dynamics in earnings and earnings capacities (Heckman, Lochner, & Todd, 2003). In early adulthood, individuals have less firm- or industry-specific human capital that is gain through labor market experience and firm tenure. Therefore, any loss of income following the transition to a first, second, or third child will be a larger portion of household incomes. Those that experience childbirth at older ages have accumulated more human capital and earnings capacities, which might serve as buffer against falling into in-work poverty following any parity transition. However, the earnings capacities of older adults increase at a slower rate than younger adults. If younger adults fall into in-work poverty, they may exit it as their incomes continue to grow. In contrast, older adults that fall into in-work poverty may not be able to escape it. Therefore, we hypothesize that *the short-term increase in the risk of in-work poverty will be larger for parity transitions that occur early in adulthood (H1b) and that the economic recovery in the medium-term is faster for parity transitions that occur early in adulthood (H2b).*

Parity Transitions and the Persistency of In-Work Poverty in the US and Germany

In light of considerable institutional differences between the US and Germany, it seems likely that the short- and long-term associations between each parity transition across the life course will differ. In the United, labor markets are open and unregulated, workers are relatively unprotected from labor market instability, and public family support is nearly nonexistent (Esping-Andersen 1990; Ferrarini 2006). Although there is some variation at the state level, the federal government only guarantees the right to 12 weeks of job-protected, albeit unpaid, maternity leave since 1993 (Ifo-Insitute, 2015). Further, there are no federal parental leave schemes. Public and affordable childcare is rare in the US, and most of the available public family support systems are targeted to low-income families. These means-tested and indirect child and family allowances are often insufficient to cover the high costs of high-quality childcare (Thévenon, 2011). Low-income mothers therefore either use neighborhood networks or extended family members to provide childcare or do not re-enter the labor market until their children enter school (Aisenbrey & Fasang, 2017). High-income mothers, on the other hand, can balance work and family life by using the childcare provided by the private sector.

On the other hand, Germany has extensive employment protection including job-secured leave policies, and generous income-related family policies such as child allowances (Esping-Andersen 1999; Ferrarini 2006). For example, parents obtain job-protected parental leave for up to three years and universal and direct child allowances until age 26 if children attend higher education. Both of these schemes can compensate for the direct costs of childbearing (Kalwij, 2010). Further, low cost public childcare, although not wide-spread in rural and West Germany, allows women to return to the labor market without a loss in income and human capital (Adserà, 2004). As a consequence, we hypothesize that *the short-term increase in the risk of in-work poverty should be smaller in Germany compared to the US for all parity and all age groups (H1c)* and that *economic recovery in the medium term is faster in the US compared to Germany for all parity and all age groups (H3b)*.

DATA & METHODS

Sample

We used data from the US Panel Study of Income Dynamics (PSID 1970-2015) and the German Socio-Economic Panel (SOEP 1984-2014) included in the Cross-National Equivalent File (CNEF) to analyze the relationship between parity transitions and in-work poverty across the life course. PSID and SOEP are both nationally representative household panels. PSID sampled approximately 18,000 individuals within 5,000 households in 1968 and continued to collect economic, sociological and demographic information annually until 1997. Since then information has been collected on a biennial basis. SOEP began in 1984 with a sample of roughly 12,000 respondents living in West Germany and added a sample of approximately 5,000 East Germans in 1990.

We constructed three household samples to analyze how the risk of poverty changes following 1) the transition to parenthood, 2) the transition to a second child, and 3) the transition to a third child. All samples were restricted to single and couple households that with a combined work intensity of at least 1,040 hours in the previous year. Working over 20 hours a week averaged over a year corresponds with one adult working full-time for at least 26 weeks or working part-time for a full year. Households without an adult between age 18 and 50 were also excluded.

Our transition to parenthood sample was restricted to households that transitioned from being childless to households with one child zero to four years old and included all observations before and after the transition to parenthood. This means that we retained observations, i.e. household-years, even when households had additional children. Keeping these observations was consistent with our goal of estimating the association between the transition to parenthood and in-work poverty in the years following for all households. The sample also included all observations of households without children that were not observed to transition to parenthood as a control.

We constructed our samples to study the transition to a second and to a third child in a similar manner. The sample for the transition to a second child comprised all households with one child that were observed to transition to a second child under the age of five as well as households with one child that did not have an additional child as a control. Households that had two children and were observed to have a third child under the age of 5 were included in

the sample to study the risk of in-work poverty following the transition to a third child as well as households with two children that did not transition to a three child household.

Outcome Variable

In-work poverty was measured in accordance with the EUROSTAT definition of at-risk of poverty or social exclusion. Individuals with net equivalized household incomes under 60 percent of the annual median were considered to be in relative poverty. We estimated annual medians using the entire samples weighted to be nationally representative for the given year. Annual net household income was calculated as the sum income of all household members from labor earnings, asset flows, retirement income, private transfers, public transfers, and social security pensions minus taxes. Private transfers included alimony and child support payments, and public transfers included housing allowances, child benefits, subsistence assistance, and maternity benefits.

Independent Variables

To examine both short- and medium-term changes following the transition to a first, second, and third child, we included both a binary and a continuous indicator. For our analyses on the transition to parenthood, our binary indicator took the value of one when households had transitioned to have one child and zero when they were childless. The continuous indicator counted the number of years following the transition to first child and was zero while the household was childless and in the year of the transition.

We constructed the binary and continuous indicators for our analyses on the transition to a second and third child in a similar manner. For our analyses on the transition to a second child, our binary indicator was one when households had transitioned to have a second child and zero while only having one child. The continuous indicator counted the number of years following the transition to the second child and was zero while the household had only one child and in the year of the transition. When households had transitioned to have a third child the binary indicator was one for our analyses on the transition to a third birth, and the continuous indicator counted the number of years since that transition.

When these variables were simultaneously included in the regression models, the binary indicator captured the initial change following the transition to a first, second, or third child,

and the continuous indicator captured changes after the year of the respective transition. We used a quadratic specification of years after each transition, because it is more parsimonious than a non-parametric specifications with categorical duration variables. The distribution of all variables across all samples (by country, parity transition, and working poor and not working poor) is displayed in Table A1 in the Appendix.

Analytical Strategy

We used between-within random effects linear regression models (Sjölander, Lichtenstein, Larsson, & Pawitan, 2013), also known as hybrid random effects regression models (Allison, 2009), with observation years nested in households to estimate changes in the probability of in-work poverty. Between-within random effects models combine the advantages of fixed effects and random effects models. In the linear case, these models consistently estimate the within-person effects of parity transitions controlled for all time-constant covariates and unobserved characteristics, while simultaneously estimating between-person effects (see Goetgeluk and Vansteelandt 2008 for a discussion pertaining to the non-linear case). To accomplish this, all time-varying covariates entered in the model twice: one as household specific mean (between-effect); and one as deviation from the household mean (within-effect).

A between-within random effects model can be formulated as:

$$y_{it} = \beta_0 + \bar{X}_i \beta^{BE} + (X_{it} - \bar{X}_i) \beta^{FE} + u_i + e_{it}$$

where in-work poverty, y , for a household, i , at time point, t , is a function of time-constant predictors and their vector of between-household coefficients, and time-varying predictors and their within-household coefficients as well as an household random intercept and idiosyncratic error term. In our case, the association between parity transitions (to 1st, 2nd, and 3rd child) and in-work poverty was captured through four terms in the regression models: two derived from the binary parity transition indicator and two from the continuous measure for years after the parity transition.

$$y_{it} = \beta_0 + \bar{P}_i \beta_{1a}^{BE} + (P_{it} - \bar{P}_i) \beta_{1b}^{FE} + \overline{Dur}_i \beta_{2a}^{BE} + (Dur_{it} - \overline{Dur}_i) \beta_{2b}^{FE} \\ + \bar{X}_i \beta^{BE} + (X_{it} - \bar{X}_i) \beta^{FE} + u_i + e_{it}$$

where β_{1b} and β_{2b} are our within-effects of interest, i.e. the association between the parity transition and in-work poverty, and its change as households progress from one year after childbirth to the next, respectively. The between-effects are captured by β_{1a} and β_{2a} , which denote the difference between households with no children and those with one child (in the case of first parity) and how that difference varies between households. We interacted these terms with age groups to estimate how the associations between parity transitions and in-work poverty vary by age group. We therefore included five additional terms:

$$\begin{aligned}
& y_{it} \\
& = \beta_0 + \bar{D}_i \beta_{1a}^{BE} + (P - \bar{P}_i) \beta_{1b}^{FE} + \overline{Dur}_i \beta_{2a}^{BE} + (Dur_{it} - \overline{Dur}_i) \beta_{2b}^{FE} \\
& + AGE_i \beta_3 \\
& + \bar{P}_i AGE_i \beta_{4a}^{BE} + (P_{it} - \bar{P}_i) AGE_i \beta_{4b}^{FE} + \overline{Dur}_i AGE_i \beta_{5a}^{BE} + (Dur_{it} - \overline{Dur}_i) AGE_i \beta_{5b}^{FE} + \bar{X}_i \beta^{BE} \\
& + (X_{it} - \bar{X}_i) \beta^{FE} + u_i + e_{it}
\end{aligned}$$

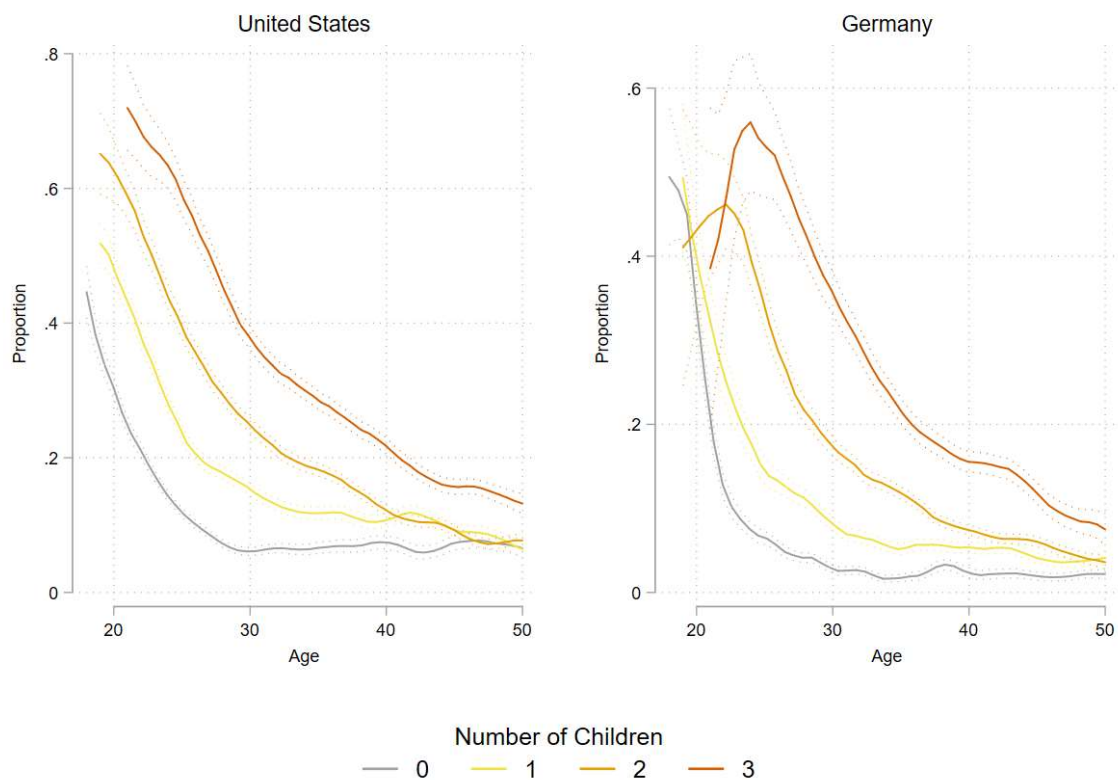
where the within-effects β_{4b} and β_{5b} represent how the initial impact of a parity transition on in-work poverty risk and its change over time vary by age group. The between-effect of age and in-work poverty is captured by β_3 . All models included a sample indicator, i.e. whether a household ever experienced the parity transition. In additional analyses presented below, we adjusted our models for household characteristics that were confounded with age and parity transitions as well as factors that might mediate the interactive effects of parity transition and age on in-work poverty. Specifically, we estimated models that include average years of observation, years of education, marital status, occupational group, gender and number of earners. For the United States we additionally controlled for race, and for Germany for East/West. Values for educational attainment, marital status, and occupation were taken from the highest earning member of the household. We also include the percentage distance from the poverty threshold in the year prior to childbirth to account for baseline differentials in the probability of in-work poverty dependent on household incomes before childbirth. Results are presented as changes in the coefficients and predicted probabilities. Full models can be found in Tables A2.1, A2.2, A2.3, A3.1, A3.2, and A3.3 in the Appendix.

PRELIMINARY RESULTS

Descriptive Trends

Figure 1 shows that across nearly all age groups, in-work poverty rates are highest in the United States compare to Germany. At age 20, just under 25 percent of working American men and just over 25 percent of working American women were living in households with incomes under the relative poverty limit. The proportion of the US working population living in poverty decreased across age groups, but gender differences grew larger. Roughly 9 percent of US working men were poor at age 45, while closer to 14 percent of US working women at age 45 were poor. In-work poverty was also more common early in the life course in Germany. However, only approximately 10 percent of employed German men and women lived in impoverished households at age 20, and only 5 percent at age 45.

Figure 1: in-work poverty risk by number of children below 18 in the household



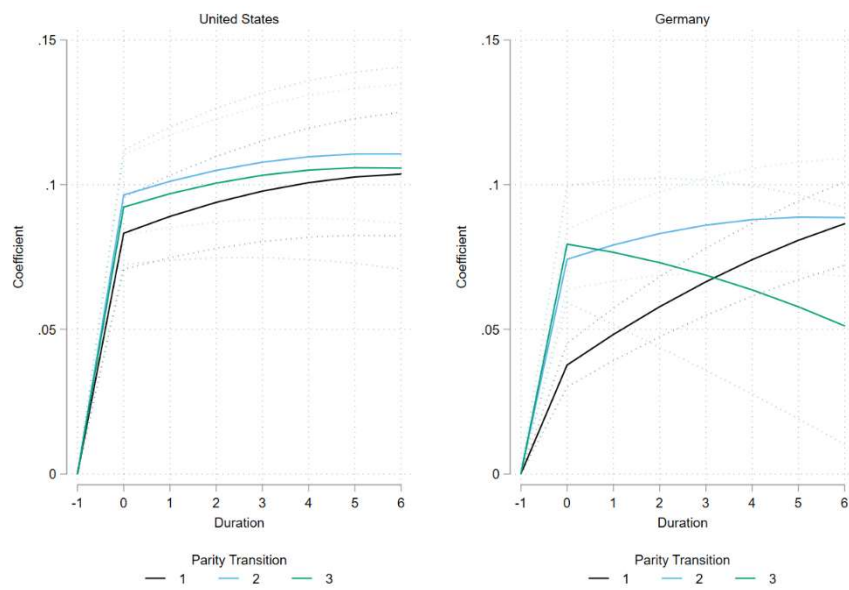
Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

Higher parity transitions were associated with higher risk of in-work poverty at very young age especially. In the US, this risk declined steeply from 50-80 percent when parity transitions occur around age 20 to 18-40 percent when parity transitions occur around age 30. The figures for Germany were very similar in terms of trends, but the risk associated with 1st and 2nd parity over the entire observational period (and especially at a very young age) was smaller compared to the US.

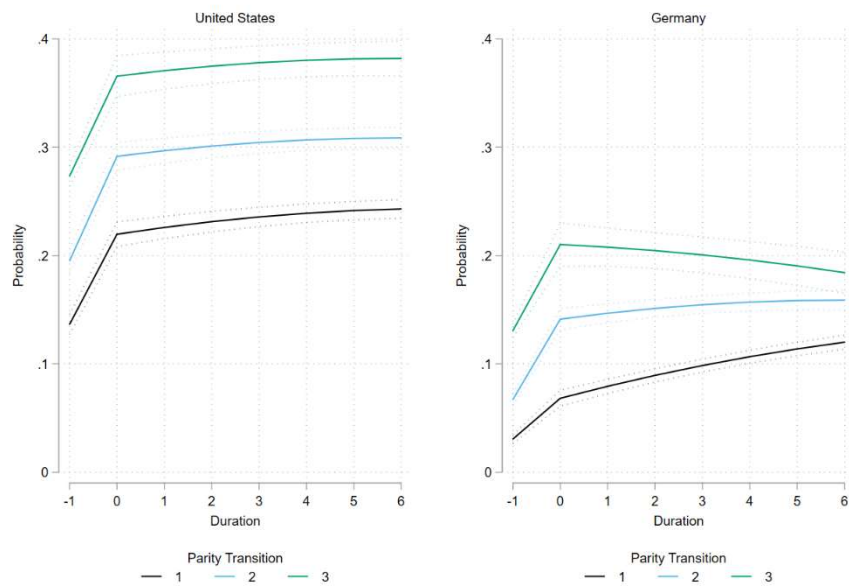
Results from Between-Within Random Effects Regressions

In the US any parity transition increased the in-work poverty risk of around 10% points (see Figure 2 panel a). We found differential effects of parity transitions in Germany, where the effect is smaller for the 1st parity transition compared to 2nd and 3rd transition. However, as seen in panel b in Figure 2, households did not recover from this increase in the in-work poverty risk within the next 6 years. Instead, the size of the negative effect increased over time for all parity transitions in the US. Contrary to our hypothesis, this was especially the case for 1st parity transition in Germany.

Figure 2: Effect of the parity progression and the persistence of in-work poverty over time:
 (a) changes in coefficients and (b) predicted probabilities



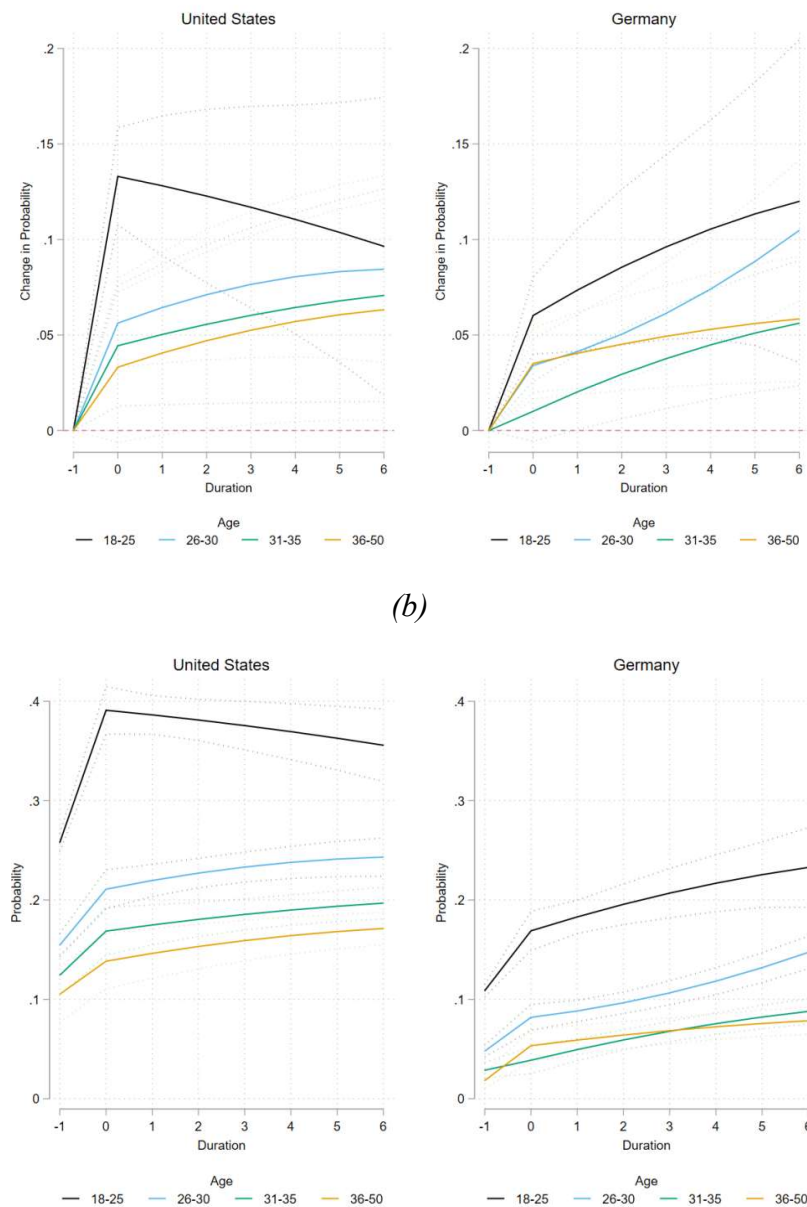
(b)



Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

Zooming into the age specific effects of the 1st parity transition, Figure 3 shows that the effect on in-work poverty was much larger among the youngest individuals, i.e. those who had the first child been age 18-25 (panel a) in both the US and in Germany. However, in the US this very group was the only to experience some sort of economic recovery: the in-work poverty risk decreased along the 6-year observational window, but as panel b shows, this was not sufficient for this group to reach even the baseline risk among the older age-groups. For all other age groups in both countries, the risk increased over time if it changed at all.

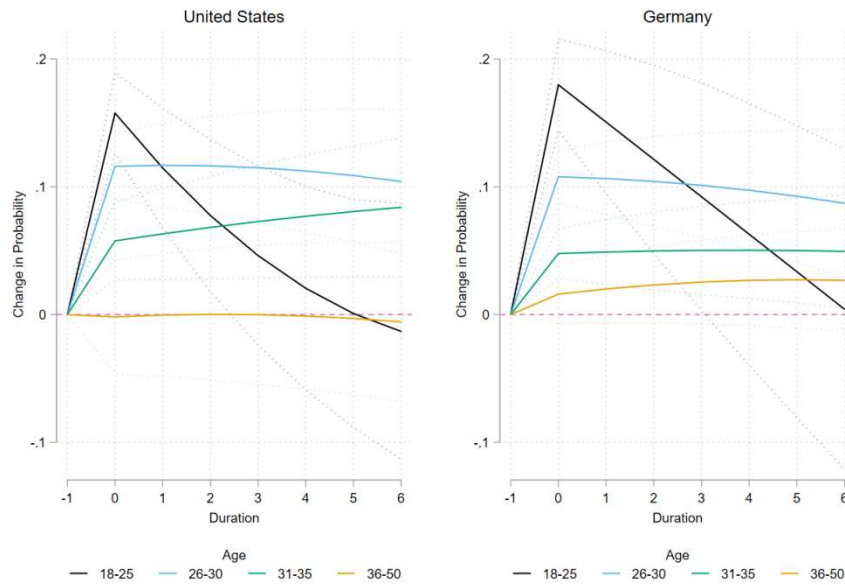
Figure 3: Effect of the 1st parity transition and the persistence of in-work poverty over time across age-groups: (a) changes in coefficients and (b) predicted probabilities



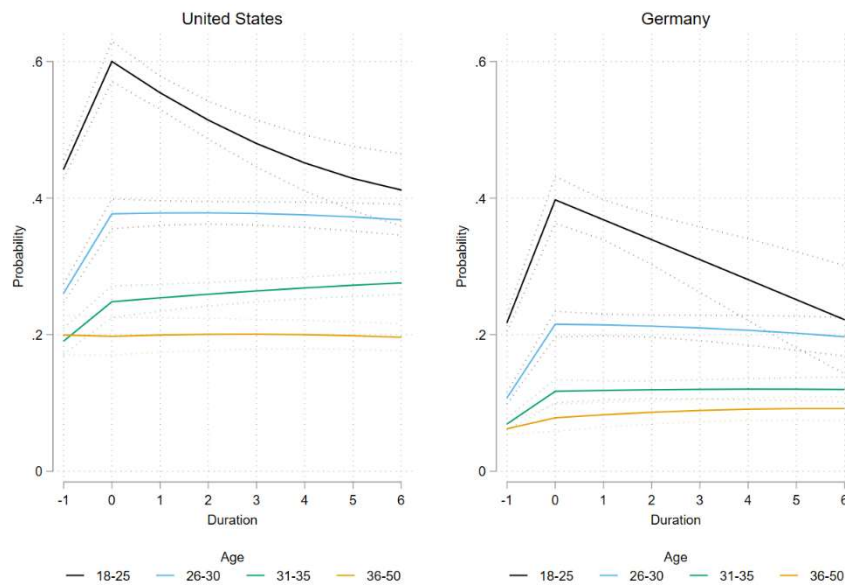
Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

Figure 4: Effect of the 2nd parity transition and the persistence of in-work poverty over time across age-groups: (a) changes in coefficients and (b) predicted probabilities

(a)



(b)

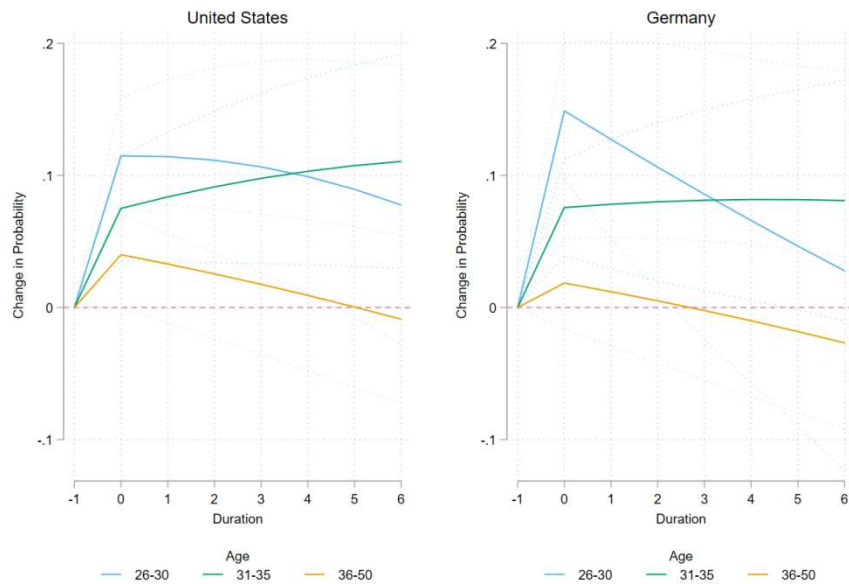


Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

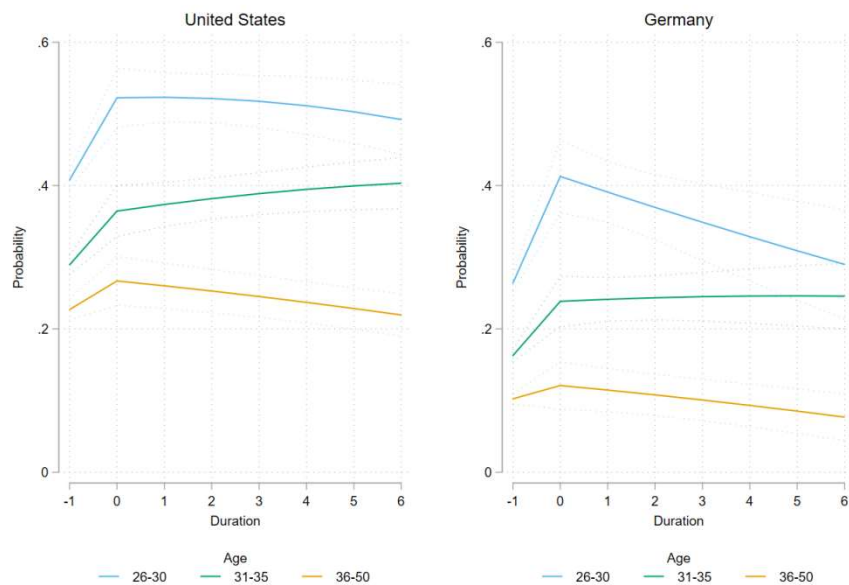
The aforementioned dynamics were only partially evident for the 3rd parity transition (Figure 5). In this case, the youngest group (26-30) were similar to the 31-35 years-old with regard to the size of the effect of the parity transition both in the US and in Germany (panel a), although their initial probability remains the highest in both contexts. However, while the 36-40 years-old at the transition to 3rd parity did not experience economic recovery over time,

both the youngest and the oldest group (26-30 and 36-50) did recover relatively quickly and especially the youngest in Germany. Panel b highlights that these dynamics did not seem to level out the in-work poverty risk to zero.

Figure 5: Effect of the 3rd parity transition and the persistence of in-work poverty over time across age-groups: (a) changes in coefficients and (b) predicted probabilities



(b)



Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

CONCLUDING REMARKS

Our preliminary results demonstrate that the risk levels of in-work poverty differ across our study countries, but that the temporal dynamics across parity transitions and age groups, especially in the persistency of in-work poverty, are remarkably similar across countries. In fact, we show a larger association for higher order parity (H1a) but only for Germany. We also found support to H2a that parity transitions have a larger impact if they occur in early adulthood. Overall, the increase in in-work poverty risk is more substantial for the US across all parity transitions and age groups (H3a). Surprisingly and against hypothesis H2a, we found no recovery – on average – for any parity transition. The only sign of recovery over time is for very young parents (H2b), although their initial risk was by far the highest across age groups. Therefore, the decrease in the in-work poverty risk for young parents over the 6 years after childbirth only brings them to the baseline risk level of the older age groups. This recovery is generally faster in the US compared to Germany with respect to the transition to parenthood, which only partially supports our hypothesis H2c.

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Appendix

Table A1: Distribution of the samples for the 1st, 2nd, and 3rd parity transition across dependent and independent variables

	1st Parity							
	United States				Germany			
	Transition (Person- Years)	Transition (Persons)	Non- Transition (Person- Years)	Non- Transition (Persons)	Transition (Person- Years)	Transition (Persons)	Non- Transition (Person- Years)	Non- Transition (Persons)
<i>In-Work Poverty</i>	16.07		15.41		6.04		4.22	
<i>Years after Transition</i>	6.11				4.37			
<i>Number of Children in HH</i>	1.17		0.04		0.99		0.02	
<i>Years of Education</i>	13.50		13.46		12.58		12.72	
<i>Marital status</i>								
Single	12.05		54.94		23.80		54.20	
Marriage	79.87		33.06		69.39		33.82	
Divorced	8.08		12.00		6.82		11.97	
Single	38.57		71.74		37.76		64.99	
Dual	61.43		28.26		62.24		35.01	
<i>Occupation</i>								
Out of the labor force	17.65		20.39		3.61		4.17	
Managers	12.40		14.12		6.89		6.43	
Professionals	12.74		8.91		19.01		18.80	
Technicians	11.20		15.52		19.84		24.76	
Clerks	7.43		5.97		8.84		11.04	
Service	7.49		11.87		6.01		7.70	
Agricultural	1.72		0.87		1.15		0.86	
Craft	4.66		2.82		20.30		14.06	
Machine Operators	10.25		6.46		9.28		7.00	
Elementary	14.46		13.07		3.71		4.50	
Armed Forces	0.00		0.00		1.35		0.68	
<i>Survey Year</i>	1991.74		1993.03		2001.49		2001.77	
<i>Age at Parity</i>								
<i>Transition</i>		27.90				30.06		
<i>Year of Transition</i>		1991.68				2000.22		
<i>Gender</i>								
Men		76.33		54.78		65.06		58.35
Women		23.67		45.22		34.94		41.65
<i>Area</i>								
West Germany						0.84		0.82
East Germany						0.16		0.18
<i>Race</i>								
White		0.71		0.60				
Black		0.24		0.34				
Other		0.05		0.06				
<i>Observations</i>	52836	4047	29082	6493	26030	2038	33579	7615

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

Table A1 continues

	2nd Parity							
	United States				Germany			
	Transition (Person- Years)	Transition (Persons)	Non- Transition (Person- Years)	Non- Transition (Persons)	Transition (Person- Years)	Transition (Persons)	Non- Transition (Person- Years)	Non- Transition (Persons)
<i>In-Work Poverty</i>	23.94		22.21		11.06		7.29	
<i>Years after Transition</i>	5.97				4.31			
<i>Number of Children in HH</i>	1.73		0.96		1.70		0.82	
<i>Years of Education</i>	13.22		12.90		12.42		12.22	
<i>Marital status</i>								
Single	5.61		15.15		6.51		12.90	
Marriage	84.91		65.48		86.84		68.65	
Divorced	9.48		19.36		6.65		18.45	
Single	38.90		50.87		41.90		47.44	
Dual	61.10		49.13		58.10		52.56	
<i>Occupation</i>								
Out of the labor force	17.04		18.93		3.68		4.04	
Managers	10.43		9.63		8.03		7.10	
Professionals	12.35		9.85		18.43		14.98	
Technicians	10.43		16.51		16.50		21.37	
Clerks	6.46		4.90		6.96		10.17	
Service	8.10		9.87		5.51		7.48	
Agricultural	1.97		1.17		1.77		0.77	
Craft	5.38		5.19		23.07		19.15	
Machine Operators	11.48		8.79		10.65		9.54	
Elementary	16.35		15.15		4.66		4.78	
Armed Forces	0.00		0.00		0.74		0.62	
<i>Survey Year</i>	1992.06		1992.88		2002.17		2001.86	
<i>Age at Parity</i>								
<i>Transition</i>		29.27				31.74		
<i>Year of Transition</i>		1992.18				2001.45		
<i>Gender</i>								
Men		77.18		55.20		84.46		64.80
Women		22.82		44.80		15.54		35.20
<i>Area</i>								
West Germany		0.00		0.00		0.84		0.77
East Germany		0.00		0.00		0.16		0.23
<i>Race</i>								
White		0.66		0.53		0.00		0.00
Black		0.29		0.39		0.00		0.00
Other		0.05		0.07		0.00		0.00
<i>Observations</i>	45637	3846	23699	4793	19266	1770	28356	5580

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

Table A1 continues

	3rd Parity							
	United States				Germany			
	Transition (Person- Years)	Transition (Persons)	Non- Transition (Person- Years)	Non- Transition (Persons)	Transition (Person- Years)	Transition (Persons)	Non- Transition (Person- Years)	Non- Transition (Persons)
<i>In-Work Poverty</i>	34.83		24.14		20.41		11.02	
<i>Years after</i>								
<i>Transition</i>	4.69				3.53			
<i>Number of Children</i>								
<i>in HH</i>	2.23		1.66		2.30		1.58	
<i>Years of Education</i>	12.71		13.17		11.95		12.38	
<i>Marital status</i>								
Single	5.72		7.34		4.47		3.79	
Marriage	81.23		75.93		88.29		85.09	
Divorced	13.05		16.73		7.24		11.12	
Single	45.72		45.94		52.12		41.62	
Dual	54.28		54.06		47.88		58.38	
<i>Occupation</i>								
Out of the labor								
force	17.19		17.86		4.33		2.89	
Managers	7.29		11.06		7.30		7.73	
Professionals	10.47		11.92		15.53		18.00	
Technicians	10.08		12.85		15.34		18.58	
Clerks	5.07		6.41		6.66		7.21	
Service	9.31		8.99		4.02		5.90	
Agricultural	2.14		1.59		2.28		1.19	
Craft	6.58		4.86		24.11		22.20	
Machine Operators	12.60		9.83		13.59		10.77	
Elementary	19.27		14.63		6.53		5.02	
Armed Forces	0.00		0.00		0.31		0.51	
<i>Survey Year</i>	1991.73		1992.96		2000.42		2002.20	
<i>Age at Parity</i>								
<i>Transition</i>		32.35				34.12		
<i>Year of Transition</i>		1992.99				2000.65		
<i>Gender</i>								
Men		75.32		60.56		87.50		80.08
Women		24.68		39.44		12.50		19.92
<i>Area</i>								
West Germany		0.00		0.00		0.85		0.81
East Germany		0.00		0.00		0.15		0.19
<i>Race</i>								
White		0.54		0.60		0.00		0.00
Black		0.40		0.34		0.00		0.00
Other		0.06		0.06		0.00		0.00
<i>Observations</i>	20111	1722	35106	5766	5925	568	34815	5769

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations.

Table A2.1 Hybrid random effects regression models for the probability of in-work poverty and duration into in-work poverty – 1st parity transition

	1st parity					
	United States			Germany		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<i>Transition Indicator (Between)</i>	0.214*** (0.031)	0.184*** (0.033)	0.107** (0.041)	0.153*** (0.026)	0.154*** (0.026)	0.112*** (0.027)
<i>Transition Indicator (Within)</i>	0.087*** (0.004)	0.102*** (0.005)	0.083*** (0.006)	0.047*** (0.004)	0.050*** (0.004)	0.038*** (0.004)
<i>Duration (Between)</i>	-0.041*** (0.005)	-0.032*** (0.005)	-0.022*** (0.006)	-0.036*** (0.005)	-0.035*** (0.005)	-0.031*** (0.005)
<i>Duration (Within)</i>	0.012*** (0.001)	0.010*** (0.001)	0.007*** (0.001)	0.010*** (0.001)	0.011*** (0.001)	0.012*** (0.001)
<i>Duration-Squared (Between)</i>	0.003*** (0.000)	0.002*** (0.000)	0.001*** (0.000)	0.003*** (0.000)	0.002*** (0.000)	0.002*** (0.000)
<i>Duration-Squared (Within)</i>	-0.001*** (0.000)	-0.001*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)
<i>Age</i>	-0.005*** (0.000)	-0.005*** (0.000)	-0.002*** (0.000)	-0.005*** (0.000)	-0.004*** (0.000)	-0.004*** (0.000)
<i>Age-Squared</i>	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
<i>Average Year of Observation</i>	0.003*** (0.000)	0.002*** (0.000)	0.003*** (0.000)	0.000* (0.000)	0.001*** (0.000)	0.001*** (0.000)
<i>Sample (ref=Control)</i>						
Transition Sample	-0.117*** (0.015)	-0.100*** (0.016)	-0.036 (0.022)	-0.072*** (0.011)	-0.063*** (0.011)	-0.038*** (0.011)
<i>Race (ref=white)</i>						
Black	0.147*** (0.006)	0.115*** (0.006)	0.080*** (0.007)			
Other	0.069*** (0.010)	0.062*** (0.011)	0.038** (0.012)			
<i>Area (ref=West Germany)</i>						
East Germany				0.055*** (0.004)	0.047*** (0.004)	0.040*** (0.004)
<i>Years of Education</i>		-0.027*** (0.001)	-0.018*** (0.001)		-0.006*** (0.001)	-0.004*** (0.001)
<i>Marital status (ref=Single)</i>						
Married		-0.054*** (0.005)	0.051*** (0.007)		-0.022*** (0.003)	-0.003 (0.003)
Divorced		-0.064*** (0.007)	-0.050*** (0.008)		0.009* (0.004)	0.009* (0.004)
<i>Occupation (ref=OLF)</i>						
Managers		-0.030*** (0.006)	-0.034*** (0.006)		-0.091*** (0.006)	-0.083*** (0.006)
Professionals		-0.054*** (0.006)	-0.042*** (0.006)		-0.084*** (0.005)	-0.079*** (0.005)
Technicians		-0.021*** (0.006)	-0.034*** (0.006)		-0.088*** (0.005)	-0.088*** (0.005)
Clerks		-0.036*** (0.007)	-0.020** (0.008)		-0.081*** (0.005)	-0.081*** (0.005)
Service		0.035*** (0.006)	0.037*** (0.007)		-0.054*** (0.006)	-0.062*** (0.006)
Agricultural		0.059*** (0.016)	0.070*** (0.016)		-0.049*** (0.012)	-0.057*** (0.012)
Craft		-0.053*** (0.008)	-0.052*** (0.009)		-0.095*** (0.005)	-0.084*** (0.005)
Machine Operators		-0.045*** (0.007)	-0.042*** (0.007)		-0.075*** (0.006)	-0.069*** (0.006)
Elementary		-0.031*** (0.006)	-0.028*** (0.006)		-0.048*** (0.006)	-0.050*** (0.006)
Armed Forces					-0.135*** (0.012)	-0.128*** (0.012)
<i>Gender (ref=Men)</i>						
Women			0.025*** (0.004)			0.009*** (0.003)
<i>Nr. of earners (ref=Single Earner)</i>						
Dual Earner			-0.102*** (0.004)			-0.046*** (0.002)
<i>Distance from poverty line at time t-1</i>						
			-0.001*** (0.000)			-0.000*** (0.000)
Constant	0.123*** (0.006)	0.541*** (0.018)	0.591*** (0.019)	0.031*** (0.003)	0.195*** (0.010)	0.201*** (0.010)
Random Effects						
Var(Constant)	-1.493*** (0.010)	-1.536*** (0.012)	-1.619*** (0.013)	-2.004*** (0.013)	-2.069*** (0.014)	-2.090*** (0.014)
Var(Residual)	-1.250*** (0.003)	-1.231*** (0.003)	-1.263*** (0.003)	-1.712*** (0.003)	-1.727*** (0.003)	-1.754*** (0.003)
N	81080	59040	50165	59205	56449	54306

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations. Standard errors in parentheses; *p<0.5 **p<0.01 *** p<0.001

Table A2.2 Hybrid random effects regression models for the probability of in-work poverty and duration into in-work poverty – 2nd parity transition

	2nd parity					
	United States			Germany		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<i>Transition Indicator (Between)</i>	-0.002 (0.042)	0.057 (0.042)	0.115* (0.055)	0.044 (0.040)	0.087* (0.038)	0.043 (0.037)
<i>Transition Indicator (Within)</i>	0.127*** (0.005)	0.132*** (0.006)	0.096*** (0.007)	0.092*** (0.005)	0.097*** (0.005)	0.074*** (0.005)
<i>Duration (Between)</i>	-0.037*** (0.006)	-0.028*** (0.006)	-0.022** (0.007)	-0.028*** (0.007)	-0.030*** (0.007)	-0.027*** (0.007)
<i>Duration (Within)</i>	0.006*** (0.001)	0.004*** (0.001)	0.006*** (0.001)	0.005*** (0.001)	0.005*** (0.001)	0.006*** (0.001)
<i>Duration-Squared (Between)</i>	0.003*** (0.000)	0.002*** (0.000)	0.001** (0.000)	0.002*** (0.001)	0.002*** (0.001)	0.002*** (0.001)
<i>Duration-Squared (Within)</i>	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.001*** (0.000)
<i>Age</i>	-0.010*** (0.000)	-0.009*** (0.000)	-0.007*** (0.000)	-0.008*** (0.000)	-0.007*** (0.000)	-0.005*** (0.000)
<i>Age-Squared</i>	0.001*** (0.000)	0.001*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
<i>Average Year of Observation</i>	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)	0.001*** (0.000)	0.001*** (0.000)	0.001*** (0.000)
<i>Sample (ref=Control)</i>						
Transition Sample	-0.007 (0.021)	-0.034 (0.021)	-0.060* (0.029)	-0.047* (0.019)	-0.051** (0.018)	-0.022 (0.017)
<i>Race (ref=white)</i>						
Black	0.172*** (0.007)	0.117*** (0.008)	0.071*** (0.008)			
Other	0.094*** (0.012)	0.069*** (0.013)	0.049*** (0.014)			
<i>Area (ref=West Germany)</i>						
East Germany				0.059*** (0.006)	0.050*** (0.006)	0.027*** (0.005)
<i>Years of Education</i>		-0.037*** (0.001)	-0.023*** (0.001)		-0.012*** (0.001)	-0.005*** (0.001)
<i>Marital status (ref=Single)</i>						
Married		-0.135*** (0.009)	-0.024* (0.010)		-0.053*** (0.006)	-0.026*** (0.006)
Divorced		-0.147*** (0.010)	-0.126*** (0.011)		0.010 (0.007)	-0.003 (0.007)
<i>Occupation (ref=OLF)</i>						
Managers		-0.010 (0.008)	-0.009 (0.008)		-0.101*** (0.008)	-0.071*** (0.008)
Professionals		-0.062*** (0.007)	-0.037*** (0.007)		-0.102*** (0.008)	-0.082*** (0.008)
Technicians		-0.013 (0.007)	-0.028*** (0.007)		-0.101*** (0.007)	-0.094*** (0.007)
Clerks		-0.040*** (0.009)	-0.017 (0.009)		-0.077*** (0.008)	-0.082*** (0.008)
Service		0.034*** (0.008)	0.029*** (0.008)		-0.041*** (0.008)	-0.052*** (0.008)
Agricultural		0.054** (0.017)	0.081*** (0.018)		-0.021 (0.016)	-0.021 (0.016)
Craft		-0.047*** (0.009)	-0.033*** (0.009)		-0.097*** (0.007)	-0.086*** (0.007)
Machine Operators		-0.063*** (0.007)	-0.045*** (0.008)		-0.082*** (0.008)	-0.076*** (0.008)
Elementary		-0.036*** (0.006)	-0.017* (0.007)		-0.036*** (0.009)	-0.035*** (0.009)
Armed Forces					-0.171*** (0.021)	-0.155*** (0.021)
<i>Gender (ref=Men)</i>						
Women			0.052*** (0.005)			0.020*** (0.004)
<i>Nr. of earners (ref=Single Earner)</i>						
Dual Earner			-0.109*** (0.004)			-0.060*** (0.003)
<i>Distance from poverty line at time t-1</i>						
			-0.001*** (0.000)			-0.001*** (0.000)
Constant	0.188*** (0.007)	0.819*** (0.022)	0.800*** (0.023)	0.088*** (0.004)	0.351*** (0.014)	0.414*** (0.014)
Random Effects						
Var(Constant)	-1.301*** (0.010)	-1.394*** (0.012)	-1.488*** (0.013)	-1.710*** (0.013)	-1.814*** (0.014)	-1.919*** (0.015)
Var(Residual)	-1.172*** (0.003)	-1.169*** (0.003)	-1.213*** (0.004)	-1.491*** (0.004)	-1.498*** (0.004)	-1.534*** (0.004)
N	68644	51031	43098	47281	45649	44182

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations. Standard errors in parentheses; *p<0.5 **p<0.01 *** p<0.001

Table A2.3 Hybrid random effects regression models for the probability of in-work poverty and duration into in-work poverty – 3rd parity transition

	3rd parity					
	United States			Germany		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<i>Transition Indicator (Between)</i>	0.058 (0.060)	0.051 (0.058)	0.062 (0.076)	0.158* (0.080)	0.199** (0.075)	0.147 (0.075)
<i>Transition Indicator (Within)</i>	0.115*** (0.007)	0.105*** (0.008)	0.092*** (0.010)	0.108*** (0.010)	0.112*** (0.010)	0.079*** (0.010)
<i>Duration (Between)</i>	-0.038*** (0.011)	-0.027** (0.010)	-0.025* (0.012)	-0.045* (0.018)	-0.048** (0.017)	-0.036* (0.017)
<i>Duration (Within)</i>	0.002 (0.001)	0.002 (0.002)	0.006** (0.002)	-0.004 (0.003)	-0.003 (0.003)	-0.002 (0.003)
<i>Duration-Squared (Between)</i>	0.003*** (0.001)	0.002** (0.001)	0.002* (0.001)	0.004* (0.002)	0.004* (0.002)	0.003 (0.002)
<i>Duration-Squared (Within)</i>	-0.000** (0.000)	-0.000** (0.000)	-0.000*** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000* (0.000)
<i>Age</i>	-0.013*** (0.000)	-0.014*** (0.000)	-0.014*** (0.000)	-0.012*** (0.000)	-0.011*** (0.000)	-0.008*** (0.000)
<i>Age-Squared</i>	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)
<i>Average Year of Observation</i>	0.004*** (0.000)	0.003*** (0.000)	0.003*** (0.000)	0.001** (0.000)	0.002*** (0.000)	0.002*** (0.000)
<i>Sample (ref=Control)</i>						
Transition Sample	0.011 (0.026)	0.007 (0.024)	-0.013 (0.035)	-0.032 (0.034)	-0.056 (0.032)	-0.025 (0.031)
<i>Race (ref=white)</i>						
Black	0.216*** (0.008)	0.145*** (0.009)	0.123*** (0.009)			
Other	0.113*** (0.014)	0.089*** (0.015)	0.073*** (0.015)			
<i>Area (ref=West Germany)</i>						
East Germany				0.064*** (0.008)	0.065*** (0.008)	0.048*** (0.007)
<i>Years of Education</i>		-0.036*** (0.002)	-0.030*** (0.002)		-0.018*** (0.001)	-0.009*** (0.001)
<i>Marital status (ref=Single)</i>						
Married		-0.158*** (0.011)	-0.099*** (0.012)		-0.067*** (0.011)	-0.045*** (0.011)
Divorced		-0.150*** (0.012)	-0.164*** (0.013)		0.015 (0.012)	-0.002 (0.012)
<i>Occupation (ref=OLF)</i>						
Managers		-0.008 (0.009)	-0.004 (0.009)		-0.121*** (0.011)	-0.077*** (0.010)
Professionals		-0.075*** (0.008)	-0.043*** (0.008)		-0.115*** (0.010)	-0.085*** (0.010)
Technicians		-0.006 (0.008)	-0.020* (0.008)		-0.112*** (0.009)	-0.098*** (0.009)
Clerks		-0.047*** (0.010)	-0.022* (0.011)		-0.079*** (0.011)	-0.070*** (0.011)
Service		0.045*** (0.009)	0.052*** (0.009)		-0.042*** (0.011)	-0.044*** (0.011)
Agricultural		0.046* (0.019)	0.087*** (0.019)		-0.019 (0.019)	-0.001 (0.019)
Craft		-0.045*** (0.010)	-0.014 (0.010)		-0.088*** (0.009)	-0.067*** (0.009)
Machine Operators		-0.059*** (0.008)	-0.021* (0.009)		-0.072*** (0.010)	-0.059*** (0.010)
Elementary		-0.029*** (0.007)	0.009 (0.008)		-0.033** (0.011)	-0.028** (0.011)
Armed Forces					-0.114*** (0.030)	-0.122*** (0.029)
<i>Gender (ref=Men)</i>						
Women			0.081*** (0.006)			0.011* (0.005)
<i>Nr. of earners (ref=Single Earner)</i>						
Dual Earner			-0.103*** (0.005)			-0.080*** (0.004)
<i>Distance from poverty line at time t-1</i>			-0.000*** (0.000)			-0.001*** (0.000)
Constant	0.273*** (0.007)	0.921*** (0.024)	0.871*** (0.025)	0.156*** (0.005)	0.528*** (0.019)	0.576*** (0.019)
Random Effects						
Var(Constant)	-1.207*** (0.011)	-1.325*** (0.013)	-1.401*** (0.014)	-1.477*** (0.013)	-1.574*** (0.014)	-1.658*** (0.014)
Var(Residual)	-1.166*** (0.003)	-1.157*** (0.004)	-1.187*** (0.004)	-1.392*** (0.004)	-1.400*** (0.004)	-1.429*** (0.004)
N	54665	40740	36561	40432	39192	38723

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations. Standard errors in parentheses; *p<0.5 **p<0.01 *** p<0.001

Table A3.1 Hybrid random effects regression models for the probability of in-work poverty and duration into in-work poverty by age group – 1st parity transition

	1st parity					
	United States			Germany		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<i>Transition Indicator (Between)</i>	0.254*** (0.034)	0.237*** (0.039)	0.073 (0.049)	0.134*** (0.032)	0.126*** (0.031)	0.059 (0.033)
<i>Transition Indicator (Within)</i>	0.119*** (0.008)	0.134*** (0.011)	0.133*** (0.013)	0.065*** (0.010)	0.071*** (0.010)	0.060*** (0.010)
<i>Duration (Between)</i>	-0.053*** (0.005)	-0.050*** (0.007)	-0.026*** (0.008)	-0.041*** (0.006)	-0.037*** (0.006)	-0.028*** (0.007)
<i>Duration (Within)</i>	0.003 (0.005)	0.004 (0.007)	-0.004 (0.007)	0.011 (0.008)	0.019* (0.008)	0.015 (0.008)
<i>Duration-Squared (Between)</i>	0.003*** (0.000)	0.003*** (0.000)	0.002*** (0.001)	0.003*** (0.001)	0.003*** (0.001)	0.002*** (0.001)
<i>Duration-Squared (Within)</i>	-0.001 (0.001)	-0.001 (0.001)	-0.000 (0.001)	-0.001 (0.001)	-0.002 (0.001)	-0.001 (0.001)
<i>Age group (ref=18-25)</i>						
26-30	-0.100*** (0.005)	-0.096*** (0.006)	-0.070*** (0.006)	-0.069*** (0.004)	-0.061*** (0.004)	-0.063*** (0.004)
31-35	-0.107*** (0.006)	-0.096*** (0.007)	-0.049*** (0.007)	-0.094*** (0.004)	-0.080*** (0.005)	-0.080*** (0.005)
36-50	-0.099*** (0.006)	-0.087*** (0.008)	-0.033*** (0.008)	-0.104*** (0.004)	-0.087*** (0.005)	-0.088*** (0.005)
<i>Age*Transition (Between) (ref=18-25)</i>	0.000	0.000	0.000	0.000	0.000	0.000
26-30	-0.009 (0.026)	-0.004 (0.032)	0.098* (0.040)	0.023 (0.024)	0.034 (0.025)	0.074** (0.026)
31-35	-0.071* (0.031)	-0.096* (0.038)	0.001 (0.047)	0.077** (0.027)	0.085** (0.028)	0.119*** (0.029)
36-50	-0.099** (0.016)	-0.104* (0.019)	0.034 (0.024)	0.008 (0.014)	0.013 (0.014)	0.050 (0.014)
<i>Age*Transition (Within) (ref=18-25)</i>						
26-30	-0.059*** (0.012)	-0.058*** (0.015)	-0.077*** (0.018)	-0.020 (0.012)	-0.025* (0.012)	-0.026* (0.013)
31-35	-0.073*** (0.014)	-0.068*** (0.017)	-0.089*** (0.021)	-0.052*** (0.013)	-0.054*** (0.013)	-0.050*** (0.013)
36-50	-0.064*** (0.016)	-0.065*** (0.019)	-0.100*** (0.024)	-0.029* (0.014)	-0.027* (0.014)	-0.025 (0.014)
<i>Age*Duration (Between) (ref=18-25)</i>						
26-30	0.019*** (0.005)	0.018** (0.007)	0.001 (0.008)	0.006 (0.006)	0.004 (0.006)	-0.003 (0.006)
31-35	0.027*** (0.006)	0.037*** (0.007)	0.018* (0.009)	0.001 (0.006)	-0.002 (0.006)	-0.009 (0.007)
36-50	0.019** (0.006)	0.029*** (0.008)	0.001 (0.010)	0.015* (0.007)	0.011 (0.007)	0.003 (0.007)
<i>Age*Duration (Within) (ref=18-25)</i>						
26-30	0.013* (0.005)	0.012 (0.007)	0.014 (0.008)	-0.005 (0.008)	-0.009 (0.009)	-0.009 (0.008)
31-35	0.011* (0.005)	0.006 (0.007)	0.011 (0.008)	0.000 (0.008)	-0.006 (0.008)	-0.003 (0.008)
36-50	0.007 (0.005)	0.003 (0.007)	0.013 (0.007)	-0.007 (0.008)	-0.014 (0.008)	-0.009 (0.008)
<i>Age*Duration-Squared (Between) (ref=18-25)</i>						
26-30	-0.001** (0.000)	-0.001* (0.000)	-0.000 (0.001)	-0.001 (0.000)	-0.000 (0.000)	-0.000 (0.000)
31-35	-0.001*** (0.000)	-0.002*** (0.001)	-0.002** (0.001)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
36-50	-0.001 (0.000)	-0.002*** (0.001)	-0.000 (0.001)	-0.001* (0.000)	-0.001 (0.000)	-0.000 (0.000)
<i>Age*Duration-Squared (Within) (ref=18-25)</i>						
26-30	0.000 (0.001)	0.000 (0.001)	-0.000 (0.001)	0.001 (0.001)	0.002 (0.001)	0.002 (0.001)
31-35	0.000 (0.001)	0.001 (0.001)	-0.000 (0.001)	0.000 (0.001)	0.001 (0.001)	0.000 (0.001)
36-50	0.001 (0.001)	0.001 (0.001)	-0.000 (0.001)	0.000 (0.001)	0.001 (0.001)	0.000 (0.001)
<i>Average Year of Observation</i>	0.003*** (0.000)	0.002*** (0.000)	0.003*** (0.000)	0.001** (0.000)	0.001*** (0.000)	0.001*** (0.000)
<i>Sample (ref=Control)</i>						
Transition Sample	-0.112*** (0.016)	-0.094*** (0.016)	-0.022 (0.023)	-0.064*** (0.011)	-0.054*** (0.011)	-0.031** (0.011)
<i>Race (ref=white)</i>						
Black	0.146*** (0.006)	0.112*** (0.006)	0.077*** (0.007)			
Other	0.069*** (0.010)	0.061*** (0.011)	0.037** (0.012)			
<i>Area (ref=West Germany)</i>						
East Germany				0.055*** (0.004)	0.046*** (0.004)	0.039*** (0.004)
<i>Years of Education</i>		-0.028*** (0.001)	-0.018*** (0.001)		-0.006*** (0.001)	-0.004*** (0.001)
<i>Marital status (ref=Single)</i>						
Married		-0.062*** (0.005)	0.044*** (0.007)		-0.029*** (0.003)	-0.011*** (0.003)

Divorced		-0.077*** (0.007)	-0.061*** (0.008)		-0.000 (0.004)	-0.000 (0.004)
<i>Occupation (ref=OLF)</i>						
Managers		-0.031*** (0.006)	-0.034*** (0.006)		-0.095*** (0.006)	-0.085*** (0.006)
Professionals		-0.058*** (0.006)	-0.044*** (0.006)		-0.086*** (0.005)	-0.081*** (0.005)
Technicians		-0.022*** (0.006)	-0.034*** (0.006)		-0.090*** (0.005)	-0.089*** (0.005)
Clerks		-0.037*** (0.007)	-0.020** (0.008)		-0.082*** (0.005)	-0.081*** (0.005)
Service		0.035*** (0.007)	0.036*** (0.007)		-0.054*** (0.006)	-0.062*** (0.006)
Agricultural		0.055*** (0.016)	0.067*** (0.016)		-0.050*** (0.012)	-0.058*** (0.012)
Craft		-0.055*** (0.008)	-0.054*** (0.009)		-0.095*** (0.005)	-0.084*** (0.005)
Machine Operators		-0.047*** (0.007)	-0.043*** (0.007)		-0.077*** (0.006)	-0.070*** (0.006)
Elementary		-0.033*** (0.006)	-0.029*** (0.006)		-0.049*** (0.006)	-0.051*** (0.006)
Armed Forces					-0.130*** (0.012)	-0.123*** (0.012)
<i>Gender (ref=Men)</i>						
Women			0.025*** (0.004)			0.010*** (0.003)
<i>Nr. of earners (ref=Single Earner)</i>						
Dual Earner			-0.103*** (0.004)			-0.044*** (0.002)
<i>Distance to the Poverty Line (Before Transition)</i>						
			-0.001*** (0.000)			-0.000*** (0.000)
Constant	0.256*** (0.006)	0.688*** (0.017)	0.678*** (0.018)	0.135*** (0.004)	0.294*** (0.010)	0.296*** (0.010)
Random Effects						
Var(Constant)	-1.488*** (0.010)	-1.534*** (0.012)	-1.617*** (0.013)	-1.997*** (0.013)	-2.064*** (0.014)	-2.084*** (0.014)
Var(Residual)	-1.249*** (0.003)	-1.230*** (0.003)	-1.264*** (0.003)	-1.710*** (0.003)	-1.726*** (0.003)	-1.753*** (0.003)
<i>N</i>	81080	59040	50165	59205	56449	54306

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations. Standard errors in parentheses; *p<0.5 **p<0.01 *** p<0.001

Table A3.2 Hybrid random effects regression models for the probability of in-work poverty and duration into in-work poverty by age group – 2nd parity transition

	2nd parity					
	United States			Germany		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<i>Transition Indicator (Between)</i>	0.089 (0.047)	0.078 (0.051)	0.084 (0.066)	-0.027 (0.053)	0.036 (0.051)	-0.044 (0.051)
<i>Transition Indicator (Within)</i>	0.140*** (0.010)	0.173*** (0.014)	0.158*** (0.016)	0.181*** (0.017)	0.191*** (0.018)	0.180*** (0.018)
<i>Duration (Between)</i>	-0.060*** (0.007)	-0.042*** (0.009)	-0.032** (0.011)	-0.047*** (0.011)	-0.052*** (0.011)	-0.044*** (0.011)
<i>Duration (Within)</i>	-0.030*** (0.006)	-0.048*** (0.008)	-0.049*** (0.009)	-0.028* (0.012)	-0.028* (0.012)	-0.029* (0.012)
<i>Duration-Squared (Between)</i>	0.004*** (0.001)	0.004*** (0.001)	0.003** (0.001)	0.005*** (0.001)	0.005*** (0.001)	0.004*** (0.001)
<i>Duration-Squared (Within)</i>	0.001* (0.001)	0.003*** (0.001)	0.003** (0.001)	0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
<i>Age group (ref=18-25)</i>						
26-30	-0.123*** (0.008)	-0.123*** (0.010)	-0.110*** (0.009)	-0.152*** (0.009)	-0.135*** (0.010)	-0.119*** (0.009)
31-35	-0.172*** (0.008)	-0.168*** (0.010)	-0.141*** (0.010)	-0.188*** (0.009)	-0.167*** (0.009)	-0.143*** (0.009)
36-50	-0.200*** (0.008)	-0.200*** (0.010)	-0.154*** (0.010)	-0.203*** (0.009)	-0.183*** (0.009)	-0.149*** (0.009)
<i>Age*Transition (Between) (ref=18-25)</i>	0.000	0.000	0.000	0.000	0.000	0.000
26-30	-0.103** (0.032)	-0.015 (0.041)	0.008 (0.051)	0.161*** (0.041)	0.110** (0.041)	0.113** (0.042)
31-35	-0.109** (0.036)	0.006 (0.045)	0.016 (0.057)	0.081 (0.043)	0.071 (0.043)	0.118** (0.044)
36-50	-0.080* (0.018)	0.065 (0.022)	0.161* (0.028)	0.047 (0.021)	0.034 (0.022)	0.097* (0.022)
<i>Age*Transition (Within) (ref=18-25)</i>	-0.000 (0.014)	-0.024 (0.018)	-0.042* (0.021)	-0.056** (0.020)	-0.057** (0.021)	-0.072*** (0.021)
31-35	-0.042** (0.015)	-0.082*** (0.019)	-0.100*** (0.023)	-0.111*** (0.020)	-0.123*** (0.021)	-0.132*** (0.021)
36-50	-0.063*** (0.018)	-0.101*** (0.022)	-0.159*** (0.028)	-0.145*** (0.021)	-0.148*** (0.022)	-0.164*** (0.022)
<i>Age*Duration (Between) (ref=18-25)</i>	0.028*** (0.007)	0.010 (0.009)	0.010 (0.011)	-0.001 (0.010)	0.004 (0.010)	0.005 (0.011)
31-35	0.039*** (0.007)	0.020* (0.010)	0.022 (0.012)	0.025* (0.011)	0.026* (0.011)	0.016 (0.011)
36-50	0.035*** (0.008)	0.017 (0.010)	0.007 (0.013)	0.041*** (0.011)	0.043*** (0.011)	0.034** (0.011)
<i>Age*Duration (Within) (ref=18-25)</i>	0.036*** (0.007)	0.048*** (0.009)	0.051*** (0.010)	0.024 (0.012)	0.026* (0.013)	0.028* (0.013)
31-35	0.034*** (0.007)	0.053*** (0.009)	0.055*** (0.010)	0.029* (0.012)	0.030* (0.013)	0.031* (0.012)
36-50	0.030*** (0.006)	0.047*** (0.008)	0.051*** (0.009)	0.033** (0.012)	0.032** (0.012)	0.034** (0.012)
<i>Age*Duration-Squared (Between) (ref=18-25)</i>	-0.002*** (0.000)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)	-0.001 (0.001)
31-35	-0.003*** (0.000)	-0.002** (0.001)	-0.003** (0.001)	-0.002** (0.001)	-0.003** (0.001)	-0.002* (0.001)
36-50	-0.002*** (0.000)	-0.002* (0.001)	-0.001 (0.001)	-0.004*** (0.001)	-0.004*** (0.001)	-0.004*** (0.001)
<i>Age*Duration-Squared (Within) (ref=18-25)</i>	-0.002** (0.001)	-0.003*** (0.001)	-0.003*** (0.001)	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
31-35	-0.001* (0.001)	-0.003*** (0.001)	-0.003*** (0.001)	-0.000 (0.001)	-0.000 (0.001)	-0.000 (0.001)
36-50	-0.002* (0.001)	-0.003*** (0.001)	-0.003*** (0.001)	-0.001 (0.001)	-0.000 (0.001)	-0.000 (0.001)
<i>Average Year of Observation</i>	0.002*** (0.000)	0.002*** (0.000)	0.002*** (0.000)	0.001*** (0.000)	0.001*** (0.000)	0.001*** (0.000)
<i>Sample (ref=Control)</i>						
Transition Sample	-0.001 (0.022)	-0.027 (0.021)	-0.040 (0.030)	-0.033 (0.019)	-0.038* (0.018)	-0.010 (0.018)
<i>Race (ref=white)</i>						
Black	0.175*** (0.007)	0.118*** (0.008)	0.070*** (0.008)			
Other	0.098*** (0.012)	0.070*** (0.013)	0.050*** (0.014)			
<i>Area (ref=West Germany)</i>						
East Germany				0.061*** (0.006)	0.052*** (0.006)	0.028*** (0.005)
<i>Years of Education</i>		-0.039*** (0.001)	-0.025*** (0.001)		-0.012*** (0.001)	-0.005*** (0.001)
<i>Marital status (ref=Single)</i>						
Married		-0.139***	-0.026**		-0.055***	-0.027***

		(0.009)	(0.010)		(0.006)	(0.006)
Divorced		-0.159***	-0.136***		0.004	-0.008
		(0.010)	(0.011)		(0.007)	(0.006)
<i>Occupation (ref=OLF)</i>						
Managers		-0.010	-0.008		-0.104***	-0.073***
		(0.008)	(0.008)		(0.008)	(0.008)
Professionals		-0.065***	-0.040***		-0.104***	-0.084***
		(0.007)	(0.007)		(0.008)	(0.008)
Technicians		-0.013*	-0.029***		-0.104***	-0.096***
		(0.007)	(0.007)		(0.007)	(0.007)
Clercks		-0.041***	-0.019*		-0.079***	-0.083***
		(0.009)	(0.009)		(0.008)	(0.008)
Service		0.033***	0.029***		-0.041***	-0.051***
		(0.008)	(0.008)		(0.008)	(0.008)
Agricultural		0.054**	0.083***		-0.021	-0.020
		(0.017)	(0.018)		(0.016)	(0.016)
Craft		-0.047***	-0.033***		-0.099***	-0.087***
		(0.009)	(0.009)		(0.007)	(0.007)
Machine Operators		-0.063***	-0.045***		-0.083***	-0.077***
		(0.007)	(0.008)		(0.008)	(0.008)
Elementary		-0.037***	-0.017*		-0.037***	-0.036***
		(0.006)	(0.007)		(0.009)	(0.009)
Armed Forces					-0.178***	-0.163***
					(0.021)	(0.021)
<i>Gender (ref=Men)</i>						
Women			0.052***			0.020***
			(0.005)			(0.004)
<i>Nr. of earners (ref=Single Earner)</i>						
Dual Earner			-0.111***			-0.060***
			(0.004)			(0.003)
<i>Distance to the Poverty Line (Before Transition)</i>						
			-0.001***			-0.001***
			(0.000)			(0.000)
Constant	0.380***	1.039***	0.981***	0.279***	0.526***	0.561***
	(0.009)	(0.022)	(0.023)	(0.009)	(0.016)	(0.015)
Random Effects						
Var(Constant)	-1.293***	-1.390***	-1.486***	-1.706***	-1.813***	-1.918***
	(0.010)	(0.012)	(0.013)	(0.013)	(0.014)	(0.015)
Var(Residual)	-1.170***	-1.167***	-1.213***	-1.492***	-1.499***	-1.536***
	(0.003)	(0.003)	(0.004)	(0.004)	(0.004)	(0.004)
<i>N</i>	68644	51031	43098	47281	45649	44182

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations. Standard errors in parentheses; *p<0.5 **p<0.01 *** p<0.001

Table A3.3 Hybrid random effects regression models for the probability of in-work poverty and duration into in-work poverty by age group – 3rd parity transition

	3rd parity					
	United States			Germany		
	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
<i>Transition Indicator (Between)</i>	-0.012 (0.072)	-0.038 (0.078)	-0.035 (0.105)	-0.041 (0.125)	-0.119 (0.125)	-0.131 (0.131)
<i>Transition Indicator (Within)</i>	0.118*** (0.022)	0.072* (0.029)	0.057 (0.037)	0.113* (0.052)	0.134* (0.055)	0.100 (0.058)
<i>Duration (Between)</i>	-0.056*** (0.014)	-0.046** (0.017)	-0.033 (0.021)	-0.029 (0.034)	-0.001 (0.034)	0.000 (0.035)
<i>Duration (Within)</i>	-0.033* (0.013)	-0.055*** (0.016)	-0.059* (0.030)	-0.051 (0.039)	-0.044 (0.041)	-0.016 (0.042)
<i>Duration-Squared (Between)</i>	0.005*** (0.001)	0.006*** (0.001)	0.005*** (0.002)	0.005 (0.003)	0.002 (0.003)	0.001 (0.003)
<i>Duration-Squared (Within)</i>	0.001 (0.001)	0.002 (0.001)	0.002 (0.005)	0.001 (0.004)	-0.001 (0.004)	-0.003 (0.004)
<i>Age group (ref=18-25)</i>						
26-30	-0.159*** (0.008)	-0.160*** (0.010)	-0.155*** (0.010)	-0.129*** (0.014)	-0.127*** (0.014)	-0.116*** (0.014)
31-35	-0.224*** (0.008)	-0.233*** (0.011)	-0.222*** (0.011)	-0.225*** (0.014)	-0.213*** (0.014)	-0.183*** (0.014)
36-50	-0.295*** (0.008)	-0.308*** (0.011)	-0.292*** (0.010)	-0.281*** (0.014)	-0.266*** (0.014)	-0.208*** (0.014)
<i>Age*Transition (Between) (ref=18-25)</i>	0.000	0.000	0.000	0.000	0.000	0.000
26-30	0.143** (0.054)	0.195** (0.068)	0.164 (0.091)	0.233* (0.107)	0.347** (0.111)	0.284* (0.117)
31-35	0.034 (0.058)	0.063 (0.071)	0.066 (0.096)	0.153 (0.109)	0.286* (0.113)	0.224 (0.119)
36-50	0.163** (0.026)	0.241** (0.033)	0.280** (0.043)	0.317** (0.055)	0.430*** (0.057)	0.373** (0.061)
<i>Age*Transition (Within) (ref=18-25)</i>	0.035 (0.027)	0.067 (0.035)	0.058 (0.044)	0.050 (0.059)	0.040 (0.061)	0.049 (0.065)
26-30	-0.033 (0.027)	0.018 (0.034)	0.018 (0.043)	-0.025 (0.055)	-0.037 (0.058)	-0.024 (0.061)
31-35	-0.071** (0.026)	-0.037 (0.033)	-0.017 (0.043)	-0.055 (0.055)	-0.080 (0.057)	-0.081 (0.061)
36-50	-0.006 (0.012)	-0.023 (0.017)	-0.026 (0.021)	-0.061 (0.032)	-0.089** (0.033)	-0.071* (0.034)
<i>Age*Duration (Between) (ref=18-25)</i>	0.039** (0.013)	0.033 (0.017)	0.021 (0.022)	0.003 (0.032)	-0.036 (0.033)	-0.018 (0.035)
26-30	0.035** (0.013)	0.028 (0.018)	0.005 (0.022)	-0.015 (0.032)	-0.041 (0.034)	-0.033 (0.035)
31-35	0.027 (0.015)	0.051** (0.018)	0.061* (0.030)	0.010 (0.042)	0.007 (0.043)	-0.006 (0.045)
36-50	0.032* (0.014)	0.056*** (0.017)	0.069* (0.030)	0.056 (0.040)	0.048 (0.042)	0.019 (0.043)
<i>Age*Duration (Within) (ref=18-25)</i>	0.024 (0.013)	0.047** (0.016)	0.053 (0.030)	0.040 (0.039)	0.034 (0.041)	0.010 (0.042)
26-30	-0.001 (0.001)	-0.000 (0.001)	0.000 (0.002)	0.005 (0.003)	0.007* (0.003)	0.006* (0.003)
31-35	-0.004*** (0.001)	-0.005*** (0.001)	-0.005** (0.002)	-0.002 (0.003)	0.001 (0.003)	-0.000 (0.003)
36-50	-0.003*** (0.001)	-0.005*** (0.001)	-0.003 (0.002)	-0.001 (0.003)	0.001 (0.003)	0.001 (0.003)
<i>Age*Duration-Squared (Between) (ref=18-25)</i>	-0.001 (0.001)	-0.002 (0.001)	-0.003 (0.005)	0.001 (0.004)	0.002 (0.004)	0.003 (0.004)
26-30	-0.000 (0.001)	-0.002 (0.001)	-0.002 (0.005)	-0.002 (0.004)	0.000 (0.004)	0.003 (0.004)
31-35	-0.001 (0.001)	-0.002 (0.001)	-0.002 (0.005)	-0.001 (0.004)	0.001 (0.004)	0.003 (0.004)
36-50	-0.001 (0.001)	-0.002 (0.001)	-0.002 (0.005)	-0.001 (0.004)	0.001 (0.004)	0.003 (0.004)
<i>Average Year of Observation</i>	0.004*** (0.000)	0.003*** (0.000)	0.003*** (0.000)	0.001*** (0.000)	0.002*** (0.000)	0.002*** (0.000)
<i>Sample (ref=Control)</i>	0.019 (0.026)	0.010 (0.025)	-0.002 (0.035)	-0.020 (0.034)	-0.044 (0.032)	-0.012 (0.032)
<i>Race (ref=white)</i>						
Black	0.218*** (0.008)	0.148*** (0.009)	0.127*** (0.009)			
Other	0.112*** (0.014)	0.089*** (0.015)	0.073*** (0.015)			
<i>Area (ref=West Germany)</i>						
East Germany				0.064*** (0.008)	0.066*** (0.008)	0.048*** (0.007)
<i>Years of Education</i>		-0.037*** (0.002)	-0.032*** (0.002)		-0.018*** (0.001)	-0.009*** (0.001)
<i>Marital status (ref=Single)</i>						
Married		-0.161*** (0.011)	-0.105*** (0.012)		-0.068*** (0.011)	-0.047*** (0.011)

Divorced		-0.164***	-0.178***		0.003	-0.008
		(0.012)	(0.013)		(0.012)	(0.012)
<i>Occupation (ref=OLF)</i>						
Managers		-0.008	-0.005		-0.126***	-0.079***
		(0.009)	(0.009)		(0.011)	(0.010)
Professionals		-0.074***	-0.043***		-0.121***	-0.088***
		(0.008)	(0.008)		(0.010)	(0.010)
Technicians		-0.007	-0.021*		-0.118***	-0.100***
		(0.008)	(0.008)		(0.009)	(0.009)
Clerks		-0.046***	-0.022*		-0.084***	-0.072***
		(0.010)	(0.011)		(0.011)	(0.011)
Service		0.044***	0.051***		-0.048***	-0.046***
		(0.009)	(0.009)		(0.011)	(0.011)
Agricultural		0.049*	0.088***		-0.024	-0.008
		(0.019)	(0.019)		(0.019)	(0.019)
Craft		-0.042***	-0.013		-0.087***	-0.068***
		(0.010)	(0.010)		(0.009)	(0.009)
Machine Operators		-0.056***	-0.021*		-0.072***	-0.060***
		(0.008)	(0.009)		(0.010)	(0.010)
Elementary		-0.027***	0.008		-0.038***	-0.032**
		(0.007)	(0.008)		(0.011)	(0.011)
Armed Forces					-0.121***	-0.132***
					(0.030)	(0.029)
<i>Gender (ref=Men)</i>						
Women			0.072***			0.004
			(0.006)			(0.005)
<i>Nr. of earners (ref=Single Earner)</i>						
Dual Earner			-0.099***			-0.079***
			(0.005)			(0.003)
<i>Distance to the Poverty Line (Before Transition)</i>						
			-0.000***			-0.001***
			(0.000)			(0.000)
Constant	0.519***	1.195***	1.138***	0.388***	0.751***	0.763***
	(0.010)	(0.025)	(0.025)	(0.014)	(0.023)	(0.022)
Random Effects						
Var(Constant)	-1.204***	-1.324***	-1.398***	-1.475***	-1.576***	-1.658***
	(0.011)	(0.013)	(0.014)	(0.013)	(0.014)	(0.014)
Var(Residual)	-1.165***	-1.155***	-1.185***	-1.391***	-1.398***	-1.429***
	(0.003)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
<i>N</i>	54665	40740	36561	40432	39192	38723

Source: PSID (1970-2015) and SOEP (1984-2014) in CNEF. Authors' calculations. Standard errors in parentheses; *p<0.5 **p<0.01 *** p<0.001