

## INTERVIEW

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# Interview: How Working Mothers Trade off “Kids and Careers”

Interview with Yasemin Özdemir

- Study: EPoS Economic Research Center analyzed data by Statistics Netherlands
- Interview with Yasemin Özdemir, EPoS Economic Research Center

Bonn, Mannheim, 22.12.2025 – **Working women who decide to have children balance family and career by adapting their parenting style, a new study finds. Some women decide to have small families and to invest in childcare services. Others actively choose family-friendly jobs, such as teachers, offering the flexibility to look after their children themselves. Policymakers will overestimate the effectiveness of measures such as childcare subsidies in increasing fertility if they do not account for women’s strategic decisions. These findings are from a new study by the EPoS Economic Research Center at the Universities of Bonn and Mannheim analyzing Dutch administrative data maintained by Statistics Netherlands. The study is published in the discussion paper “Navigating Motherhood: Endogenous Penalties and Career Choice”.**

**Ms. Özdemir, policymakers try to help women combine children and career by subsidizing childcare. How effective are such measures?**

Our research explains why childcare subsidies might fail to create a significant “baby boom”. Some mothers make these choices long before they have children and steer toward family-friendly careers because they already know they want to spend a lot of time with their future children. Others decide to have fewer children and focus on their careers instead. For these decisions, subsidies are unlikely to make much difference. Instead of having more children, some parents use the extra budget to improve the quality of care and education for the children they already have. If the goal is higher fertility, policymakers need to be realistic and take into account the strategic decisions by women described above.

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### **How do women manage to strike a balance when combining children and careers?**

**Yasemin Özdemir:** We find that women are extremely effective optimizers: High-earning mothers mitigate career costs by substituting their own time with purchased childcare services, while others use the work flexibility in sectors such as education or social work to spend more time with their children. The latter often have more children than mothers working in high-pressure jobs. We conclude that women are experts at navigating the trade-offs between kids and career according to their individual preferences. Our most surprising finding is that the lifetime income loss from women deliberately choosing a “family-friendly” sector is very small. It accounts for approximately 2.5 percentage points of the total child penalty, which comprises the earnings loss women face relative to men between one year prior to and eight years after the birth of their first child. Our finding is unexpected because “family-friendly” sectors generally pay less.

### **Part-time employment among women is a notable feature of the German economy. What would need to happen to have more full-time employment?**

In Germany, “successful parenting” is often understood as requiring either a great deal of parental time or substantial spending on childcare. As long as this is the case, women will continue to self-select out of family-unfriendly sectors or limit their family size. Any effort to address the high share of part-time work among women must consider how policy affects both the time and financial demands of raising children.

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The presented discussion paper is a publication without peer review of the Collaborative Research Center Transregio 224 EPoS. Access the full discussion paper here:

<https://www.crctr224.de/research/discussion-papers/archive/dp722>

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#### **Authors**

**Sena Coskun**, Assistant Professor of Economics, University of Erlangen-Nuremberg

**Husnu Dalgic**, Postdoctoral Researcher, Department of Economics, University of Mannheim and member of EPoS Economic Research Center

**Yasemin Özdemir**, Postdoctoral Researcher, Faculty of Law, Business & Economics, University of Bayreuth and member of EPoS Economic Research Center

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## **The Collaborative Research Center (CRC) Transregio 224 EPoS**

Established in 2018, [the Collaborative Research Center Transregio 224 EPoS](#), a cooperation of the universities Bonn and Mannheim, is a long-term research institution funded by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG). EPoS addresses three key societal challenges: how to promote equality of opportunity; how to regulate markets in light of the internationalization and digitalization of economic activity; and how to safeguard the stability of the financial system.

### **Press Contact**

econNEWSnetwork

Sonja Heer

Tel. + 49 (0) 40 82244284

[Sonja.Heer@econ-news.de](mailto:Sonja.Heer@econ-news.de)

### **Contact**

Yasemin Özdemir

University of Bayreuth

[Yasemin.Oezdemir@uni-bayreuth.de](mailto:Yasemin.Oezdemir@uni-bayreuth.de)

**CRC TR 224 office, Marja Eisheuer**

phone | +49 228 737926

e-mail | [crctr224@uni-bonn.de](mailto:crctr224@uni-bonn.de)

[www.crctr224.de](http://www.crctr224.de)