Women's Career Decisions and Earnings Disparities among Married Couples in Japan[1]

Kazuyasu Sakamoto,[2] Yoko Morita[3]

March 26, 2017

Abstract

This paper uses panel data from the Japanese Panel Survey of Consumers (The Institute for Research on Household Economics) to analyze the impact of women's career decisions on earnings disparities among married couples. In recent years, female employment rates have risen, and it has been pointed out that earnings disparities among married-couple households may be increasing. This paper examines the impact of women's career decisions (continuing to work, continuing not to work, or leaving or changing jobs after birth of first child) on earnings disparities among married couples.

This analysis reveals the following points. First, from the 1990s through the 2010s, the Douglas-Arisawa Law grew weaker, with the impact of husbands' earnings on their wives' employment decreasing. Our findings confirm that even among women with high-earning husbands, the employment rate is rising, and wives' earnings are causing upward mobility, lifting these couples to higher earnings brackets (and widening earnings disparities). Second, women's continued employment after giving birth contributes to upward mobility in family earnings (leading to both increases and decreases in inequality) and inhibits retention in low earnings brackets.

---

[2] Faculty of Social and Information Studies, Gunma University
[3] Graduate School of Economics, Nagoya City University