# DECOMPOSING THE POVERTY DIVIDE BETWEEN MIGRANT AND NATIVE FAMILIES IN GERMANY

*The role of differences in work-lifestyle preferences of migrant and native women*

## Introduction

- Although women labor force participation has seen a dramatic increase since the 1970s, the nature of this increase has been observed to be disproportionate across various sub-groups of women.

- Meanwhile, there has been a growing concern that the disproportionate distribution of women labor force participation will lead to greater household inequality.

- Migrant-couple families have been found to be at greater poverty risk than families with native-born couples.
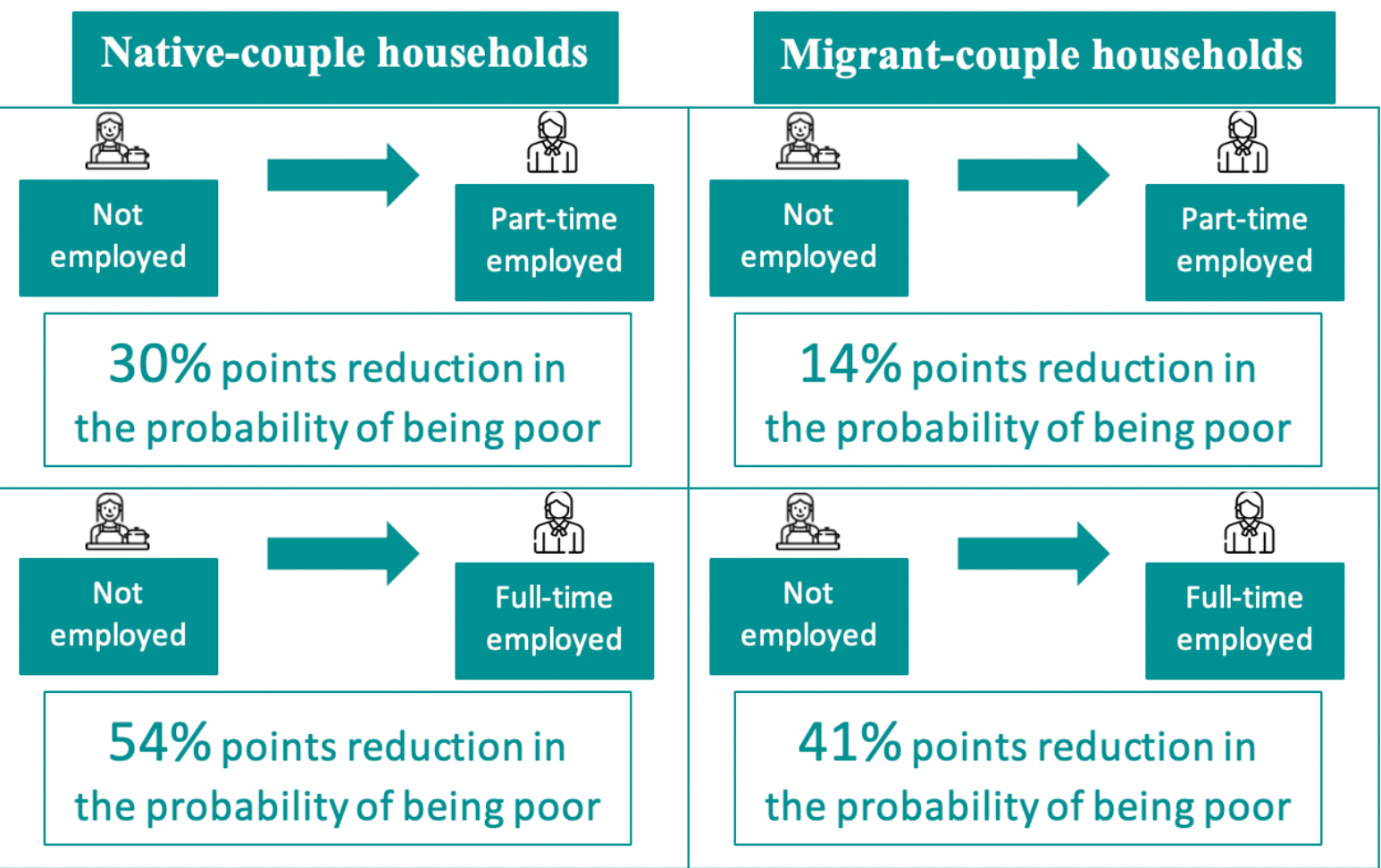
## Research Question

- Does women labor force participation have varying effects on the poverty risks of migrant-couple and native-born couple families?

- To what quantifiable extent is the poverty divide between these families explained by the differences in the work-lifestyle preferences between migrant and native-born women?

*"The widening divide among women in terms of labor force participation has the potential to exacerbate the socio-economic inequality between families"*
**- Gøsta Esping-Andersen**

**Empirical Method:** *Binary Logistic Regressions and Fairlie-Oaxaca-Blinder Decomposition Technique* | **Year of Observation:** *2017*

## Empirical Findings

*Stronger poverty reducing effect of women's labor force participation for German-couple families compared to migrant-couple families*

### Native-couple households

Not employed → Part-time employed

**30%** points reduction in the probability of being poor

Not employed → Full-time employed

**54%** points reduction in the probability of being poor

### Migrant-couple households

Not employed → Part-time employed

**14%** points reduction in the probability of being poor

Not employed → Full-time employed

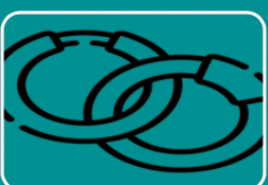**41%** points reduction in the probability of being poor

- Families with working wives have lower poverty risks ( on averge 79.5% lower odds) than those with non-working women.
- The migrant-native poverty divide is more salient (i.e. larger) among families with working wives .

### Implications & Recommendations

Existence of wage gaps between migrant and native women

Growing polarization among families due to assortative mating (coupling based on similarities in socio-economic status)

Policies geared towards bolstering work incentives (especially for women of socio-economic groups with weak labor force attachment), should go hand in hand with policies that aim to improve the "quality" of their employment outcomes

*Substituting the labor force participation pattern of women of migrant-couple households to the levels of native-couple households' will reduce the poverty divide by **10.9%***

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