

## **Family Proximity and Women's Labor Force Attachment\***

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### **Abstract**

Using two large datasets, the National Survey of Family and Households and the public use files of the U.S. Census, we show that close proximity to mothers and mothers-in-law has a positive effect on the labor supply of married women with children. We argue that this effect is due to intergenerational transfers involving childcare. We focus on proximity rather than observed transfers because proximity is less likely to be endogenous. Moreover, the availability of a mother or a mother-in-law to provide unanticipated child care may be more important for the labor force decisions of married women with children than the actual provision of regular childcare; market child care arrangements provide closer substitutes for regular childhood arrangements than for sudden and unanticipated situations in which child care is required. The effects we find are robust and substantial. Compared with married women with young children living more than 30 miles from both mother and mother-in-law, those living within 30 miles of their mother-in-law are 1.8 times more likely to be employed, while those living within 30 miles of both their own mother and their mother-in-law are 1.6 times more likely to be employed. Heckman correction models suggest that the effect of proximity is stronger on the extensive margin (i.e., whether to work or not), than on the intensive margin (i.e., the number of hours worked). The results highlight the need to consider family proximity when analyzing the labor force participation of married women.

