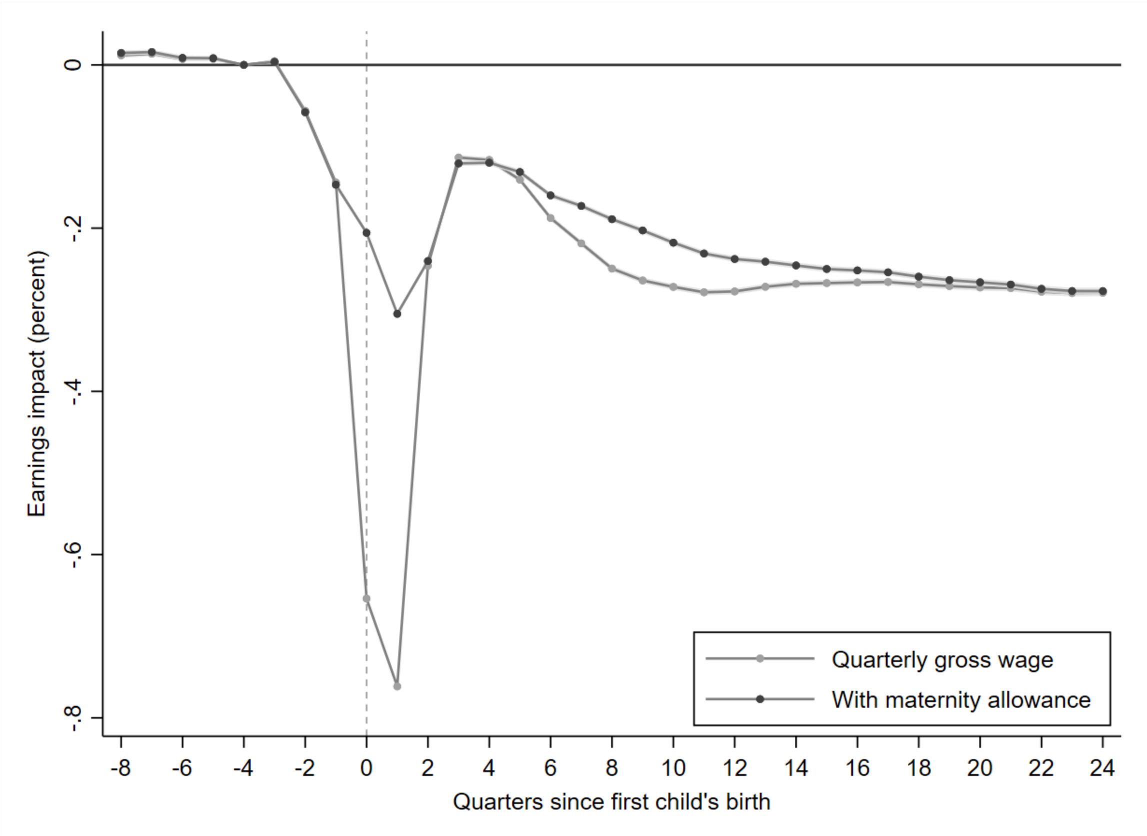
Online Appendix

How Can Paid Maternity Leave Boost Female Entrepreneurship?

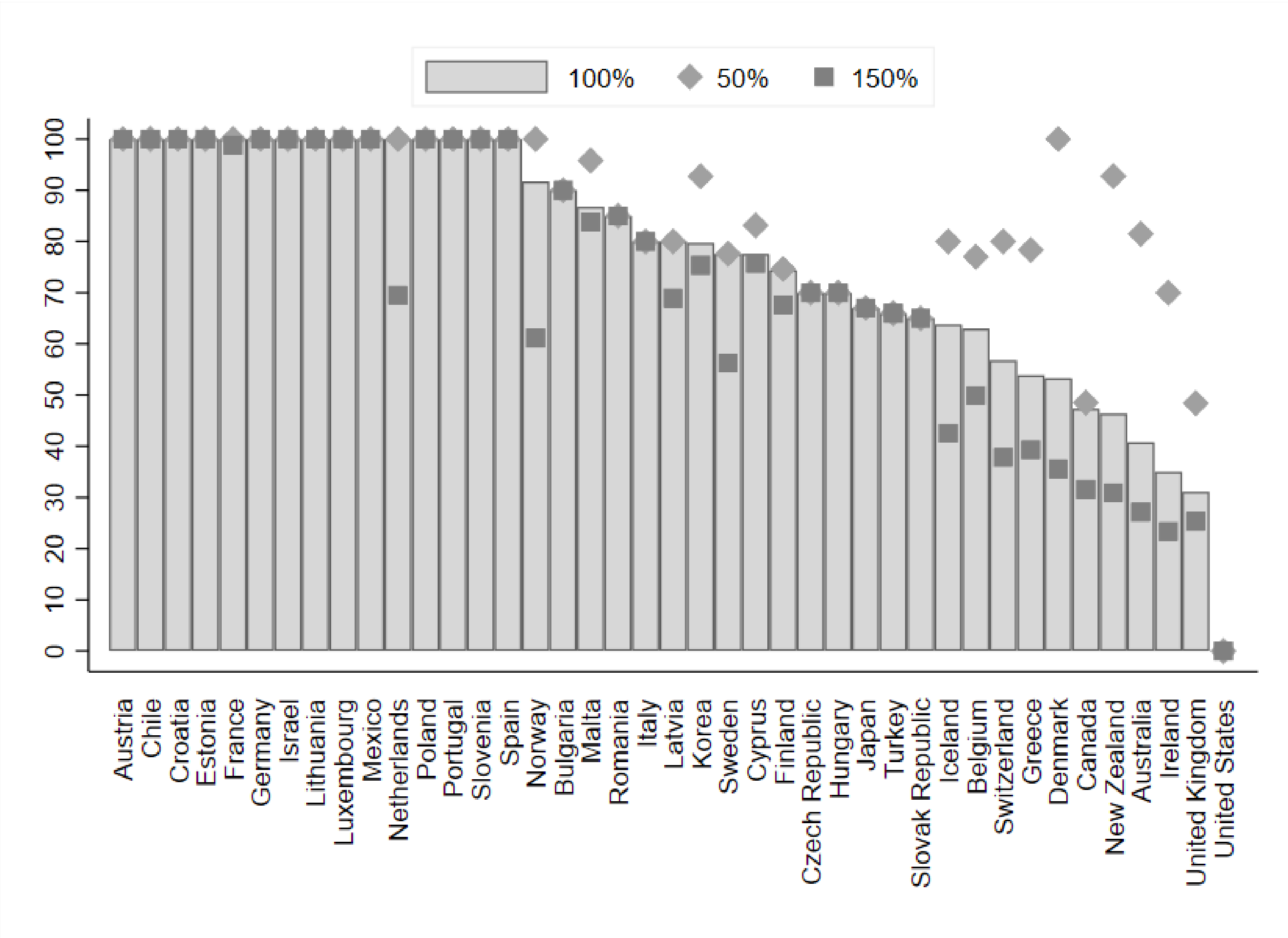
Sébastien Fontenay

Figure A1: Impact of children on mothers' quarterly gross earnings with and without maternity leave allowance



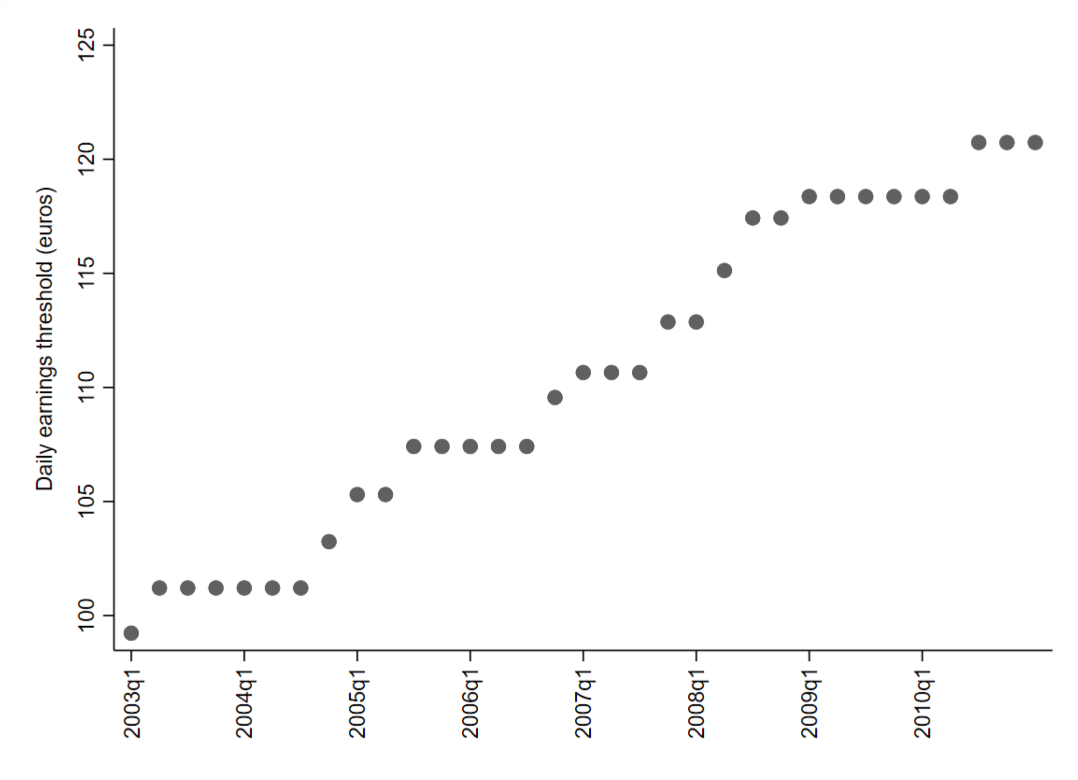
Notes: The figure shows event time coefficients (relative to the 4th quarter before the first child's birth) estimated on a sample of mothers who had their first child between 2003-2010 and were eligible for maternity leave (i.e. had sufficient work history). The coefficients are displayed as a percentage of the mean of the outcome measured at t-4. The earnings are measured conditional on labor force participation. The outcome will therefore not account for women leaving the labor market as a result of having children. The shaded 95% confidence intervals are based on robust standard errors.

Figure A2: Proportion of previous gross earnings replaced by maternity benefits (by level of earnings compared to the national average)



Notes: Data from the OECD Family Database, 2014. In Austria, Chile, and Germany benefits are calculated based on previous net (post income tax and social security contribution) earnings, while in France benefits are calculated based on post-social-security-contribution earnings.

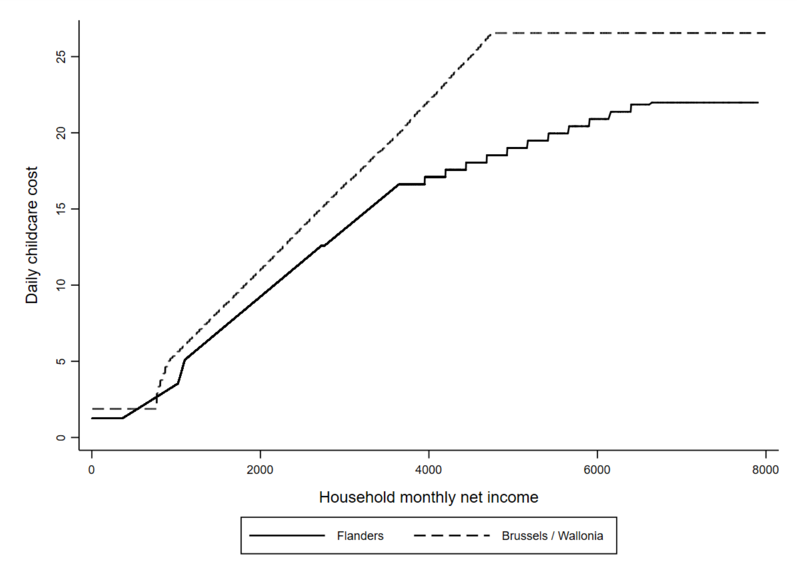
Figure A3: Daily earnings threshold by quarter



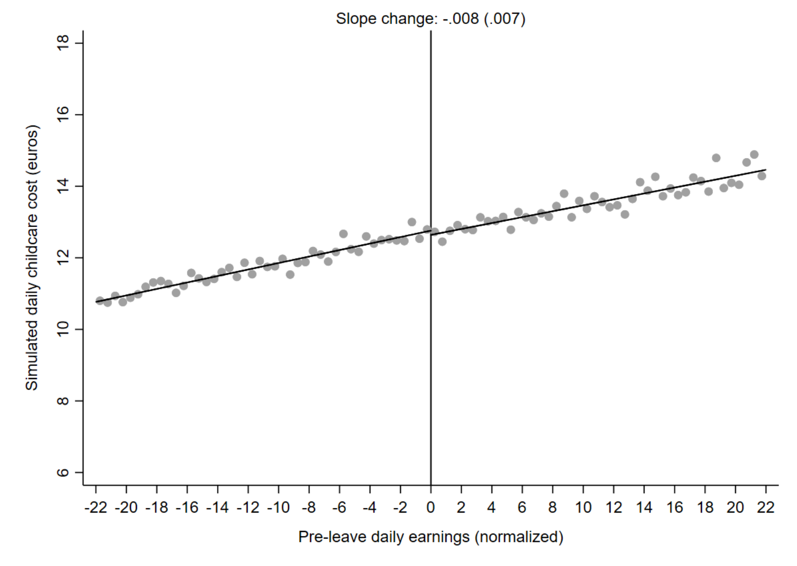
Notes: The figure shows the evolution of the earnings threshold set by the social security administration. The changes reflect government's decisions, as well as automatic adjustment to inflation. Data source: National Institute for Health and Disability Insurance.

Figure A4: Childcare cost in Belgium

Panel A: Childcare cost as a function of disposable income (euros)

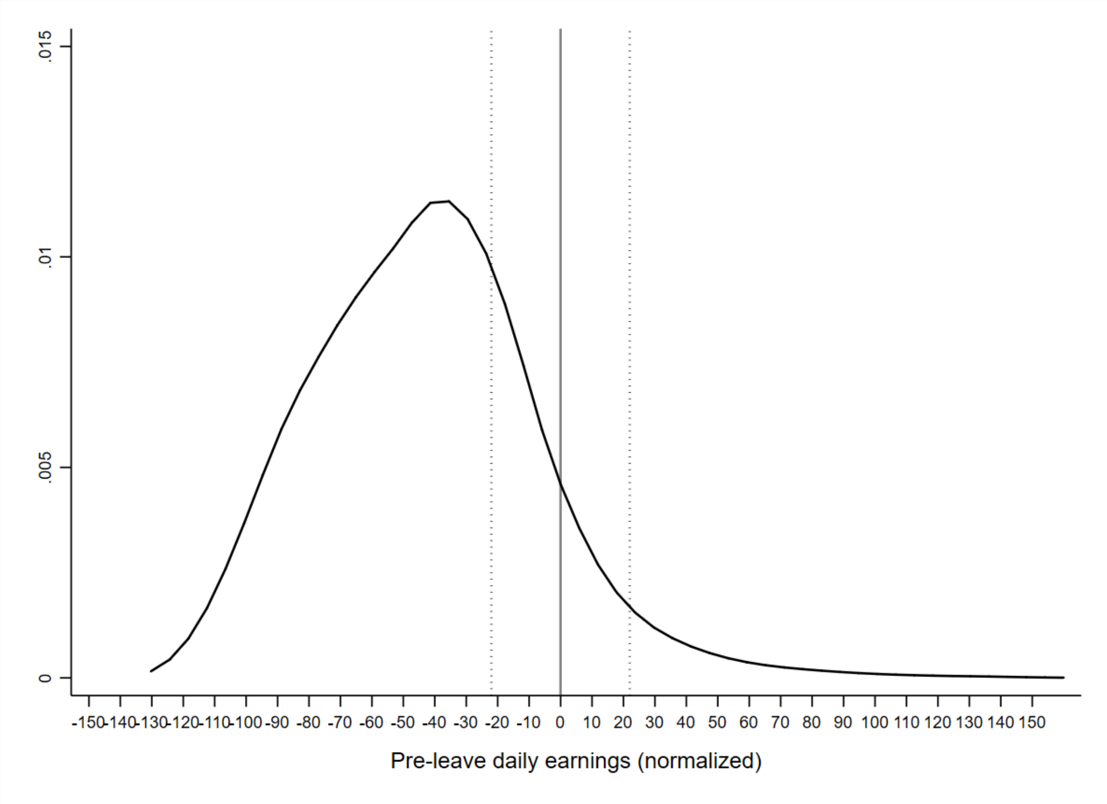


Panel B: Simulated childcare cost for women in "kink sample"



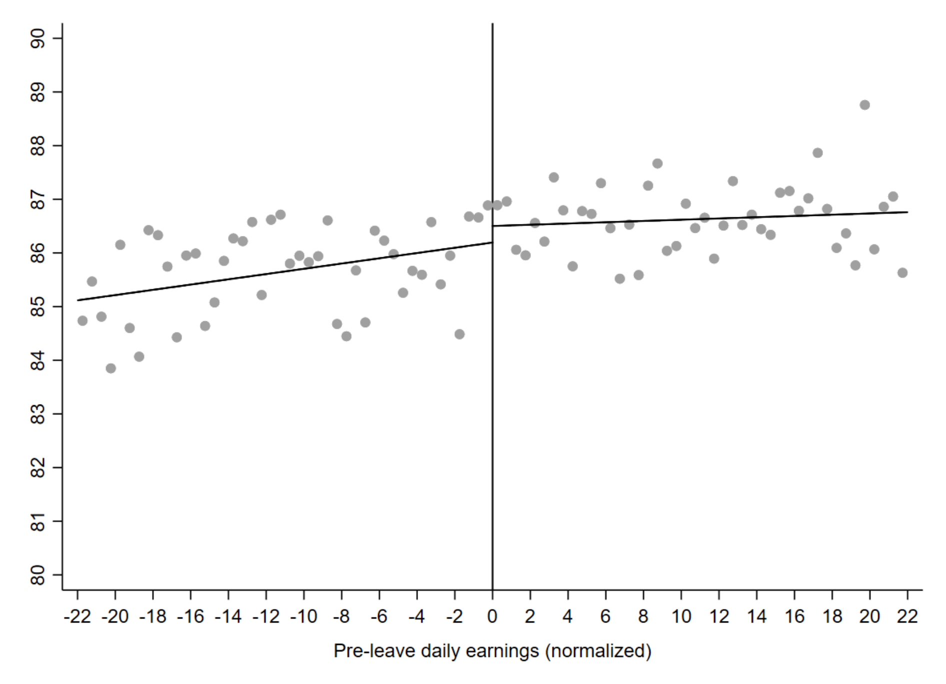
Notes: Panel A plots the childcare cost per day for a first child in 2003. Income thresholds for the French-speaking community of Brussels and Wallonia are from "Office de la Naissance et de l'Enfance" (minimum = 1.88 euros and maximum = 26.55 euros) and for the Dutch-speaking community of Flanders from "Kind en Gezin" (minimum = 1.26 euros and maximum = 22.40 euros). Panel B plots the simulated childcare cost for women with pre-leave earnings within a 22-euro bandwidth around the kink in the maternity leave allowance. The simulated childcare cost is based on the household's total income, net of social security contributions and income tax. The horizontal axis plots normalized pre-leave daily earnings (relative to the kink) in bins, using 50 euro cents bins. The vertical axis plots the mean of the outcome in each bin. The straight lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions.

Figure A5: Kernel density of pre-leave earnings around the kink



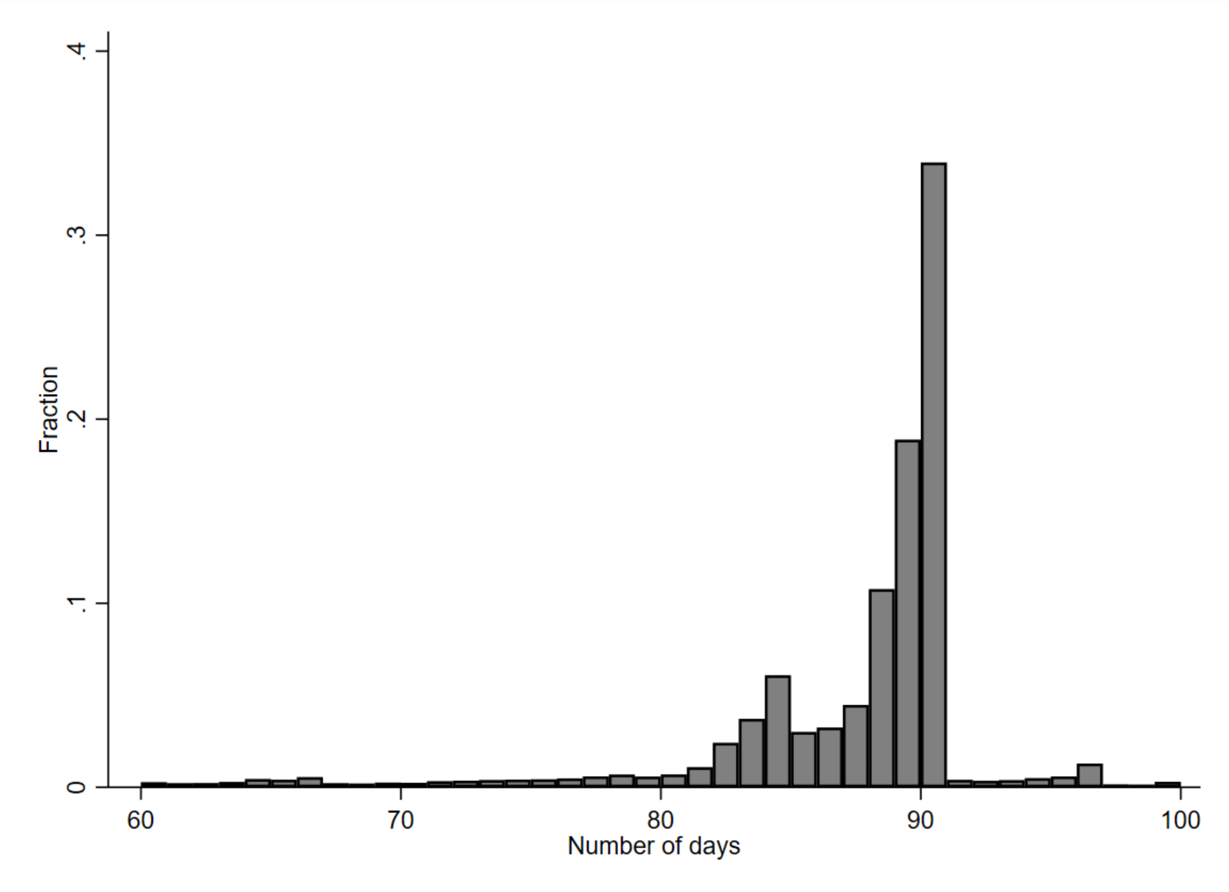
Notes: The graph plots the distribution of the pre-leave earnings using kernel density. The kink is located around the 90^{th} percentile. The dashed lines represent the 22 euros bandwidth used in the baseline specifications.

Figure A6: Duration of maternity leave (# days)



Notes: The horizontal axis plots normalized pre-leave daily earnings (relative to the kink) in bins, using 50 euro cents bins. The vertical axis plots the mean of the outcome in each bin. The straight lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions.

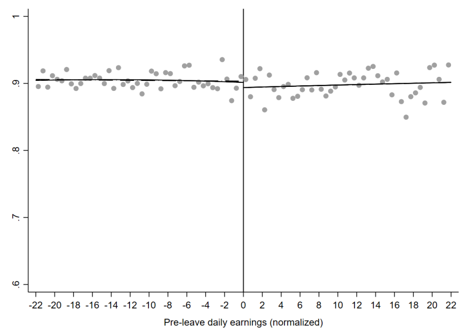
Figure A7: Distribution of total leave duration for women with earnings near the kink point



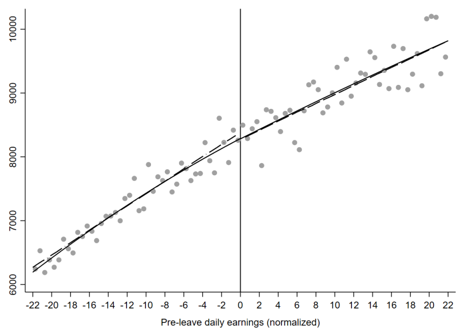
Notes: This figure plots the distribution of maternity leave duration for women with pre-claim earnings within a 22 euros bandwidth surrounding the kink point. The maximum duration of maternity leave in Belgium is 90 days, but it can be extended to 102 days for multiple births. All mothers must stop working during a compulsory period of at least 60 days.

Figure A8: Comparison between linear and quadratic functions of the assignment variable - Mother's employment outcomes

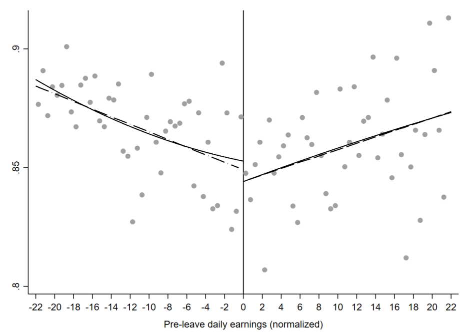
Panel A: Employed (0/1)



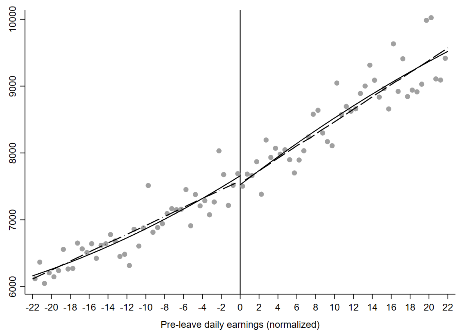
Panel B: Quarterly earnings (euros)



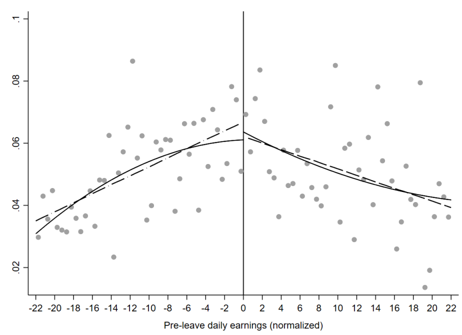
Panel C: Salaried employee (0/1)



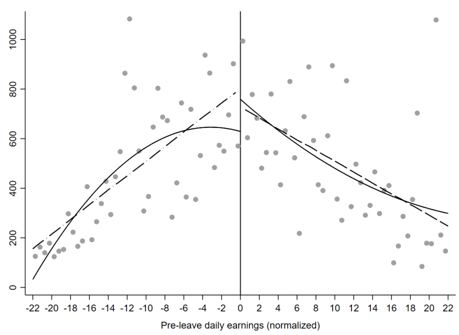
Panel D: Salaried earnings (euros)



Panel E: Self-employed (0/1)



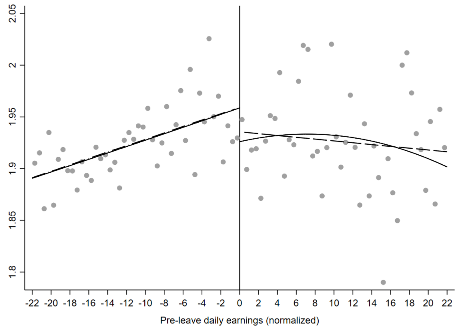
Panel F: Self-employed earnings (euros)



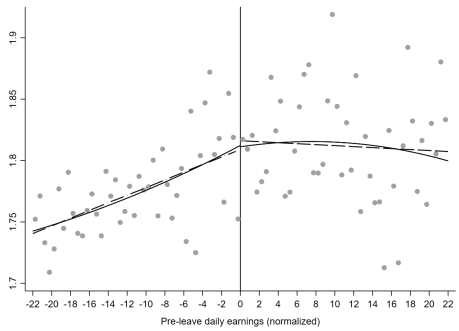
Notes: The horizontal axis plots normalized pre-leave daily earnings (relative to the kink) in bins, using 50 euro cents bins. The vertical axis plots the mean of the outcome in each bin. The dashed lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions of order 1. The solid lines display the underlying quadratic relationship on each side of the kink and are estimated using local nonparametric regressions of order 2.

Figure A9: Comparison between linear and quadratic functions of the assignment variable - Mother's fertility outcomes

Panel B: Number of children



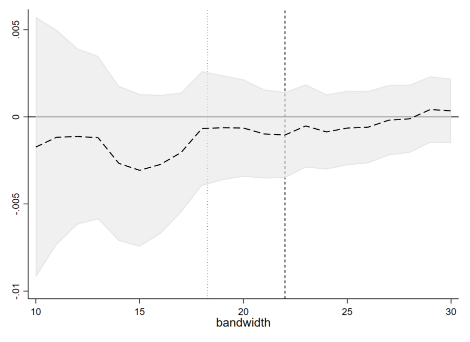
Panel B: Number of maternity leaves



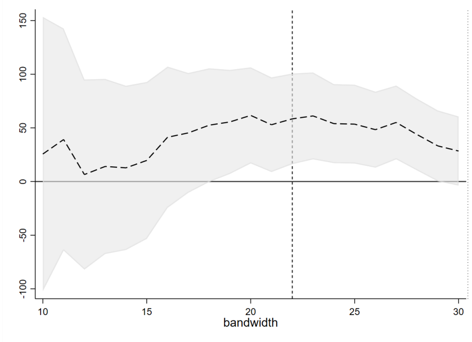
Notes: The horizontal axis plots normalized pre-leave daily earnings (relative to the kink) in bins, using 50 euro cents bins. The vertical axis plots the mean of the outcome in each bin. The dashed lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions of order 1. The solid lines display the underlying quadratic relationship on each side of the kink and are estimated using local nonparametric regressions of order 2.

Figure A10: Varying bandwidth - Mother's employment outcomes

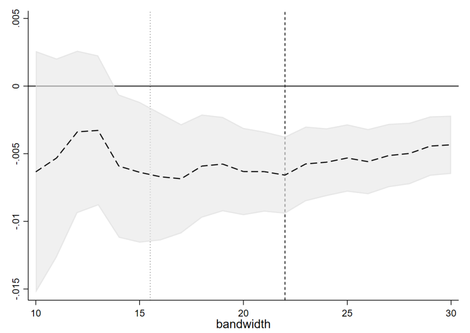
Panel A: Employed (0/1)



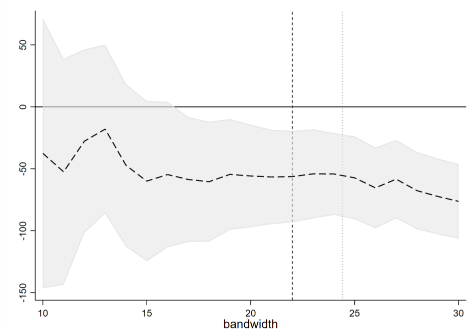
Panel B: Quarterly earnings (euros)



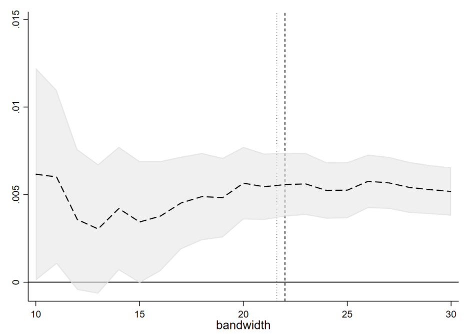
Panel C: Salaried employee (0/1)



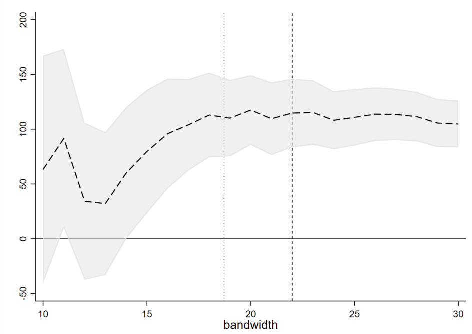
Panel D: Salaried earnings (euros)



Panel E: Self-employed (0/1)



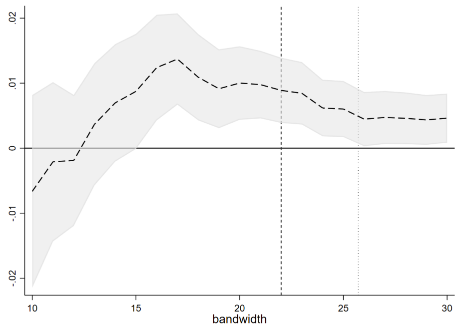
Panel F: Self-employed earnings (euros)



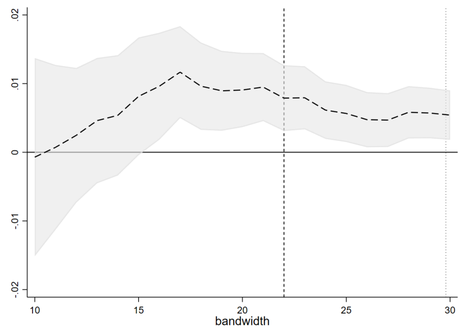
Notes: These figures show treatment effects (dashed line), estimated with local polynomial nonparametric regressions of order 1 (i.e. linear), as well as 95% confidence intervals (shaded area). The coefficients are from separate regressions using all possible bandwidths in 1 euro increments of normalized pre-leave daily earnings from 10 to 35 euros. The dotted vertical line materializes the bandwidth picked by the CCT selector of Calonico et al. (2014). The dashed vertical line materializes the common bandwidth of 22 euros used for the main estimations. All samples include mothers who had a first child between 2003 and 2010. For panels B, D and F, the outcomes are trimmed, replacing the top 1% of the distribution with missing values.

Figure A11: Varying bandwidth - Mother's fertility outcomes

Panel A: Number of children



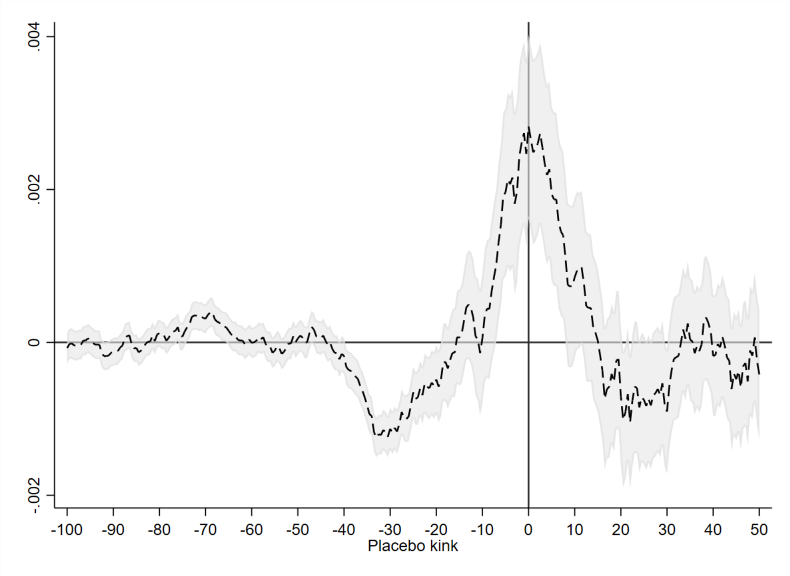
Panel B: Number of maternity leaves



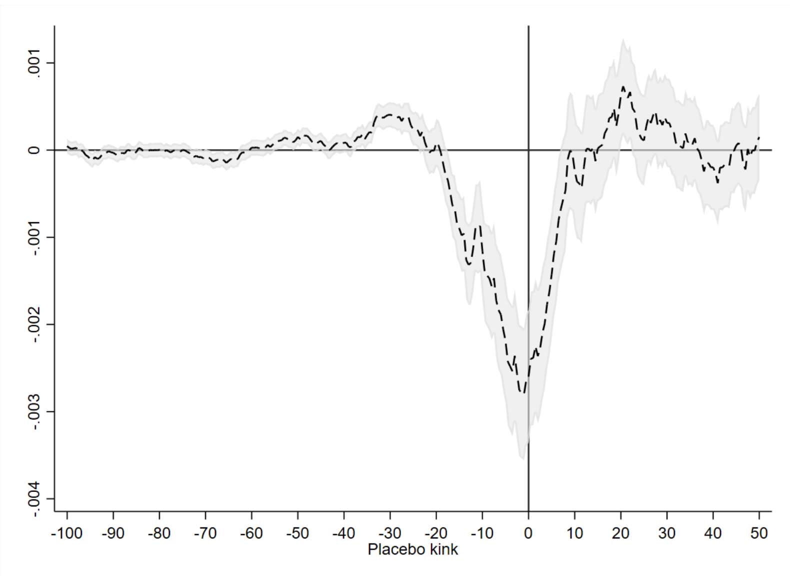
Notes: These figures show treatment effects (dashed line), estimated with local polynomial nonparametric regressions of order 1 (i.e. linear), as well as 95% confidence intervals (shaded area). The coefficients are from separate regressions using all possible bandwidths in 1 euro increments of normalized pre-leave daily earnings from 10 to 35 euros. The dotted vertical line materializes the bandwidth picked by the CCT selector of Calonico et al. (2014). The dashed vertical line materializes the common bandwidth of 22 euros used for the main estimations. All samples include mothers who had a first child between 2003 and 2010.

Figure A12: Permutation tests - Reduced form coefficients and 95% CI

Panel A: Salaried employee after 5 years



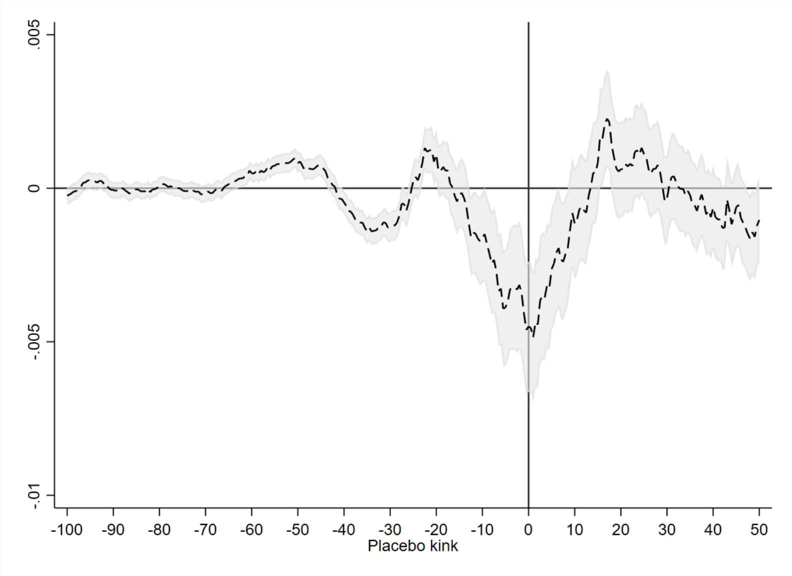
Panel B: Self-employed after 5 years



Notes: The graphs show results from permutation tests, proposed by Ganong and Jäger (2018), to assess the sensitivity of the results to non-linearities in the relationship between the assignment variable and the outcome. The figures plot the coefficients (dashed line) and 95% confidence intervals (shaded area) from 300 RKD models using placebo kinks along the distribution of the assignment variable, with a 22 euros bandwidth. The horizontal axis displays the distance from the true kink point (at 0). Note that those are reduced form estimates that correspond to the numerator of Equation (2). As such the placebo kink coefficients are of the opposite sign from those reported in the baseline specifications. One can see that the coefficient estimate at the true kink point is much larger than those at placebo kinks.

Figure A13: Permutation tests - Reduced form coefficients and 95% CI

Number of children after 5 years

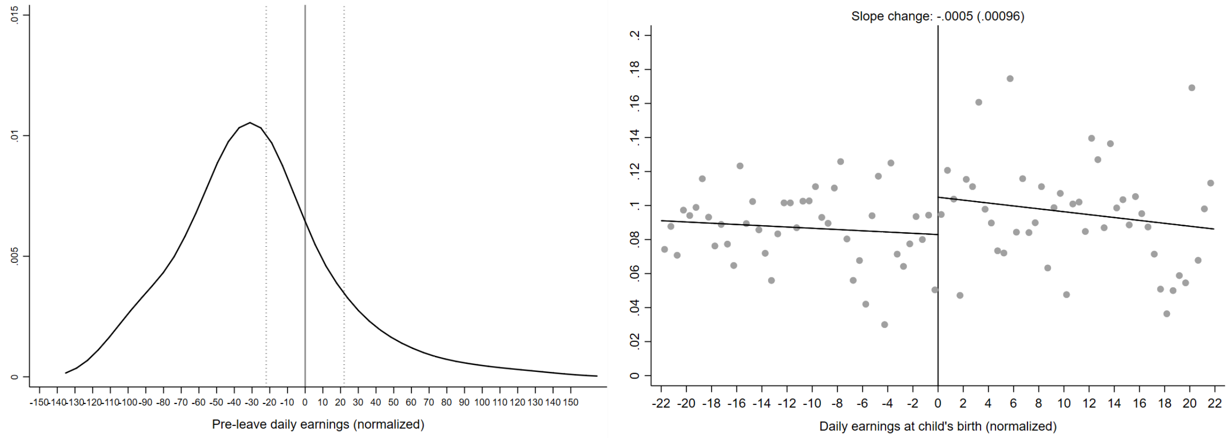


Notes: The graphs show results from permutation tests, proposed by Ganong and Jäger (2018), to assess the sensitivity of the results to non-linearities in the relationship between the assignment variable and the outcome. The figures plot the coefficients (dashed line) and 95% confidence intervals (shaded area) from 300 RKD models using placebo kinks along the distribution of the assignment variable, with a 22 euros bandwidth. The horizontal axis displays the distance from the true kink point (at 0). Note that those are reduced form estimates that correspond to the numerator of Equation (2). As such the placebo kink coefficients are of the opposite sign from those reported in the baseline specifications. One can see that the coefficient estimate at the true kink point is much larger than those at placebo kinks.

Figure A14: Placebo group - Fathers who do not go on leave

Panel A: Kernel density of pre-leave earnings around placebo kink

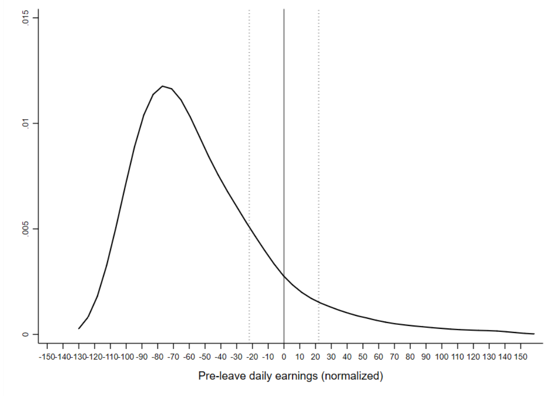
Panel B: Self-employed 5 years after the birth of their child (0/1)



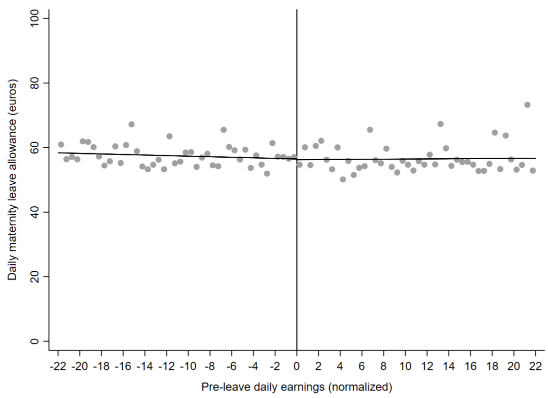
Notes: The sample is composed of fathers who did not go on leave after the birth of their child and therefore did not receive benefits from the social security administration. The horizontal axis plots normalized daily earnings during the quarter of birth of their child (relative to the kink) in 50 euro cents bins. The vertical axis plots the mean in each bin of the outcome variable for the probability to be self-employed after 5 years. The straight lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions.

Figure A15: Placebo group - Mothers already self-employed at first childbirth

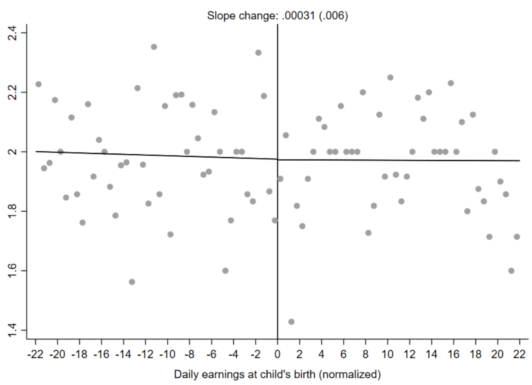
Panel A: Kernel density of pre-leave earnings around placebo kink



Panel B: Maternity leave allowance as a function of pre-leave earnings



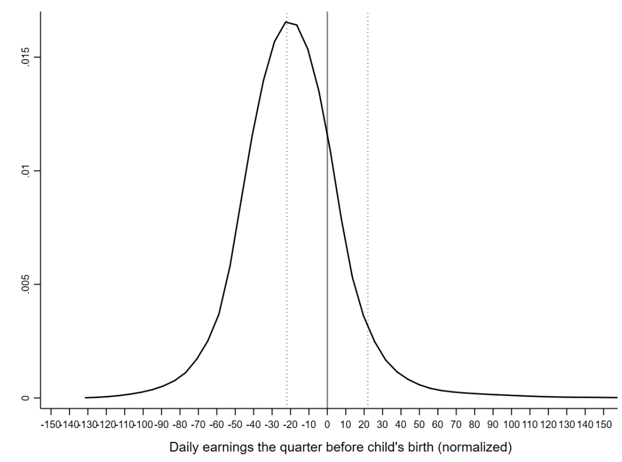
Panel C: Number of children after 5 years



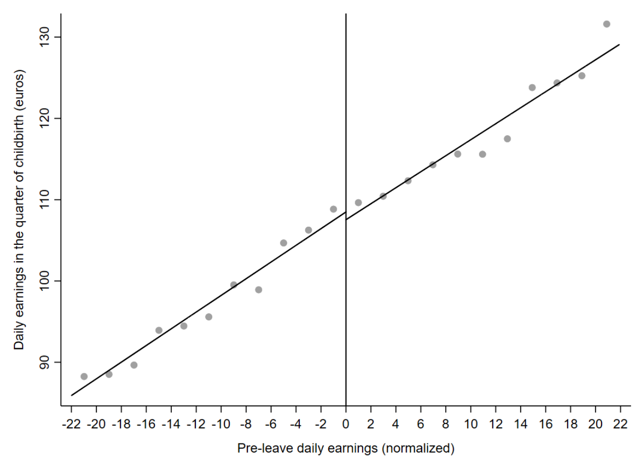
Notes: The sample is composed of first-time mothers who were self-employed before the birth of their child and therefore receive a flat amount of maternity leave benefits. Panel A plots the distribution of the pre-leave earnings for self-employed women using kernel density. The placebo kink is located around the 90th percentile, similar to the main sample. The dashed lines represent the 22 euros bandwidth used in the main specifications. Panel B shows the empirical relationship between the daily maternity leave allowance and the pre-leave earnings of self-employed women within the 22 euros bandwidth around the kink. The lower panel plots normalized pre-leave daily earnings (horizontal axis) in 50 euro cents bins and the mean of the outcome variable for self-employed women (vertical axis): number of children (panel C). The straight lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions. The change in slope at the kink is reported above the graph with standard errors in parentheses.

Figure A16: Placebo group - Civil servant mothers

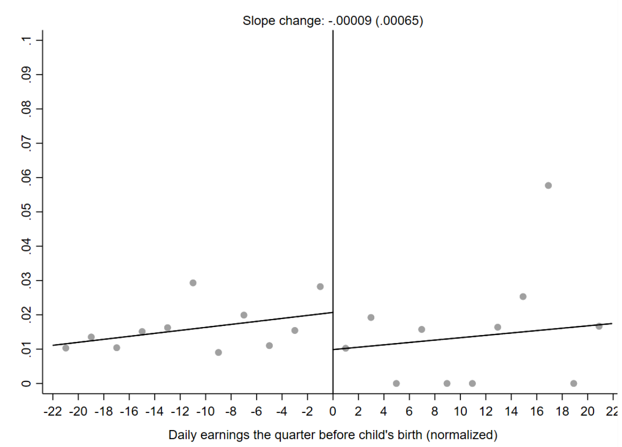
Panel A: Kernel density of pre-leave earnings around placebo kink



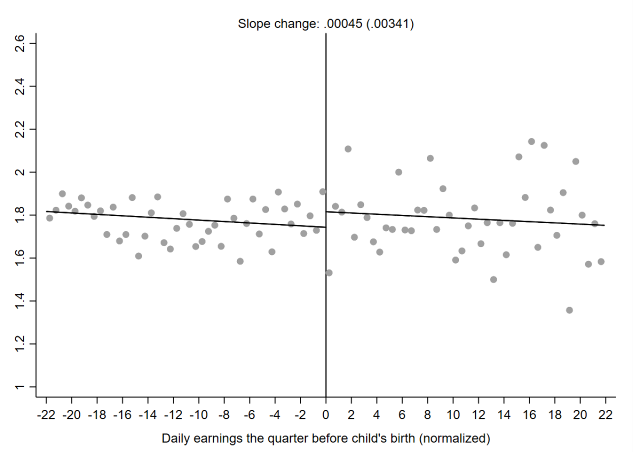
Panel B: Daily earnings (euros) in the quarter before/after childbirth



Panel C: Self-employed 5 years after the birth of their child (0/1)

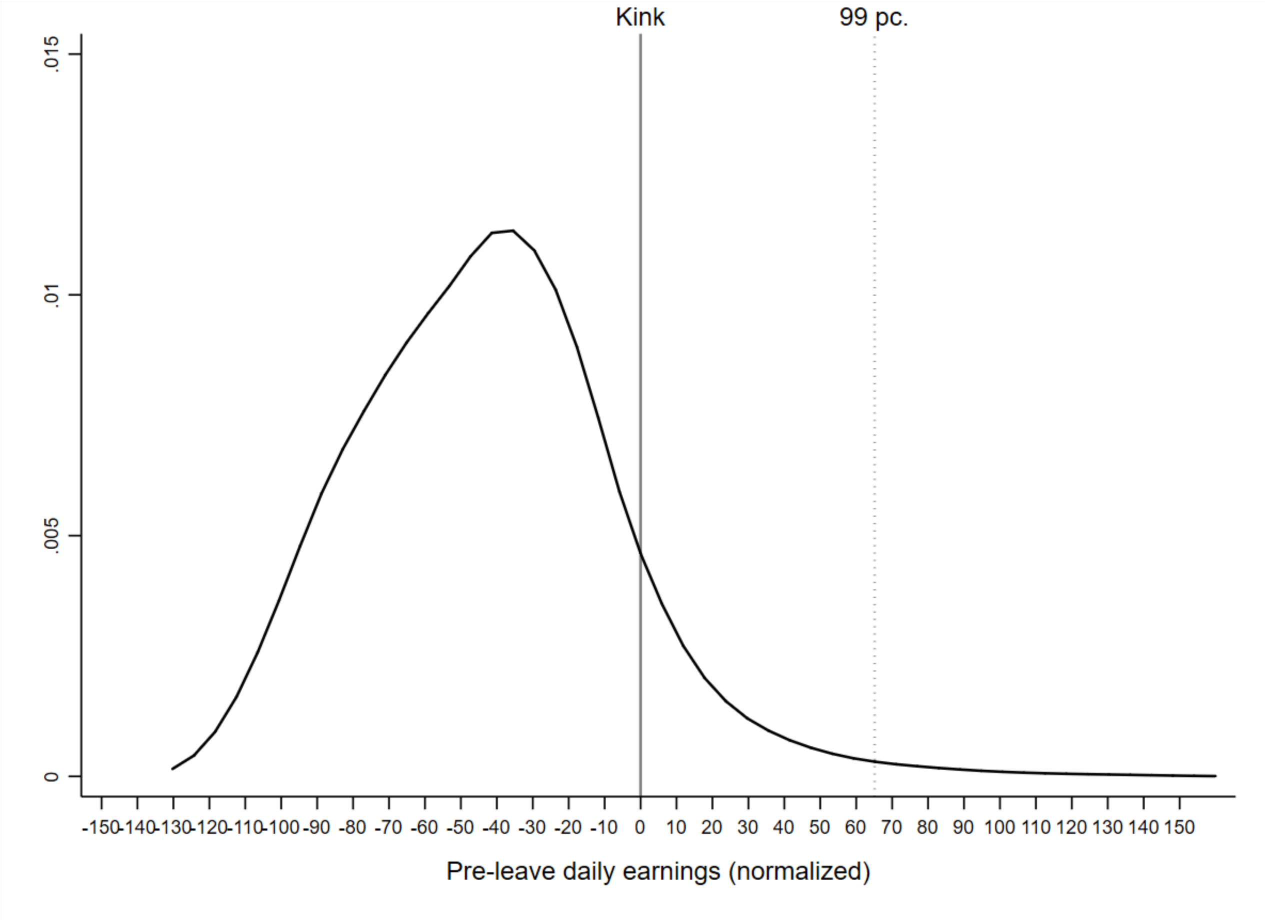


Panel D: Number of children after 5 years



Notes: The sample is composed of first-time mothers who were civil servants before the birth of their child. Panel A plots the distribution of the pre-leave earnings for civil servants women using kernel density. The placebo kink is located around the 87th percentile, similar to the main sample. The dashed lines represent the 22 euros bandwidth used in the main specifications. Panel B plots the mothers' daily earnings in the quarter of childbirth (i.e. when most of them are on maternity leave) relative to the pre-leave daily earnings (normalized). Because civil servants are paid their full wage while on leave, the relationship is perfectly linear and unlike for salaried mothers there is no visible kink. The lower panels plot normalized pre-leave daily earnings (horizontal axis) and the mean of the outcome variable for civil servant women (vertical axis): self-employment (Panel C) and number of children (panel D). Because of an excess number of zeros in the probability of becoming self-employed for civil servants, I use 2 euro bins for Panel C, while Panel D uses 50 euro cents bins. The straight lines display the underlying linear relationship on each side of the kink and are estimated using local nonparametric regressions. The change in slope at the kink is reported above the graph with standard errors in parentheses.

Figure A17: Kernel density of pre-leave earnings - Simulated threshold at 99$^{\text{th}}$ percentile



Notes: The graph plots the distribution of the pre-leave earnings using kernel density. The threshold set by the social security administration (solid vertical line) is located around the 90th percentile. The dotted line represents the location of a simulated threshold at the 99th percentile.

Table A1: Duration of the maternity leave taken after the birth of the first child

	Treatment effect	Robust CI	Mean
Duration of maternity leave (# days)	0.084 ** (0.042)	[-0.072 , 0.108]	85.87
Duration of maternity leave (log)	0.128 ** (0.055)	[-0.040 , 0.195]	4.44
Number of observations	38,255		

*Notes: All coefficients are from separate local polynomial nonparametric regressions of order 1 (i.e. linear), using a symmetric bandwidth of 22 euros around the kink. The column "treatment effect" reports estimates based on the RKD estimator of Equation (2). The coefficients show the estimated effect of a 1 euro increase in daily maternity leave benefits on the outcomes. The sample includes mothers who had a first child between 2003 and 2010. Heteroskedasticity-robust standard errors are in parentheses. I also provide bias-corrected confidence intervals ("robust CI") proposed by Calonico et al. (Calonico et al., 2014). The column "Mean" reports the average of the dependent variable within the defined bandwidth. Significance levels: *** p<0.01, ** p<0.05, * p<0.1*

Table A2: Co-parent's outcomes 5 years after the birth of the first child

	Treatment effect	Robust CI	Mean
Paternity leave (0/1)	-0.003 (0.002)	[-0.010 , -0.001]	0.58
Quarterly earnings (euros)	18.295 (32.511)	[-44.865 , 96.604]	9125.72
Number of observations	37,705		

*Notes: All coefficients are from separate local polynomial nonparametric regressions of order 1 (i.e. linear), using a symmetric bandwidth of 22 euros around the kink. The column "treatment effect" reports estimates based on the RKD estimator of Equation (2). The coefficients show the estimated effect of a 1 euro increase in daily maternity leave benefits on the outcomes. The sample includes co-parents who had a first child with a mother eligible for maternity leave between 2003 and 2010. Heteroskedasticity-robust standard errors are in parentheses. Significance levels: *** p<0.01, ** p<0.05, * p<0.1*

Table A3: Time Use Survey - Belgian women

	Employees	Self-employed	Difference
Personal care (incl. sleep and eating)	10:56	10:47	- 00:09
Employment	03:51	04:24	+ 00:33
Household and family care	03:28	03:42	+ 00:14
Leisure, social and associative life	04:09	03:31	- 00:38
Other	01:36	01:36	+ 00:00

Data source: Eurostat Time Use Survey, 2010.

Table A4: Mothers working in sectors with atypical work schedules
Heterogeneous effects by full-time vs part-time workload

Dep. var.	Self-employed (0/1)		
Sub-sample	**Full-time = No**		**Full-time = Yes**
Treatment effect	0.003		0.022 ***
(SE)	(0.004)		(0.003)
Diff (z-stat)		-3.870	
Diff (p-value)		(0.000)	
Mean	0.05		0.10
Number of observations	2,975		8,612

*Notes: All coefficients are from separate local polynomial nonparametric regressions of order 1 (i.e. linear), using a symmetric bandwidth of 22 euros around the kink. The sample includes mothers who had a first child between 2003 and 2010 and who worked in sectors with atypical work schedules, as defined in Subsection 5.2 and reported in Table 7. The row "Treatment effect" reports estimates based on the RKD estimator of Equation (2). The coefficients show the estimated effect of a 1 euro increase in daily maternity leave benefits on the probability to be self-employed. Heteroskedasticity-robust standard errors are in parentheses. The rows titled "Diff" report results from z-tests (with the p-value in parentheses) to check whether the coefficients for the treatment effect using the two sub-samples are statistically different. The row "Mean" reports the average of the dependent variable within the defined bandwidth. Access to banks is proxied by the number of local bank branches per 10,000 inhabitants at the provincial level. Significance levels: *** p<0.01, ** p<0.05, * p<0.1*

Testing for the role of subsequent fertility decisions using Lee (2009) bounds

I adapt the bounding procedure of Lee (2009) to the RKD in order to determine how much of the effect of the maternity leave allowance on the probability of becoming self-employed is driven by the increase in subsequent fertility. To do so, I trim my sample by the number of "extra" mothers who select into self-employment as a result of the effect of maternity leave allowance generosity on fertility. To calculate the lower bound effect of maternity leave allowance generosity on self-employment, I drop a percentage of observations equals to (β*22 euros) of the selection equation from the group of mothers who had another child and were self-employed after 5 years. I multiply the estimated β by 22 euros because it is the maximum width of my "kink sample" window and therefore the maximum potential effect of maternity leave allowance generosity. Conversely, in order to calculate the upper bound effect, I drop a percentage of observations equals to (β*22) of the selection equation from the group of mothers who had another child but were not self-employed after 5 years. As explained by Lee (2009), bounds calculated by conditioning on covariates are narrower than those calculated without controlling for any covariates. Thus, I create four mutually exclusive categories from the dummy variables "aged over 30 years old at first childbirth" and "living in Flanders." Both outcomes were found to evolve smoothly around the kink in Table 2. For the procedure with covariates, I re-estimate β for the selection equation for each sub-sample of mothers. The Lee bounds reported in Table A5 below are positive and statistically significant, which suggests that higher levels of maternity leave allowance increased self-employment among young mothers, and not solely through encouraging women to have more children.

Table A5: Selection equation and Lee (2009) bounds

Panel A - Selection equation		
Dep. var.	Subsequent children (0/1)	
Treatment effect	0.0055 ***	
(SE)	(0.0017)	
Mean	0.78	
Number of observations	38,255	
Panel B - Lee bounds		
Dep. Var	Self-employed (0/1)	
	Lee lower bound	**Lee upper bound**
Without covariates		
Treatment effect	0.0032 ***	0.0059 ***
(SE)	(0.0005)	(0.0011)
Number of observations	28,922	28,959
With covariates		
Treatment effect	0.0038 ***	0.0058 ***
(SE)	(0.0006)	(0.0011)
Number of observations	28,819	28,846

*Notes: All coefficients are from separate local polynomial nonparametric regressions of order 1 (i.e. linear), using a symmetric bandwidth of 22 euros around the kink. The sample in Panel A includes all mothers who had a first child between 2003 and 2010. The sample in Panel B is restricted to the mothers who had another child, after the first one born between 2003 and 2010. The row "Treatment effect" reports estimates based on the RKD estimator of Equation (2). The coefficients show the estimated effect of a 1 euro increase in daily maternity leave benefits on the dependent variables, an indicator for having "subsequent children" in Panel A and for being "self-employed" in Panel B. Heteroskedasticity-robust standard errors are in parentheses. Significance levels: *** p<0.01, ** p<0.05, * p<0.1*

Table A6: Mother's outcomes 5 years after the birth of her first child (varying polynomial order)

	Linear			Quadratic			Polynomial minimizing AIC	
	First stage	Second stage	Treatment effect	First stage	Second stage	Treatment effect	First stage	Second stage
Employed (0/1)	-0.437 ***	0.000	-0.001	-0.464 ***	0.001	-0.001		
	(0.020)	(0.001)	(0.001)	(0.080)	(0.002)	(0.004)		
	[298,671]	[15,524]		[298,674]	[15,527]		1	1
Salaried employee (0/1)	-0.437 ***	0.003 ***	-0.006 ***	-0.464 ***	0.002	-0.004		
	(0.020)	(0.001)	(0.001)	(0.080)	(0.002)	(0.005)		
	[298,671]	[26,173]		[298,674]	[26,176]		1	1
Self-employed (0/1)	-0.437 ***	-0.003 ***	0.006 ***	-0.464 ***	-0.002	0.003		
	(0.020)	(0.000)	(0.001)	(0.080)	(0.002)	(0.003)		
	[298,671]	-[8,315]		[298,674]	-[8,314]		1	2
Quarterly earnings (euros)	-0.437 ***	-27.675 ***	63.352 ***	-0.464 ***	-3.788	8.170		
	(0.020)	(9.046)	(20.711)	(0.080)	(36.383)	(78.382)		
	[298,671]	[756,521]		[298,674]	[756,524]		1	1
Salaried income (euros)	-0.437 ***	25.254 ***	-57.809 ***	-0.464 ***	13.043	-28.134		
	(0.020)	(7.791)	(18.173)	(0.080)	(30.125)	(65.456)		
	[298,671]	[742,525]		[298,674]	[742,528]		1	1
Self-employed income (euros)	-0.437 ***	-52.929 ***	121.161 ***	-0.464 ***	-16.830	36.305		
	(0.020)	(6.561)	(15.859)	(0.080)	(28.735)	(62.101)		
	[298,671]	[736,243]		[298,674]	[736,239]		1	2
Number of children	-0.437 ***	-0.005 ***	0.010 ***	-0.464 ***	-0.003	0.006		
	(0.020)	(0.001)	(0.003)	(0.080)	(0.004)	(0.009)		
	[298,671]	[69,961]		[298,674]	[69,964]		1	1

*Notes: All coefficients are from separate regressions using a symmetric bandwidth of 22 euros around the kink. Contrary to the other specifications using local nonparametric methods for estimation, here I use parametric regressions in order to report conventional goodness of fit measures. In particular, I show the Aikake Information Criterion (AIC) in square brackets. The last columns show which specification (linear or quadratic) minimizes this information criterion. The columns "first stage" and "second stage" are reduced form estimates for the change in slope of the maternity leave benefit amount and the outcomes, respectively. The column "treatment effect" reports coefficients from two-stage least squares estimations, where the benefit amount is instrumented with the interaction between a dummy for being above the kink and the polynomial in the assignment variable (i.e. pre-leave daily earnings). The sample includes mothers who had a first child between 2003 and 2010. Heteroskedasticity-robust standard errors are in parentheses. Significance levels: *** $p<0.01$, ** $p<0.05$, * $p<0.1$*

Table A7: Mother's outcomes 5 years after the birth of her first child (varying bandwidth)

		CCT		BW=15		BW=20		BW=25		BW=30	
	Bandwidth	Treatment effect	N	Treatment effect	N	Treatment effect	N	Treatment effect	N	Treatment effect	N
Employed (0/1)	18	-0.001	30786	-0.003	24942	-0.001	34149	-0.001	44994	0.000	58200
		(0.002)		(0.002)		(0.001)		(0.001)		(0.001)	
Salaried employee (0/1)	16	-0.006 **	25830	-0.006 **	24942	-0.006 ***	34149	-0.005 ***	44994	-0.004 ***	58200
		(0.002)		(0.003)		(0.002)		(0.001)		(0.001)	
Self-employed (0/1)	22	0.005 ***	37399	0.003 *	24942	0.006 ***	34149	0.005 ***	44994	0.005 ***	58200
		(0.001)		(0.002)		(0.001)		(0.001)		(0.001)	
Quarterly earnings (euros)	30	31.104 *	59433	19.665	24942	61.640 ***	34149	53.501 ***	44994	28.443 *	58200
		(16.288)		(37.285)		(22.824)		(18.733)		(16.422)	
Salaried income (euros)	24	-57.858 ***	43773	-59.987 *	24942	-55.834 ***	34149	-57.320 ***	44994	-76.332 ***	58200
		(17.068)		(33.028)		(21.123)		(17.076)		(15.356)	
Self-employed income (euros)	19	116.403 ***	31680	79.652 ***	24942	117.474 ***	34149	110.821 ***	44994	104.775 ***	58200
		(18.698)		(28.776)		(16.226)		(13.143)		(10.899)	
Number of children	26	0.005 **	46964	0.009 *	24942	0.010 ***	34149	0.006 ***	44994	0.005 **	58200
		(0.002)		(0.005)		(0.003)		(0.002)		(0.002)	

*Notes: All coefficients are from separate local polynomial nonparametric regressions of order 1 (i.e. linear), based on the RKD estimator of Equation (2). The first Panel "CCT" reports treatment effects estimated using the data-driven bandwidth proposed by Calonico et al. (Calonico et al., 2014). I use their MSE-optimal bandwidth selector with a regularization parameter that guards against the selection of large bandwidths. The selected common bandwidth (used below and above the kink) is reported on the first column of the "CCT" panel. The other panels report treatments effects estimated from four samples using a bandwidth of 15, 20, 25 or 30 euros. All samples include mothers who had a first child between 2003 and 2010. Heteroskedasticity-robust standard errors are in parentheses. Significance levels: *** p<0.01, ** p<0.05, * p<0.1*

Table A8: Mother's outcomes 5 years after the birth of her first child (controlling for pre-determined covariates)

	Cont. = Age Treatment effect	Cont. = Flanders Treatment effect	Cont. = Partner's income Treatment effect	Cont. = All Treatment effect
Employed (0/1)	-0.001	-0.001	-0.001	-0.001
	(0.001)	(0.001)	(0.001)	(0.001)
Salaried employee (0/1)	-0.007 ***	-0.007 ***	-0.007 ***	-0.007 ***
	(0.001)	(0.001)	(0.001)	(0.001)
Self-employed (0/1)	0.006 ***	0.006 ***	0.006 ***	0.006 ***
	(0.001)	(0.001)	(0.001)	(0.001)
Quarterly earnings (euros)	59.055 ***	58.733 ***	59.082 ***	60.125 ***
	(21.588)	(21.534)	(21.759)	(21.845)
Salaried income (euros)	-56.483 ***	-55.981 ***	-54.776 ***	-54.606 ***
	(18.928)	(18.853)	(19.039)	(19.137)
Self-employed income (euros)	115.538 ***	114.714 ***	113.858 ***	114.731 ***
	(16.021)	(15.956)	(16.146)	(16.240)
Number of children	0.009 ***	0.009 ***	0.008 ***	0.009 ***
	(0.002)	(0.003)	(0.003)	(0.002)
Number of observations	38,255	38,239	37,705	37,692

*Notes: All coefficients are from separate local polynomial nonparametric regressions of order 1 (i.e. linear), using a symmetric bandwidth of 22 euros around the kink. The treatment effects, based on the RKD estimator of Equation (2), are estimated controlling for the following pre-determined covariates: mother's age, mother's place of living (indicator for living in Flanders), partner's earnings, all at the moment of the birth of the first child. The last column controls for all the covariates. The sample includes mothers who had a first child between 2003 and 2010. Heteroskedasticity-robust standard errors are in parentheses. Significance levels: *** $p<0.01$, ** $p<0.05$, * $p<0.1$*

Table A9: Simulated threshold at 99th percentile - Budgetary and fertility consequences

			Social security threshold		**Simulated threshold at 99 pc.**				
Percentile	Nb. mothers	Daily wage	Daily allowance	Replacement rate	Daily allowance	Replacement rate	Cost for social security	New self-employed	Additional children
80	773	93	72	0.77	72	0.77	0	0	0
81	773	95	73	0.77	73	0.77	0	0	0
82	773	96	74	0.77	74	0.77	0	0	0
83	773	97	75	0.77	75	0.77	0	0	0
84	773	99	77	0.77	77	0.77	0	0	0
85	773	101	78	0.77	78	0.77	0	0	0
86	773	102	79	0.77	79	0.77	0	0	0
87	773	104	81	0.77	81	0.77	0	0	0
88	773	106	82	0.77	82	0.77	0	0	0
89	773	108	83	0.77	83	0.77	0	0	0
90	773	110	85	0.77	85	0.77	0	0	0
91	773	113	86	0.76	87	0.77	89,146	6	9
92	773	115	87	0.75	89	0.77	187,205	12	19
93	773	119	87	0.74	92	0.77	303,093	20	30
94	773	122	88	0.72	95	0.77	427,899	29	43
95	773	127	90	0.71	98	0.77	597,276	40	60
96	773	133	91	0.69	103	0.77	802,310	53	80
97	773	141	94	0.66	109	0.77	1,087,578	73	109
98	773	153	97	0.63	118	0.77	1,497,646	100	150
99	773	175	103	0.59	135	0.77	2,264,298	151	226
Total							**7,256,451**	**484**	**726**

Notes: The table reports the daily wage at each percentile of the earnings distribution between the 80^{th} and 99^{th}. The corresponding number of women is based on administrative information from the social security administration (INAMI, 2007). The panel "Social security threshold" reports the estimated allowance based on the formula described in Section 2 if the threshold is set at the level decided by the social security administration in 2007 (about 110 euros, that is the 90^{th} percentile). The corresponding replacement rate is equal to the allowance divided by the foregone earnings. The panel "Simulated threshold at 99 pc." shows the estimated allowance if the benefit threshold was moved to the 99^{th} percentile. The cost for the social security corresponds to the difference in daily allowance times 90 days for all the women affected by the change. From this simulation, one can infer that the total cost for the social security would be 7,256,451 euros, that is 2 percent of the total maternity leave payments in 2007 (INAMI, 2007). When using the estimated elasticites in Table 3, this implies an additional 484 women in self-employment and 726 more children born from mothers in the highest decile of earnings.

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