

# Appendix

## Model A: Full Choice Set

Table 5.1: Estimation results, Model A

Explanatory Variables	Model with unobserved heterogeneity		Model without unobserved heterogeneity	
	Coeff.	St. Err.	Coeff.	St. Err.
net income	0.2089	0.0247	0.2254	0.0236
net income squared	0.0001	0.0003	0.0000	0.0003
leisure	-0.0061	0.0111	-0.0016	0.0110
leisure squared	0.0002	0.0002	0.0001	0.0002
paid childcare	0.0480	0.0115	0.0092	0.0099
paid childcare squared	-0.0029	0.0002	-0.0018	0.0001
unpaid childcare	-0.1594	0.0097	-0.1624	0.0095
unpaid childcare squared	0.0020	0.0001	0.0020	0.0001
unpaid childcare * youngest child u3	-0.1341	0.0055	-0.1107	0.0045
paid childcare * east Germany	0.0729	0.0063	0.0755	0.0051
paid childcare * German nationality	0.0087	0.0068	0.0089	0.0059
paid childcare * single mother	0.0030	0.0079	0.0056	0.0065
paid care * mother holds university degree	0.0301	0.0072	0.0312	0.0058
net income * leisure	0.0008	0.0002	0.0007	0.0002
net income * paid childcare	-0.0006	0.0002	-0.0007	0.0002
net income * unpaid childcare	-0.0009	0.0002	-0.0009	0.0002
Probabilities and locations of random effects				
location of mass point 1 ( $M^1$ ) <sup>a</sup>	-0.0112	0.0018		
log-odd of probability 1 <sup>b</sup>	2.9786	0.1790		
log likelihood	-4990.9261		-5278.6259	
Akaike Information Criterion (AIC)	9386.3156		10589.252	
number of observations	35736			
number of households	1495			

<sup>a</sup> The location of the second mass point can be calculated using the formula  $M^2 = -\frac{M^1 \cdot \tau_1}{\tau_2}$  and amounts to 0.0219.

<sup>b</sup> The two corresponding probabilities,  $\tau_1$  and  $\tau_2$  are 0.9516 and 0.0484.  
*Source:* Estimations based on SOEP, waves 2001-2003.

Table 5.2: Elasticities of labor supply and demand for childcare, Model A

Elasticities of labor supply		
	1% increase in gross hourly wage	1% increase in expected childcare costs
<i>Change in participation rates (in percentage points)</i>		
All mothers	0.16	-0.02
Mothers whose youngest child is <3	0.17	-0.01
Mothers whose youngest child is $\geq 3$	0.15	-0.03
<i>Change in working hours (in percent)</i>		
All mothers	0.60	-0.05
Mothers whose youngest child is <3	0.68	-0.04
Mothers whose youngest child is $\geq 3$	0.50	-0.07
<i>Change in childcare "participation" (in percentage points)</i>		
All mothers	0.04	-0.06
Mothers whose youngest child is <3	0.02	-0.04
Mothers whose youngest child is $\geq 3$	0.06	-0.08

Note: Numbers in parentheses show 95%-confidence intervals obtained by the bootstrap method (100 repetitions).

Source: Estimations based on SOEP, waves 2001-2003.

## Model B: Restricted Choice Set

Table 5.3: Estimation results, Model B

Explanatory Variables	Model with unobserved heterogeneity		Model without unobserved heterogeneity	
	Coeff.	St. Err.	Coeff.	St. Err.
net income	0.3459	0.0403	0.3585	0.0367
net income squared	-0.0018	0.0005	-0.0018	0.0005
leisure	0.0523	0.0146	0.0567	0.0142
leisure squared	-0.0003	0.0003	-0.0004	0.0003
paid childcare	0.0009	0.0134	-0.0507	0.0125
paid childcare squared	-0.0022	0.0002	-0.0009	0.0002
paid childcare * east Germany	-0.1540	0.0067	-0.1174	0.0057
paid childcare * German nationality	0.0819	0.0092	0.0822	0.0064
paid childcare * single mother	0.0132	0.0079	0.0102	0.0071
paid care * mother holds university degree	0.0276	0.0097	0.0031	0.0080
net income * leisure	0.0475	0.0097	0.0339	0.0073
net income * paid childcare	-0.0002	0.0003	-0.0001	0.0003
net income * unpaid childcare	-0.0002	0.0002	-0.0002	0.0002
Probabilities and locations of random effects				
location of mass point 1 ( $M^1$ ) <sup>a</sup>	-0.0174	0.0039		
log-odd of probability 1 <sup>b</sup>	2.5659	0.1985		
log likelihood	-2191.0838		-2208.3828	
Akaike Information Criterion (AIC)	4344.3515		4442.7657	
number of observations	14984			
number of households	992			

<sup>a</sup> The location of the second mass point can be calculated using the formula  $M^2 = -\frac{M^1 \cdot \tau_1}{\tau_2}$  and amounts to 0.2258.

<sup>b</sup> The two corresponding probabilities,  $\tau_1$  and  $\tau_2$  are 0.9286 and 0.0714.

*Source:* Estimations based on SOEP, waves 2001-2003.

Table 5.4: Elasticities of labor Supply and demand for childcare, Model B

	Elasticities of labor supply	
	1% increase in gross hourly wage	1% increase in expected childcare costs
	<i>Change in participation rates (in percentage points)</i>	
All mothers	0.09	-0.04
Mothers whose youngest child is <3	0.05	-0.03
Mothers whose youngest child is $\geq 3$	0.14	-0.06
	<i>Change in working hours (in percent)</i>	
All mothers	0.59	-0.31
Mothers whose youngest child is <3	0.66	-0.43
Mothers whose youngest child is $\geq 3$	0.51	-0.16
	<i>Change in childcare "participation" (in percentage points)</i>	
All mothers	0.05	-0.06
Mothers whose youngest child is <3	0.04	-0.04
Mothers whose youngest child is $\geq 3$	0.07	-0.08

*Source:* Estimations based on SOEP, waves 2001-2003.

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