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Does fixed-term employment delay important partnership events?

Comparing transitions into cohabitation, marriage, parenthood and home ownership among young adults in Germany

Abstract:

This article investigates whether fixed-term employment affects the realization of important partnership events. We are looking at four transitions: entering cohabitation, marriage, parenthood and home ownership. Data were obtained from a random sample of 1,083 young German adults aged 20 to 35 years based on the AGIPEB Survey. We use the Kaplan-Meier method and piecewise-constant exponential models to estimate survival curves and transition rates. Women and men who work under a fixed-term contract are similarly likely to enter cohabitation, marriage and parenthood as persons who work under a permanent contract. In contrast, fixed-term employment compared to working under a permanent contract prolongs the transition into home ownership.

Key words: atypical employment, cohabitation, family economics, fertility, fixed-term employment, marriage, real estate purchase, partnership stabilization

1. Introduction

Due to rising global competition during the last three decades, many European economies faced severe difficulties maintaining their standards of employment protection (Heyes/Lewis 2014). In particular, labor relations and employment standards in welfare state regimes, such as Germany, which according to Esping-Andersen (1990) can be labeled *conservative*, underwent profound changes. Culminating in a variety of deregulation policies, a reduction of employment protection led to an increase in non-standard employment, such as part-time contracts, fixed-term employment or temporary agency work (Jiménez-Rodríguez/Russo 2012; Kalleberg 2000; Keller 2013).

This article studies the influence of fixed-term employment on young adults' partnerships. Although negative effects of fixed-term employment on private life might not be as severe in general as had been expected in former times (Mayer et al. 2010), they might pose serious restrictions to planning private life especially among young adults. In Germany, young adults are the most affected by fixed-term contracts, with more than 40% of

all first-time employees entering the labor market based on a fixed-term contract (Jiménez-Rodríguez/Russo 2012; Kalleberg 2000; Keller 2013). Although the chances to transition into a permanent contract later in their careers are high (Böhnke et al. 2015; Eichhorst/Tobsch 2013), it is reasonable to assume that working under a fixed-term contract may delay important decisions which stabilize intimate relationships (i.e., moving together, marriage, entering parenthood and purchasing real estate), because this type of work can complicate the planning of a young adult's future (Blossfeld/Drobnic 2001; Kurz et al. 2005).

Indeed, earlier studies observed a high degree of reported planning insecurities among young adults regarding their private and family-life when being confronted with atypical employment (Brinkmann et al. 2006; Kurz et al. 2005; Sander 2012). But it is still an open question to what extent fixed-term employment affects the realization of important partnership events. While some studies found evidence for a significant delay of important partnership events, such as entering parenthood (Auer/Danzer 2016; Düntgen/Diewald 2008; Kind/Kleibrink 2013; Kreyenfeld 2008), other research did not find significant associations between fixed-term employment and the transition to parenthood (Brose 2008; Gebel/Giesecke 2009; Kreyenfeld 2010; Kurz et al. 2005; Schmitt 2012b; Tölke/Diewald 2003). However, previous research on the impact of fixed-term employment on important partnership events is mostly limited to family formation. Most strikingly, there is relatively little evidence on how fixed-term employment affects other important events among young adults' life-courses in Germany such as cohabitation, marriage and home-ownership (King/Christensen 1983). To our knowledge, there exist only very few studies so far that tests for effects of fixed-term employment on more than one important partnership event among young adults in a comparative setting. An exception for Germany is the study by Kurz et al. (2005) which examined the effects of fixed-term employment on both on the transition to first marriage and the transition to first birth.¹

The current study examines to what extent working under a fixed-term contract – in comparison to working under a permanent contract affects the institutionalization of partnerships among young German Adults. Adding to previous research, we not only consider the transition into marriage and parenthood, but also focus on entering cohabitation and entering home ownership. The question of how these partnership events are affected by fixed-term employment is of high relevance because a considerable part of young adults is working under fixed-term contracts (see the following section for references).

Unlike previous research which most often rely on data from the German Socio-Economic Panel Study (Göbel et al. 2018), we use an alternate sample consisting of approximately 1,100 young German adults that allows for measuring effects on a monthly basis.² Therefore, our study gives new empirical evidence regarding the much-debated

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- 1 For an overview over current research on effects of atypical employment on private and family life in Germany see Baron and Hill (2017).
 - 2 The data is taken from the research project AGIPEB – “Decisions made under uncertainties. How precarious work influences the institutionalization process in intimate relationships”. The project was funded by the German Research Foundation (DFG) and was carried out from 2012 to 2017. Other panel datasets in Germany, such as the Pairfam Study or the Panel Study Labour Market and Social Security (PASS), turned out to be not suitable for our study because they do not contain