Documentation of Vignette Construction for the Descriptive Survey:
(Not) Thinking about the Future: Inattention and Maternal Labor Supply

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This document provides a brief overview of the decisions and assumptions underlying the calculations for the vignette cases in the Descriptive Survey.

Based on the Swiss educational system, we define three educational groups: low, medium, and high. This classification follows the CASMIN (Comparative Analysis of Social Mobility in Industrial Nations) educational framework (Isengard et al., 2009):

- **Low education**: Primary/basic vocational education

- **Medium education**: Secondary school leaving certificate (Matura) qualifying for university entrance or intermediate vocational education

- **High education**: University degree

The vignette text is identical across all education groups, except for two aspects: the specific level of education (acquired degree) and the amount of monthly earnings at the 40% employment level. We construct monthly earnings based on the median full-time equivalent (FTE) earnings for each educational group (low, medium, high), as reported in the Swiss Labor Force Survey (2018–2022). For each vignette, the specific education level corresponds to the most frequent (modal) education qualification within each group in the Swiss Labor Force Survey (2018–2022).[1] The detailed text of the vignettes is documented in the respective questionnaire.

We use the Future Calculator (documented in *"Documentation Projection Tool"* in Appendix Table F1) for the calculations of wage trajectories, pension savings and childcare costs. We assume the following education-specific returns to experience following **Blesch et al. (2023)** [2]:

- **Low education**: 0.074 in full-time (FT) and 0.05 in part-time (PT)

- **Medium education**: 0.162 in FT and 0.053 in PT

- **High education**: 0.209 in FT and 0.061 in PT

We assume full-time returns for employment levels of 80\% and above, as this is the employment level that is perceived as sufficient to obtain promotion opportunities in Switzerland (Sander et al., 2024).

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[1] To construct vignette cases that closely resemble the described young mother, we restrict the SLFS sample to part-time working mothers aged 30 to 35, living in the German-speaking region of Switzerland, with at least one child under the age of four.

[2] We specify the wage progression as follows:

$$EL \times Salary_{t+1} = EL \times Salary_t \cdot \left(\frac{yearsexp_{t+1}}{yearsexp_t}\right)^{\beta_{PT/FT,educ}}$$

Here, EL indicates employment level, $yearsexp_t$ denotes the years of work experience in year t, $Salary_t$ denotes the full-time equivalent salary in year t, and $\beta_{PT/FT,educ}$ are the above specified education-specific returns to experience when working either full-time or part-time. Years of experience are approximated by assuming entry into the work force at age 24. For each year in which the employment level is above 80%, full-time returns to experience are applied. Otherwise, part-time returns to experience are applied.

The tables below give an overview of the parameters and projected values:

	Low Education	Middle Education	High Education
Monthly Salary			
40%	2'250	2'700	3'200
80%	4'500	5'400	6'400
Delta	2'250	2'700	3'200
Monthly Salary in 10 years			
40%	2'329	2'801	3'338
80%	4'737	6'042	7'398
Delta	2'406	3'241	4'060
Monthly pension receipt in retirement			
40%	300	492	808
80%	1'383	2'100	2'858
Delta	1'083	1'608	2'050
Total Childcare costs			
40%	104'300	104'300	104'300
80%	190'400	190'400	190'400
Delta	86'100	86'100	86'100
Total Pensions Savings			
40%	72'953	118'797	194'661
80%	332'786	504'015	685'049
Delta	259'834	385'218	490'388
Total future work income (excl. Promotions)			
40%	1'351'281	1'588'361	1'869'317
80%	2'253'468	2'673'812	3'164'764
Delta	902'187	1'085'451	1'295'447
Promotions			
Delta	38'114	218'081	361'515
Net Gain in t			
Income tax rate in 40%	23.58%	23.66%	23.81%
Income tax rate in 80%	24.25%	24.53%	24.82%
Net monthly wage 40%	1'566	1'882	2'238
Net monthly wage 80%	3'158	4'013	4'894
Delta CCare monthly in t	900	900	900
Gain in t	692	1231	1756

*Notes: **Resulting values for the three vignette cases, all amounts in CHF.***

For the net income calculations, we make the following conservative assumptions: the individual resides in the Canton of Zurich—one of the most expensive regions in terms of childcare costs; we apply an average social security deduction of 12%; and we assume her partner has exceptionally high earnings (CHF 400,000) to estimate income taxes. Income tax rates for different locations in Switzerland can be calculated here:https://swisstaxcalculator.estv.admin.ch/#/calculator/income-wealth-tax. We use the tax rates applying in 2024.

Parameter

Max. AHV Pension	28'680
Min. AHV Pension	14'340
Max. AHV Pension Couples	43'020
AHV Revalorisation Factor	1.04
AHV Entry Age	18
AHV Salary Max.	86'040
BVG Entry Age	25
BVG Entry Wage	21'510
BVG Salary Min.	3'585
BVG Salary Max.	833'940
BVG Coordination Deduction	26'460
BVG Conversion Rate	5.00%
Pension Age	64
Years of Upbringing Child	16
Contribution *Years*	46
Interest Rate	1.00%

Parameters assumed for calculations.

References

Blesch, M., Eisenhauer, P., Haan, P., Ilieva, B., Schrenker, A., & Weizsäcker, G. (2023). Biased wage expectations and female labor supply. Collaborative Research Center Transregio 190, Working Paper No. 411.

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