Fertility in time of economic crisis

The Great Recession effects on childbearing in the United States

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Abstract

This dissertation addresses the effects of the Great Recession on childbearing, focusing in particular on how economic and employment insecurity affects the transition to first birth in the United States. Chapter II offers an in-depth macro analysis of the effect of the Great Recession on fertility rates in the United States and in Europe. The chapter goes beyond the standard analysis of the relationship between unemployment rates and total fertility rates by using other macroeconomic indicators, such as public debt risk and an economic policy uncertainty index. Results show a strong negative correlation between such indicators and birth rates both in Europe and in the United States.

Chapters III and IV investigate micro-level childbearing dynamics in the US, and the mechanisms linking employment insecurity and the transition to first birth. They further address the link between macroeconomic indicators of the crisis and individual demographic behaviors. Chapter III shows that the probability of having the first child depends on couples’ employment dynamic and that, compared to dual earners, all working status combinations are detrimental for childbearing, including those couples where women are housewives. The income effect seems to explain the results, while I find no evidence of an opportunity cost mechanism at play.

Chapter IV focuses on women and on the impact of intergenerational social mobility on the transition to the first birth. The findings confirm Easterlin’s theory (1961, 1976) of resources and aspirations: during the crisis, American women become mothers earlier if they are socioeconomically non-downwardly mobile with respect to their parents.
Finally, this thesis shows a negative effect of the crisis on the extensive margin of fertility for women close to the limits of biological fertility. The latter is a crucial result related to the debate on the temporary versus permanent effect of business cycles’ fluctuations on fertility. Chapter V studies childless women close to the end of their reproductive life, for whom any further birth postponement is likely to slide into permanent childlessness. The analysis is based on a novel research design implemented in order to go beyond the associational analysis. A difference-in-difference estimate, applied to pseudo-cohorts of childless White American women, identifies the (positive) causal effect of the Great Recession on permanent childlessness.

Jury: Fabrizio Bernardi (EUI, Supervisor), Chiara Comolli (candidate), Martin Kohli (EUI, Co-Supervisor), Arnstein Aassve (Università L. Bocconi, Milan), Anette Eva Fasang (Humboldt University and WZB Berlin) (via videolink)

Bio

I work on the effect of the Great Recession on fertility in advanced economies. In my PhD thesis I address the fertility response to the crisis in the US, especially regarding first births and childlessness. I am interested in how economic and employment uncertainty affects family and couple dynamics in their decision to become parents and the mechanisms of transmission of insecurity from the work and financial domain to the family dimension. Previously I graduated in Economics at Bocconi University in Milan.