

Fertility postponement and labor market outcomes

Postponed childbearing increases women's labor market attachment but may reduce overall fertility

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ELEVATOR PITCH

The rise in the average age of women bearing their first child is a well-established demographic trend in recent decades. Postponed childbearing can have important consequences for the mother and, at a macro level, for the country as a whole. Research has focused on the effect postponing fertility has on the labor market outcomes for mothers and on the total number of children a woman has in her lifetime. Most research finds that postponing the first birth raises a mother's labor force participation and wages but may have negative effects on overall fertility, especially in the absence of supportive family-friendly policies.

KEY FINDINGS

Pros

- ⊕ Postponing childbearing helps women accumulate more work experience (human capital).
- ⊕ Postponing childbearing strengthens women's attachment to the labor market and raises wages.
- ⊕ Family-friendly policies can mitigate the negative effects of postponing childbearing on total fertility.
- ⊕ Egg freezing and in-vitro fertilization may help women who delay motherhood bear children at an older age.

Cons

- ⊖ Postponing childbearing may have negative consequences on women's total fertility.
- ⊖ It is difficult to assess the causal effects of postponing childbearing because of unobserved differences among women.
- ⊖ Cross-country comparative research is lacking on the impact of family-friendly policies on the motherhood wage and employment penalties.
- ⊖ More research is needed to assess the unintended consequences of egg freezing and in-vitro fertilization, such as further postponement of childbearing.

AUTHOR'S MAIN MESSAGE

While postponing childbearing may be an effective strategy for women to accumulate more human capital before having a child, by increasing their labor market participation and boosting their wages, it may also create an obstacle to realizing their fertility plans. While studies find that women who postpone childbearing do have a stronger labor market attachment, they also find that these women are more likely to have fewer children. Countries may want to lessen this tradeoff by investing in family-friendly policies. Examples include the provision of public childcare services, incentives to private firms to provide childcare services, and promotion of paternal leave policies to improve the gender balance in childrearing.

