Caceres in the JHR uses the 5% US census from 1980 to test the effects of multiple births on investment in children, rather than on outcomes. He uses four outcome variables which, if our hypothesis is correct are quite inappropriate. He tests the effects of twins on mother’s labour force participation, mother’s hours spent working, whether parents are divorced, and whether the child attends secondary school.

He claims that multiple births result in a mother being more likely to be part of the labour force, and spending more time working per week. He also finds that a larger family is less likely to be divorced. His idea is that it multiple births cause these effects. However, if there is some socioeconomic gradient in multiple births, he is confusing the direction of causality. Given that he is using cross sectional census data I find it hard to imagine how to test the non-exogenous twin birth outcome, unless we use a different data set such as the US birth registry. We could then take these values to the census data.

What makes me think that Caceres’ argument is incorrect is that he finds that a multiple birth is more likely to result in a child being enrolled in private school. He claims this is surprising, since his other outcomes suggest that an “exogenous” shock to family size decreases the quality of inputs. However, if it is considered in terms of our argument, this seems quite reasonable. Mothers who work more are likely to be healthier and more likely to have twins. These higher SES families then have more twins, and are more likely to send their children to private schools. It is not the QQ argument which he is seeing, but rather he is using twins as an instrument in an inappropriate way.