

Navigating Uncertainty: Exploring the Impact of the Great Recession on Fertility Intentions.

Martin Gädecke *

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Abstract

Existing research has predominantly focused on individual factors influencing fertility intentions, overlooking the role of structural and economic contexts. This study addresses this gap by investigating the impact of the 2007-09 Great Recession on fertility intentions within a cross-country and regional framework.

Specifically, I examine shifts in the intention to become parents within the next three years, taking into account national and regional uncertainties surrounding parenthood during two distinct time frames (2004-06 and 2010-12). The Great Recession acts as an external factor that may have introduced uncertainties in housing, childcare, and career progression, shaping individuals' choices to either postpone or forgo childbearing.

Using data from the European Social Survey Rounds 2 and 5, the analysis covers 21 European countries on a NUTS-1 regional level. Contextual factors from the EU Statistics on Income and Living Conditions (EU-SILC) and the OECD Family Database construct an index reflecting the prospective uncertainties post-parenthood, incorporating housing situations, childcare availability, unemployment, and in-work poverty. By using a difference-in-difference model (DID) and controlling for individual-level factors, including income, gender, and education, this study asks two questions. First, does the worsening context surrounding parenthood, marked for example by fewer childcare possibilities and increased economic uncertainty, influence individuals' intentions to become parents? Second, which groups were most affected by rising uncertainties due to the Great Recession in their decision to become parents?

Preliminary findings suggest a decrease in the proportion of individuals intending to have a child within the next three years in regions severely affected by the Great Recession, with a more pronounced effect observed for men than women. The study sheds light on the nuanced interplay between economic uncertainties and fertility intentions, emphasising the need for a comprehensive understanding of contextual influences on family planning decisions.

Keywords: Fertility Intentions, Great Recession, Economic Uncertainties, Cross-Country Comparison, Difference-in-Difference Model

*Nuffield College, University of Oxford, Oxford, United Kingdom martin.gaedecke@nuffield.ox.ac.uk.