

The Labor Market Returns to Delaying Pregnancy

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Abstract

Childbirth is associated with large and persistent declines in earnings for mothers. These large costs may induce women to invest more in careers which are less affected by childbirth, or to time children to reduce their career impact. Estimating the causal impact of the timing of children is challenging precisely because this timing is so important for careers and families, and experiments that shift the timing of childbirth are rare. In this project, we study the career and family outcomes of women who become pregnant while using long-acting reversible birth control, in particular, Intrauterine Devices (IUDs) and birth control implants. These methods of birth control are extremely effective, but not perfect---about 0.5% of women using a non-expired IUD will get pregnant in a year, resulting in a natural experiment in which women who had hoped to delay childbirth become pregnant earlier than they expected. Our data come from several Swedish administrative registers. We link hospital records, medical prescriptions for birth control, out-patient doctor visits and abortion appointments, infant health records, tax records, and additional socioeconomic and labor market information for all women in Sweden born between 1965 and 1983. Our preliminary empirical results suggest that there are substantial labor market impacts of unplanned pregnancy, but that these do not differ meaningfully from the impact of childbirth in the labor market in general.