Fertility and Labor Supply: New Evidence from the UK

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Abstract

We use time-to-conception of the first child as an exogenous variation in the probability of having a second child. We find that the impact of an additional child on labor force supply of high- and intermediate-skilled mothers is not significant whereas it is large and negative for low-skilled women in the long-run. We show that the selection into having a second child goes in different directions for low-skilled mothers as compared to high-skilled women. Women most attached to the labor market are also those that tend to have only one child among high- and intermediate-skilled women. The reverse is true for low-skilled women: women least attached to the labor market are also less likely to have a second child because they are more likely to break up from their partner.

Keywords: Empirics

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