

Economic Insecurity and Fertility: The Case of Italy

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This paper contributes several interesting insights into the debate on the “economic sustainability” of childbearing decisions. We assess the role of economic insecurity of women and men in the decision to have children. The definition of economic insecurity is based on the anxiety produced by a lack of economic safety, i.e. the inability to obtain protection against potential economic losses (Osberg, 1998). As uncertainty may lead to a postponement of irreversible choices (as the decision to have a child), we build an index of economic uncertainty accounting for the current wealth level, variations in wealth experienced in the past and employment insecurity (like the risk imposed by unemployment or by a fixed-term contract). In particular, we explore the different impact of employment insecurity of women and men. The empirical analysis is based on a pooled cross section of households sampled between 2002 and 2008 by the Bank of Italy in the Survey on Household Income and Wealth. The survey is representative of the Italian household structure as a whole and collects information on more than 22,000 individuals per year (around 8,000 households).