

Shotgun Wedding and Causal Impact of Initial Fertility on U.S. Female Labor Supply

Shigeki Kano

Osaka Prefecture University[†]

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Abstract

We evaluate the causal impact of married women's initial fertility on their labor supply. We take an unintentional pregnancy resultant from shotgun wedding as a natural experiment which induces exogenous fertility variation. We construct a shotgun wedding instrument by the information of women's marital and fertile history extracted from the Current Population Survey 1995 June Supplement data. The IV estimate for the effect of women's first preschool child on employment probability is -0.097 , while its OLS counterpart is -0.152 . This finding suggests that the OLS estimate is biased substantially by the presence of negative correlation between women's fertility decision and unobserved labor market productivity. Further, we find that the quantitative impact of the initial fertility on full-time working is close to that on part-time working.

JEL classification numbers: J13; J22.

Keywords: Shotgun wedding; Female labor supply; Fertility; Instrumental variables estimation.

[†]Correspondence: Shigeki Kano, College of Economics, Osaka Prefecture University, 1-1 Gakuen-cho, Sakai, Osaka 599-8531, Japan. E-mail address: kano@eco.osakafu.u-ac.jp. Tel: +72-254-9579.