

Your salary impacts your decision to have children more today than it did 20 years ago

Submitted by: BlueSky Education

Tuesday, 23 July 2024

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The influence of salary on a person's decision whether to have children is stronger today than it was two decades ago, collaborative research from the Netherlands and Bocconi University has found.

The study, undertaken by Daniël van Wijk, a researcher at the Netherlands Interdisciplinary Demographic Institute, and Francesco Billari, Professor of Demography and Rector at Bocconi, explored the trend in wealthier economies of people postponing parenthood, assessing the factors that have fuelled this phenomena.

The widely-held assumption is that young adults' economic conditions and – importantly – people's perceptions of the levels of financial security and income needed to raise children, have led to people postponing parenthood. But, according to the authors, this explanation doesn't account for this trend.

The authors – who assessed the influence of perceptions of financial security on parenthood across seven countries (UK, USA, Switzerland, South Korea, Russia, Germany and Australia), using data from the Comparative Panel File (CPF), an open science project that brings together individual-level data gathered from household panel surveys – found that people's feelings of economic uncertainty didn't consistently affect their decision to have children. They also found that feelings of financial uncertainty haven't worsened significantly over time.

Van Wijk and Billari did, however, find that the relationship between income and the decision to have a first child had become stronger over the last two decades – meaning that higher income levels are increasingly linked to the decision to become a parent. According to the authors, this finding is likely due to the costs associated with having children having increased over time as people's aspirations around standards of living and investments in children have evolved.

The research also found the increase in the influence of income to be especially noticeable in women but present in men as well.

“In the early 2000s, men who had a higher income were already more likely to have a first child than men with lower incomes. By the end of the 2010s, the differences between men with high and low incomes had grown. Also, the relationship between high incomes and becoming parents had expanded to women,” says Daniël van Wijk, reflecting on the findings of the study. “These findings suggest that earning a high income is increasingly viewed as a prerequisite for having children. This may be a reaction to the high cost of raising children in today's rich societies, for example due to the rising costs of housing and child care. But also, norms about the appropriate moment to have children appear to have changed. Parents are investing more in their children now than they did two decades ago, both in terms of time and of money. This has been termed ‘intensive parenting’. The consequence seems to be that the economic standards that people wish to fulfil before they become parents have gone up.”

“The increasing income prerequisites of parenthood offer a new explanation of the postponement of parenthood that we see happening across rich countries,” comments Francesco Billari. “Today’s young adults wish to achieve a high income before they start a family. But since young people’s incomes in many countries have not increased much (after correcting for inflation), many appear to wait with having children until they have found a better-paying job, resulting in a delay of parenthood to older ages. For some, the likely result is that they have fewer children than they desire to have, as biological limits to fertility at older ages prevent them from fully fulfilling their childbearing desires. And now more than before, those who are unable to have the children they want seem to be those with lower incomes and generally worse economic positions. In the paper, we term this ‘increasing inequality in the access to reproduction’.”

The paper, Fertility Postponement, Economic Uncertainty, and the Increasing Income Prerequisites of Parenthood, has been published in Population and Development Review, and can be accessed here (<https://onlinelibrary.wiley.com/doi/10.1111/padr.12624>).

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