

Childlessness and Inter-Temporal Fertility Choice

Fabian Siuda

This paper develops and estimates a dynamic structural model of fertility with endogenous marriage formation, linking the timing of fertility to its intensive (number of children) and extensive (having children) margin. The model features rational, forward-looking agents who make decisions on marriage and fertility, and are exposed to declining fecundity rates over time. In every period, agents face a trade-off between work and child-rearing, and across time there is a trade-off between having children early or late in life. The model parameters are identified using empirical facts on childlessness, the timing of children and marriage rates by education in Germany. I obtain three main insights. First, 85% of childlessness in Germany is voluntary. Second, postponement of childbirth combined with the natural decline of fecundity over time can explain 6% of childlessness, 3%-8% depending on education. Third, I exploit differences between East and West Germany and find that institutional settings affect childlessness mainly through the time costs of children. In counterfactual analysis, I evaluate the impact of policies aimed at reconciling work and family life and universal coverage of social freezing.