

Fertility and Labor Supply: What Can We Learn from Twin Births?

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Abstract

We study the effects of an additional child on parental labor supply by exploiting the occurrence of twins at first birth. Using Japanese census data from 1980 to 2010, we find that twin births directly increase the mothers' full-time employment. This effect is not through having an additional child, suggesting that a reduction in birth spacing affects the cost of child-rearing. Controlling for this direct effect of twins, we find that an additional child reduces the mothers' employment. The effects are most pronounced when the first child is of preschool age and have increased in magnitude over the last three decades. However, we find little effect on the fathers' employment. These findings underscore the persistent gender gap in childcare responsibilities, with mothers more likely to experience work-family conflict.

Keywords; Twins, Fertility, Labor supply, Birth Spacing, Instrumental variable.

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