

Career Choices, Timing of Childbirth, and Perceptions of Fecundity*

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Abstract

How does perception of age-dependent ability to bear children, which may not align with the medical data, affect the optimal reproductive decisions of households and career development of women? We build a life cycle model that endogenizes decisions of marriage and childbirth, as well as women's career choices, and quantify how the awareness of fecundity affects these decisions. Our findings reveal that aligning optimistic beliefs in fertility with medical data encourages households to opt for childbirth at younger ages, when fecundity is higher. This shift results in more women making earlier decisions about marriage and childbirth, subsequently altering their employment choices from regular to contingent jobs or opting out of the workforce altogether. Additionally, we incorporate decisions about infertility treatments and study how the government subsidy affects the take-up rates and decisions of households.

Keywords: Japan, fertility, fecundity, female labor force participation, life-cycle, human capital accumulation, infertility treatment, sex education

JEL Classification:

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