UNIVERSIDAD DE GRANADA

Departamento de
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Económica

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23/04/2024

Seminario 2023-2024



Título: Financial Deregulation and Fertility Decisions. The Unintended Consequences of Banking Legislation

Sala: To be confirmed

Hora: 12.30

Resumen:

Financial deregulation has important implications beyond the realm of finance, and these effects differ by race. In this paper we use staggered difference-in-differences to link state level banking deregulation during the 1980s in the United States to two demographic outcomes: mothers' age at first childbirth and fertility rates. We find that after deregulation the average age at which women become mothers for the first time increases, and that this effect is stronger for the nonwhite population. The average effect on total fertility is positive over short horizons, but reverts back to zero over longer horizons. For the non-white sample, however, this reversion outweighs the previous increase, resulting in a net fertility decrease. We argue that the main channel for these effects is the boom in house prices induced by deregulation. On the one hand, this boom delays fertility by prolonging the period of saving before a home purchase, on the other, it reflects a wealth gain for home owning families, linked to increased fertility. Given the stark discrepancy in financial constraints and home ownership rates between the white and non-white population in the US, the relative strength of the channels differs, resulting in significant heterogeneity in outcomes.

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