



# Fact Sheet

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## The Economic Effects of Abortion Access: A Review of the Evidence

Deciding whether and when to have a child is central to a woman's economic well-being. It has implications for continuing education and joining the workforce, which can affect other long-term economic outcomes.<sup>1</sup> Often missing from the discussion of women's economic security, though, is the role of access to abortion. Abortion is a common and vital part of reproductive health care, with four in ten unintended pregnancies ending in abortion in the United States.<sup>2</sup> Beyond the immediate health effects of being able to access abortion care, there are also important economic consequences. Financial and socioeconomic factors are among the most common reasons cited for seeking an abortion.<sup>3</sup>

As threats to abortion access increase and widen existing disparities, it is crucial to examine the range of economic effects that can result from this changing landscape.

### Purpose of this Review

A small but growing body of literature seeks to determine the causal impact of abortion access on women's economic outcomes, including how educational attainment, labor market characteristics, and effects on subsequent generations are directly affected by access to abortion. In order to identify causal impacts of access to abortion, most research takes advantage of the variation of abortion legalization in the United States in the early 1970s. Five states had legalized abortion prior to *Roe v. Wade* in 1973, while a number of other states allowed for abortion in limited cases. In the majority of the country, however, abortion only became widely available after the 1973 decision. This variation provides two natural experiments: a "treatment" of legalization in those five initial states, and then a subsequent treatment when the remaining states changed their legality status after *Roe*.

This quasi-experiment, combined with econometric analysis, allows researchers to examine historical data to obtain estimates of the causal effects of abortion access. IWPR conducted a review of the highest quality evidence available to synthesize the economic effects of abortion access.

### Key Findings

Access to abortion not only allows women to better control their fertility, but importantly, it also changes their expectations about childbearing and their control over it. As a result, women may invest more heavily in their own human capital, leading to increased schooling and improved labor market outcomes; this is true even for women who never have an unintended pregnancy.

These benefits may extend beyond the cohorts of women who initially gained access to abortion, to subsequent generations of women and men.

### **Educational Attainment**

- Abortion access reduced teen fertility and increased women's college attainment. Increases in postsecondary attainment were concentrated among Black women, who had much larger decreases in teen fertility than White women. This is likely related to Black women's lower access to contraception at the time, as is true today.
- Abortion legalization in the 1970s increased Black women's rates of high school graduation and college attendance: in states offering access, high school graduation increased by 1.3 percent, college entrance by 3.7 percent, and college graduation by 9.6 percent.<sup>4</sup>
- Among White women, abortion access lowered teen fertility but did not improve educational outcomes.

### **Labor Market Participation**

- Abortion access increased women's participation in the workforce overall, increasing the probability of a woman working 40 weeks or more per year by almost 2 percentage points (from 29 percent).<sup>5</sup>
- Effects were stronger for Black women, increasing participation by 6.9 percentage points, compared with 2 percentage points among all women.<sup>6</sup>

### **Effects on the Next Generation**

Abortion access not only had economic effects for women exposed to reforms, but also for their children. As abortion reduced unintended births, cohorts of births were more likely to be planned. This improved educational and economic outcomes, both during childhood and later in life.

Children born to women with abortion access:

- Had lower rates of poverty and receipt of public assistance during childhood, primarily due to a reduction in living with single parents.<sup>7</sup>
- Were more likely to graduate college, and less likely to be single parents or receive public assistance as adults.<sup>8</sup>

### **Changes since Legalization: Fertility Effects**

Recent laws aimed at changes to abortion access since the 1970s have been less drastic than its initial legalization. These laws chip away at abortion access incrementally, making it more difficult to capture downstream effects. It is still important to evaluate the impact of these laws as they proliferate, causing access to vary widely by state and region.

A small body of research examines more recent restrictions, focusing on fertility (rather than economic) effects. Research examining the effects of more recent restrictions on abortion access and funding shows significant impacts on abortion use, birth rates, and teen births.

- **Parental involvement laws:** These laws require that minors notify parents or receive their consent in order to obtain an abortion and are associated with a decline in abortion rates and increase in teen birth rates.<sup>9</sup> They are also associated with an increase in out-of-state travel for abortion, as minors travel to states without such laws in place.<sup>10</sup> One study finds that parental involvement laws are associated with a lower probability of high school completion for Black women.<sup>11</sup>
- **Medicaid funding:** Since the late 1970s, federal Medicaid funds have been prohibited from covering abortion, except in limited circumstances. Most states have also similarly restricted state Medicaid funds. Several studies find that restrictions decreased the abortion rate among the Medicaid-eligible population by 17 to 68 percent.<sup>12</sup>
- **Targeted Regulation of Abortion Provider (TRAP) laws:** The most extreme of these laws, Texas's House Bill 2 (HB2), caused over half of the state's clinics to close in 2013 and 2014. Counties where clinics closed experienced increased birth and decreased abortion rates, as well as an increase in travel distance for women who obtained abortions.<sup>13</sup>

## Differential Impacts by Race

When broken down by race, the research consistently suggests that abortion access has greater economic impacts for Black women than White women (due to data restrictions, no other racial/ethnic backgrounds are considered in the studies). Abortion legalization led to significant increases in high school graduation, college entrance, and labor force participation among Black women. (Increases for White women were not statistically significant.) These increases were in addition to the higher rates of labor force participation Black women already experienced relative to White women.

Data show that Black women have higher rates of unmet need for contraception, higher rates of unintended pregnancy, and report higher use of abortion. This was true in 1973 during the time of policy changes examined in many studies reviewed here, and remains true today. These disparities stem from the broader environment of structural racism and oppression facing Black women in the United States. In addition to experiencing a legacy of efforts to control the fertility of women of color and low-income women, Black women are more likely to be living in poverty, facing greater barriers to accessing reproductive health care and being less able to overcome restrictions on abortion access.

## Impacts of Abortion Access: 1970s vs. Today

- High school is near universal in the United States, and social and policy changes, such as Title IX, have made it easier for pregnant and parenting women to receive their diploma. But lack of access to abortion would likely continue to impact college completion, especially for Black women, who have lower completion rates than other groups of women.
- Women's labor force participation continues to be affected by childbearing. The relationship between female labor force participation and changes to abortion access today would likely be similar to estimates based on earlier policy changes.

The scale of changes in abortion access that occurred in the 1970s are unlikely to be replicated again in the United States. Even if *Roe* is overturned, abortion will remain legal in some states and other factors, such as improvements in information access through the internet and reduced transportation costs, will mean that intra-state abortion access will be higher than it was in the 1970s. In addition, expanded availability of self-induced abortion with medication means that self-managed abortion would be safer and easier than in the pre-*Roe* environment.

Since 2011, states have passed over 400 abortion restrictions.<sup>14</sup> These restrictive policies, particularly parental involvement laws and bans on state Medicaid funding for abortion, target lower income and younger women. For women in states with the most restrictive policies, especially women without the means to access abortion out-of-state, modern day restrictions can effectively eliminate access completely. Considering that restrictive policies often disproportionately harm people experiencing economic insecurity, and because low-income women are over-represented among abortion patients, these laws are intrinsically tied to women's economic well-being. In fact, these laws threaten to exacerbate poverty, as recent studies show that 40 to 50 percent of women who seek abortion do so for financial reasons.<sup>15</sup>

Women without the ability to travel for abortion care will be particularly affected. Even the possible availability of self-induced abortion brings its own risks, with the potential criminalization of women who are suspected of self-induction; since *Roe*, various state laws have been used to prosecute women for self-management of abortion.<sup>16</sup> These threats are likely greatest for women of color and poor women, who are already disproportionately criminalized.

More equitable access to abortion care allows women to exercise greater agency over their body and their childbearing. This, in turn, enhances their ability to invest in their own human capital and improve their economic well-being. Conversely, restrictions on abortion access have the potential to harm women—and later generations—rather than help them. In particular, policies that restrict access based on economic status, such as those prohibiting Medicaid funding for abortion, not only limit women's reproductive autonomy but also further threaten their economic well-being. By passing policies that strengthen abortion access and allow funding for low-income women, states can reverse these effects and encourage economic stability for women and families.

Ultimately, the most significant consequence of policies affecting abortion access is the ability for women to access the full range of reproductive health care and control their reproductive lives. The findings reviewed here, however, indicate that policies that expand access to abortion and other reproductive health care not only enhance women's reproductive autonomy, but have economic benefits as well.

## Notes

<sup>1</sup> Adam Sonfield et al., "The Social and Economic Benefits of Women's Ability to Determine Whether and When to Have Children" (Guttmacher Institute, March 2013), [www.guttmacher.org/pubs/social-economic-benefits.pdf](http://www.guttmacher.org/pubs/social-economic-benefits.pdf).

<sup>2</sup> Lawrence B. Finer and Mia R. Zolna, "Declines in Unintended Pregnancy in the United States, 2008–2011," *New England Journal of Medicine* 374, no. 9 (March 3, 2016): 843–52, <https://doi.org/10.1056/NEJMsa1506575>.

<sup>3</sup> M Antonia Biggs, Heather Gould, and Diana Greene Foster, "Understanding Why Women Seek Abortions in the US," *BMC Women's Health* 13 (July 5, 2013): 29, <https://doi.org/10.1186/1472-6874-13-29>.

<sup>4</sup> Joshua D. Angrist and William N. Evans, "Schooling and Labor Market Consequences of the 1970 State Abortion Reforms," in *Research in Labor Economics* (Emerald Group Publishing Limited, 2000), 75–113.

<sup>5</sup> David E. Kalist, "Abortion and Female Labor Force Participation: Evidence Prior to Roe v. Wade," *Journal of Labor Research* 25, no. 3 (2004): 503–14.

<sup>6</sup> Kalist.

<sup>7</sup> Jonathan Gruber, Phillip Levine, and Douglas Staiger, "Abortion Legalization and Child Living Circumstances: Who Is the 'Marginal Child'?", *The Quarterly Journal of Economics* 114, no. 1 (1999): 263–91, <https://doi.org/10.1162/003355399556007>.

<sup>8</sup> Elizabeth Oltmans Ananat et al., "Abortion and Selection," *Review of Economics & Statistics* 91, no. 1 (February 2009): 124–36.

<sup>9</sup> Caitlin Myers and Daniel Ladd, "Did Parental Involvement Laws Grow Teeth? The Effects of State Restrictions on Minors' Access to Abortion," 2017, 49; Theodore Joyce, Robert Kaestner, and Silvie Colman, "Changes in Abortions and Births and the Texas Parental Notification Law," *The New England Journal of Medicine*, 2006, 9.

<sup>10</sup> Amanda Dennis et al., "The Impact of Laws Requiring Parental Involvement for Abortion: A Literature Review," 2009, 44.

<sup>11</sup> Sara Borelli, "Essays on Economic Aspects of Abortion in the United States" (Ph.D., University of Illinois at Chicago, 2011),

<http://search.proquest.com/docview/904572422/abstract/48F54E57B23E4172PQ/1>.

<sup>12</sup> Philip J Cook et al., "The Effects of Short-Term Variation in Abortion Funding on Pregnancy Outcomes," *Journal of Health Economics*, 1999, 17; K. J. Meier and D. R. McFarlane, "State Family Planning and Abortion Expenditures: Their Effect on Public Health," *American Journal of Public Health* 84, no. 9 (September 1994): 1468–72; S. Philip Morgan and Allan M. Parnell, "Effects on Pregnancy Outcomes of Changes in the North Carolina State Abortion Fund," *Population Research and Policy Review* 21, no. 4 (2002): 319–38.

<sup>13</sup> Stefanie Fischer, Heather Royer, and Corey White, "The Impacts of Reduced Access to Abortion and Family Planning Services on Abortions, Births, and Contraceptive Purchases," *Journal of Public Economics* 167 (November 2018): 43–68, <https://doi.org/10.1016/j.jpubeco.2018.08.009>; Jason Lindo et al., "How Far Is Too Far? New Evidence on Abortion Clinic Closures, Access, and Abortions" (Cambridge, MA: National Bureau of Economic Research, April 2017), <https://doi.org/10.3386/w23366>.

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<sup>14</sup> Elizabeth Nash et al., “Policy Trends in the States, 2017,” Guttmacher Institute, January 2, 2018, <https://www.guttmacher.org/article/2018/01/policy-trends-states-2017>.

<sup>15</sup> Biggs, Gould, and Foster, “Understanding Why Women Seek Abortions in the US”; Maggie Kirkman et al., “Reasons Women Give for Abortion: A Review of the Literature,” *Archives of Women’s Mental Health* 12, no. 6 (December 2009): 365–78, <https://doi.org/10.1007/s00737-009-0084-3>.

<sup>16</sup> M. K. Donovan, “Self-Managed Medication Abortion: Expanding the Available Options for US Abortion Care,” *Guttmacher Policy Rev* 21 (2018): 41–7.

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