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THE CAUSAL RELATIONSHIP BETWEEN CONTRACEPTION, ABORTION, AND ECONOMIC WELL-BEING

INTRODUCTION

Contraception and abortion are most often used by people to prevent having children they are not ready to care for or do not want. One of the most common reasons people delay or prevent childbearing is economic.¹ This brief synthesizes findings from recent research on the causal relationship between access to contraception and abortion and individual economic outcomes in the United States.

Decisions and experiences related to childbearing are highly individual. Yet, research and policy discussions on reproduction and economic outcomes rarely center on individuals. Instead, they tend to focus on observational changes at the population level or the cost to the government and taxpayers of unintended childbearing.

Recently, several studies have used complex modeling and quasi-experimental designs to better understand how access to contraception and abortion affects levers of economic well-being at the *individual and family levels*. They draw on the field of causal inference, using methodologies such as difference-in-differences and novel models, as well as longitudinal surveys.

The studies described in this brief bolster the case that while abortion and contraception are foundational for equality, freedom, and dignity, they are also inextricably linked to economic well-being.²

The purpose of this brief is to equip policymakers, advocates, journalists, and researchers with easily digestible evidence about how the accessibility of reproductive health care has real-world impacts on individuals and families. It is intended to be a tool to ensure that the people affected by policies on reproductive health are consistently at the center of the discourse.

For insights into the impact of reproductive health care accessibility on the other end of the societal spectrum—state economies—please visit IWPR's [Cost of Reproductive Health Restrictions tool](#).

KEY FINDINGS

- Contraception and abortion not only reduce fertility but also positively impact women's high school graduation rates, educational attainment, occupation, earnings, and mortality.³
- Delaying pregnancy and childbearing, even for a short period, can have profound impacts on education outcomes and economic well-being.⁴
- Denying a person a wanted abortion creates lasting economic hardship and insecurity; increases single parenthood and contact with violent partners; and leads to more serious health problems due to the higher risks associated with birth than abortion.⁵
- Having access to contraception and abortion is especially beneficial for economically vulnerable groups.

STUDIES REVIEWED

The Impact of Contraceptive Access on High School Graduation⁶

In 2010, the state of Colorado significantly expanded access to contraception for high school students, including making all methods available at no cost. This study took advantage of the natural experiment conditions and used individually linked survey and census data to measure the impact of increased contraceptive access on high school graduation rates. The study used a difference-in-differences design, in which they compared outcomes for Colorado teens to teens in immediate-neighbor states. The results indicate that the increased access to contraception led to a significant increase in the likelihood of girls graduating high school on time and positively impacted socioeconomic opportunities for years after high school.

Findings include:

- In the first five years of the initiative (2009–2014), there was an increase of 16.5 percentage points in the use of the most effective contraceptive methods.
- In the years that followed, fertility and abortion rates fell 6.4 percent for 15- to 24-year-olds.
- There was a 1.66 percentage point increase in high school graduation in Colorado following the initiative that expanded access to contraception.

The Turnaway Study: Economic Consequences of Being Denied an Abortion⁷

This longitudinal study examined the effects of unwanted childbearing on women and children. It used the natural experiment of gestational legal limits to compare women who wanted an abortion and received one with women who wanted an abortion and were denied, or “turned away.” Both groups sought abortions within two weeks of the legal limit, with half being allowed and half being denied. This design provided a striking comparison set to isolate the impacts of abortion. The research combined results from various survey data and linked credit report data to see the long-term economic outcomes of abortion. The data showed that being denied an abortion has significant lasting economic consequences for women.

Findings include:

- Women who were denied abortion were more likely to live in poverty after five years (72 percent compared to 55 percent).
- Women who were denied abortion experienced a 78 percent increase in past-due debt and an 81 percent increase in bankruptcy, tax liens, and/or evictions.
- Access to abortion is especially important for economically vulnerable groups: denying abortion increases poverty among individuals. Conversely, reducing poverty can decrease the need for abortions.
- Abortion can negatively affect existing children’s basic needs and lead to lower bonding, poorer living environments, and worse developmental outcomes.



At a Crossroads: The Impact of Abortion Access on Future Economic Outcomes⁸

This study used a novel model to estimate the positive impacts of abortion access on women's future economic outcomes. It took advantage of the natural experiment of staggered increases in legal abortion access across the states in the 1960s and 1970s to highlight the effects on individual women's lives. The model was created using data from the National Survey of Family Growth, which asked individuals about relevant indicators such as education, earnings, and employment. The study grouped the data into state-year-level cohorts, with variations between them used to isolate the impact of abortion access on future economic outcomes. The data was analyzed using a two-stage least squares 2SLS regression analysis. The results show that abortion access has a significant positive impact on all outcomes of interest: educational attainment, earnings, poverty, career outcomes, and reliance on public assistance.

Findings include:

- Abortion access had a significant impact on education for women who had pregnancies before the age of 24, increasing the probability of completing college by 72 percent. The findings estimate that missing out on a college degree resulted in a loss of lifetime earnings of \$1.286 million.
- For young women who had an unintended pregnancy, access to abortion increased the probability they entered a professional occupation by nearly 40 percentage points.
- For Black women with pregnancies before age 24, results indicate that access to abortion increased individual earnings by \$23,000 to \$28,000 per year (75–100 percent) and family income by \$48,000 to \$52,000 per year (>100 percent).

The Consequences of Abortion and Contraception Policies on Young Women's Reproductive Choices, Schooling and Labor Supply⁹



The aim of this 2017 study was to understand how a series of policies restricting access to abortion, when taken together, go beyond limiting access to abortion to affect women's other life decisions. Using a dynamic life cycle model, the study estimated the causal relationship between contraception and abortion policies, young women's reproductive choices, and life-cycle fertility, schooling, and labor supply. The model includes variations in state abortion policies, individual-level data from the National Longitudinal Survey of Youth (NLSY97), and state abortion provider data from the Guttmacher Institute. The study included unique simulations to draw stronger conclusions, such as a "perfect" abortion ban scenario and accounting for underreported abortions.

Findings include:

- Increasing access to abortion and contraception increases labor force participation, college graduation, contraceptive use, and high school graduation.
- Conversely, abortion restrictions lead to an increase in early births and a decrease in high school graduation rates.

- If a “perfect” abortion ban was enforced,
 - A woman’s lifetime earnings would decrease by 3.3 percent.
 - The average amount of schooling accumulated after high school would decrease by 3.1 percent.
 - Only one out of three abortions would be replaced by a birth.
 - Contraceptive use would increase by nine percentage points.
- If a “perfect” abortion ban was enforced and contraception were publicly subsidized, average schooling accumulated after high school would increase by 3.2 percent, and 2.3 percent more women would graduate from high school.

The Impact of Early Fertility Shocks on Women’s Fertility and Labor Market Outcomes¹⁰

This study used data from the Public Use Microdata Samples (PUMS) to estimate how changes in abortion laws affected women’s fertility, work, and wages. It established three cohorts of women in the same age range (35–40), each born in a different decade (1970, 1980, and 1990), to compare fertility based on differences in abortion laws. The study used a regression analysis (two-stage least squares 2SLS) to estimate the causal impact of resulting fertility on women’s careers. Early access to abortions delayed the start of motherhood. The model shows that women in states with legalized abortion gave birth one year later, and wages increased significantly as a result of this delay.

Findings include:

- Young women who used abortion services to delay motherhood by only one year had an 11 percent increase in hourly wages later in their careers.
- Women in states with abortion bans work more hours per week.
- In states where abortion is legal, the average age when women become mothers is one year older.
- Women in states where abortion is legal give birth to fewer children (2.21 children compared to 2.46)

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ENDNOTES

- ¹ M. Antonia Biggs, Heather Gould, Diana Greene Foster, "Understanding Why Women Seek Abortions in the US," *BMC Women's Health* 13, no. 29 (July 2013).
- ² CSWE. "Working Definition of Economic Well-Being," n.d. <https://www.cswe.org/centers-initiatives/economic-wellbeing-clearinghouse/working-definition-of-economic-wellbeing/>.
- ³ Amanda J. Stevenson, Katie R. Genadek, Sara Yeatman, Stefanie Mollborn, and Jane A. Menken, "The Impact of Contraceptive Access on High School Graduation," *Science Advances* 7, no. 19 (May 7, 2021), <https://doi.org/10.1126/sciadv.abf6732>.
- ⁴ Ali Abboud, "The Impact of Early Fertility Shocks on Women's Fertility and Labor Market Outcomes," SSRN Scholarly Paper, (Rochester, NY, November 22, 2019), <https://doi.org/10.2139/ssrn.3512913>.
- ⁵ Sarah Miller, Laura R. Wherry, and Diana Greene Foster, "The Economic Consequences of Being Denied an Abortion," NBER Working Paper Series 26662, National Bureau of Economic Research (January 2020), <https://doi.org/10.3386/w26662>.
- ⁶ Amanda Stevenson et al., "The Impact of Contraceptive Access on High School Graduation."
- ⁷ Sarah Miller, et al., "The Economic Consequences of Being Denied an Abortion."
- ⁸ Kelly Jones, "At a Crossroads: The Impact of Abortion Access on Future Economic Outcomes," (Washington, DC: American University, August 10, 2021), <https://doi.org/10.17606/OQ51-OR11>.
- ⁹ Diego Amador, "The Consequences of Abortion and Contraception Policies on Young Women's Reproductive Choices, Schooling and Labor Supply," SSRN Scholarly Paper, (Rochester, NY, June 12, 2017), <https://doi.org/10.2139/ssrn.2987367>.
- ¹⁰ Ali Abboud, "The Impact of Early Fertility Shocks on Women's Fertility and Labor Market Outcomes."