

How Will COVID Affect Completed Fertility?

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MarketWatch Blog by Alicia H. Munnell

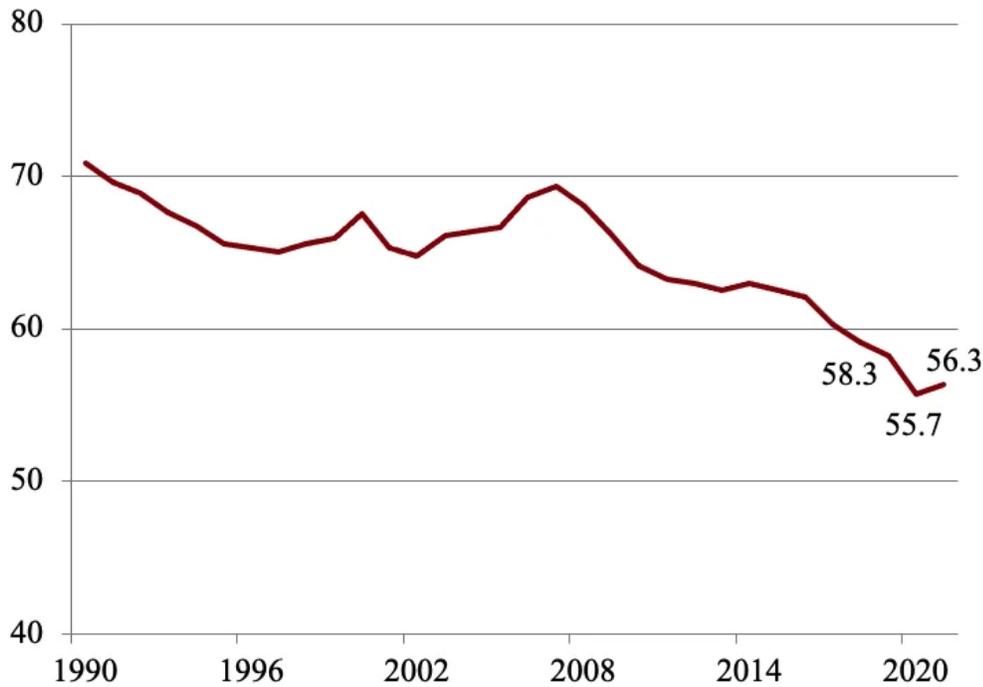


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Despite an uptick in births during 2021, women in their 20s want even fewer children than before the pandemic.

Birthrates in the United States have been declining since the Great Recession, and many expected that the onset of COVID-19 might accelerate this decline. And, indeed, birthrates early in the pandemic did drop substantially. However, when the economy swiftly recovered from COVID, birthrates in 2021 went up for the first time in several years (see Figure 1).

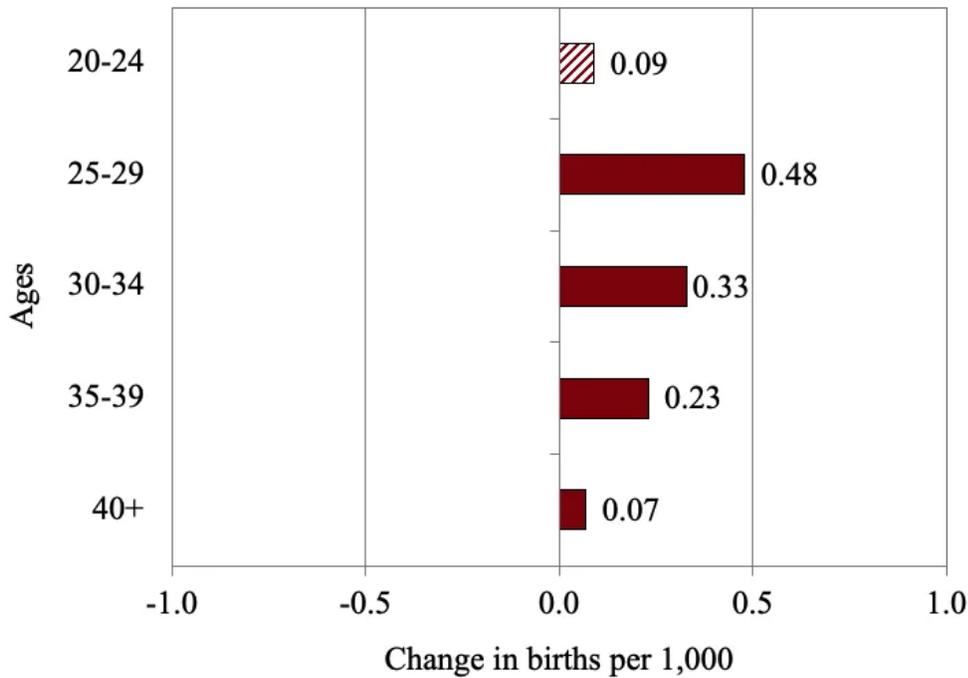
Figure 1. Trends in Birth Rates per 1,000 Women Ages 15-44, 1990-2021



Source: Centers for Disease Control, *National Vital Statistics System* (NVSS).

The question is whether the recent rise in birth rates represents a permanent increase in the total number of children women will end up having or simply reflects a shift in the timing of births. **Two factors can shed some light on this question:** 1) the ages at which the rises in birth rates occurred; and 2) any changes in fertility expectations. In terms of the age distribution, Figure 2 shows that monthly births per 1,000 women were higher for almost all ages at the end of 2021 than in similar months pre-pandemic. For women 40+, and to some extent women ages 35-39, the increase will have limited impact on aggregate completed fertility, since these groups account for only 20 percent of total births. The more relevant groups are women in their 20s and early 30s, who count for the bulk of births. For these groups, the question is whether the uptick is temporary or permanent.

Figure 2. *Effect of the Pandemic Relative to Trend on Monthly Births per 1,000 Women, through December 2021*

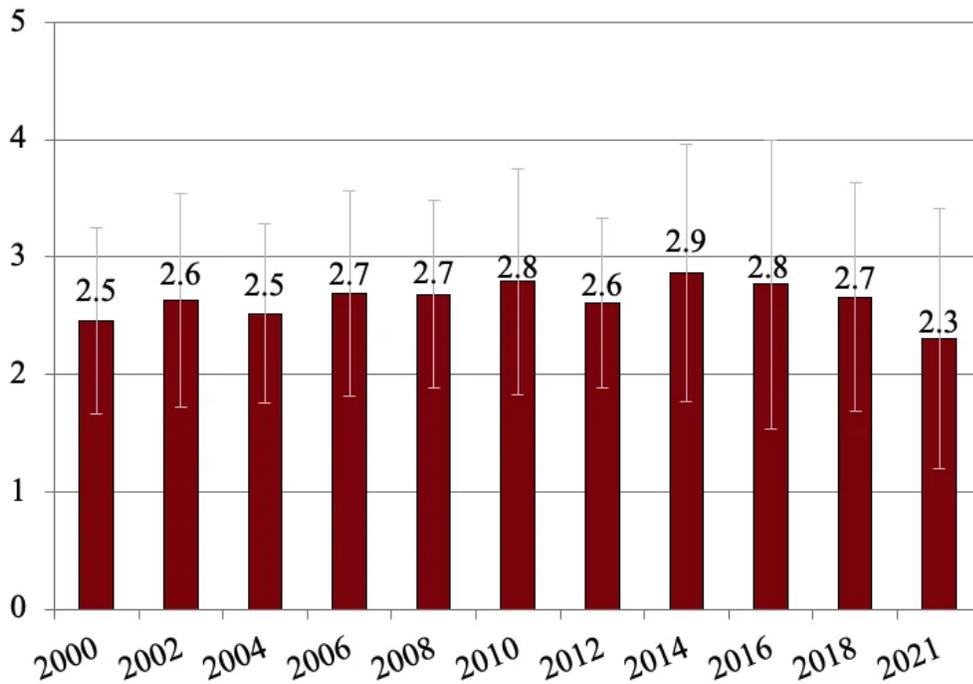


Note: Solid bars are statistically significant at the 5-percent level or above.

Sources: Authors' calculations using data on births from the NVSS and data on local economic conditions from the *Current Population Survey*.

Some early polling data – albeit for a relatively small sample – suggest that the number of children that women in their 20s view as ideal plummeted in 2021 (see Figure 3). That is, despite the small uptick in births during the pandemic, women in their 20s now want fewer children than they did pre-pandemic.

Figure 3. *Ideal Number of Children Reported by Women Ages 20-29, 2000-2021*

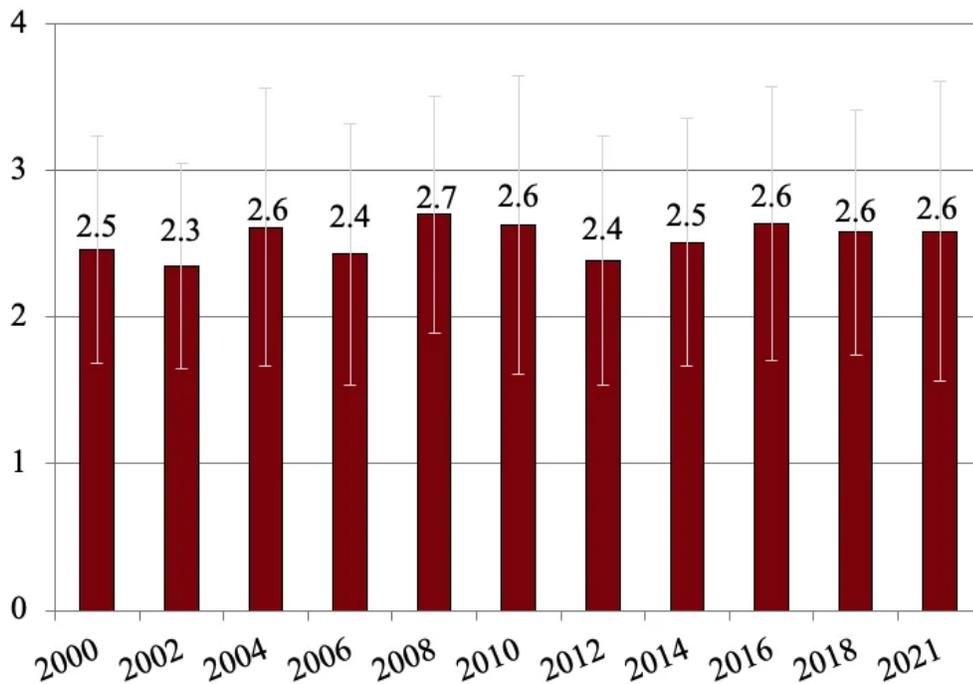


Note: 2021 data were collected from December 2020-May 2021.

Source: National Opinion Research Center at the University of Chicago, *General Social Survey* (2000-2021).

In contrast, the fertility expectations of women in their 30s did not change, suggesting that the pandemic increase reflects shifts in timing for this group rather than a change in the total number of children they will have (see Figure 4). (Women in their early 30s are the key group of interest; since it was not feasible to break the data out separately for them in this case, the assumption is that the overall pattern for those in their 30s applies to them as well.)

Figure 4. *Ideal Number of Children Reported by Women Ages 30-39, 2000-2021*



Note: 2021 data were collected from December 2020-May 2021.

Source: National Opinion Research Center at the University of Chicago, *General Social Survey* (2000-2021).

In short, if the overall pattern of declining fertility expectations – driven by women 20-29 – holds in more comprehensive surveys, completed fertility is likely to continue to fall. And while the shift to fewer children may be a positive reflection of the opportunities offered today's women, it will also result in a smaller workforce, slower economic growth, and higher required tax rates for pay-as-you-go programs such as Social Security.