Wealth and Childbearing. How Economic Resources Shape Reproductive Choices in Italy

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1. Research Motivation and Theoretical Focus

Household economic conditions constitute a fundamental structural determinant of fertility behaviour and family planning. The association between material well-being and fertility has long been a central topic within social science through different disciplinary lenses. Evolutionary perspectives emphasize the role of status and access to resources as fitness-relevant traits, generally predicting a positive relationship between socioeconomic status and reproductive success (Vining, 1986). Within the economic tradition, fertility has been conceptualized as a rational choice shaped by available resources, opportunity costs, and institutional constraints. According to the New Home Economics model (Becker, 1991), two competing mechanisms shape fertility outcomes: higher household income increases the demand for children (the income effect), whereas higher female wages raise the opportunity costs of childbearing (the substitution effect), reducing fertility among high-earning women while fostering it in couples. Complementary approaches have linked fertility fluctuations to the economic cycle: instability in employment and income generally discourages childbearing, whereas periods of stability promote family formation (Easterlin, 1976). At the household level, Resource Pooling perspective (Oppenheimer, 1994) highlights the importance of shared resources in mitigating financial risks and facilitating parenthood.

Together, these theoretical frameworks emphasize the centrality of economic status for reproductive decisions. Despite the cruciality of this dimension, most empirical studies rely on short-term indicators of economic status such as labour income or occupations. However, they only partially capture households' ability to cope with risk and family planning in the long run (Bloom et al., 2024).

Thus, wealth, the stock of accumulated assets and liabilities, emerges as a central, though overlooked, determinant of fertility behaviour. Wealth embodies intertemporal economic security: it reflects both the ability to absorb shocks and to plan future investments, serving as a financial safety net and a mechanism of intergenerational transmission of economic status (Oliver & Shapiro, 2006). This, in turn, affects life-course decision-making process e.g. reproductive behaviour.

To the best of our knowledge, while the relationship between labour income and fertility has been extensively studied, empirical evidence on wealth as driver of fertility remains limited. This is especially the case for analyses based on direct measures of wealth.

Studies implementing indirect measures of wealth such as economic and housing insecurity find that greater material stability promotes fertility intentions and behaviours, while insecurity exert delaying effects (Van Wijk et al., 2022). Other recent studies, for instance, find that homeownership no longer precedes parenthood as it once did, signalling a broader decoupling between housing security and

family formation (Tocchioni et al., 2021). Evidence based on direct measures of wealth remains limited. One of the few exceptions (Hopcroft, 2019), finds that, in the US, family net worth is negatively associated with fertility, possibly due to the illiquidity of certain assets (e.g. real estate or retirement funds). Moreover, women's personal net worth is negatively associated with fertility, while the positive effect of men's income appears only among those who are married. Other contributions, report positive effects of wealth on the transition to motherhood: women with higher net worth or greater financial assets are more likely to have a first birth, whereas consumer debt discourages childbearing, reflecting the postponement of fertility under economic uncertainty (Stulp et al., 2016; Su and Addo, 2025).

Italy represents an analytically relevant case for studying the link between economic resources and reproductive choices. The country has maintained "lowest-low" fertility for over three decades, with a TFR of 1.18 in 2024 (Istat, 2024), and, compared to other Western economies, displays persistent economic inequality, with a Gini index ranging between 0.33 and 0.35 over the past decades (Eurostat, 2024). Literature on the Italian case concerning the relationship between wealth and childbearing is rare and focuses on indirect measures, such as economic and house insecurity. Using retrospective data, Fiori et al. (2013) show that among women with one child the availability of monetary and nonmonetary buffers, such as household's saving capacity, homeownership, and family support, encourages long-term fertility aspirations. Gallo and Vignoli (2025) find that higher housing expenditure increases the likelihood of having a child, reflecting anticipatory behaviour as couples tend to improve their housing conditions before parenthood. This effect, however, emerges only among homeowners and is concentrated within the wealthiest households.

Yet, research on Italy has rarely examined the relationship between direct monetary wealth, such as household net worth, and fertility choices. This study addresses this gap by analysing the association between total net worth and its dimensions: real assets, financial assets, and debts. Different dimensions of wealth capture distinct aspects of economic security that may influence reproductive behaviour through specific mechanisms. Real assets, embody long-term and symbolic stability and serve as a proxy for housing security and adulthood transition. Financial assets reflect a household's capacity to accumulate and manage monetary resources over time. Debts, represents liabilities that reduce resources and heighten economic uncertainty, potentially discouraging fertility plans.

2. Data and Methods

This study draws on longitudinal data from the Survey on Household Income and Wealth (SHIW), a nationally representative survey conducted biennially by the Bank of Italy. The dataset covers approximately 7,000 households (16,000 individuals) per wave and includes detailed information on income, real and financial assets, debts, and demographic characteristics. Its rotating panel

structure, which follows about half of the sample across waves, allows for dynamic analyses of economic and demographic behaviours over time. The analytical sample consists of 656 heterosexual couples who were childless at the initial observation and remained in the panel for at least two consecutive waves between 1995 and 2022. The female partner's age ranges from 18 to 50 years. We select couples if partners cohabit and report no children in the first wave of observation.

In data analysis, a logistic regression model with random effects is adopted. The dependent variable is a binary one, coded as 1 if the couple has a first birth and 0 otherwise.

The key explanatory variables are household net worth and its dimensions, real assets, financial assets, and debts to explore heterogeneity across wealth components. Net worth is defined as the total value of real assets (housing, land, valuables) plus financial assets (savings, investments) minus debts. Wealth values are expressed in real terms. Control variables include the female and partner's age (linear and squared), marital status (married vs. unmarried), male partner's labour income (linear and squared), household labour income (linear and squared), and year and regional fixed effects.

3. Empirical Findings and interpretation

Results show a clear positive association between household net worth and the transition to the first child. Figure 2 displays the predicted probabilities of having a first child by household net worth. Net worth is statistically significant associated with the likelihood of having a first child. We observe that 20% of lower wealth household make a transition to the first birth (between t and t+1), while this is the case of about 30% for higher wealth household. This pattern suggests that wealth contributes to the transition to parenthood beyond current earnings or employment conditions.

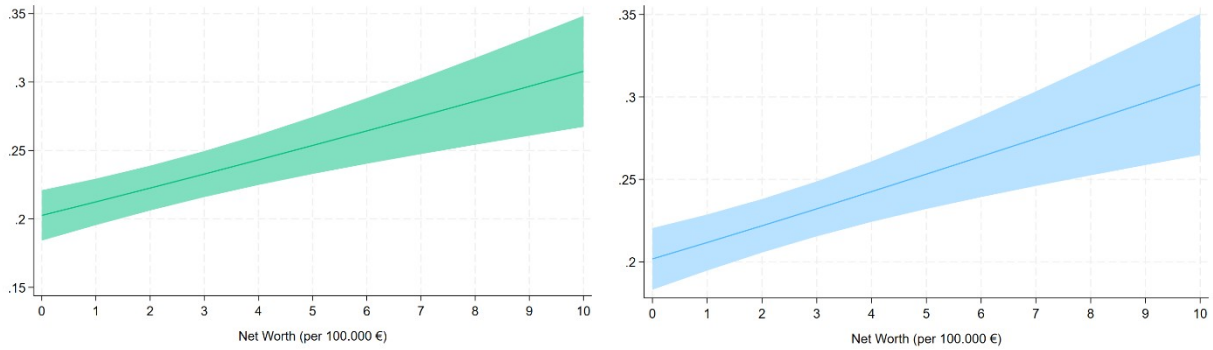

Figure 2 - Predicted probability of first birth by wealth. Logistic regression model with RE at household level. Baseline model (right panel) and model controlled by labour individual and household income (left panel).

When disaggregating wealth, real assets emerge as the most relevant component. Couples who own substantial real assets exhibit a markedly higher probability of transitioning to parenthood. Financial assets and debts display non-statistically significant associations with the transition to first birth.

These results indicate that tangible and secure forms of wealth, particularly real assets, play a more decisive role in fertility decisions.

4. Future Developments

Future research will extend the analysis by taking into account other dimension of wealth (e.g., intergenerational transfers), refining the modelling strategy through income–wealth decomposition and causal inference methods, and exploring higher-parity transitions. These developments aim to provide a more comprehensive understanding of how long-term economic resources influence fertility behaviour in low-fertility contexts.

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