Reply To Lehrer, Shechtman and Leasure

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REPLY TO LEHRER, SHECHTMAN AND LEASURE*

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Lehrer, Shechtmam, and Leasure (hereafter LSL) give us an opportunity to amplify our theory of the value of children. Regrettably, much of their criticism flows from a misunderstanding of our theory—particularly, of its scope conditions. Some of the criticism, however, appears to derive from epistemological roots.

LSL’s comment concludes by claiming that we attempted to complement existing theories of fertility with a new theory. Yet there are no existing theories that can account for women’s and couples’ decisions to have children when their net instrumental value is negative, as it is in advanced industrial societies. Ours is the first and only theory that explains this empirical puzzle.

Becker’s (1981) economic theory of fertility, which serves as the acknowledged foundation for LSL’s comment, explains why women who earn lower wages in the labor market are likely to have more children than those who can command higher wages. Why anyone in an advanced industrial society would have any children at all remains a mystery, however. Despite its apparent complexity, the logic of Becker’s fertility theory is actually quite simple. It purposely says nothing whatsoever about the value of children to parents; people can desire children for any number of reasons. Whatever these reasons may be, the greater the opportunity cost of having a child, the fewer children will be demanded and therefore the fewer will be born. This logic is unimpeachable, and we certainly have no quarrel with it as far as it goes.

Becker’s theory assumes precisely what our theory sets out to explain—namely, why people value children in the first place. His theory concerns the fertility of people who have already decided to have children. Before deciding whether to have a child, rational people must compare the expected value of a child with that of other goods, such as expensive cars, houses and alternative uses of time. Such decisions necessarily involve trade-offs between valued goods.

Because Becker’s theory studiously avoids the question of values, it is mute about the outcome of these trade-offs. Therefore it cannot tell us who among the very large population of potential parents will become actual parents. Our theory suggests that individuals make these trade-offs so as to reduce uncertainty. On this basis, we derive a number of propositions about the value of children to people in different social circumstances.

LSL fault our theory for its limited potential, logical inconsistency, and empirical inadequacy. These charges demand a response. Because LSL cite chapter and verse, we paraphrase each of their points below as a subheading, followed by our response.

Limited Potential

1) The assumption that people have children to reduce uncertainty is counterintuitive. Counterintuitiveness is a staple of rational choice explanations, and Becker himself is one of the great masters of such explanations. As long as they produce testable implications that are supported by empirical evidence, counterintuitive explanations are evidence of theoretical strength.

2) Our assumption that uncertainties emanating from parenthood are more controllable and therefore preferable to those associated with labor force participation and marriage is tenuous. Our argument is not that the consequences of voluntary actions are more manageable than those beyond individuals’ control, but merely that individuals think they are so and act accordingly. This particular cognitive bias is amply supported in the experimental research that we cite.

3) In the case of job loss during a recession, why would having a child be an optimal response? The child will be in the household long after the uncertainty over employment prospects has been resolved. This is precisely our point. In its capacity for reducing uncertainty, parenthood is like a job that anyone can obtain unilaterally (with no competition and no necessary qualifications), and from which one cannot be fired for 18 years. No job is more stable than parenthood (although most careers are); hence none can reduce uncertainty better.

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Logical Inconsistency

Hypothesis U-5 logically contradicts Hypothesis S-4. Careful readers will note that our U and S hypotheses apply to different sets of actors and thus are not directly comparable. Single women who lack financial and emotional support from their families of origin cannot "work harder to make their marriages solid." That's why they seek parenthood. Married couples who move away from their families of origin have an alternative means (namely, their marriage) to reduce their uncertainty; therefore they are less likely to seek parenthood. Thus, there is no logical inconsistency here.

Empirical Inadequacy

Hypothesis 1. a) LSL's H1 is our U-1, which applies to women as actors, not to married couples. From the perspective of a woman who faces potential divorce, her child is not spouse-specific capital because she will be a custodial parent for the life of the child, no matter what happens to the marriage.

LSL note that "additional evidence against H1 is based on Becker's (1981) theory of marriage." This statement is indefensible. Theory is not evidence; evidence adjudicates between theories. That our prediction contradicts the implications of another theory is no indictment of either theory; it merely indicates that the two theories compete. LSL mention Lillard and Waite (1993) and Goldscheider and Waite (1991) as evidence against Hypothesis U-1. Careful readers will note that we cited these two studies in our Table 1 as providing evidence contrary to our hypothesis. LSL are mute about the 13 studies we also cited in that table in support of U-1.

Incidentally, the passage that LSL cite from Goldscheider and Waite (1991:91; emphasis added) says that young women who experience dissolution of their parents' marriage "enter adulthood wary of marriage, and are reluctant to risk the additional stresses of parenthood when they do marry." These are their attitudes as expressed in response to survey questions. Our theory does not predict women's attitudes, only their actual behavior. There is scant evidence, however, that expressed attitudes predict behavior.

b) Differences between spouses in individual traits increase the probability of divorce; this relationship is confirmed in several empirical studies. We are well aware of this finding; in fact, it is part of our own argument. But where is the evidence for LSL's claim that higher likelihood of divorce leads to childlessness? They cite Lehrer (1995), but this article is unpublished. Lehrer (Forthcoming) refers to additional births. Johnson and Skinner (1986) merely show, on the basis of panel data, that the probability of eventual divorce has a positive impact on women's labor force participation, and that the causal direction is not the other way around. Their study has no implications at all for parenthood. Contrary to LSL's claim, the finding that women who face imminent divorce increase their investment in human capital and their attachment to the labor force is perfectly consistent with our theory, because we posit that stable careers and parenthood (and stable marriage) are alternative means of reducing uncertainty. If a woman's marriage fails, and if she is able to invest in her human capital to pursue a stable career, then she has no need for parenthood.

Further, the relevance of Becker, Landes, and Michael (1977) and (presumably) of Lehrer's unpublished article to our theory is questionable because both use the number of children as their dependent variable. Our dependent variable is dichotomous: this variable is parenthood, not fertility, as indicated by the number of children ever born.

Hypothesis 2. a) We provide no evidence suggesting that causality runs in the direction we assumed—from a cohesive marriage to the decision to remain childless. We are well aware of this inferential problem, and clearly state in our original article that "the direction of causality may be difficult to assess empirically" (p. 388). All nonexperimental and nonpanel data share this difficulty. We cite evidence that is consistent with, but not conclusive proof of, our theory.

b) Whereas we emphasize studies such as Burman and de Anda (1986) and Ramu (1984), which show that marital satisfaction is higher among couples who are voluntarily childless than among those who have children, other studies in this literature find the opposite result (e.g., see brief literature review in the recent work by Somers 1993). Ramu and Tavuchis (1986) is the only study that Somers cites in support of the claim that "parents are more happily married" (1993:644). We have no idea how Somers reached this conclusion, however, because marital satisfaction does not appear as a variable in Ramu and Tavuchis. All the other studies that Somers cites in her "brief literature review" either find evidence for our claim that the voluntarily childless have higher marital satisfaction, produce conflicting results, or find no difference between the voluntarily childless and parents.

Hypothesis 3. a) Contrary to our theory, factors contributing to marital support should have pro- rather than antinatalist effects. Where is the evidence for this assertion? Once again, LSL rely on "economic theory" for this criticism but fail to cite a single empirical study to support their contention.

b) To the best of LSL's knowledge, there are no studies that have systematically studied this relationship. That is precisely why there are no entries, supportive or contrary, under S-3 in our Table 1. The absence of studies is unfortunate, but our theory, like Becker's, is deductive, not inductive. Theo-
tical innovation cannot be limited by existing empirical knowledge.

**Hypothesis 4.** H4 links marriage prospects to the propensity to “parenthood”—without distinguishing between marital and nonmarital fertility. U-2 (which LSL call H4) applies only to single women and their nonmarital fertility. “Prospects for marriage” have no meaning for married couples, except for their likelihood of divorce (South and Lloyd 1995). To reiterate, all of our U hypotheses (except U-1) apply only to single women and their nonmarital fertility, and all of our S hypotheses apply to married couples and their marital fertility.

South and Lloyd (1992:259) conclude that “for white women, more numerous marriage opportunities reduce both the nonmarital fertility rate [births per 1,000 unmarried women] and the [nonmarital fertility] ratio [the percentage of births that occur to unmarried, as opposed to married, women] ... For black women, marriage opportunities are significantly related [negatively] only to the nonmarital fertility ratio.” This means that their study presents evidence which both supports (nonmarital fertility rate) and contradicts (nonmarital fertility ratio) our theory for white women, and offers evidence that is only contradictory to our theory for black women. Thus South and Lloyd’s (1992) data are equivocal with respect to our theory. Perhaps we should have listed their study under both “supportive” and “contrary” for U-2 in our Table 1.

We stand corrected. On this point, at least, we can agree with LSL.

**REFERENCES**


