

Corporate Welfare, flexible work and fertility intentions

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Introduction

Family-friendly workplace arrangements, i.e., those practices that facilitate the reconciliation of work and family life (OECD, 2007), are becoming increasingly widespread as the EU Work-life Balance Directive enters into force across European countries. Among all possible workplace policies, flexible working hours and expansion of care services for children and other dependents are the two single measures that workers deem to be the most effective for balancing work and family life (Saxonberg, 2014). Little do we know whether an association exists between workplace family-friendly policies and fertility. We hypothesise that such an association may be in place, especially in low-fertility settings where public welfare provision for families is scant.

This contribution asks whether being employed in a family-friendly workplace may increase the intention to have a (n other) child. We focus on Italy, a country with one of the world's lowest fertility and with limited support for families with children.

Empirical evidence highlights that family policies oriented towards childcare support provision positively impact fertility (Thévenon & Gauthier, 2011). Several studies have focused on the availability or utilisation of formal childcare services and fertility dynamics (e.g., Del Boca, 2002). In Italy, less than one in 3 children aged 0-2 years old participate in early childhood education and care services, one of the lowest enrollment rates in Europe (OECD, 2023). Relatedly, reliance upon informal care, e.g., from relatives and especially from grandparents, becomes crucial in settings with limited childcare provision (Bordone et al., 2017).

We aim to answer these questions: Does the employer's provision of family-related benefits (e.g., childcare services) influence fertility intentions? Does having greater flexibility in the workplace for childcare influence the intention to have children? Does the impact vary depending on the number of children? Do the associations vary by gender?

We answer these questions using the 2016 Italian Survey on Family and Social Subjects (FFS) data.

Data and empirical approach

We use data from the latest Italian Family, Social Subjects and Life Cycle Survey (FFS) carried out by the Italian National Statistical Office. The FFS is valuable since it extensively explores family dynamics and sociodemographic aspects, including questions about reproductive intentions, childcare, employment, relationships, and social networks.

Our dependent variable indicates the intention to have a child in the next three years (*‘Do you intend to have a child in the next three years?’*). We chose this question following previous findings indicating that fertility intentions are a good proxy for actual childbearing when a specific time frame is specified (Balbo et al., 2013; Billari et al., 2009). Since response options in the questionnaire were certainty/probably not and probably/certainty yes, we classified these responses into two categories. Our final sample comprises 4.063 men and 3.719 women aged 18 to 49.

Measures of family-friendly workplace arrangements

We create two main explanatory variables to measure family-friendly workplace arrangements: workplace family benefits (e.g., services provision) and work flexibility (e.g., childcare). FFS collects information on workplace benefits among respondents who are employees (i.e., subordinate workers who, as a result of a contract and in exchange for remuneration, provide their intellectual or manual work under the direction of an employer). We hypothesise that self-employed and occasional workers, given that they can organise their work schedule autonomously, may have higher work flexibility and can better combine work and childcare commitments compared to employees whose work schedule is decided by their employers.

FSS collects information on two types of corporate benefits. A first question asks: *“Does your company provide the following services or reimburse the total or part of the cost?”*. The list of services comprised *‘Nursery (i.e., for ages 0 to 3 years old) or kindergarten (i.e., for ages 3 to 5 years old)’*, *‘Medical care, health insurance’*, *‘Education and training’*, *‘Free or discounted accommodation’*, *‘Summer stays, study holidays for workers or their children’*, and *‘Subsidized loans’*. For each service listed, possible response categories were “no”, “yes”, and “do not know”.

The first explanatory variable takes the following values: not-employed (i.e., unemployed and inactive), self-employed, occasional workers, the employer pays at least part of the cost, the employer does not pay any part of the cost and does not know if the employer pays.

The second explanatory variable refers to the availability of flexible working arrangements in the workplace. The original question asks: *“Does your company permit flexible working hours for personal reasons, such as adapting to your children’s requirements?”*. We classified the responses into two categories: flexible working arrangements –encompassing answers “yes, but in exceptional cases” and “yes, with some regularity”– and non-flexible working arrangements – ‘no’ answers. The variable takes the following values: not-employed (i.e., unemployed and inactive), self-employed, occasional workers, non-flexible working arrangements and flexible working arrangements.

In light of our interest in analysing the relationship between childcare provision support and fertility intentions, we control for other demographic and socioeconomic characteristics to explore how this link could vary by certain factors: age, number of children, educational level, employment activity, region of Italy and partner situation.

Analytical strategy

Through binary logistic regressions, we examine the associations between fertility intentions and our two key explanatory variables, i.e., workplace benefits and work flexibility. We run three distinct models to address our research hypotheses. Model 1 (M1) examines whether the provision or reimbursement of family-related services in the workplace is associated with the intention to have children. Model 2 (M2) investigates the impact of workplace flexibility on the intention to have children.

Preliminary findings

The results for Model 1 are presented in Table 1. This first model investigates whether having workplace family-related benefits provided by the employer (e.g., childcare) impacts the intention to have children. Results underscore that the employer's contribution towards the cost of family-related services predominantly affects men's fertility intentions. For women, the coefficient is positive but not significant. As we expect, the estimates indicate that the age of the respondent is a strong determinant of the intention to have children: wanting a child significantly decreases with age, particularly if both women and men are aged 40 or more. Ultimately, the analysis shows, for both sexes, a favourable link between the desire to have children and living in Southern Italy or on the Islands.

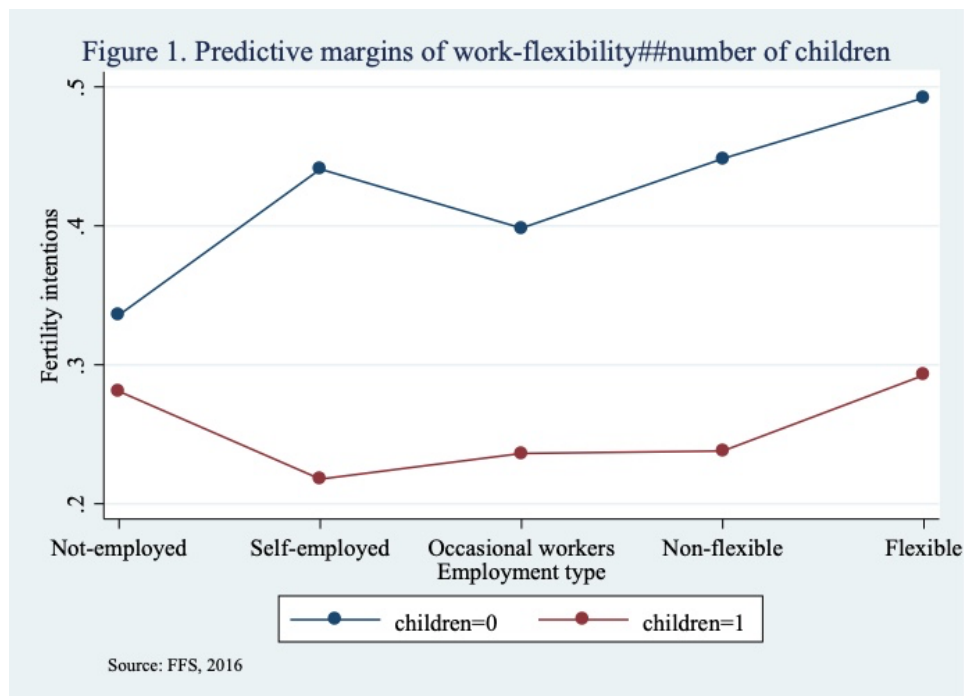
Table 1 Coefficient from Logistic regression on fertility intentions (Model 1)

	Women		Men	
	Coef.	Std. Error	Coef.	Std. Error
Work and family-related benefits (ref.: employer does not pay)				
Not employed	-0.75	0.43	-0.32	0.41
Self-employed	-0.17	0.17	0.13	0.13
Occasional workers	-0.41	0.28	-0.33	0.27
Employer pays at least part of the cost	0.06	0.14	0.26*	0.12
Do not know if the employer pays	0.38	0.38	0.40	0.33
Number of children (ref.: 0)				
1 child	-1.06***	0.17	-0.42**	0.15
Age (ref.: 18-24)				
25-29	1.39***	0.12	1.04***	0.12
30-34	1.62***	0.13	1.40***	0.13
35-39	1.15***	0.14	1.26***	0.13
40-44	-0.16	0.15	0.49***	0.14
45-49	-2.15***	0.24	-0.57***	0.16
Educational level (ref.: low)				
Medium or high	0.14	0.10	0.05	0.08
Region of Italy (ref.: North-West)				
North-East	0.18	0.12	0.15	0.11
Centre	0.31*	0.13	0.22	0.12
South	0.62***	0.12	0.48***	0.11
Islands	0.57***	0.15	0.42**	0.14
Partner (ref.: Partnered and cohabitating)				
Partnered non-cohabiting	-0.84***	0.12	-0.71***	0.12
Unpartnered	-1.62***	0.12	-1.56***	0.11
N	3719		4063	

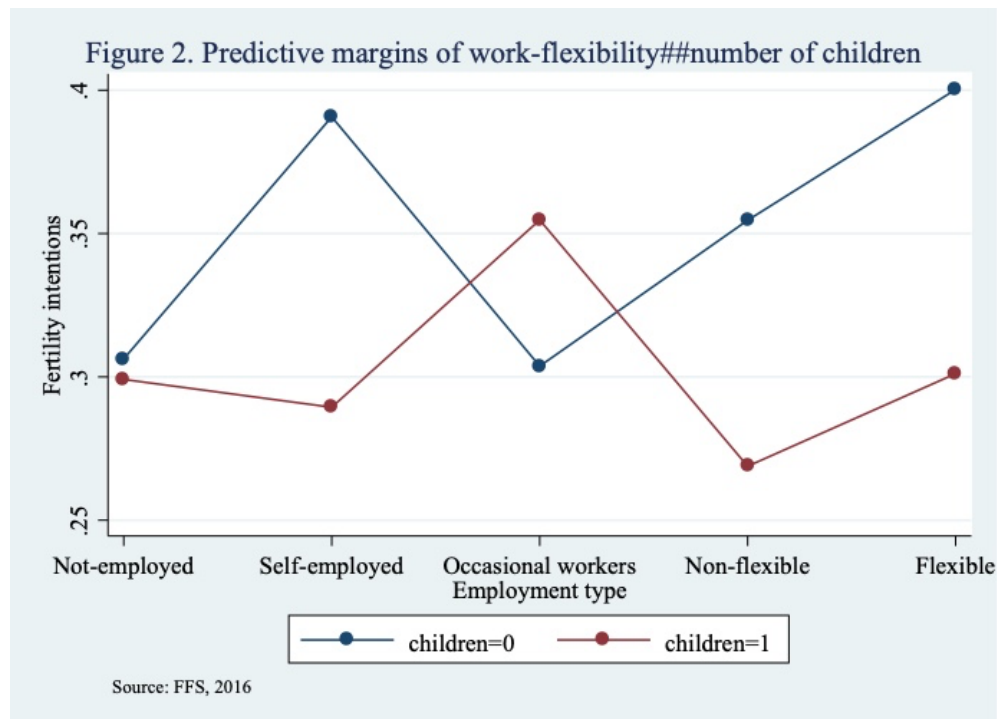
* p<0.05, ** p<0.01, *** p<0.001

Table 2 shows the regression results for Model 2. Through this regression, we examine whether having workplace flexibility to accommodate childcare demands influences reproductive plans. Estimates demonstrate that greater work flexibility is associated with a higher probability of intending to have children. The coefficients are significant for both females and males. These findings deviate from the ones of Kim and Parish (2022), where they observed a negative association between flexible working arrangements and fertility intentions. The estimates confirm that the number of children is an essential mediator in fertility intentions. **Figure 1** presents the predictive margins of the interaction between work flexibility for childcare and the number of children for women (Model 2). Results highlight a significant interaction between the two variables, showing distinct patterns in fertility intentions based on employment status and the number of children. Notably, workplace flexibility is positively associated with fertility intentions for both childless women and mothers. For childless women in Italy, the intention to have a child is lowest when they are not employed (net of age and other controls), and it is highest among women employees with flexible working arrangements. For mothers of one child, the model suggests that the intention to have a second child is highest among both non-employed mothers and mothers who are employed with flexible working arrangements.

Similar results hold for males. Once again, flexible working arrangements are positively associated with fertility intentions, and a stronger impact is observed among the childless (see **Figure 2**). For these men, the intention to have a child is lowest when they are unemployed or occasional workers, and it is highest when they are employees with flexible working arrangements. Among fathers of one child, we find that the intention to have a second child is highest for occasional workers, followed by fathers with flexible working arrangements.



Note: 'non-flexible': employment without flexible arrangements 'flexible': with some regularity or exceptional cases, 'occasional workers': limited-duration contract 'not-employed' (i.e., unemployed and inactive).



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Regarding the rest of the control variables, the educational level does not significantly impact the intention to have children. However, in comparison with having a lower education, the coefficients for having a higher education are positive. This result is consistent in women and men. Concerning the geographical region of Italy, estimates indicate that in comparison with living in the Northwest of Italy, living in the South or the Islands is positively correlated with the intention to have children. However, some differences emerged according to gender. In this regard, living in the Centre is only positively associated with women’s intention to have children. Even though the coefficient is positive, living in the Centre does not attain statistical significance for men’s fertility intentions.

Lastly, obviously the intention to have children in the next three years is considerably lower among unpartnered and partnered but non-cohabiting respondents compared to partnered and cohabiting respondents.

Table 2 Coefficient from Logistic regression on fertility intentions (Model 2)

	Women		Men	
	Coef.	Std. Error	Coef.	Std. Error
Work and flexibility (ref.: employed with non-flexible working arrangement)				
Not employed	-0.37	0.43	-0.20	0.41
Self-employed	-0.09	0.16	0.16	0.12
Occasional employed	-0.18	0.27	-0.21	0.26
Employed with flexible working arrangements	0.26*	0.13	0.22*	0.10
Number of children (ref.: 0)				
1 child	-0.92***	0.11	-0.47***	0.11
Age (ref.: 18-24)				
25-29	1.46***	0.12	1.06***	0.12
30-34	1.71***	0.13	1.44***	0.13
35-39	1.22***	0.14	1.30***	0.13
40-44	-0.11	0.15	0.53***	0.14
45-49	-2.09***	0.24	-0.53***	0.16
Educational level (ref.: low)				
Medium or high	0.11	0.10	0.00	0.08
Region of Italy (ref.: North-West)				
North-East	0.20	0.12	0.16	0.11
Centre	0.31*	0.13	0.22	0.12
South	0.65***	0.12	0.48***	0.11
Islands	0.60***	0.15	0.41**	0.14
Partner (ref.: Partnered and cohabitating)				
Partnered non-cohabiting	-0.86***	0.12	-0.70***	0.12
Unpartnered	-1.64***	0.11	-1.56***	0.11
N	3,719		4,063	

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Preliminary conclusions

This paper analyses the association between work flexibility and workplace benefits from the employer and the intention to have more children among women and men using data from the 2016 Italian Survey on Family and Social Subjects (FFS).

Our findings revealed that work flexibility positively influences fertility intentions for both women and men for the first and the second child. Furthermore, we find that when the employer covers at least a portion of the expenses for family-related services, it significantly impacts men's but not women's fertility intentions.

Future outlook

In order to expand these preliminary results, we are going to test their significance by two means. First, we plan to perform additional robustness checks to investigate whether having workplace family-related benefits provided by the employer impacts the intention to have children (Model 1). Second, we plan to include confidence intervals around these estimates and provide a table with pairwise comparisons to determine the significance of the tests.

Among other key comparisons, we aim to present information on whether women with flexible work arrangements are significantly more likely to express an intention to have a child compared to women with non-flexible work arrangements. In the final version of the paper, we will thoroughly discuss all these findings.

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