

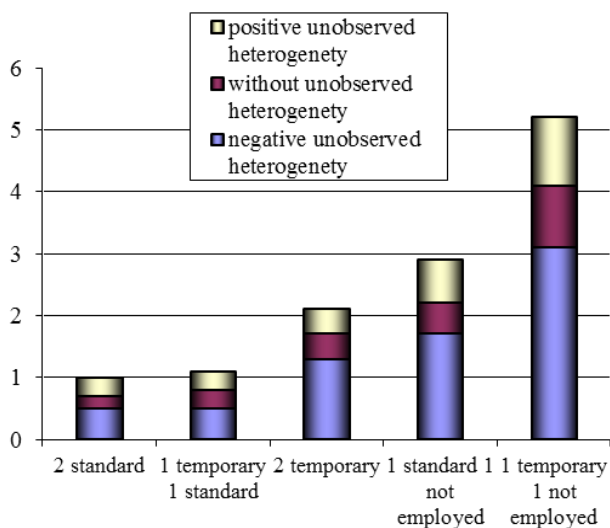
# Poor, but handsome

## Childbirth and the risk of transition to poverty among Italian households

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Child poverty and intergenerational transmission of social risks are intolerable features of the increase of social inequality occurred in the last two decades. In this paper, we study how in a sub-protective welfare model, as the Italian one, the households may enter poverty in concomitance with a child birth.

Using It-Silc data (2004-2007) by means of Random Effect logit models we show that families with new-born babies face higher poverty risks (threshold at 60% of median income) than their counterpart. In particular, a child birth represents a risky event among single earner couples and dual earner families where both partners have temporary works. In this regard, our results suggest how having two earners in the families is a necessary but not sufficient condition to reduce the poverty risk concomitant to a child birth.



*Predicted probabilities based on random effect logit model on the risk of transition to poverty*

In order to address these findings, counterfactual analysis is applied to test for the “causal” effect of childbirth on the transitions to poverty, across different types of families. The results confirm that in correspondence of a childbirth, Italian households experience a 5% net avg risk of entering poverty. Moreover, the analyses show a huge variability across different types of households with regards to the distribution of poverty risk associated to a childbirth, being the effect negligible in the case of two standard earners while exceeding 9% when looking to single earner families or even “at least one precarious” households.

Entry into poverty	Estimation	Sample
Childbirth (ATT)	0,05***	All
Childbirth (ATT)	0,02	2 standard
Childbirth (ATT)	0,03	1 standard 1 temporary
Childbirth (ATT)	0,10**	1 standard 1 not employed
Childbirth (ATT)	0,10*	At least 1 precarious

\*P<0.05 \*\*P<0.01 \*\*\*P<0.001

*Estimation of propensity score matching on the risk of transitions to poverty.*

Our empirical evidence points out how in Italy labor market precariousness and social vulnerability represent quite often two sides of the same coin: the Italian welfare state provides households with no sufficient resources in order to cope with the childbirths event, thus failing to prevent an increase of the probabilities of transition into poverty and a parallel deepening in intergenerational transmission of social and economic risks. This applies in particular to the case of “young families”, often composed by atypical workers, whose children could be affected by HH poverty spells during their childhood, possibly with negative consequences on their future life chances.



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