The Impact of Financial Access to Abortion on Women's Economic Outcomes: Evidence from Medicaid Coverage

Ana Pranger Advisor: Dr. Emma Harrington June 2022

Abstract

- How does the actual cost of abortion factor into women's economic decisions?
- Variations in state Medicaid policies over space and time
- Difference-in-differences, triple-difference specification
- Significant impacts of financial access on women's educational outcomes and smaller, less significant impacts on labor outcomes
- Access to abortion increases women's ability to invest in their own human capital and to participate more fully in the labor market

Institutional Background

- Abortion patients and cost
 - ³/₄ of patients earn below 200% of the FPL (Jones & Jerman, 2016)
 - Costs \$75 to \$2000, with an average cost of \$500 (Jones et al., 2018)
- Roe v. Wade (1973)
 - Established abortion as a constitutional right
- Hyde Amendment (first passed 1976, took effect 1980, amended 1993)
 - Bans the use of federal funds towards abortion care
- Harris v. McRae (1980)
 - Upheld the Hyde Amendment as constitutional under *Roe*'s framework
- Affordable Care Act (ACA) (passed 2010, first took effect 2014)
 - Expanded access to Medicaid in states that chose to expand



Methodology

- Data:
 - Current Population Survey 2010-2019
 - Guttmacher Institute information on state abortion policies
 - KFF Foundation reports on ACA expansion
- Approach:
 - Difference-in-differences over gender and state policy
 - Triple-difference over gender, income, and state policy
- Assumption
 - Parallel trends

Results: Education (Student Status)



Results: Education



Variable	Student	Student	Student	Student
	DIDID 1	DIDID 2	DIDID 3	DIDID 4
Elig. x Cov. x Exp.	0.018***	0.018***	0.019***	0.013***
	(0.005)	(0.005)	(0.005)	(0.004)
Coverage State	0.013**	0.010	0.010*	0.009
	(0.006)	(0.006)	(0.006)	(0.006)
Medicaid Eligibility	-0.042***	-0.042***	-0.042***	-0.018***
	(0.001)	(0.001)	(0.001)	(0.001)
Medicaid Expansion	-0.026***	-0.020***	-0.020***	-0.017***
	(0.002)	(0.002)	(0.002)	(0.002)
Elig. x Cov.	-0.014***	-0.014***	-0.011***	-0.013***
	(0.003)	(0.003)	(0.003)	(0.003)
Elig. x Exp.	0.025***	0.026***	0.024***	0.018***
	(0.003)	(0.003)	(0.003)	(0.003)
Cov. x Exp.	-0.001	0.000	0.000	0.002
	(0.003)	(0.003)	(0.003)	(0.003)
Constant	0.447***	0.458***	0.450***	1.881***
	(0.002)	(0.003)	(0.003)	(0.006)
Year x Gender Controls	No	Yes	Yes	Yes
Race Controls	No	No	Yes	Yes
Age, Marital Status, and Family Size Controls	No	No	No	Yes
N	1,125,947	1,125,947	1,125,947	1,125,947
R ²	0.012	0.013	0.020	0.146
Adjusted R ²	0.012	0.013	0.020	0.146

Student Status Triple Difference for Women in Non-Changing States

Standard errors clustered by state and year included in parentheses. *indicates p < .10, ** indicates p < .05, *** indicates p < .01

Results: Education

• DID coefficient represents approximately 10 days' more education, significant at 5% level

• Holds with varying controls

Difference-in-Differences on Years of Education Obtained				
Variable	Years 1	Years 2	Years 3	
Med. Nec. x Woman	0.028** (0.012)	0.030** (0.012)	0.029** (0.012)	
Medically Necessary	0.018** (0.008)	0.021** (0.009)	0.013 (0.009)	
Constant	13.705*** (0.004)	13.702*** (0.004)	14.287*** (0.010)	
Year x Gender Controls	Yes	Yes	Yes	
Race Controls	No	Yes	Yes	
Marital Status Controls	No	No	Yes	
Family Size Controls	No	No	Yes	
Age Controls	No	No	Yes	
Ν	3,758,223	3,758,223	3,758,223	
R ²	0.030	0.050	0.083	
Adjusted R ²	0.030	0.050	0.083	

Errors are clustered by state and gender, and the individual term for gender was omitted due to fixed effects. Standard errors are included in parentheses.

*indicates p < .10, ** indicates p < .05, *** indicates p < .01

Results: Labor Market

• DID coefficient represents half a percentage point greater likelihood of being in the labor force, significant at 5% level

• Holds with varying controls

Labor Force Participation						
Variable	LFP 1	LFP 2	LFP 3			
Med. Nec. x Woman	0.004** (0.002)	0.004** (0.002)	0.004** (0.002)			
Medically Necessary	-0.003*** (0.001)	-0.003** (0.001)	-0.003*** (0.001)			
Constant	0.826*** (0.001)	0.834*** (0.001)	0.820*** (0.001)			
Year x Gender Controls	Yes	Yes	Yes			
Race Controls	No	Yes	Yes			
Marital Status Controls	No	No	Yes			
Family Size Controls	No	No	Yes			
Age Controls	No	No	Yes			
N	3,758,223	3,758,223	3,758,223			
\mathbb{R}^2	0.045	0.046	0.050			
Adjusted R ²	0.045	0.046	0.050			

Errors are clustered by state and gender, and the individual term for gender was omitted due to fixed effects. Standard errors are included in parentheses.

*indicates p < .10, ** indicates p < .05, *** indicates p < .01

Results: Labor Market

- DID coefficient represents approximately 8 minutes more work per week, significant at 5% level
- Holds with varying controls

e suar ribur s vv or keu					
Variable	Work Hours 1	Work Hours 2	Work Hours 3		
Med. Nec. x Woman	0.137*** (0.051)	0.136*** (0.051)	0.142*** (0.051)		
Medically Necessary	-0.088** (0.035)	-0.089** (0.035)	-0.098** (0.035)		
Constant	40.604*** (0.018)	40.838*** (0.019)	38.442*** (0.045)		
Year x Gender Controls	Yes	Yes	Yes		
Race Controls	No	Yes	Yes		
Marital Status Controls	No	No	Yes		
Family Size Controls	No	No	Yes		
Age Controls	No	No	Yes		
Ν	2,724,049	2,724,049	2,724,049		
R ²	0.058	0.057	0.064		
Adjusted R ²	0.058	0.057	0.063		

Usual Hours Worked

Errors are clustered by state and gender, and the individual term for gender was omitted due to fixed effects. Standard errors are included in parentheses.

*indicates p < .10, ** indicates p < .05, *** indicates p < .01

Policy Implications

- Financial abortion access increases education and participation in the labor market
- States' policies vary widely in financial and physical access
- Gender gaps in abortion and non-abortion states may diverge

Panel B. Predicted changes in abortion rates if abortion becomes illegal in high-risk states



Source: Myers et al. (Work in Progress) (2019)