

THE CONSEQUENCES OF ABORTION FUNDING BANS

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THE IMPORTANCE OF PUBLIC ASSISTANCE PROGRAMS (I)

- * Public assistance programs in the U.S. are closely linked
- * **Policy Trade-offs:** Reducing funding in one area may shift individuals to rely on other public programs

THE IMPORTANCE OF PUBLIC ASSISTANCE PROGRAMS (II)

- * **Funding Cuts Deepen Disparities:**

- * Cuts to public programs disproportionately affect **low-income** and **minority** populations
(*Currie and Grogger, 2002; Toffolutti and Suhrcke, 2019; Jackson et al., 2021*)

- * **Expanding Access to Public Program Has Lasting Benefits:**

- * Greater access to public programs yields **long-term, intergenerational benefits**
(*Sommers and Oellerich, 2013; Chetty et al., 2016; Hoynes et al., 2016; Aizer et al., 2016; Goodman-Bacon, 2018, 2021; Hoehn-Velasco, 2021; East et al., 2023*)

MOTIVATION: NO FEDERAL ABORTION FUNDING

- * Prime example of a long-standing public funding restriction: The Hyde Amendment
 - * Prohibits the use of federal funds for abortion services
 - * Prohibits all federally funded abortions except in extreme circumstances of *rape, incest, or the endangerment of the pregnant woman's life*
- * Hyde Amendment in effect for almost 50 years—since 1976

HYDE AMENDMENT IMPACTS MILLIONS OF WOMEN AND FAMILIES

- * The Hyde Amendment mainly affects those receiving Medicaid
- * Medicaid is a major source of public health insurance in the U.S.
 - * It covers 79 million Americans; 16 million are women of reproductive age
 - * It covers more than 40% of births
 - * Medicaid covers one in five reproductive-age women (KFF, 2022b,a, 2024)

RESEARCH QUESTION

- * What is the effect of a ban on public funding for abortion?

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- * What is the effect of a ban on public funding for abortion?
 1. Fertility
 2. Participation in public assistance programs (1st and 2nd generation)

FERTILITY EFFECTS

- * **Treatment:** Compare counties based on pre-Hyde % *Medicaid eligible population*
- * **Methodology:** County-level event-study design
 - * Control for state-by-year fixed effects—effects are *within* state effects
 - * Vital statistics birth certificate data and SEER population data

KEY FINDINGS: FERTILITY

- * **Results:** Fertility ↑ by 1-2% at the average levels of AFDC participation
 - * Increase in fertility mainly for young women (<30)
 - * Amounts to 14,400 additional births in 1978 – in line with historical estimates (Cates 1981)

ECONOMIC OUTCOMES WELFARE PARTICIPATION

- * **Treatment:** State-level % decline in Medicaid-covered abortions between 1976 and the average of 1978-1982
- * **Methodology:** Event-study design at state level
 - * Compare states with larger declines to smaller declines
 - * Compare non-white to white women
 - * CPS data (1st generation) and ACS data (2nd generation)

KEY FINDINGS: PUBLIC ASSISTANCE

- * **Results 1st Generation:** An ↑ in the probability of receiving welfare, having any child in the household for non-white women versus white women
- * **Results 2nd Generation:** An ↑ in the probability of receiving public insurance, and some evidence of an increase in welfare participation for non-white women versus white women born around the Hyde Amendment

PREVIOUS LITERATURE

1. Effect of Hyde Amendment

- * Garbacz, 1990; Blank et al., 1996; Levine et al., 1996; Haas-Wilson, 1997; Levine et al. 1996; Kane and Staiger, 1996; Cook et al., 1999;

PREVIOUS LITERATURE

1. Effect of Hyde Amendment

- * Garbacz, 1990; Blank et al., 1996; Levine et al., 1996; Haas-Wilson, 1997; Levine et al. 1996; Kane and Staiger, 1996; Cook et al., 1999;
- * Contribution: Use within-state variation and consider all states with reduced public funding

PREVIOUS LITERATURE

2. Effects of Restrictions on Abortion

- * Joyce and Kaestner, 1996; Matthews et al., 1997; Blank et al., 1996; Haas-Wilson, Deborah, et al., 1996; Kane and Staiger, 1996; Bitler and Zavodny, 2001; Levine and Phillip B, 2003; Hock et al., 2007; Oreffice, 2007; Guldi, 2008; Klick and Stratmann, 2008; Jacobson and Royer, 2011; Sabia and Rees, 2013; Sabia and Anderson, 2016; Fischer et al., 2018 ; Myers and Ladd, 2020; Lindo et al., 2020; Lindo and Pineda-Torres, 2021; Miller et al., 2023; Jones and Pineda-Torres, 2024

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- * Contribution: Provide evidence of the downstream impacts of abortion funding restrictions on participation in public assistance programs

PREVIOUS LITERATURE

3. Expanding Access to Public Programs Can Have Long-term and Multi-Generational Benefits

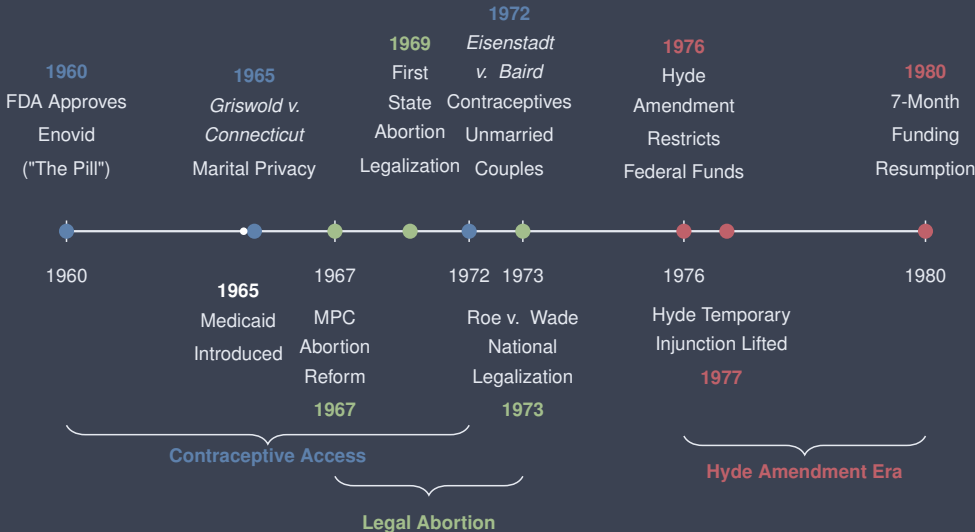
- * Sommers and Oellerich, 2013; Hoynes et al., 2016; Hoehn-Velasco, 2021; Goodman-Bacon, 2018, 2021; East et al., 2023

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- * Contribution: Inter-generational impacts of health care funding restrictions

ABBREVIATED TIMELINE OF REPRODUCTIVE RIGHTS



TIMELINE OF HYDE AMENDMENT

- * In 1976, US Congress passed the Hyde Amendment
 - * Bans the use of federal funding for abortions (*Gold, 1980*)
 - * Hyde Amendment publicized in newspapers in all 50 states over these years, 1976-1977

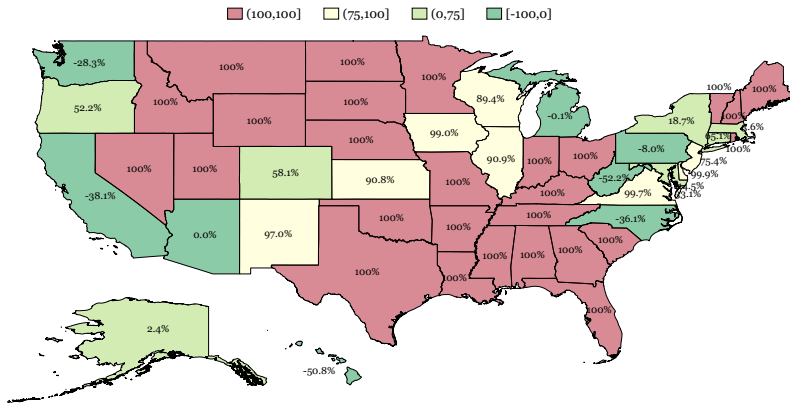
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 - * Bans the use of federal funding for abortions (*Gold, 1980*)
 - * Hyde Amendment publicized in newspapers in all 50 states over these years, 1976-1977
- * Full enforcement of Amendment delayed enforcement until August 4th, 1977, when the injunction was lifted (*Lincoln et al., 1977; CDC, 1977; Cates, 1981*)
- * 7-month period in 1980 when federal funding resumed while a Supreme Court ruling was pending on the Hyde Amendment (*Cates, 1981*)

HYDE AMENDMENT

- * Prior to the Hyde Amendment:
 - * Medicaid-funded abortions paid for by the federal government and the states
- * Post-Hyde Amendment:
 - * States could fund abortions entirely with state funds or stop providing abortion services through Medicaid programs
 - * By February 1979, 16 states and DC were providing funding for abortion in medically necessary cases, but many of these states still had declines in funding
 - * From 1977 to 1978, publicly funded abortions fell from 295,000 to around 194,000 abortions (Gold, 1980, Trussell et al., 1980)

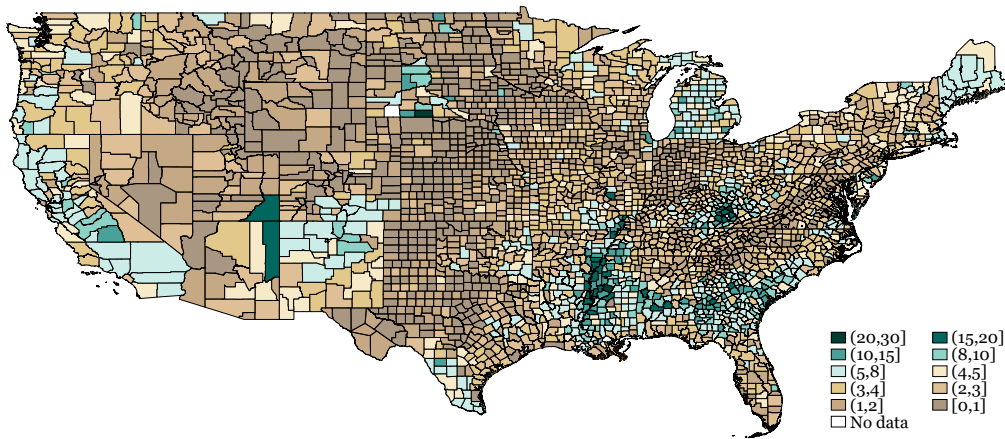
% DECLINE IN MEDICAID FUNDING, 1976 vs 1978-1982



DATA

1. **Fertility Data:** Natality Detail Files (National Vital Statistics System (NVSS), National Center for Health Statistics (NCHS))
2. **Population Composition:** SEER Population Data (SEER 2024)
3. **Medicaid Eligibility:** Share of the population receiving Aid to Families with Dependent Children (AFDC) (Census County and City Data Books (2012))
 - * Statutory link between cash welfare receipt and Medicaid eligibility
 - * AFDC receipt used as a proxy for Medicaid in similar studies (Goodman-Bacon, 2018, 2021)
4. **Changes in Medicaid abortions:** Digitized data on the state-level % decline in Medicaid abortions, 1976 vs average (1978-1981) (Lincoln et al. (1977), Gold (1980), Gold (1982))
5. **Economic outcomes:** Current Population Survey (CPS) and American Community Survey (ACS)

COUNTY-LEVEL PERCENT AFDC: MEDICAID ELIGIBILITY



EMPIRICAL STRATEGY. FERTILITY

Use an event-study specification for state s , county j and conception year $t = 1971, \dots, 1984$:

$$\ln(\text{Fertility})_{jst} =$$

* $\ln(\text{Fertility})_{jst}$ the number of conceptions per 1,000 women in the conception year

EMPIRICAL STRATEGY. FERTILITY

Use an event-study specification for state s , county j and conception year $t = 1971, \dots, 1984$:

$$\ln(\text{Fertility})_{jst} = \alpha + \sum_{m=1971}^{1984} \beta_m \text{Hyde Amendment}_m \times \text{Proportion AFDC}_{js}$$

- * $\ln(\text{Fertility})_{jst}$ the number of conceptions per 1,000 women in the conception year
- * $\text{Hyde Amendment}_m \times \text{Proportion AFDC}_{js}$ captures the Hyde effect based on the proportion of 1976's Medicaid-eligible population in county j

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- * $\mathbf{X}_{jt}$ represents the county-level controls—the share white, other race, female, and unemployment rate

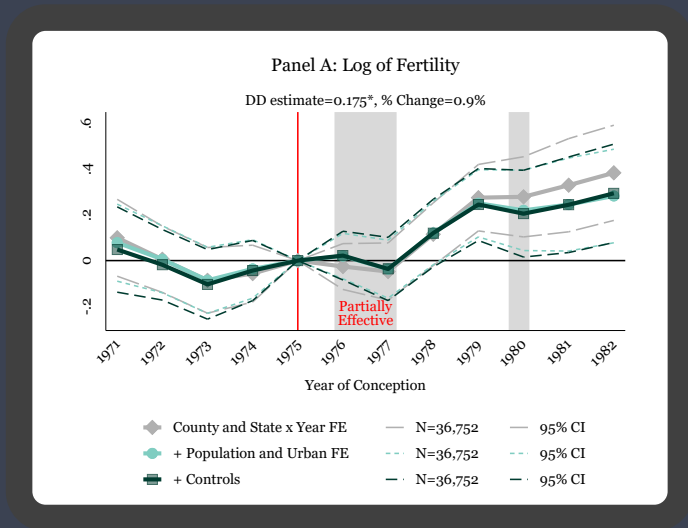
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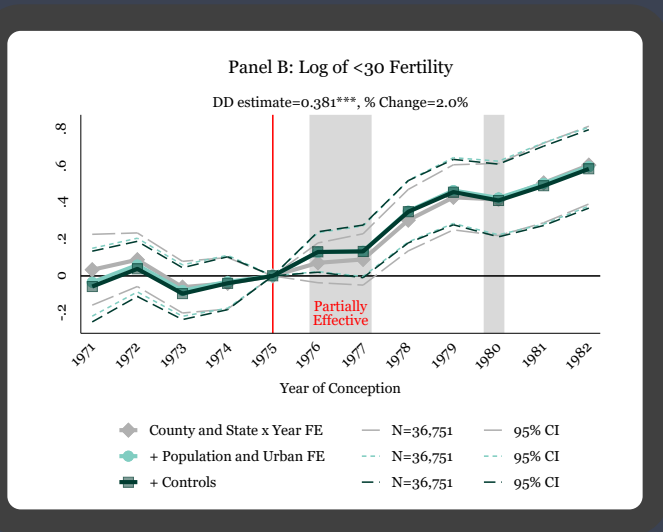
$$\ln(\text{Fertility})_{jst} = \alpha + \sum_{m=1971}^{1984} \beta_m \text{Hyde Amendment}_m \times \text{Proportion AFDC}_{js} \\ + \mathbf{X}_{jt}'\gamma + a_j + \eta_{st} + \psi_{u(j)t} + \epsilon_{jst}$$

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- * $\text{Hyde Amendment}_m \times \text{Proportion AFDC}_{js}$ captures the Hyde effect based on the proportion of 1976's Medicaid-eligible population in county j
- * $\mathbf{X}_{jt}$ represents the county-level controls—the share white, other race, female, and unemployment rate
- * Fixed effects: county a_j , state-by-conception-year η_{st} , and population-size-by-conception-year and urbanicity-by-conception-year $\psi_{u(j)t}$
- * Robust standard errors clustered at the county level

EVENT STUDY: FERTILITY



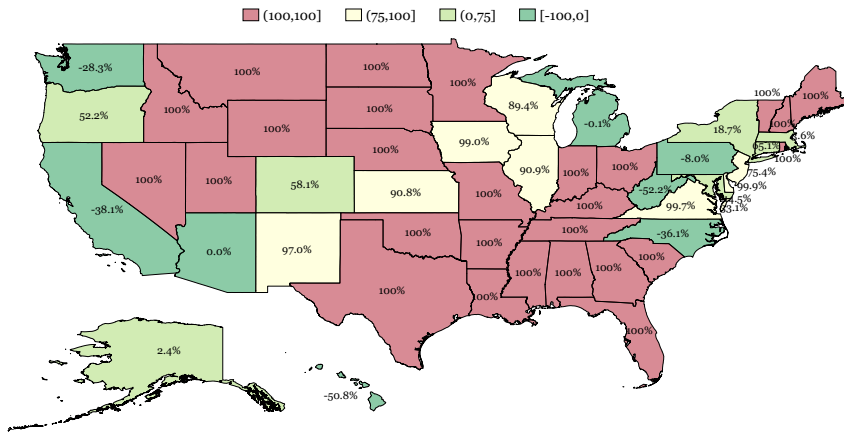
EVENT STUDY: FERTILITY <30



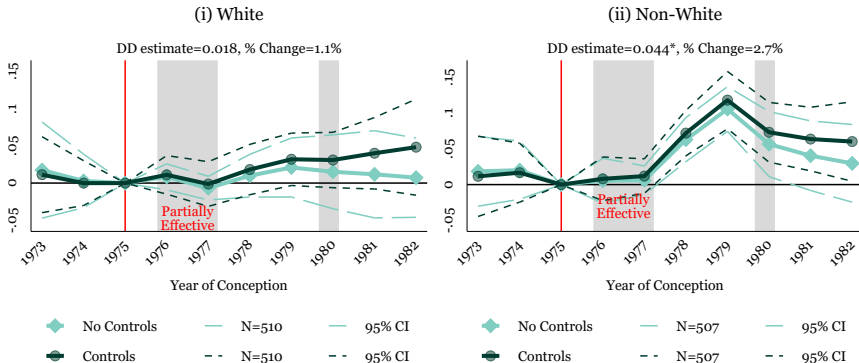
ESSENTIAL CHECKS ON THE MAIN FINDINGS

1. **Functional form:** similar results with Poisson model
2. **Alternative Measure of Eligibility:** percentile of eligibility, decile and quartile of eligibility
3. **Additional Controls:** Controlling for abortion providers (log of providers and providers per reproductive-age female) and Title X clinics; controlling for education level and marital status of births; controls for county-level income, unemployment
4. **Placebo Test:** randomly assigning eligibility
5. **Other checks:** dropping one state at a time, dropping states with parental involvement laws (1980s) and Medicaid expansions, adjusting standard errors for spatial correlation, clustering standard errors at the state level

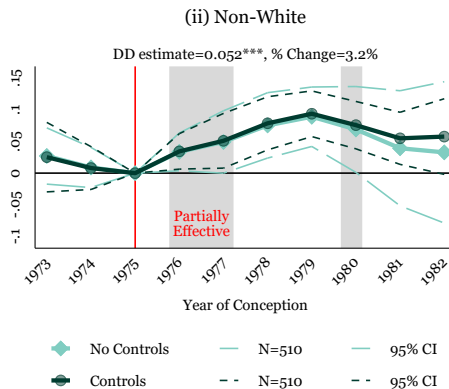
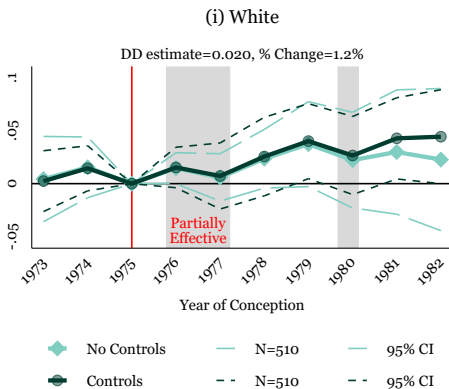
% DECLINE IN MEDICAID ABORTIONS, 1976 vs 1978-1982



EVENT STUDY: FERTILITY. AGES 18-19



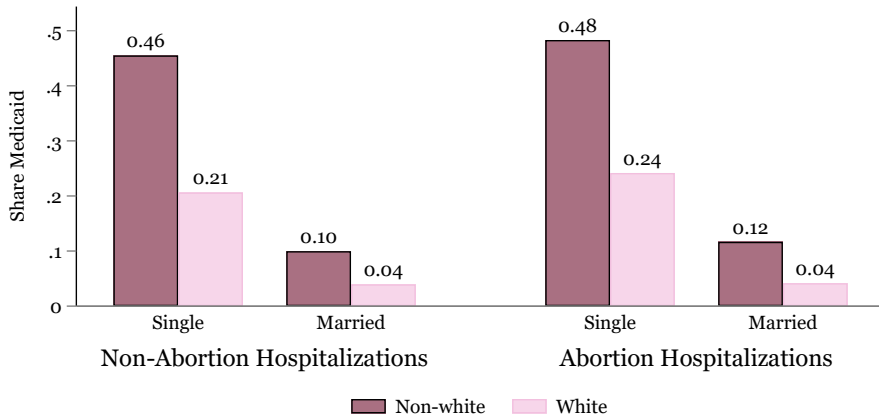
EVENT STUDY: FERTILITY. AGES 20-24



IMPACT OF HYDE AMENDMENT MOSTLY ON NON-WHITE WOMEN

- * Poor black women are more affected as compared with their white counterparts
 - * *39 percent of black women rely on Medicaid for their health care-including abortion-compared to just **seven** percent of white women (Lincoln et al., 1977, pg 213)*

WHO RECEIVES MEDICAID? WOMEN 15-44



IMPACT OF HYDE ON ECON OUTCOMES. 1ST GENERATION

- * **Disproportionate Impact:** Fertility effects are strongest among non-white women
- * **Pathways:**
 - * Women facing unintended pregnancies may turn to welfare programs for financial support.
 - * Women already receiving welfare may have additional children, deepening reliance on public assistance.
- * **Data:** *Current Population Survey (CPS)* respondents younger than 30.

EMPIRICAL STRATEGY. 1ST GEN ECONOMIC EFFECTS

Use an event-study specification for individual i , in state s and year t as follows:

$\text{Welfare}_{ist} =$

- * Welfare_{ist} welfare receipt for individual i living in state s in year t

EMPIRICAL STRATEGY. 1ST GEN ECONOMIC EFFECTS

Use an event-study specification for individual i , in state s and year t as follows:

$$\text{Welfare}_{ist} = \alpha + \sum_{m=1974}^{1981} \beta_m \text{Hyde Amendment}_m \times \% \text{Decline Medicaid Abortions}_s \times 1(\text{Non-white})_i$$

- * Welfare_{ist} welfare receipt for individual i living in state s in year t
- * $\text{Hyde Amendment}_m \times \% \text{Decline Medicaid Abortions}_s \times 1(\text{Non-white})_i$ captures the Hyde effect for non-White relative to White based on the average change in Medicaid abortion between 1976 vs 1978-1982

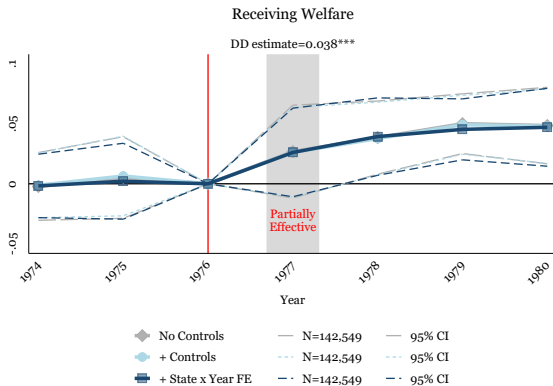
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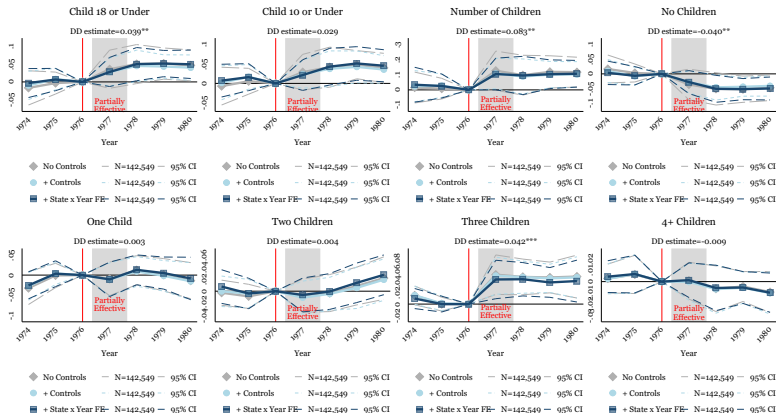
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- * Welfare_{ist} welfare receipt for individual i living in state s in year t
- * $\text{Hyde Amendment}_m \times \% \text{Decline Medicaid Abortions}_s \times 1(\text{Non-white})_i$ captures the Hyde effect for non-White relative to White based on the average change in Medicaid abortion between 1976 vs 1978-1982
- * $\mathbf{X}_{ist}$ represents individual level controls—age, a_s , η_{st} state and year fixed effects, $1(\text{Post})_t$ indicator for 1977 and after, robust standard errors clustered at the state level

RECEIVING WELFARE



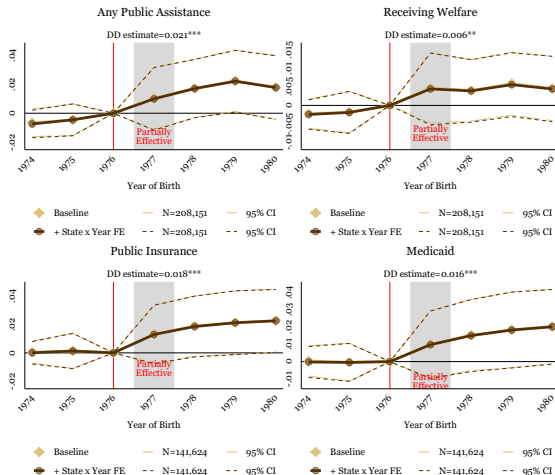
CHILDREN IN THE HOUSEHOLD



HYDE AMENDMENT AND ECONOMIC OUTCOMES—2ND GENERATION

- * **Data Source:** We use the *American Community Survey (ACS)* to study second-generation effects for women born around the Hyde Amendment
- * **Mechanisms:**
 - * Women facing unintended pregnancies may turn to welfare programs for financial support
 - * Families have more children
 - * Financial and time resources within households may decline, affecting children's outcomes
- * **Empirical Strategy:** Follows a similar approach as the CPS analysis, but examines *adult economic outcomes (2000–2019)* based on state and year of birth.

PUBLIC ASSISTANCE IN THE 2ND GENERATION



CONCLUSION

CONCLUSIONS: FERTILITY

- * **Primary Finding:** Hyde Amendment raises fertility for women <30 by 2% at average level of Medicaid eligibility

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- * **Primary Finding:** Hyde Amendment raises fertility for women <30 by 2% at average level of Medicaid eligibility
- * Differs from prior state-level findings, e.g., Levine et al. (1996); Haas-Wilson (1997). Why?
 - * *We use a county-level approach based on eligibility and % decline in funding*
 - * Prior work compared states based on the binary availability of Medicaid funding

CONCLUSIONS: PUBLIC ASSISTANCE – 1ST GENERATION

- * Non-White vs White women within the states with larger declines in abortion funding have a higher likelihood of receiving welfare
 - * Why? More likely to have children, have more children in the household, making it more difficult to participate in the labor market

CONCLUSIONS: PUBLIC ASSISTANCE – 2ND GENERATION

- * Non-White vs White women born between 1977-1980 more likely to be receiving public insurance (e.g., Medicaid) and welfare
- * The Hyde Amendment exacerbates economic inequality for two generations
 - * Children are born into already disadvantaged households and are likely to experience similar economic challenges and dependency on public assistance as adults

POLICY IMPLICATIONS

- * **Key Implication:** Reducing abortion funding increases the need for **public assistance** (e.g., cash welfare, public insurance).
- * **Welfare Perspective:**
 - * Policymakers must plan to provide **additional public assistance** when imposing abortion funding restrictions.
- * **Long-Term Effects:** Abortion funding restrictions have **inter-generational impacts** on public assistance participation

DOES THIS MATTER TODAY?

NEWS

ADMINISTRATION

ISSUES



PRESIDENTIAL ACTIONS

ENFORCING THE HYDE AMENDMENT

EXECUTIVE ORDER

January 24, 2025

Thank you!

Comments very much appreciated

Email: lvelasco@gsu.edu