

Fertility, family change and policy adjustments in Austria

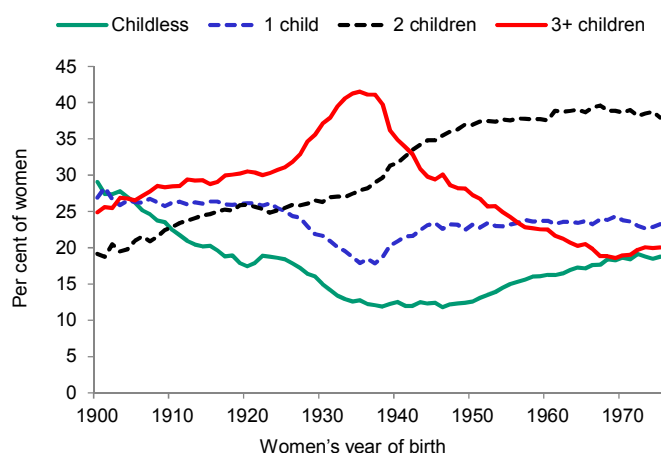
Policy Brief No. 3

Austria experienced a modest baby boom after the Second World War, peaking at a total fertility rate (TFR) of 2.82 children per woman in 1963, followed by a slow but steady decline. Since the mid-1980s, Austrian fertility has remained remarkably stable, ranging from 1.33 to 1.51 births per woman. In 2014, the TFR was 1.46 births per woman. Over the past century, the population has grown slowly from 6 million in 1900 to 8.5 million in 2014.

Family transformations

The post-war baby boom took place at the height of the “traditional family” model, characterized by a high prevalence of marriage and male bread-winners. Much of this pattern was reversed in the late 1960s and 1970s with a shift towards later and less marriage. By 2012, a woman’s peak age at first marriage was 30. The diminishing importance of marriage is also seen in the steady rise in the share of children born outside marriage.

Completed family size for Austrian women born from 1900 to 1975



Cohabitation has become a dominant form of partnership among people in their twenties; in fact, marriage without previous cohabitation has become unusual. The rise of less traditional living arrangements has also affected families with children. Most problematic from the policy perspective is the high share of single mothers, fuelled by a mix of unintended pregnancies, voluntary single motherhood, and instability of marital and cohabiting unions. At present, the total divorce rate is 40 per cent, and 14 per cent of all families with children are headed by single parents.

As of 2012, 42 per cent of Austrian women and 29 per cent of men were expected to obtain a university degree. Most young adults complete their education before having a family and starting a career. As a result, the expansion of tertiary education has been a key driving force in the shift towards delayed and reduced childbearing. Among Austrian women born in the late 1950s, completed fertility ranged from 2.00 births per woman for those with primary school or less education to 1.51 births per woman for those with tertiary education.

Completed family size and childlessness by the highest achieved level of education among Austrian women born between 1956–1960

	Completed fertility rate (births per woman)	Childlessness (percentage of all women in age cohort)
Completed primary school or below	2.00	13.4
Lower-secondary education, including apprenticeship	1.75	14.2
Upper-secondary education	1.54	23.1
Tertiary education	1.51	24.6
Total	1.78	15.7

By contrast, the availability and affordability of housing probably has a positive effect on family formation and fertility. Austria has a long tradition of providing housing, mostly owned and maintained by municipalities, to lower-income residents. Around one fifth of the population lives in low-rent public housing. In addition, rents in most private rental apartments are regulated, making rental housing affordable for most people and giving young adults the opportunity to establish their own households.

As in many other countries in Europe, migrants in Austria have higher fertility rates, on average, than native-born Austrians, and they account for a rising share of children born in the country. In 2013, 3 out of 10 newborn children had an immigrant mother. The TFR of migrant women has gradually declined, however, dropping to 1.8 births per woman as of 2013. Overall, migrants “boost” Austria’s TFR by about 0.10 births per woman.

One aspect of Austrian family life that is changing only slowly is the reluctance to combine raising small children with full-time employment. Austrians show a preference for mothers to stay at home during a child's first two to three years, and mothers most often rejoin the labour force on a part-time basis. Over time, Austrians have shifted towards a more positive view of working mothers, but almost two thirds of respondents in 2008 still thought small children are likely to suffer if their mothers work.

Family policies

Public spending on families tends to be high in Austria, amounting to 3.0 percent of gross domestic product, which is above the average for Organization for Economic Cooperation and Development (OECD) countries. Family policies include maternity and parental leave, cash transfers to parents and subsidized daycare.

Austrian mothers are entitled to a paid maternity leave of 16 weeks with full income replacement followed by one of the longest and most flexible paid parental leaves in the OECD countries. Parents can choose from five leave options, lasting from 12 to 30 months (or from 15 to 36 months if both parents participate). Four of these options provide a flat-rate leave allowance, while the fifth option provides 80 per cent of the pre-leave income. Most mothers chose to take an extended parental leave, implying a long interruption of employment.

Austria does not require fathers to take paternity leave, but families are entitled to longer parental leave if the father takes some portion. Austrian fathers have shown low participation, however. In 2012, only 17 per cent of all fathers took any parental leave. Not surprisingly perhaps, studies indicate that Austrian fathers spend little time on housework or childcare.

Cash benefits constitute another prominent component of family policy. Parents with dependent children up to age 24 receive monthly child allowances that vary with the age of the child and the number of children in the family, ranging up to an amount roughly equal to 10 per cent of net median income. Tax deductions and means-tested social benefits keep poverty rates below the average for OECD countries, but these transfers are less successful in alleviating poverty in single-parent families with children.

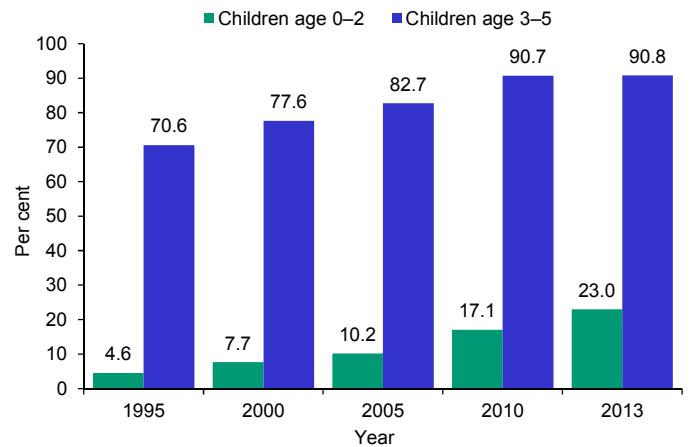
A gradual expansion of early childhood care accelerated after 2005, and enrolment for children aged 0–2 reached 23 per cent in 2013 — still below the European Union average of 32 per cent. As of 2013, 91 per cent of children aged 3–5 were in publicly funded childcare. In many parts of Austria, facilities for children below age 3 have short open hours, making it difficult for parents (particularly mothers) to work full-time. There is also limited afterschool care for older children.

Policy evolution

In 2014, the Austrian Government launched an ambitious family-policy agenda. Specific goals included dedicated funding for childcare expansion, especially for children below age 3. A radical revamp of the parental leave system is also being considered. The current options would be replaced with a fixed-sum “childcare account” plus flexibility in

choosing the duration of leave, the corresponding monthly payment, and the way the leave is shared between mothers and fathers.

Childcare enrolment (per cent) of children aged 0–2 and 3–5 in Austria, 1995–2013



Today, women's employment is closely tied to the availability of extended parental leave and the limited supply of public childcare. Although the leave allowance is paid by the government, employers are only obliged to provide employment-protected leave for up to two years, meaning that parents opting for the maximum leave period (36 months) may lose their jobs. Long parental leave may also hinder subsequent career advancement.

Arguably, Austria's current TFR is below the “optimal” level, but fertility at a moderate subreplacement level can actually be supportive of higher standards of living in the long run. Moreover, Austria has attracted considerable migration flows. When migration is taken into account, the Austrian population has been more than “replacing” itself during the past decades. A combination of a stable economic and policy environment, expanding childcare availability, and continuing immigration from higher-fertility countries may support the continuation of this trend.

NOTES

This policy brief was prepared as background material for the United Nations Expert Group Meeting on Policy Responses to Low Fertility. It can be found online at <http://esa.un.org/PopPolicy/publications.aspx>. Queries can be sent to PopPolicy@un.org.

The brief is based on Tomáš Sobotka (forthcoming), *The European middle way? Low fertility, family change, and gradual policy adjustments in Austria and the Czech Republic*. In Ronald R. Rindfuss and Minja Kim Choe (Eds.), *Low Fertility, Institutions, and Their Policies: Variations across Industrialized Countries*. Springer.

The findings, interpretations and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the United Nations or the East-West Center.

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