A Appendix – Key demographic developments in Austria and other selected countries

Table A.1: Key demographic developments in Austria and other selected countries

	Austria				United States				Sweden				Italy				France				Germany				United Kingdom			
	70s	80s	90s	00s	70s	80s	90s	00s	70s	80s	90s	00s	70s	80s	90s	00s	70s	80s	90s	00s	70s	80s	90s	00s	70s	80s	90s	00s
Marriage																												
Rate[a]	10.4	9.1	8.1	6.7	19.0	17.9	15.6	13.9	7.8	7.2	6.3	7.4	10.7	8.2	7.6	6.6	11.8	8.1	7.2	6.9	7.7	7.0	7.8	7.0	12.2	10.8	8.8	7.6
Stock[b]	71.8	69.4	62.7	53.7	75.8	67.0	47.1	41.2	69.8	54.5	48.8	43.9	71.6	73.7	65.7	63.0	74.5	69.7	–	55.6	–	–	65.7	63.0	78.2	74.1	64.7	54.2
Age[c]	–	21.9	24.3	27.3	–	22.0	23.9	25.1	–	26.4	27.6	30.6	–	24.1	25.6	28.1	–	23.0	25.6	28.0	–	23.4	25.9	28.4	–	23.0	25.2	28.2
Divorce																												
Rate[d]	2.4	2.9	3.3	3.6	8.2	8.7	7.7	6.9	3.7	3.6	3.8	3.6	0.4	0.5	0.8	1.2	1.8	2.8	3.0	3.2	2.5	3.2	3.0	3.6	3.5	4.1	4.3	3.9
Stock[e]	4.0	5.4	7.0	7.0	4.0	7.8	7.4	7.9	4.2	9.7	11.0	12.1	0.1	0.4	–	1.7	2.6	4.7	–	7.6	–	–	6.4	7.0	–	4.3	7.4	6.5
Fertility																												
Rate[f]	64.6	53.9	51.4	44.8	69.1	65.1	64.7	63.9	65.1	57.9	61.7	58.5	71.6	48.8	44.0	46.7	74.6	65.2	58.6	63.2	40.7	37.1	46.2	42.7	69.9	62.1	61.1	58.4
M. rate[g]	55.6	42.3	37.6	28.7	60.2	50.6	44.3	42.3	45.8	31.3	30.0	26.2	70.5	46.3	40.5	38.7	68.5	52.9	37.2	33.2	47.6	41.1	38.6	30.6	63.6	50.1	40.7	33.4
Non-m. rate[h]	9.0	11.6	13.9	16.1	9.8	14.5	20.5	21.6	19.3	26.7	31.7	32.4	2.0	2.5	3.4	6.5	6.2	12.4	21.4	30.0	4.4	6.8	7.6	12.1	6.2	11.9	20.4	24.5
Ratio[i]	14.0	21.6	27.1	36.0	14.3	22.4	31.6	33.8	30.1	45.8	51.8	55.3	2.9	5.2	7.7	14.3	8.4	19.2	36.5	47.4	8.6	13.8	16.4	28.4	9.0	19.2	33.5	42.3
Cohabitation																												
Stock[j]	–	–	3.2	11.1	–	2.8	2.9	7.2	–	11.8	15.5	21.1	–	1.6	1.8	3.2	–	5.5	10.8	15.9	–	6.2	7.9	7.3	–	1.9	5.3	10.5
Attitude																												
Marriage is out-dated[k]	–	–	11.9	19.0	–	9.2	9.1	10.0	–	14.8	15.2	20.2	–	23.3	14.1	17.0	–	32.3	29.1	34.8	–	–	20.3	20.2	–	14.7	18.4	27.2
Divorce is always justifiable[l]	–	–	9.2	19.4	–	5.6	7.7	12.6	–	18.6	22.9	41.0	–	17.0	11.6	9.1	–	10.8	10.5	17.2	–	12.9	21.0	19.5	–	8.1	10.3	11.4
never justifiable[l]	–	–	17.1	11.6	–	22.4	15.5	7.4	–	9.5	4.9	2.3	–	21.4	17.5	18.5	–	13.1	11.4	7.7	–	13.2	7.6	14.1	–	14.0	9.0	12.4
Infant Mortality																												
Rate[m]	20.2	11.0	6.0	4.0	16.4	10.9	8.1	6.8	9.2	6.5	4.4	2.8					19.0	12.6	8.7	3.9	17.9	9.7	5.6	3.9	15.6	10.0	6.5	5.1

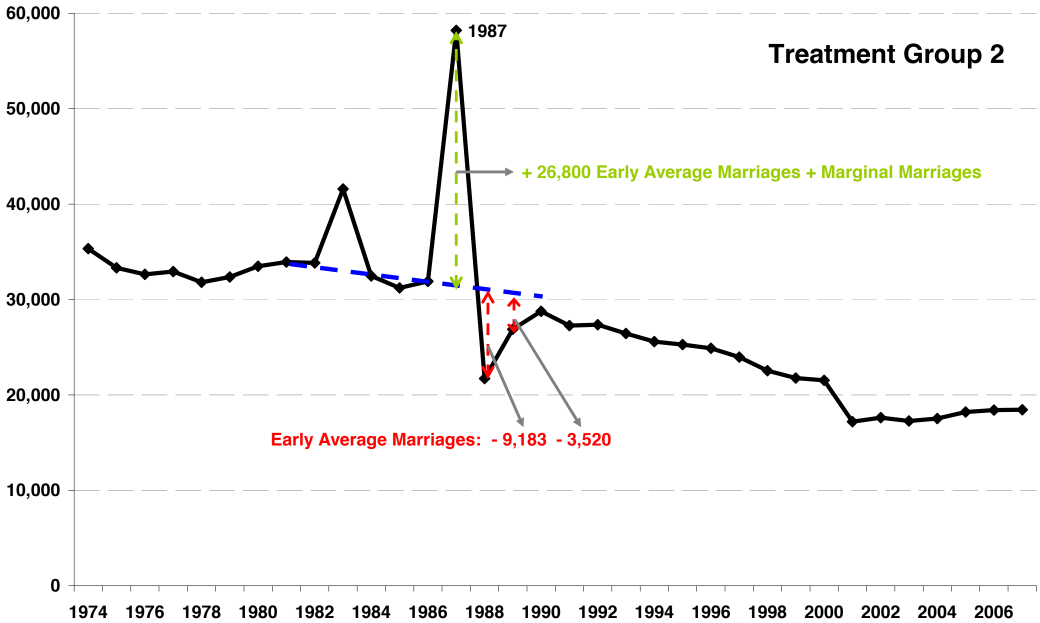
[a] Average marriage rate in the respective decade. The marriage rate is defined as the absolute number of annual marriages per 1,000 of the population between 15 and 64 years. Data source: Halla *et al.* (2013). [b] Share of currently married population. In majority of the cases the data refers to the years 1970, 1980, 1990 and 2000, respectively. If no data was available for the respective year, we used data from the years 1975, 1985, 1995 and 2005, respectively. Own calculations based on data from the *World Marriage Data 2012* and the *World Population Prospects: The 2012 Revision*; both provided on the website of the *United Nations, Department of Economic and Social Affairs, Population Division* (accessed in July, 2013). [c] Mean Age at First Marriage. Date refers to the years 1980, 1990 and 2000. Data source: UNECE Statistical Database, compiled from national and international (UNICEF TransMONEE) official sources. [d] Average divorce rate in the respective decade. The divorce rate is defined as the absolute number of annual divorces per 1,000 of the population between 15 and 64 years. Data source: Halla *et al.* (2013). [e] Share of currently divorced population. Data refers to the same years as in the case of the stock of married population. [f] Average fertility rate in the respective decade. The fertility rate is defined as the absolute number of annual live births to all females per 1,000 female population of childbearing age (i. e. between 15 and 44 years of age). Data source: Halla *et al.* (2013). [g] Average marital fertility rate rate in the respective decade. The marital fertility rate is defined as the absolute number of annual live births to all married females per 1,000 female population of childbearing age. Data source: Halla *et al.* (2013). [h] Average non-marital fertility rate rate in the respective decade. The non-marital fertility rate is defined as the absolute number of annual live births to all unmarried females per 1,000 female population of childbearing age. Data source: Halla *et al.* (2013). [i] Average out-of-wedlock ratio in the respective decade. The out-of-wedlock ratio is defined as the number of non-marital births divided by all births multiplied by 100. Data source: Halla *et al.* (2013). [j] Share of currently cohabitating population. Data refers to varying years; seed data source: (European and World Values Survey). [k] Respondents were asked whether they agree or disagree with the following statement? '*Marriage is an out-dated institution*'. Figure refers to the share of respondents who agree. Data refers to varying years; see data source: *European and World Values Survey.* [l] Respondents were asked to evaluate the following statements on a ten-point scale: '*Divorce [...] can always be justified, never be justified, or something in between.*'. Figures refers to the share of respondents who state 'always be justified' (=1) and 'never be justified' (=10), respectively. Data refers to varying years; see data source: *European and World Values Survey.* [m] Average infant mortality rate in the respective decade. Data source: World Bank.

B Appendix – Alternative approximations of the shares of marriage types

In the paper we suggest a very simple linear interpolation of long-run trends in marriages that allows us to approximate the share of early average, average and marginal marriages. In this section we show that alternative methods give very comparable estimates of the respective shares. In particular, we suggest (i) an alternative linear method, and (ii) a regression-based method.

Linear extrapolation It is possible to estimate the long run trend based only on data from the period before the announcement of the suspension. We suggest to extrapolate based on a linear trend between 1981 and 1986; see Figure B.1 below. This results in estimated shortfalls of 9,183 and 3,520 marriages for the years 1988 and 1989, respectively (see the vertical red bars). The number of marginal marriages is then equal to 14,097 — the difference between the surplus from 1987 and the sum of the shortfalls from 1988 and 1989. As argued in the paper, marginal marriages can by definition only be formed after the announcement of the suspension and before January 1, 1988. If we relate the 14,097 marginal marriages (and the 12,703 early average marriages) to all 31,005 T^2 marriages formed between October and December 1987, we find that approximately 46 percent of these were marginal marriages, 41 percent were early average marriages, and the remaining 14 percent were average marriages. Our initial approximation (used in the paper) assumes 51 percent, 36 percent, and 13 percent, respectively.

Figure B.1: Alternative quantification of (early) average marriages and marginal marriages[a]



[a] Own calculations based on data from the *Austrian Marriage Register*. This graph shows the number of yearly of marriages of treatment group 2 couples (i. e. neither spouse has been married before) from 1981 through 1993. See also notes to Figures 1 and 2.

Regression-based approach A more elaborated way to approximate long-run trends in marriages is given by a regression-based approach. We follow here closely the idea of Persson (2013). We use aggregated quarterly data on the number of marriages for the time period 1971-1990. In order to estimate the number of *additional* marriages induced by the announcement (i.e. the sum of marginal and early average marriages) we run the following regression separately for T^1, T^2 and comparison couples:

$$marr_q = \beta_0 + \beta_1 * TP + \eta_q + t(q) + \epsilon, \tag{3}$$

were $marr_q$ is the number of marriages in quarter q, TP is a binary indicator for the last quarter of 1987, η_q are quarter fixed effects to correct for seasonality, and $t(q)$ are higher order polynomials in time. The estimate of β_1 provides us with our estimate for the sum of marginal and early average marriages in the last quarter of 1987 .

Similarly, one can estimate the number of early average marriages with the following model

$$marr_q = \gamma_0 + \gamma_1 * PT + \eta_q + t(q) + \epsilon, \tag{4}$$

where PT is a binary indicator for post-treatment years 1988 and 1989. The estimate of γ_1 provides us with our estimate of the number of early average marriages. As in the paper, we assume here that couples did not advance their planned weddings more than 26 months (i. e. from December 1989 to October 1987). An extension of this period would, however, essentially lead to substantial lower estimates for early average marriages.

We have estimated the models with different orders of the quarterly time polynomials to approximate the underlying unknown functional form of marriages over time. The estimated number of early average marriages, however, seems to be sensitive to the order of polynomials. This sensitivity decreases with higher order polynomials and stabilizes at the order 6. Polynomials of even higher order lead to very comparable estimates. Table B.1 below summarizes the estimation results for polynomials of the order of two and six. It turns out that the estimated number of excess and early average marriages for T^1- and T^2-marriages are significant and consistent with our previous approximations. For T^2-marriages, we find now 45% marginal marriages (compared to 51% and 46% in the other methods) and 38% early average marriages (compared to 36% and 41%). Similarly for T^1-marriages, we find 37% marginal marriages (44% and 34%) and 32% early average marriages (26% or 34%).

In sum, we have shown that different methods for the approximation of the share of early average, average and marginal marriages give very comparable numbers. In all cases, we would multiply our estimates of the compositional effects for T^2-marriages by roughly two and we would arrive at similar selection effects.

Table B.1: Regression based quantification of marginal and early average marriages[a]

	T^2-marriages				T^1-marriages				Non-eligible	
	2^{nd} order		6^{th} order		2^{nd} order		6^{th} order		6^{th} order	
$\beta_1 : TP$	25,449.14***	(0.000)	25,937.09***	(0.000)	2,608.57***	(0.000)	2,659.04***	(0.000)	−66.23	(0.391)
$\gamma_1 : PT$	−6,582.30***	(0.000)	−11,899.21***	(0.000)	−588.78***	(0.001)	−1,237.75***	(0.000)	26.68	(0.680)
Quarter fixed-effects	yes		yes		yes		yes		yes	
Order of polynomial	2		6		2		6		6	
No. of observations	80		80		80		80		80	
This corresponds to following approximate shares of										
Marginal marriages	60.85%		45.28%		52.00%		36.59%		100%	
Early average marriages	21.23%		38.38%		15.16%		31.87%		0%	
Average marriages	17.92%		16.35%		32.84%		31.54%		0%	

[a] Estimation method: OLS with p-values in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively.

C Appendix – Introduction of the marriage subsidy

In this section we analyze the introduction of the marriage subsidy in the year 1972. In particular, we check whether there were any compositional effects of the subsidy. This provides a consistency check of the estimation results presented in the paper; where we have to assume the absence of any compositional effects (prior to the announcement of its suspension) in order to cleanly identify the transfer effects.

It is important to note that the marriage subsidy was a substitute to a preceding tax deductibility scheme with very similar financial marriage incentives. Therefore in the absence of differences in financial incentives, transfer effects at the time of introduction of the subsidy should be zero. The access to these marriage-related policies, however, was fundamentally different and the simple cash-on hand scheme could incentivize different or more couples to marry. If divorce risk is found to be statistically different for couples marrying after the introduction, then this effect can be attributed to a changed composition of marriages rather than to a causal effect of the subsidy itself.

We use the following Differences-In-Difference model to test whether eligible T^1 and T^2 couples who married after the introduction of the marriage subsidy exhibit a significantly different divorce risk:

$$h(t|\mathbf{X}) = h_0(t)\exp(\mathbf{X}\beta), \tag{5a}$$
$$\mathbf{X}\beta = \beta_0 + \beta_1 T^1 + \beta_2 T^2 + \beta_3 SP + \beta_5 T^1 * SP + \beta_6 T^2 * SP + \gamma * X_i + u_i, \tag{5b}$$

where SP takes the value one for couples marrying in 1972 or later, and zero otherwise. We use the same control variables as in specification (IV) in Table 2 in the paper. As *Austrian Marriage Register Data* are only available since 1971, we only have one pre-subsidy year. In the absence of transfer effects, the interaction terms between subsidy period SP and the treatment groups indicators can then be interpreted as compositional effects. Specification (I) in Table C.1 summarizes the estimation results based on a sample covering the whole time period from 1971 through 1975. We find no significant compositional effects for T^1-marriages. In the case of T^2-marriages we find a marginally significant effect. One has to keep in mind that in the year 1972, when the subsidy was introduced, a substantial number of delayed marriages took place: compare the dip in marriages in 1971 and the spike in 1972 in Figure 1 in the paper. That means, marriages in 1972 might be substantially differently composed than marriages in the subsequent years. To eliminate this problem, we re-estimate our analysis in specification (II) excluding observations from the year 1972. Now we do not find any evidence for compositional effects. Finally specification (III) shows that this results is also robust to variations in the sample size. That means, our assumption of no compositional effects before the announcement seems justified and the transfer effects discussed in the paper are identified.

Table C.1: Effects of introduction of the marriage subsidy[a]

	(I) 1971-1975		(II) 1971-1975 w/o 1972		(III) 1971-1977 w/o 1972	
Compositional effects:						
$\beta_5 : T_1 \cdot SP$	1.033	(0.428)	0.970	(0.579)	0.988	(0.825)
$\beta_6 : T_2 \cdot SP$	1.041*	(0.055)	1.003	(0.910)	1.007	(0.709)
$\beta_1 : T_1$	0.614***	(0.000)	0.589***	(0.000)	0.593***	(0.000)
$\beta_2 : T_2$	0.349***	(0.000)	0.333***	(0.000)	0.331***	(0.000)
$\beta_3 : SP(72-)$	1.062	(0.266)	1.119	(0.160)	1.099*	(0.092)
Quarter fixed-effects	yes		yes		yes	
District fixed-effects	yes		yes		yes	
Group-specific time trends	yes		yes		yes	
Age & age difference[b]	yes		yes		yes	
Religious denomination[c]	yes		yes		yes	
Labor market status[d]	yes		yes		yes	
No. of observations	222,059		174,185		258,483	

[a] Estimation method: Cox proportional hazards model. Hazard ratios with p-values in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. Interaction terms recomputed according to Ai & Norton (2003). [b] The estimation controls for the wife's age and the spouses age difference (squared). [c] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [d] The estimation includes binary variables capturing the following labor market status of wife and husband (measured one quarter before marriage): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed), unemployed, and out of labor force.

D Appendix – Sensitivity analysis of model specification and sample choice

Table D.1: Marital instability (specification without group-specific time trends)[a]

	(I) 1981-1993		(II) without 1983		(III) w/o 1983 & h1-1988		(IV) + Labor		(V) + Kids	
Compositional effects:										
$\beta_5 : T_1 \cdot TP$	0.975	(0.543)	0.981	(0.648)	0.982	(0.651)	0.974	(0.566)	0.957	(0.344)
$\beta_6 : T_2 \cdot TP$	1.017	(0.433)	1.023	(0.298)	1.022	(0.298)	1.030	(0.291)	1.020	(0.488)
Transfer effects (inverse):										
$\beta_7 : T_1 \cdot postTP$	1.006	(0.629)	1.012	(0.361)	1.006	(0.673)	1.046***	(0.004)	1.027	(0.124)
$\beta_8 : T_2 \cdot postTP$	0.996	(0.497)	1.001	(0.818)	0.998	(0.775)	1.026***	(0.002)	1.015	(0.115)
$\beta_1 : T_1$	0.614***	(0.000)	0.608***	(0.000)	0.607***	(0.000)	0.684***	(0.000)	0.698***	(0.000)
$\beta_2 : T_2$	0.324***	(0.000)	0.219***	(0.000)	0.319***	(0.000)	0.417***	(0.000)	0.422***	(0.000)
$\beta_3 : TP$	1.025	(0.691)	1.018	(0.778)	1.018	(0.782)	0.980	(0.744)	1.004	(0.952)
$\beta_4 : postTP$	1.010	(0.624)	0.996	(0.828)	1.004	(0.858)	0.970	(0.145)	0.967	(0.151)
Quarter fixed-effects	yes		yes		yes		yes		yes	
District fixed-effects	yes		yes		yes		yes		yes	
Group-specific time trends	no		no		no		no		no	
Age & age difference[b]	yes		yes		yes		yes		yes	
Religious denomination[c]	yes		yes		yes		yes		yes	
Labor market status[d]	no		no		no		yes		yes	
Pre-marital children[e]	no		no		no		no		yes	
No. of observations	550,295		498,654		486,876		486,876		400,381	

[a] Estimation method: Cox proportional hazards model. Hazard ratios with p-values (based on heteroskedasticity-robust standard errors) in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. Interaction terms recomputed according to Ai & Norton (2003). [b] The estimation controls for the wife's age and the spouses age difference (squared). [c] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [d] The estimation includes binary variables capturing the following labor market status of wife and husband (measured one quarter before marriage): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed), unemployed, and out of labor force. [e] The estimation includes a cardinal variable capturing the number of joint pre-marital children.

Table D.2: Marital fertility (specification without group-specific time trends)[a]

	(I) w/o pre-marital children		(II) with pre-marital children	
Compositional effects:				
$\beta_5 : T_1 \cdot TP$	−0.068***	(0.002)	−0.006	(0.759)
$\beta_6 : T_2 \cdot TP$	−0.163***	(0.000)	−0.107***	(0.000)
Transfer effects (inverse):				
$\beta_7 : T_1 \cdot postTP$	−0.011	(0.195)	0.004	(0.645)
$\beta_8 : T_2 \cdot postTP$	−0.016**	(0.017)	−0.006	(0.389)
$\beta_1 : T_1$	0.025***	(0.000)	0.075***	(0.000)
$\beta_2 : T_2$	0.261***	(0.000)	0.333***	(0.000)
$\beta_3 : TP$	0.027	(0.141)	−0.011	(0.529)
$\beta_4 : postTP$	0.036***	(0.000)	0.003	(0.733)
Quarter fixed-effects	yes		yes	
District fixed-effects	yes		yes	
Group-specific time trends	no		no	
Age & age difference[b]	yes		yes	
Religious denomination[c]	yes		yes	
Labor market status[d]	yes		yes	
Pre-marital children[e]	no		yes	
Mean of dep. var.	1.195			
S.d. of dep. var.	1.060			

[a] Dependent variable is the number of marital children born by 2007. Estimation method: ordinary least squares. Coefficients with p-values (based on heteroskedasticity-robust standard errors) in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. The number of observations is in each estimation equal to 401,314. [b] The estimation controls for the wife's age and the spouses age difference (squared). [c] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [d] The estimation includes binary variables capturing the following labor market status of wife and husband (measured one quarter before marriage): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed), unemployed, and out of labor force. [e] The estimation includes a cardinal variable capturing the number of joint pre-marital children.

Table D.3: Health at birth (specification without group-specific time trends)[a]

	Gestation length[b]		Birth weight[c]		Apgar score 10[d]		Male birth	
Compositional effects:								
$\beta_5 : T_1 \cdot TP$	−0.259	(0.118)	−99.40**	(0.049)	−0.048	(0.159)	0.036	(0.469)
$\beta_6 : T_2 \cdot TP$	−0.209	(0.183)	−93.15*	(0.052)	−0.035	(0.247)	0.021	(0.652)
Transfer effects (inverse):								
$\beta_7 : T_1 \cdot postTP$	−0.033	(0.583)	−25.07	(0.159)	0.008	(0.652)	−0.004	(0.814)
$\beta_8 : T_2 \cdot postTP$	−0.043	(0.442)	−27.47*	(0.094)	0.006	(0.719)	−0.004	(0.757)
$\beta_1 : T_1$	0.073	(0.107)	−3.95	(0.770)	−0.002	(0.885)	0.001	(0.951)
$\beta_2 : T_2$	0.113***	(0.008)	−6.92	(0.582)	−0.004	(0.727)	0.005	(0.643)
$\beta_3 : TP$	0.202	(0.197)	85.85*	(0.073)	0.027	(0.371)	−0.022	(0.639)
$\beta_4 : postTP$	0.057	(0.313)	21.50	(0.199)	−0.015	(0.377)	0.006	(0.705)
Quarter fixed-effects	yes		yes		yes		yes	
District fixed-effects	yes		yes		yes		yes	
Group-specific time trends	no		no		no		no	
Birth quarter fixed-effects	yes		yes		yes		yes	
Age of mother at birth	yes		yes		yes		yes	
Religious denomination[e]	yes		yes		yes		yes	
Labor market status[f]	yes		yes		yes		yes	
Pre-marital children[g]	yes		yes		yes		yes	
Observations	230,168		230,168		227,482		230,168	
Mean of dep. var.	39.684		3,255.02		9.879		0.513	
S.d. of dep. var.	1.773		516.07		0.535		-	

[a] Estimation method: ordinary least squares. Coefficients with p-values in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. Health outcomes refer to the first marital child. [b] The gestation length is measured in weeks. [c] The weight at birth is measured in grams. [d] Missing information on Apgar scores for 2,686 observations.
[e] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [f] The estimation includes binary variables capturing the following labor market status of wife (measured at the time of birth): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed) & not employed.
[g] The estimation includes a cardinal variable capturing the number of pre-marital children.

Table D.4: Marital instability (based on extended sample from 1974 through 2000)[a]

	(I) 1981-1993		(II) without 1983		(III) w/o 1983 & h1-1988		(IV) + Labor		(V) + Kids	
Compositional effects:										
$\beta_5 : T_1 \cdot TP$	0.996	(0.974)	1.005	(0.913)	1.001	(0.983)	0.993	(0.894)	0.960	(0.480)
$\beta_6 : T_2 \cdot TP$	1.037	(0.117)	1.044*	(0.071)	1.041*	(0.085)	1.037	(0.177)	1.037	(0.316)
Transfer effects (inverse):										
$\beta_7 : T_1 \cdot postTP$	1.027	(0.177)	1.036*	(0.086)	1.023	(0.258)	1.053**	(0.023)	1.094***	(0.007)
$\beta_8 : T_2 \cdot postTP$	1.005	(0.552)	1.013	(0.150)	1.007	(0.444)	1.015	(0.179)	1.067***	(0.001)
$\beta_1 : T_1$	0.632***	(0.000)	0.632***	(0.000)	0.625***	(0.000)	0.668***	(0.000)	0.841***	(0.001)
$\beta_2 : T_2$	0.337***	(0.000)	0.337***	(0.000)	0.333***	(0.000)	0.395***	(0.000)	0.534***	(0.000)
$\beta_3 : TP$	0.999	(0.982)	0.990	(0.869)	0.995	(0.931)	0.976	(0.699)	1.010	(0.880)
$\beta_4 : postTP$	0.996	(0.851)	0.978	(0.366)	0.993	(0.770)	0.991	(0.725)	0.978	(0.415)
Quarter fixed-effects	yes		yes		yes		yes		yes	
District fixed-effects	yes		yes		yes		yes		yes	
Group-specific time trends	yes		yes		yes		yes		yes	
Age & age difference[b]	yes		yes		yes		yes		yes	
Religious denomination[c]	yes		yes		yes		yes		yes	
Labor market status[d]	no		no		no		yes		yes	
Pre-marital children[e]	no		no		no		no		yes	
No. of observations	1,082,437		1,030,796		1,019,018		1,019,018		634,154	

[a] Estimation method: Cox proportional hazards model. Hazard ratios with p-values (based on heteroskedasticity-robust standard errors) in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. Interaction terms recomputed according to Ai & Norton (2003). [b] The estimation controls for the wife's age and the spouses age difference (squared). [c] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [d] The estimation includes binary variables capturing the following labor market status of wife and husband (measured one quarter before marriage): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed), unemployed, and out of labor force. [e] The estimation includes a cardinal variable capturing the number of joint pre-marital children.

Table D.5: Marital fertility (based on extended sample from 1984 through 2000)[a]

	(I) w/o pre-marital children		(II) with pre-marital children	
Compositional effects:				
$\beta_5 : T_1 \cdot TP$	−0.070***	(0.001)	−0.019	(0.364)
$\beta_6 : T_2 \cdot TP$	−0.153***	(0.000)	−0.110***	(0.000)
Transfer effects (inverse):				
$\beta_7 : T_1 \cdot postTP$	−0.012	(0.195)	−0.026**	(0.016)
$\beta_8 : T_2 \cdot postTP$	0.031***	(0.000)	−0.006	(0.518)
$\beta_1 : T_1$	0.058***	(0.000)	0.024	(0.123)
$\beta_2 : T_2$	0.459***	(0.000)	0.397***	(0.000)
$\beta_3 : TP$	0.021	(0.214)	−0.004	(0.806)
$\beta_4 : postTP$	0.020***	(0.010)	0.020***	(0.010)
Quarter fixed-effects	yes		yes	
District fixed-effects	yes		yes	
Group-specific time trends	yes		yes	
Age & age difference[b]	yes		yes	
Religious denomination[c]	yes		yes	
Labor market status[d]	yes		yes	
Pre-marital children[e]	no		yes	
Mean of dep. var.	1.107			
S.d. of dep. var.	1.031			

[a] Dependent variable is the number of marital children born by 2007. Estimation method: ordinary least squares. Coefficients with p-values (based on heteroskedasticity-robust standard errors) in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. The number of observations is in each estimation equal to 635, 297. [b] The estimation controls for the wife's age and the spouses age difference (squared). [c] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [d] The estimation includes binary variables capturing the following labor market status of wife and husband (measured one quarter before marriage): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed), unemployed, and out of labor force. [e] The estimation includes a cardinal variable capturing the number of joint pre-marital children.

Table D.6: Health at birth (based on extended sample from 1984 through 2000)[a]

	Gestation length[b]		Birth weight[c]		Apgar score 10[d]		Male birth	
Compositional effects:								
$\beta_5 : T_1 \cdot TP$	−0.267	(0.110)	−104.70**	(0.038)	−0.045	(0.185)	0.034	(0.494)
$\beta_6 : T_2 \cdot TP$	−0.210	(0.183)	−96.11**	(0.046)	−0.027	(0.364)	0.019	(0.690)
Transfer effects (inverse):								
$\beta_7 : T_1 \cdot postTP$	−0.038	(0.646)	−33.00	(0.176)	0.006	(0.771)	−0.014	(0.505)
$\beta_8 : T_2 \cdot postTP$	−0.041	(0.593)	−28.69	(0.202)	0.003	(0.899)	−0.016	(0.420)
$\beta_1 : T_1$	0.000	(0.999)	−54.38	(0.143)	−0.011	(0.754)	−0.016	(0.619)
$\beta_2 : T_2$	0.101	(0.397)	−33.07	(0.334)	−0.013	(0.677)	−0.014	(0.632)
$\beta_3 : TP$	0.236	(0.133)	91.78*	(0.057)	0.018	(0.535)	−0.019	(0.678)
$\beta_4 : postTP$	0.146*	(0.054)	27.43	(0.217)	−0.016	(0.417)	0.015	(0.439)
Quarter fixed-effects	yes		yes		yes		yes	
District fixed-effects	yes		yes		yes		yes	
Group-specific time trends	yes		yes		yes		yes	
Birth quarter fixed-effects	yes		yes		yes		yes	
Age of mother at birth	yes		yes		yes		yes	
Religious denomination[e]	yes		yes		yes		yes	
Labor market status[f]	yes		yes		yes		yes	
Pre-marital children[g]	yes		yes		yes		yes	
Observations	351,876		351,876		348,081		351,876	
Mean of dep. var.	39.657		3,265.87		9.886		0.513	
S.d. of dep. var.	1.823		523.58		0.523		-	

[a] Estimation method: ordinary least squares. Coefficients with p-values in parentheses. *, ** and *** indicate statistical significance at the 10-percent, 5-percent and 1-percent level respectively. Health outcomes refer to the first marital child. [b] The gestation length is measured in weeks. [c] The weight at birth is measured in grams. [d] Missing information on Apgar scores for 2,686 observations. [e] The estimation includes binary variables capturing the following combinations of spouses' religious denominations: catholic & other denomination, catholic & no denomination, other denomination & no denomination, both other denominations and both without denomination. [f] The estimation includes binary variables capturing the following labor market status of wife (measured at the time of birth): employed as blue-collar worker, employed as white-collar worker, other employment (e. g. self-employed) & not employed. [g] The estimation includes a cardinal variable capturing the number of pre-marital children.