

Killing Them Softly: Unexplored Causal Connections of Abortion and Economics

Abstract: Abortion is an economic phenomenon. Despite abortion existing as a practice for thousands of years and its relevance to modern-day politics, little work on the relationship between abortion and economics has been done. This paper seeks to understand the causal links between the decision to abort and economic conditions. The first part of the paper examines the relationship between abortion and inflation. The second part of the paper examines the relationship between socialism and abortion. The last part of the paper critiques public policy proposals of abortion using economic theory. I argue that inflation and socialism lead to an increase in the number of abortions in society, *ceteris paribus*. Additionally, I argue that many public policy proposals regarding abortion ignore sound economic theory. These proposals, fail to see the long-run unseen costs of abortion.

Keywords: Abortion, Economics, Inflation, Population, Public Policy, Socialism

JEL Codes: B54, D10, E5, E31, P5, Z13, Z18

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Introduction:

Abortion is an economic phenomenon. While this statement may nonetheless enrage anti-abortion activists as a deconstructionist way to look at an issue as complex as abortion, it is nevertheless true. All human action can be studied using economics (Mises 2010). The decision to have an abortion or to have a child is, evidently, a choice. Therefore, because abortion is an action, it is permissible to study it through an economic lens.

Mainstream economists have rarely studied abortion outside of policy papers. In fact, up until roughly the 1960s, family economics was hardly researched by the profession. With the advent of Becker's famous *A Treatise on the Family* (1981), family economics became much more popular and studied within the economics profession. Outside of applied work (Donahue and Levitt 2001) and some macroeconomic work (Gonzalez and Quast 2022), Abortion has been very rarely studied in professional journals. There has been very little written on the actual price theoretic mechanisms that lead to the decision to abort. Additionally, outside of some Austrians (see Degner (2019), (2023) and Piano (2022a), (2022b)), there has been little academic writing on the effects of inflation and socialism on abortion. Even with these works, very little work has been done within the Austrian tradition on the economics of abortion. Most work done on abortion vaguely related to Austrian economics comes from libertarian political theory (See (Rothbard 1998); (Block 2019); (Block 2022)).

This paper seeks to add a more robust economic explanation for the phenomenon of abortion. The method used for this paper is praxeological, focusing on the price theoretic mechanisms that lead individuals to choose to terminate their pregnancies. This paper looks at three cases of abortion and offers economic explanations and/or critiques. The first avenue

explored is that of inflation. Monetary debasement leads to an increase in the number of abortions, *ceteris paribus*, through multiple price mechanisms. Firstly, inflation destroys the ability to economically calculate with money prices. This leads individuals to not being able to plan for the future, thus leading some to the decision to abort. Inflation also raises time preference rates, leading to more abortions. Lower-income individuals, additionally, are particularly harmed by inflation and thus have more abortions. Inflation also raises the costs of having a child, leading to more abortions. I conclude this section by looking at historical examples of inflation and hyperinflation and their effects on abortion rates. The next avenue looks at the relationship between socialism and abortion. This section of the paper draws highly on economic calculation problems inherent to socialism to explain why abortion is prevalent in centrally planned systems. I conclude this section by showing the empirical realities of collectivist policy on abortion rates. The final section of this paper offers a critique of public policy proposals and papers on the economics of abortion. Mainly coming from U.S. House and Senate Democrats, published studies show that abortion is a net positive for the economy. This is wrong on two accounts. Firstly, is that there is no way for planners to determine optimal population without prices. Secondly, these studies ignore the long-run effects of abortion, the elimination of the “ultimate resource,” focusing only on the short-run effects. This paper offers valuable contributions to the literature on inflation and abortion, comparative economic systems, and economic sociology, and family economics. This paper, additionally, can help politicians and policymakers understand the true costs of abortion.

Defining abortion is a highly politicized issue that often results in more harm than good for proper economic analysis.¹ Pro-abortion activists insist that abortion is defined as something like this: the intentional removal of a fetus from a mother's womb. Anti-abortion activists will likely include the use of the word "killing" instead of "removal" and "baby" instead of "fetus." So-called "spontaneous abortions" are obviously misnomers as these are simply miscarriages and, therefore, will not be included in this paper's analysis. For clarity, this paper defines abortion as the following: the purposeful termination of a pregnancy.

History:

Despite abortion being one of the main political issues at the time of writing this paper (2024), abortion is hardly a new practice. The earliest written record of abortion practices and techniques goes back to Ancient Egypt, dating around 1550 BC (Malcolm and Campbell 2009).² Abortion was not limited to a single continent and was practiced in both the New World and the Old World. Abortion was practiced by civilizations in the West, including the Greeks and Romans, but was at some point or another practiced by the Incas, Native American Tribes, Japanese, Chinese, and many other groups worldwide. Historic methods were more crude than modern surgical procedures, often involving physical battery, exercise, or the use of herbs or alcohol.

¹ This is not to say that economists cannot or should not have beliefs about abortion, merely that this paper seeks to engage in purely positive analysis.

² It should be noted that the practice of infanticide dates back to before the Neolithic Era (Milner 2000). Though not precisely the same as abortion as infanticide is the killing of born children, these two practices are nonetheless tangentially related.

Surgical abortive procedures are rare in archeological finds, but the practice seemed to emerge in Ancient Greece.

Though there do appear to be some premodern legal prohibitions on abortion, the first laws on abortion and abortion regulation in the West came from England in 1803. These anti-abortion laws would later be passed in countries throughout the West in the following years. Their scope ranged in terms of when a pregnancy was allowed to be aborted, what methods were banned, and the severity of punishment. In the United States, the first law relating to abortion was passed in Connecticut in 1821. This law banned apothecaries and pharmacies from selling drugs and poisons for the purpose of abortion. Exactly 100 years later, under Lenin, the Soviet Union became one of the first countries to legalize abortions upon request to the state (Piano 2022a). Later states would follow, and mass movements to promote the legalization of abortion would become popular in the early part of the 20th Century. Today, abortion laws exist worldwide, ranging from legal on-demand abortions to a complete prohibition of the practice.

The practice of abortion has been virtually universally condemned by Christians throughout church history. While some may say that the history of religious views on abortion is irrelevant, most Western public institutions and laws, in some form or another, are or have been shaped by Christianity. Therefore, the history of Christian views on abortion is pertinent to this discussion. Early Christian writers and church fathers, including Tertullian, Clement, and Saint Basil, all explicitly condemned the practice of abortion. Saint Augustine and Aquinas also condemned abortion as murder but debated about when ensoulment occurred. Early Protestant writers such as Luther and Calvin also seemingly condemned the practice, though they never mentioned it explicitly.

The institution which has had the most influence in the West on abortion has been the Catholic Church. The Church, since the 1st Century, has condemned abortion to various degrees relating to the stage of pregnancy in which the abortion took place. Modern Catholic teachings on abortion go back to 1869, with Pope Pius IX condemning all abortions, regardless of fetal development, as murder (Hovey 1985). Due to the influence of the Catholic Church throughout the West, most states criminalized abortion until the 20th Century.

With the advent of the Progressive Era, questions regarding the morality and legality of abortion began to be raised. Many of the pro-abortion activists came from the eugenics movement (Leonard 2016). In the words of Rothbard (2017, 315), “The birth control and the eugenics movement therefore went hand in hand, not the least in the views of the well-known leader of the birth control movement in the United States: Mrs. Margaret Higgins Sanger...” For these activists, abortion was seen as a way of promoting racial hygiene among the U.S. population. Not only was this project about ridding society of so-called “inferior” races and the disabled, but it was also about promoting women’s liberation. For these activists, the modern woman could be emancipated from the shackles of domestic life and motherhood.

The current landscape for abortion in the U.S. can be traced back to 1973 with the Supreme Court ruling of *Roe v. Wade*. Before *Roe*, abortion legality was federalized, leaving states to decide their own policy. However, with *Roe*, abortion was mandated to be legal in all states. The timing of *Roe* should not be ignored as this decision was ruled just two years after Nixon took the United States off the gold standard (this will be discussed later in the paper). In 2022, *Roe* was overturned by *Dobbs v. Jackson*. This decision effectively returned the right of states to decide abortion policy.

Abortion and the question of population growth cannot be separated. The economics of population can be famously traced back to the English economist Thomas Malthus and his *An Essay on the Principle of Population* (1798). Malthus famously believed that food and resources necessary to life grew at a linear rate while the population grew at an asymptotic rate, leading to famine, pestilence, and disease. Though Malthus believed that population growth could lead to misery and vice, he never supported abortion as a solution. This probably stems from his taking of religious orders within the Church of England. The Malthusian view that a growing population will have horrific consequences led to the rise of Neo-Malthusianism in various academic disciplines, including ecology, demographics, and economics. These Neo-Malthusian beliefs can be famously traced to the work of John Maynard Keynes, but more importantly to that of Paul Erlich. In 1968, Erlich published his famous book *The Population Bomb*. In this work, he outlines the economic and environmental consequences of overpopulation and proposes a solution: abortion. Through the work of Erlich and many other academics, abortion was promoted by Western governments and NGOs around the world as a form of family planning.

Inflation:

Abortion is an issue that is deeply connected to monetary economics. Roughly 73% of women surveyed stated that they chose to have an abortion because they could not afford to have a child now (Lawrence et al. 2005). Though there would be an issue applying this to every case of abortion, it is not a stretch of the imagination to think that this is a widespread reason for the over half a million women in the United States annually (CDC 2023).

Inflation is defined as an increase in the money supply. Though many people (including economists) identify inflation as a rise in prices, it is important not to mistake the forest for the trees. As new money enters the economy, people face different incentives. At the previous purchasing power of money (PPM), the quantity of money people demand to hold is equal to the money supply. However, with this new injection of money into the economy, an excess supply of money exists. Because of this, individuals rush to spend this inflated money, shifting demand curves for goods and services to the right, causing prices to rise. Though it may seem trivial, getting the definition of inflation correct is crucial, as many factors can cause demand curves to shift.

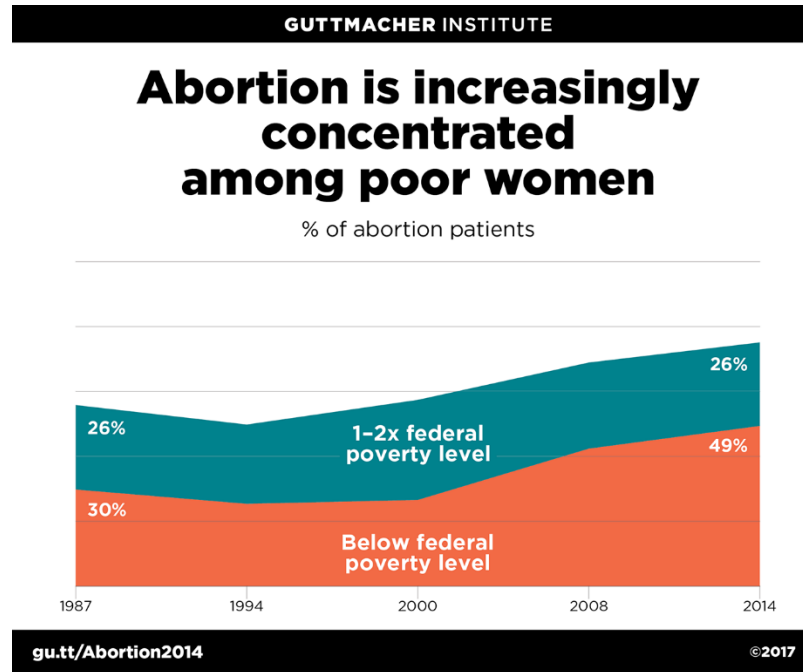
Newly created money (inflation) enters the economy at specific places and points in time. Some individuals spend this new money before it percolates throughout the economy. Because of this, these individuals benefit from inflation as they do not face the consequence of increased prices (called Cantillon Effects). However, others are significantly harmed by monetary expansion. Later receivers of money face increased prices, for they must pay higher prices for the same good than before. This is especially important with regard to savings. With the increase in prices, the value of an individual's savings is diminished, and those who have a low income or live on a fixed income are particularly harmed.

Not only does inflation change prices, but it changes psychology, too. With constant increases in the price level, the opportunity cost of saving money is raised. With the rise in prices, individuals know that the value of their money will be worth less in the future. As such, they buy goods today rather than saving and investing. Overall, inflation raises individual's time preference rates within society. This, in turn, means that individuals are more present-oriented in

an inflationary environment than in a non-inflationary environment. Rather than delaying gratification, inflation creates incentives for people to live in the present rather than save for the future.

Inflation raises the costs of having a child. Not only are prices higher in the present (meaning formula, diapers, and other essentials are more costly), but the savings necessary to rear a child *in the future*, too, have been diminished. Individuals recognize this fact and act accordingly. Inflation, quite literally, creates a dichotomy for people: either accept a lower standard of living or work more to keep the previous living standard. No matter the choice, the cost of having a child is raised (Degner 2019). Those who are pregnant and do not wish to work more or live a meeker existence will act accordingly and terminate the pregnancy.

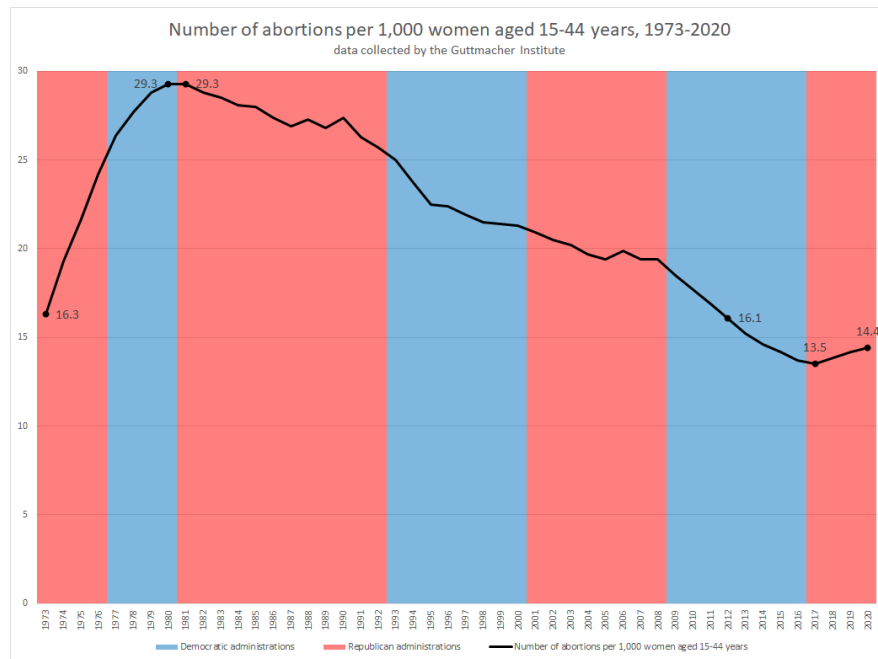
One thing to note is the distribution of abortions by income. In 2014, nearly 50% of all abortions performed were on those who were below the poverty level. Additionally, roughly 25% of abortions were those who were 1-2x the poverty level in the United States. This means that 75% of abortions are performed on those with low incomes (see graph below). With the effects of inflation on those with low income, it is imperative to remember that increased prices are far from trivial. Instead, increased prices could lead to more individuals choosing to get abortions. As prices rise, the costs of children rise, too, meaning that many more people are pushed to terminate their pregnancies.



Let us return to the list of reasons women choose to have an abortion. One key element to the statement “I cannot afford a child now” is the inclusion of the word “now.” The statement is temporally focused on the present. While this may seem trivial, the focus on the present state rather than the future is a key aspect of how inflation affects the decision to have an abortion. Because inflation changes the time preferences of people in society, this can greatly affect how future parents see the value of children. If parents are focused on the “now” of having a child, the costs can seem negative. As is evident, children are costly. Children take years to raise and cost parents hundreds of thousands of dollars throughout their childhood. Due to inflation, parents focus more on present rather than future gains. Because children are highly capital intensive, inflation makes having children more costly. As such, a parent who is only looking at the high costs of having a child *in the present* may consider abortion.

In 1973, *Roe v. Wade* came into law, effectively mandating abortion to be legal across the United States. Just two years earlier, in 1971, Nixon fully took the U.S. Dollar off the Bretton

Woods System. While there has been no work done on this, an interesting avenue of research would be to see how these two events are related. Slightly after Roe in late 1973, stagflation began within the United States, where inflation rates would soar to record heights. The inflation rate, using CPI as a measure, was 6.8% for the decade of the 1970s (Blinder 1982, 261). What is also seen during this time is a skyrocketing number of abortions (see chart below). Between 1973-1980 the U.S. abortion rate went from 16.3% to 19.3%. What is interesting is that the U.S. inflation rate also reached its peak during this time at over 13%. As we see significant inflation in the country, abortion rates are going up. However, it could be argued that normalization and social change due to *Roe* led to an increase in the number of abortions. Yet in 1980, U.S. inflation rates started its general trend downward. During this time of increasing monetary stability, abortion rates start to go down. It wasn't until stagflation ended that abortion started to decrease in the United States. While further studies are needed, this correlation nonetheless helps show that there is a connection between inflation and abortion.



A more extreme example of the effects of inflation on abortion rates can be seen in Weimar Germany. Weimar Germany's hyperinflation devastated the familial intuition within the country (Peterson 2023). With the start of WWI, Germany went off the gold standard and experienced around 140% price inflation by 1918. However, this inflation did not cap off there. During the years of 1921-1923, Weimar Germany experienced a hyperinflationary crisis. By 1923, the yearly price inflation rate was 75,000,000,000%. These social and political consequences of the inflation cannot be understated.³ Children starved, marriage rates plummeted, and divorce skyrocketed. Abortion, too, was affected. Due to the inflation, "Family planning and the use of contraception across all classes was increasing in the 1920s, and the annual abortion rate, despite illegality, was estimated to have reached one million by 1930" (Rossol and Ziemann 2022, 484). Because of the social conditions and change in time preference rates from inflation, Weimar Germany experienced an epidemic of abortions.

Socialism:

Many individuals would say that the theory of socialism began with Karl Marx. In reality, socialism has much deeper historical roots than just that of the 19th-century German philosopher. Arguably the most recognizable description of a socialistic ideal from ancient times comes from the Greek philosopher Plato's *Republic* (1991). Socialism has existed throughout history on a spectrum of ideals ranging from social safety nets and land taxation to redistribution and collectivization of the means of production. Modern socialist theory's roots spawned from the Enlightenment. With the turn of the 19th Century, utopian socialism, best espoused by Saint-

³ For a description of the effects of the hyperinflation on social, economic, and political issues, see Salerno (2013).

Simon and Charles Fourier, gained traction. This ideal was generally based on communal ownership and held to the belief that socialism would solve all of mankind's ills, leading to a far better world. Later Socialists included Proudhon, Bakunin, and, of course, Marx and Engels. The latter two were so-called “scientific socialists,” describing the inevitability of socialism through a theory of history. It is important to keep in mind that socialism had a broad range of meanings depending on the variety of socialism espoused.

Historical socialism probably begins with the collective ownership of property and goes back to prehistory when various tribes organized themselves collectively. Though much of this is based on anthropological literature, it is nonetheless quite probable that this was the case. Socialism was not widely practiced throughout Western history, with most instances being some form of war socialism and then states reverting during the premodern era. Ironically, some of the earliest historical examples of socialism in practice come from Christian sects.⁴ Though there were often peasant uprisings and revolts holding to socialistic values (Rothbard 1990), state socialism is a relatively new phenomenon. As has been noted, modern socialist activism began around the early 1800s. Even with the Paris Commune and the Jacobin reign of terror, it is safe to say that the first true socialistic revolt was the Russian Revolution. In 1917, the Bolsheviks overthrew the Tsar and murdered him and his family in 1918. It was not until 1923 when power was fully solidified for the Bolsheviks as civil war still raged between those loyal to the old regime (the Whites) and those who fought for communism (the Reds). In the following years, successful and unsuccessful socialist revolutions would unfold across Europe. After World War

⁴ See (Jacobsen 2023)

II, many countries turned to socialism across Asia, Africa, Europe, and Latin America. These regimes would kill hundreds of millions of people worldwide.

The economics of socialism are often misunderstood.⁵ In markets, prices act as guides for individuals and entrepreneurs to allocate their scarce resources. Prices are not simply arbitrary numbers; they are reflections of the decisions, and thus subjective values, of market actors. However, under a collectivist system, this is not the case. For definitional clarity, socialism is the abolition of private property and the collective ownership of the means of production. With the abolition of private property, the state is the sole owner of factors of production. Because the state is the sole owner, there are no markets. Since there are no markets, there is no exchange. Without exchange, there are no prices for goods and services within the economy. Without these prices, there is no rational way to calculate production costs. The socialist planner has no way of knowing who should produce, how much they should produce, what they should produce, or when they should produce. There is no economic calculation and, therefore, no way to know what the value of resources is in socialist societies. For a deeper explanation of this - the socialist calculation problem – see (Mises 1990). Additionally, socialist systems suffer from a so-called “knowledge problem.” Within society, knowledge is dispersed among millions of actors. All these actors have specific information regarding the availability of resources, production methods, etc. Markets create efficient outcomes because they allow actors to use the knowledge they have most efficiently. Planners, however, do not have access to all the knowledge necessary to produce outcomes in the way that markets do. Thus, socialist systems

⁵ Ironically this is the case for both socialists and non-socialists alike.

cannot produce to anywhere near the same standard that markets can. See (Hayek 1945) for a full description of the knowledge problem.

Socialist commonwealths must face the issue of population in ways that other societies do not have to face. Under socialism, economic calculation does not exist. Additionally, most socialist states vie for total control over their subjects (totalitarianism). This means that the issue of families and population growth has become of particular importance to the heads of socialist regimes and that of economic planners. Families are dangerous to socialist leaders because they are another institution to which individuals may pledge loyalty. This inherently means that these states would be skeptical of the role of a family in their subject's life as they want total control over their lives. Most importantly for our study, "insofar as autocratic control is derived from the productivity of the regime, the short-run reallocation of resources toward raising a child will reduce the resources available to the autocrat in the short run" (Piano 2022a, 237). The scarcity of resources means that abortion will be turned to as a method of population control under specific circumstances.

The reason high abortion rates would be expected in socialist countries is because these states essentially *must* have abortions to control their populations. For market-based societies where entrepreneurship, profit and loss, and property ownership guide production decisions, the size of the population is no issue. In these societies, individuals face economic calculation regarding their standards of living and thus face the costs of having a child. Individuals engage in entrepreneurship when they decide to have a child or to forego having a child. These societies are solving "economic problems," meaning that profit and loss and the market process are at play. Socialistic societies solve for "engineering problems," or technological problems within a

specific production process. Why must a socialistic society turn to abortion, whereas a market-based one must not? Because humans are mouths to feed, a technical problem in a production function that planners are solving. This is not to state socialistic societies do not know that humans, in the long-run can be producers rather than consumers; they do know this. Rather, since these socialist states are solving for a given production process and there are only so many resources to go around, abortion must be used to curb “overconsumption.” Population planning is a necessity for the prolonging of a socialist commonwealth. Without it, the socialist project would fail quicker than it normally would have.

This theory is shown to be the case in the USSR. In 1921, the USSR legalized abortion. This naturally led to more and more women getting abortions. Additionally, with the famines and mass murder of individuals in the USSR, the Soviet Union faced “declining birthrates and an unbalanced sex-ratio” (Piano 2022a, 241). By 1936, Soviet planners recognized this as a crisis and started to roll back some of their previous liberalizing policies, including that of abortion. Additionally, by 1944, abortion had been made completely illegal due to the technical problems that Soviet planners were facing. By 1955, the U.S.S.R. once more legalized abortion. Looking further in the future, we can compare U.S. abortion ratios to that of Soviet abortion ratios. The highest abortion ratio in the U.S. between 1973-1991 was 434.6 in 1981, and the lowest was 237.4 in 1973 (Johnston 2024b). Within the U.S.S.R., the highest abortion ratio was 1713.3 in 1973, and the lowest was 1217.7 in 1987 (Johnston 2017). While this is not a perfect example, it nonetheless shows the drastic difference between market-based societies and socialist states with regard to abortion.

Another fascinating example of the effects of socialism on abortion rates comes from two ethnically similar and geographically close states: Cuba and Barbados. Cuba infamously became a communist state in 1965 when Fidel Castro assumed full control of the Cuban government. Cuba's neighbor, Barbados, never became a socialist state. Both countries have similar histories, geographic locations, and ethnic origins, providing for a perfect comparison of abortion rates between a socialist and non-socialist state. In 1965, Cuba decriminalized abortion within the country. By the 1970s, Cuba had one of the highest abortion ratios of any country in the world (Hollerbach 1980, 97). Barbados legalized abortion in 1983. Between 1983-2017, Cuba's lowest abortion ratio was 479.8 in 2003, and its highest was 1496.3 in 1996 (Johnston, 2023). In Barbados, the lowest abortion ratio during that same time was 120.4 in 2004, and the highest was 214 in 1988 (Johnston 2024a). Even with the lower population, Cuba seemingly exceeds Barbados roughly five times in terms of its average abortion ratio. Under communist rule, Cubans are having more abortions than their neighbors living in non-socialist Barbados.

As has been shown, socialism leads to an increase in the number of abortions, *ceteris paribus*. Both theory and the history of the USSR and Cuba show this to be the case.

Critique of Abortion Policy Papers:

The great economist Frederic Bastiat famously said, "There is only one difference between a bad economist and a good one: the bad economist confines himself to the *visible* effect; the good economist takes into account both the effect that can be seen and those effects that must be *foreseen*" (Bastiat 1850). Regarding population economics, there are many bad economists.

Some work related to these issues comes from policy papers. Generally coming from the American Left, these papers on the economics of abortion focus on wages and human capital. However, these policy papers that focus on short-run, seen effects ignore the “ultimate resource” – entrepreneurship – and its long-run consequences for growth and prosperity.

In the United States, the Left tends to support greater access to and funding for abortion, while the Right generally supports greater restrictions on abortion. Before the *Dobbs* decision, the Joint Economic Committee Democrats released a report titled “Abortion Access is Key to Economic Freedom” (2022). This paper summarizes research and states that abortion access increases women’s wages and labor force participation. According to this paper, because abortion access highly affects the mother, it is best to let her decide the outcome of her pregnancy. First off, papers like these step beyond the proper role of the economist as a student of civilization and elevate economists to that of social engineers (Dekker 2016). Additionally, these policy papers that support abortion ignore the effects of the loss of an additional human on the economy as a whole. While resources are scarce, human beings have the capacity to transform the world around them into new material arrangements to address increasing scarcity. This is the crucial role of the price mechanism, and human creativity and entrepreneurship help solve challenges regarding scarcity by using prices to guide resources to their highest valued use. This is what Julian Simon called the “ultimate resource” (Simon 1996). Abortion, though, eliminates potential future entrepreneurs. Because of the termination of the pregnancy, fewer children are born, and less entrepreneurial potential exists. Because it is impossible to measure this loss, the costs of abortion are unseen by political actors (Jacobsen 2022a). While it may be true that abortion increases wages, these policy papers do not show both the seen and unseen

consequences of abortion policy. Rather, they shape a narrative that takes economists beyond their proper role as students and ignores the long-run effects of abortion policy.

When it comes to the Right, they also make mistakes regarding their economic analysis of abortion. Most, if not all, policy studies on the economics of abortion use GDP as a measure to show the costs and/or benefits of legalized abortion. However, this measure suffers from a fatal flaw: national income statistics do not paint a true picture of the economy. Aggregating various heterogeneous capital goods is impossible. GDP simply takes final goods and aggregates them. GDP itself is not fit for a measure of the loss of human entrepreneurship due to abortion. However, with regard to GDP, there is an even more egregious mistake. GDP does not capture productive, non-market activities like housework or child-rearing.⁶ Millions of people, the vast majority of whom are women, are homemakers and stay-at-home parents. These parents are engaging in activities that, if transacted for, would be counted in GDP. These activities include cooking, cleaning, teaching, and other activities. This means that millions of women's productive work is unaccounted for in terms of GDP estimations. If the value of these activities were included in GDP, the relative impact of abortion on GDP would decrease. Thus, policy studies overestimate the impact of abortions on GDP. Additionally, the decision to not work is just as much a decision to work. These studies quietly shove under the rug that some women *want* to become mothers as the decision to stay at home is not counted in terms of GDP.

Studies regarding the economics of abortion ignore the full consequences of abortion policy. Abortion eliminates potential future entrepreneurial activity and, therefore, prevents economic growth. Additionally, these costs are unmeasurable and are thus unseen. Measures and

⁶ We know that these activities are productive because individuals are demonstrably saying they are through their actions. If there were better alternatives, individuals would switch into those lines of production.

statistics used, too, by policy writers suffer from flaws. National income statistics, like GDP, leave out key information regarding women in the house and their productivity.

Conclusion:

Research on the economics of abortion has been passed over for far too long. Abortion, just like all other actions involving choice, is an economic phenomenon. Abortion has historical roots dating back to ancient times. For most of Western history, abortion was condemned by Christians and had legal sanctions against it. With the growth of socialist and progressive movements, calls for abortion liberalization began. Russia became the first state to legalize abortion, and soon, many more would follow.

This paper makes contributions to the understanding of the economics of abortion in three ways. First, this paper analyses the effects of inflation on abortion. Through a variety of price theoretic mechanisms, abortion increases, *ceteris paribus*, under an inflationary environment. Secondly, I analyze the relationship between socialism and abortion. Due to a lack of economic calculation, abortion is a tool used to solve for engineering problems in socialist commonwealths. Finally, I analyze the public policy papers on abortion and show the critical flaws of these papers.

Abortion economics falls broadly within the research program of family economics and can be developed in many ways in the future. For instance, one avenue of research that has yet to be explored is the relationship between state abortion policy and welfare obligations. When welfare obligation funds run dry, the state does have a solution: eliminate those who would

receive the benefits. At the risk of sounding conspiratorial, this is quite possibly a reason why euthanasia is being pushed in the West today. Abortion would be an interesting issue to investigate relating to this. Do states turn to abortion as a means of avoiding welfare insolvency? If they do, what are the mechanisms by which they do this, and how does it vary from country to country?

Another avenue of research involves econometric regressions of the effects of inflation on abortion. While the theory for this has been laid out, there exists no econometric research on inflationary periods and abortion. A focus on U.S. cases of abortion using synthetic control could very easily be a fruitful way to show to the mainstream that inflation, *ceteris paribus*, leads to more abortions. Additional cases analyzing Weimar hyperinflation and Soviet inflation could be interesting as well, though many more data sets would need to be published and translated for this to happen. A deeper dive into socialism and abortion could also be done using econometrics focusing on Barbados and Cuba.

Policy papers focusing on abortion must always use economic logic instead of trying to score points for political expediency. For example, Republicans must stop appealing to national income statistics to prove that abortion is harmful for “the economy.” These writers must base their analysis in acting (wo)man and the incentives they face. Additionally, the work of Julian Simon must be wrestled with for Democrats. How can abortion solve long-term problems when it eliminates the various solutions to long-term issues? Simply speaking, it cannot. One may argue that this is secondary and that “women’s rights” are more important. However, if they do this, they must cede the truth, which is that they are fundamentally dealing with philosophical, not economic, issues of importance.

Much future research on the economics of abortion can be exploited by economists in the near future. The public policy implications of the economics of abortion and its understudied sociological and economic importance make this a fruitful avenue of research, particularly for those economists in the Austrian tradition.

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