

## Testimony before the Joint Economic Committee

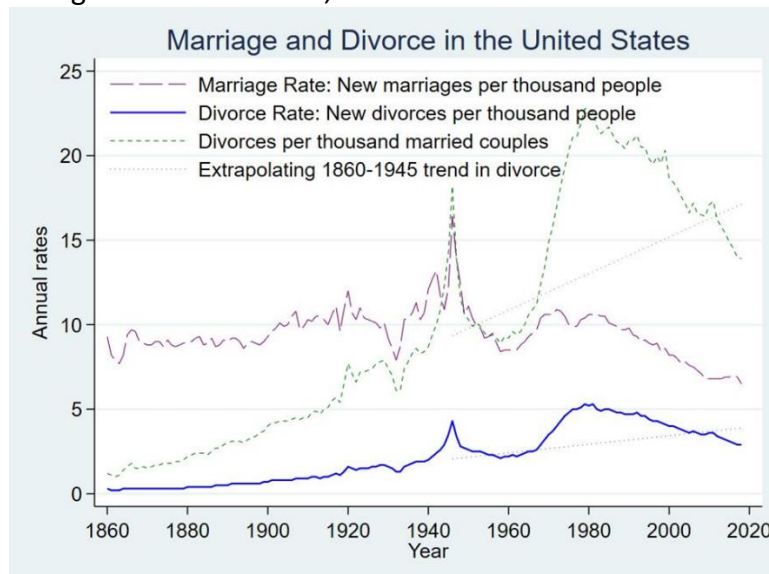
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Chairman Lee, Vice Chair Beyer, and distinguished members of the Joint Economic Committee, thank you for the invitation to speak to you today about America's families. I am an economist who has spent much of the past three decades trying to better understand families, employment, and how the two interact. Importantly, my focus has also included considering the ways in which policy choices help shape the decisions people make in their families and careers. For example, in my research I have shown that divorce law reform improved marriage by substantially reducing violence in marriage<sup>1</sup>. This counter-intuitive finding—making it easier to get divorced improved the quality of many marriages—points to how important it is that policy makers understand the nuanced way in which policy choices impact family choices.

I was asked to speak today about changes in family life. The family is not a static institution. In recent decades, marriage rates have fallen, but so too have divorce rates.

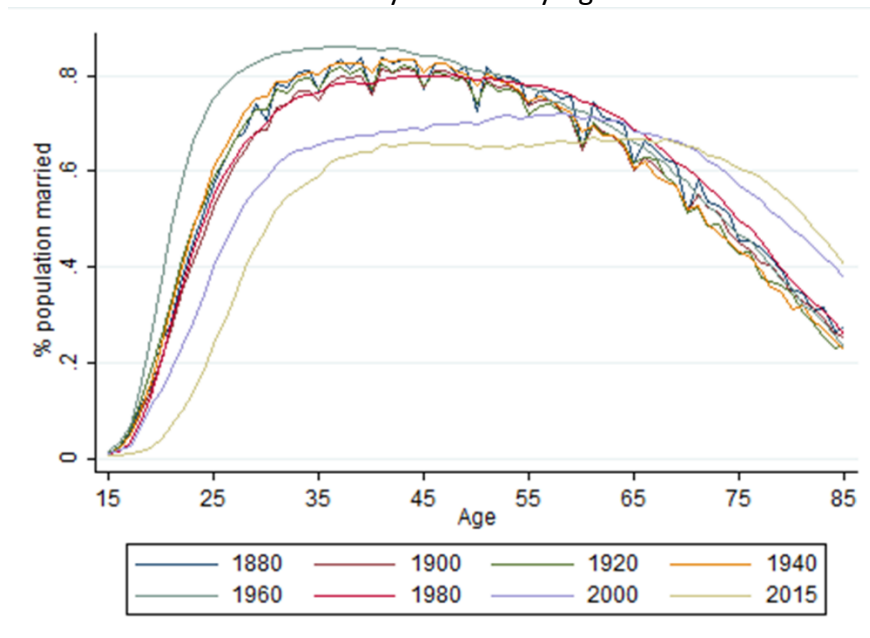


<sup>1</sup> Bargaining in the Shadow of the Law: Divorce Laws and Family Distress, Betsey Stevenson, Justin Wolfers The Quarterly Journal of Economics, Volume 121, Issue 1, February 2006, Pages 267–288, <https://doi.org/10.1093/qje/121.1.267>

The divorce rate peaked in 1981 and has been declining since. The spike in divorce in the 1970s reflected both the young age at which that cohort had married and social changes in the expectations for marriage and adult life. While the spike stands out, the divorce rate had been slowly increasing for many decades prior to World War II. Extending the pre-World War II trend forward to today, you can see that today's divorce rate is well below what the pre-World War II trend would have predicted. The decline in the divorce rate over the past four decades has undone much of the 1970s rise.

One explanation for the decline is that both men and women are waiting longer to marry and marrying at older ages is associated with a greater likelihood of a marriage surviving.<sup>2</sup> Since 2000, marriage patterns have diverged from the past, with lower rates of marriage at young ages and higher rates at older ages. The 1960s was also an outlier period in that an unusually large share of those in their 20s and 30s were married.

Currently Married by Age



(Data: US Census)

Many point to the decline in marriage among the young—indeed among those 22 to 29 years old in 2018, only 26 percent had ever married. In comparison, 79 percent of 22 to 29 years in 1960 had married. But much of this gap reflects a delay in marriage rather than marriage foregone. In fact, those ages 60 and over are more likely to have married and more likely to be currently married compared to those in almost any other time period. Marriage is thriving; it is simply thriving at older ages.

<sup>2</sup> Isen, Adam and Betsey Stevenson “Women’s Education and Family Behaviour: Trends in Marriage, Divorce and Fertility,” in John Shoven (ed.), *Demography and the Economy*, University of Chicago Press, 2011.

While learning about the wonderful era we are in for older marriage may be welcome news, it does not address your primary concern: are children being raised in households that have sufficient resources to care for them? But understanding what makes older marriages thrive provides broader insight into families and helps to illuminate the ways in which policy makers can better support families. In particular, the success of older marriages highlights the role of income and time in helping today's marriages thrive. More generally, to understand marriage it is necessary to realize that the increase in longevity means that children are no longer central to marriage as a larger share of adult life is spent without young children in the home.

Some of the changing patterns in the age of marriage reflects changes in life expectancy. Those marrying in the 1950s had a life expectancy of roughly 60, while those marrying today have a life expectancy of roughly 80. Increasing longevity means that couples have the option of delaying marriage, having more years together, or divorcing. While there is a myth that marriages will survive if they only make it through the crucial early years, divorce occurs at a pretty steady rate each year of marriage—there's no magical number of years of marriage that makes a marriage immune to dissolving.<sup>3</sup> That's why it is simultaneously true that Americans are more likely to experience a long duration marriage of 25 years or more and more likely to experience divorce compared to people marrying a century ago.

Rising life expectancy has also changed the role of children in marriage as a shrinking share of adulthood is spent with young children in the home. A century ago, women having children could scarcely expect to live beyond age 50 and the typical woman had roughly four children. Not surprisingly, many women's entire adult lives were spent caring for children. In contrast, women today have a life expectancy of roughly 80 and have half as many children. As a result, women's adult lives are no longer spent primarily raising children. This is not to say that children are not an important part of most people's lives. In fact, there has been a reduction in the likelihood of never having children among women reaching childbearing age since 1960. More women have children, but they have fewer children, and parenting young children requires a smaller share of their adult lives.<sup>4</sup> This also helps put the desire for maternity leave into perspective: If women work between the ages of 22 and 72 they have 50 years in the labor force. If they take 6 months off for the birth of each of their two children, then only 2 percent of their working lives (1 year out of 50) will be spent taking leave to bond with a child.

Just as marriage has been postponed, so too has childbirth. Children are born to mothers at increasingly older ages with a shift of the distribution from a large mass of people having first births in their 20s to many having their children in their 30s and 40s. For college educated Americans and for women in many developed countries the median age of first birth is now in

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<sup>3</sup> Stevenson, Betsey and Justin Wolfers, "Trends in Marital Stability," in Lloyd Cohen and Joshua D. Wright (eds), *Research Handbook in the Law and Economics of the Family*, (Edward Elgar Press), 2011; Isen, Adam and Betsey Stevenson "Women's Education and Family Behaviour: Trends in Marriage, Divorce and Fertility," in John Shoven (ed.), *Demography and the Economy*, University of Chicago Press, 2011.

<sup>4</sup> Is There a Case for a "Second Demographic Transition"? Three Distinctive Features of the Post-1960 U.S. Fertility Decline, Martha J. Bailey, Melanie Guldi, Brad J. Hershbein. Chapter in NBER book *Human Capital in History: The American Record* (2014), Leah Platt Boustan, Carola Frydman, and Robert A. Margo, editors (p. 273 - 312)

the 30s. The first birth among women with advanced degrees beyond college is even later. The New York Times article “The Age That Women Have Babies: How a Gap Divides America” shows how the gap in age of first birth for women by education, but also by community. Those without a college degree have their children out of wedlock and in their 20s, while those with a college degree have their children in their 30s and within a marriage.

Many scholars have pointed to a bifurcation in families because women with less education and fewer options in the labor force are following a somewhat different pattern. Less educated women have postponed marriage but not childrearing and as a result have their children often prior to marrying, raising single children in much lower income households. While many people bemoan the lack of a second parent, research shows that the fundamental problem is one of income and socioeconomic stress.<sup>5</sup>

College-educated parents are often held up as the model of successful parenting—their children are more likely to be raised in two parent homes. Their kids are raised in households with much higher incomes—driven as much or even more by the higher earnings potential of people in their 30s as it is by the dual income status of these married homes. College-educated parents are spend more time with their children and more time in intensive parenting.

But this narrative hides two important facts. The first is that both women with less education and women with more education are spending more time parenting than in the past. All parents are investing more in their children. The second fact is that many college graduates are in middle class families struggling to pay student loans, to save for the down payment on a home, to get a stronger foothold in the labor market. The shift to having children at older ages reflects the desire by many people to establish their careers and achieve financial stability prior to having children. Research shows that women’s careers and wages stagnate after having children, a fact that leads many women to postpone having children as long as possible. Women and couples are making decisions about having children while considering the challenges of balancing work and children, the support they will get from their employer, the difficulty in arranging trustworthy children care, the financial cost of having children.

The birth rate in United States hit a new record low in 2018 raising questions about why people in their 30s are having fewer children.<sup>6</sup> In particular it looks like Millennials are on track to have fewer children compared with previous generations. Millennials came of age during a deep recession and births typically decline during a recession because fewer people feel prepared to handle the financial burden of having a child. Yet, we’re now ten years into an economic expansion and the unemployment rate has been below 5 percent since 2016. Such a strong economy is typically associated with higher birth rates.

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<sup>5</sup> Cross, Christina. (2019). Racial/Ethnic Differences in the Association Between Family Structure and Children's Education.

<sup>6</sup> National Vital Statistics Reports Volume 68, Number 13 [https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68\\_13-508.pdf](https://www.cdc.gov/nchs/data/nvsr/nvsr68/nvsr68_13-508.pdf)

To be sure, one has to be careful interpreting the decline in births. Some of the decline is part of a long-run trend in fewer teen pregnancies. Indeed, the birth rate for teenagers is down by more than half since 2007. Birth rates of near-teens has also substantially declined over the past decade. The explanation for the decline in these births to young mothers come from efforts to make it easier for younger women to avoid an accidental pregnancy and by a growing desire for young women to pursue higher education.

The puzzle is that births for women in their early 30s has declined in recent years, as did births to women in their late 20s. Births to women in their late 30s and 40s rose, highlighting the continuation of women's delays in fertility.

To understand why women are continuing to further delay or even forego children, it is necessary to consider women's role in today's labor force. The majority of nonfarm payroll jobs are held by women.<sup>7</sup> Women are getting higher education at much higher rates than men at a time when the college wage premium has never been higher.<sup>8</sup> The majority of college-educated workers in the United States are women. This trend will continue since nearly 60 percent of those graduating from college today are women—meaning that in a decade an even greater share of college-educated workers will be female. It is important that policy makers concerned about families and children understand the crucial role that women are playing in the workforce. These women struggle to balance their careers with their families and have dealt with this struggle by delaying fertility to older and older ages. Women are crucial to the functioning of our economy, but workplace policies and government policies have not kept up with the emergence of women as the primary or co-equal earners in their household.

In my own research, I have found that the fundamental drivers of a successful marriage have changed as a result of technological change, increasing life expectancy, increasing globalization and international trade, greater living standards, and changing gender norms and expectations.<sup>9</sup> In the past, families worked together to produce more either in what some researchers have called the corporate family economy—families worked together on farms and in the home.<sup>10</sup> As the need for agricultural workers declined, the male breadwinner family emerged—a period in which men and women had separate spheres. Today's families also work together in a shared mission, but now they operate much as they did in the days of the corporate family economy—together in a shared pursuit of earning a living and raising children. Notably, the difference is that modern families have more equal roles for men and women in

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<sup>7</sup> <https://www.bloomberg.com/news/articles/2020-01-10/women-stand-out-in-otherwise-middling-u-s-december-jobs-report>

<sup>8</sup> NCES "The Condition of Education 2018" <https://nces.ed.gov/pubs2018/2018144.pdf>

<sup>9</sup> Stevenson, Betsey, and Justin Wolfers. 2007. "Marriage and Divorce: Changes and their Driving Forces." *Journal of Economic Perspectives*, 21 (2): 27-52; Adam Isen & Betsey Stevenson, 2008. "Women's Education and Family Behavior: Trends in Marriage, Divorce and Fertility," NBER Chapters, in: *Topics in Demography and the Economy* National Bureau of Economic Research, Inc.

<sup>10</sup> Ruggles S. (2016) *Marriage, Family Systems, and Economic Opportunity in the USA Since 1850*. In: McHale S., King V., Van Hook J., Booth A. (eds) *Gender and Couple Relationships*. National Symposium on Family Issues, vol 6. Springer, Cham

the home and in the workplace. Families of equality—in which men and women share the joys and daily tasks of childrearing—are today’s most successful families. College educated women were once the least likely to marry. Today they are the most likely to be married and they divorce at lower rates.

The rise of marriages of equalities have created a bigger role for fathers. Fathers today spend more time with their children, and are more actively engaged parents. Dads are increasingly playing the role of the primary caregiver in the household: 1 in 5 fathers are the primary caregiver of preschool-age children when the mother is employed.<sup>11</sup> In the last 30 years, the number of stay at home dads with a working mom doubled,<sup>12</sup> the number of father-only families more than doubled, and in 2019 nearly a quarter of single parents with children under age 18 were father only households.<sup>13</sup>

In keeping with the shift in marriages to equal partnerships based on shared interests and background, with both partners contributing to income and caregiving, fathers change diapers, give bottles, and bring children to and from school. Although fathers continue to spend less time on childcare than mothers, this gap has narrowed over the past 10 years, and dads are increasingly performing caregiving activities traditionally done by mothers. Overall, fathers are spending more time on childcare and housework, and have not reduced their paid work hours by a commensurate amount. In 1965, fathers spent 49 hours per week doing paid work and taking care of their family; in 2012 that jumped to 54 hours per week.<sup>14</sup> Fathers are doing 4.6 more hours of childcare per week and 4.4 more hours of housework per week.

It is worth noting that fathers are now often the ones leading the charge to find a solution to work-family conflict.<sup>15</sup> In 2008, 60 percent of dads in dual-earner couples reported work-family conflict compared to 35 percent in 1977.<sup>16</sup> Men are also now more likely to seek jobs that allow more flexibility, require less travel, or include paid paternity leave.

The changing role of fathers is impacting schools, healthcare, and employers. Neither schools nor employers can presume that fathers can ignore the call to come to a sick child’s help and take them home to rest or to the doctor for help. Pediatricians have noted that father’s involvement in children’s health and development has changed substantially over the past decade. But many pediatricians have yet to recognize the shift and can do more to help fathers—married or not—play a more active and beneficial role in their children’s health and development.<sup>17</sup>

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<sup>11</sup> Survey of Income and Program Participation, 2011

<sup>12</sup> Census Table MC1 from 2019 Current Population Survey

<sup>13</sup> Census Table FM-1 from Current Population Survey

<sup>14</sup> Bianchi et al. (2006); American Time Use Survey

<sup>15</sup> All statistics from CEA analysis of 2012 American Time Use Survey

<sup>16</sup> Galinsky et al (2011) and Family and Work Institute (2002).

<sup>17</sup> Fathers’ Roles in the Care and Development of Their Children: The Role of Pediatricians

Michael Yogman, Craig F. Garfield, COMMITTEE ON PSYCHOSOCIAL ASPECTS OF CHILD AND FAMILY HEALTH  
Pediatrics Jul 2016, 138 (1) e20161128; DOI: 10.1542/peds.2016-1128

## Policy Solutions

### Make Solving Maternal Mortality a National Priority

For all the discussion of the benefits of raising children in two parent families, a starting place should be with the mothers that have children. Children cannot be raised in a two parent family when one parent is lost in childbirth. The United States has the highest rate of women dying from pregnancy-related complications in the developed world and the rate at which women die from pregnancy and childbirth has been rising. More alarming are the racial disparities—African-American, Native American, and Alaska Native women die are about three times as likely to die from pregnancy related complications compared to white women in the United States.<sup>18</sup>

The numbers of children growing up in families in which a mother has died during pregnancy or childbirth may be small, but each case is devastating. More importantly, there are policies that Congress can enact right now to reduce maternal mortality. NPR reported that states devoted only 6 percent of block grants under the Title V federal-state program supporting maternal and child health went to mothers health issues.<sup>19</sup> Medicaid often fails to cover the cost of doulas, yet doulas and midwives provide affordable, effective care for women.<sup>20</sup> Implicit discrimination leads to doctors to ignore black women's reports of pain and complications. Funding for simple training in implicit discrimination can help doctors deliver better care.

The first step in supporting children in families is ensuring that the women who birth these children survive and are healthy and Congress should immediately support the research and provide the funding necessary to make pregnancy and childbirth as safe for all American women as it is for women in other developed countries.

### Provide federal paid family leave

The next step to support families is recognizing the need for paid leave to bond with a new child for both men and women. Paternity leave helps men develop and build their role as active caregivers. Maternity leave helps women recover from pregnancy and bond with children. Research shows that parental time at home with a newborn has important long-run benefits for children.<sup>21</sup> Research also shows that paid maternity and paternity leave leads to women's greater likelihood of working and higher earnings following the birth of a child.<sup>22</sup> To be clear,

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<sup>18</sup>"Huge Racial Disparities Found in Deaths Linked to Pregnancy" New York Times May 7, 2019; "American is Failing Its Black Mothers" Harvard Public Health Winter 2019.

<sup>19</sup> The Last Person You'd Expect To Die In Childbirth May 12, 2017:00 AM ET Heard on Morning Edition <https://www.npr.org/2017/05/12/527806002/focus-on-infants-during-childbirth-leaves-u-s-moms-in-danger>

<sup>20</sup> [https://www.washingtonpost.com/lifestyle/2019/02/27/black-women-are-facing-childbirth-mortality-crisis-these-doulas-are-trying-help/?fbclid=IwAR1E0zLdn9HNIACU\\_Gz2kGtLdSAuwsod5Ug11cWyJIwBI\\_1WX5tfWLceFS4](https://www.washingtonpost.com/lifestyle/2019/02/27/black-women-are-facing-childbirth-mortality-crisis-these-doulas-are-trying-help/?fbclid=IwAR1E0zLdn9HNIACU_Gz2kGtLdSAuwsod5Ug11cWyJIwBI_1WX5tfWLceFS4)

<sup>21</sup> Berger, Lawrence & Hill, Jennifer & Waldfogel, Jane. (2005). Maternity Leave, Early Maternal Employment, and Child Outcomes in the US. *Economic Journal*. 115. 29-29. 10.1111/j.0013-0133.2005.00971.x.

<sup>22</sup> Maya Rossin-Slater & Christopher J. Ruhm & Jane Waldfogel, 2013. "The Effects of California's Paid Family Leave Program on Mothers' Leave-Taking and Subsequent Labor Market Outcomes," *Journal of Policy*

higher income helps families thrive and women's labor force contributions help families succeed. So keeping women in the workforce has important positive effects on children.

Many businesses have increased access to paid family leave because it is the profitable thing for them to do. But these policies are mainly about retaining highly-skilled, high-income women who are costly to replace.<sup>23</sup> Government action is necessary to ensure that all families have access to paid leave. A federal paid leave policy is essential in helping to close the gap in inequality among children. There are many papers you can turn to on the benefits of paid leave, but let me focus on the recommendations from a bipartisan working group.

For the past several years, I have been part of a bipartisan working group on paid family leave run jointly by the American Enterprise Institute and the Brookings Institution. While there remain disagreements on some details, our group reached a clear and strong consensus that the United States needs a federally-funded paid family leave policy.<sup>24</sup> Our consensus policy had four points of agreement:

1. Both men and women need access to paid leave.
2. A plan could and should be budget neutral by "splitting the costs of financing between a payroll tax and cutting government spending or tax expenditures elsewhere in a way that does not adversely affect low-income families."
3. Benefits would be limited and targeted, specifically offering a 70 percent replacement rate with a benefit cap of \$600 per week for a limited number of weeks.
4. There must be some job protection.

In an era of soaring budget deficits it is difficult for some members of Congress to get behind a new safety net program. However, it is clear that American children and American parents need access to paid family leave in order to thrive. It is time for Congress to make this important issue a national priority.

### **Affordable, high-quality early childhood education and childcare**

When parents go back to work after bonding with their new child, they need to be able to find affordable, high-quality childcare and early childhood education. The last several decades have brought tremendous strides in our understanding of children's learning. Infants and toddlers take in the world around them at birth, laying the foundation upon which the rest of their knowledge will be built. Researchers have established that profound advances take place in individuals' reasoning, language acquisition, and problem solving in early childhood. We now know that it is not sufficient to begin a child's education at kindergarten. Children need age-

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Analysis and Management, John Wiley & Sons, Ltd., vol. 32(2), pages 224-245, 03. Jane Waldfogel, "The Family Gap for Young Women in the United States and Britain: Can Maternity Leave Make a Difference?," *Journal of Labor Economics* 16, no. 3 (July 1998): 505-545.

<sup>23</sup> <https://qz.com/604723/when-google-increased-paid-maternity-leave-the-rate-at-which-new-mothers-quit-dropped-50/>

<sup>24</sup> "Paid Family and Medical Leave An Issue Whose Time Has Come" Aparna Mathur and Isabel V. Sawhill et al, May 2017 AEI Brookings. <https://www.aei.org/research-products/report/paid-family-and-medical-leave-an-issue-whose-time-has-come/>



and developmentally-appropriate play and learning from very early ages. Parents are investing heavily in their children—both mothers and fathers are spending more time with their children than earlier cohorts did, despite fewer children living in homes with a stay-at-home parent. But early childhood education requires knowledge about child development that not all parents have and most children will spend time with other caregivers. There is great inequality in access to early childhood education.

More than two-thirds of young children live in households in which all parents are working—either a single working parent or a dual-earner household. Yet high quality childcare is hard to find and is expensive. Families of children under the age of 5 spend \$250 per week on average on childcare.<sup>25</sup> A report by the Center for American Progress recently highlighted the large number of Americans who face job disruptions because of childcare problems. Both men and women leave jobs or refuse to accept better jobs because of the limitations imposed by their childcare constraints. Early childhood education helps children develop foundational skills and allows more parents to actively pursue careers. Government spending on early childhood education is an investment. These early investments lead to higher earnings, better health, and more civic cooperation throughout children’s adult lives.<sup>26</sup>

### **Recognize and support broader kinship relationships**

Grandparents are playing an increasingly important role in childrearing both for married and single parents. Grandparents may end up as the primary parent of a grandchild or may simply be an integral part of those providing care. Many people rely on family to help them balance the demands of raising children. Research shows that couples who live away from their parents are more likely to move toward their parents—the grandparents—once children are born. Public policy needs to consider the ways in which the role and responsibilities taken on by grandparents can be better supported and recognized.

### **Higher wages for our lowest earners**

Many people point to the lower incidence of poverty among married couples and argue that we should help people marry in order to lower poverty. In reality, we should lower poverty in order to help people marry. More importantly, marriage promotion programs do not work. The programs that have been evaluated have found no beneficial effects for parents or for children. The reason is simply: Americans truly embrace marriage. In many other developed countries people have eschewed marriage for cohabitation. But Americans still hold marriage up as the ideal. The difficulty is affording it. Raising the minimum wage and increasing the EITC—including for noncustodial parents—are all policies that help raise family incomes and therefore support children and their parents.

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<sup>25</sup> <https://www.americanprogress.org/issues/early-childhood/news/2020/02/18/480554/child-care-crisis-causes-job-disruptions-2-million-parents-year/>

<sup>26</sup> “The Economics of Early Childhood Investments” Report of the Council of Economic Advisers January 2015 [https://obamawhitehouse.archives.gov/sites/default/files/docs/early\\_childhood\\_report\\_update\\_final\\_non-embargo.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/early_childhood_report_update_final_non-embargo.pdf)