Strong Families, Prosperous States:

Do Healthy Families Affect the Wealth of States?

W. Bradford Wilcox & Joseph P. Price

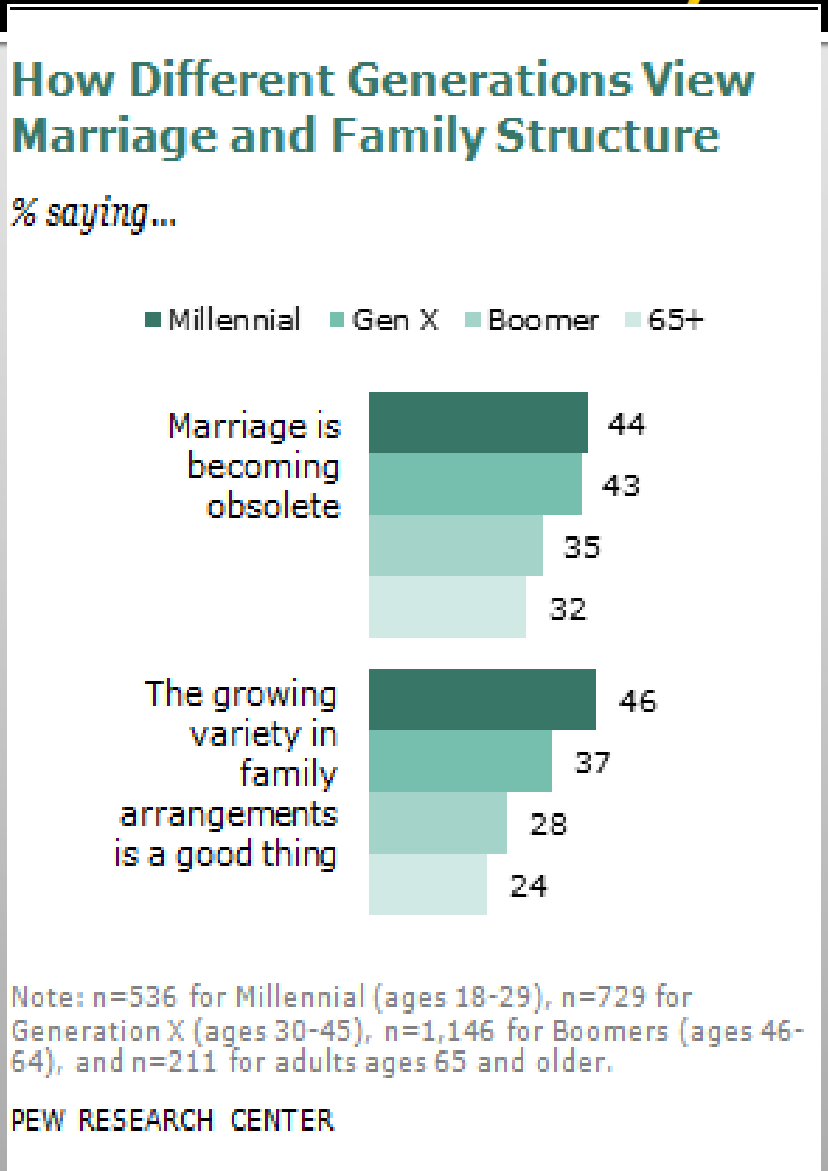
U.Va. / AEI/ IFS BYU/ NBER

@WilcoxNMP

Marriage Doesn't Matter

- The new conventional wisdom is that marriage doesn't matter.
- Hollywood Star Jennifer Aniston: "Women are realizing it more and more knowing that they don't have to settle with a man just to have that child."
- Cornell Psychologist Peggy Drexler: "[W]omen possess the innate mompower that in itself is more than sufficient to raise fine sons."

Millennials' Increasingly Laissez-Faire Family Views



Children, Men, & Women

- Men, women, and children are more likely to flourish—and to realize the American Dream—when marriage grounds adult intimacy and the rearing of the next generation.
- Marriage provides meaning, direction, purpose, and stability to our deepest needs for bonding and belonging.
- Marriage offers one of the most durable paths for broad-based prosperity at the community level.

STRONG FAMILIES, PROSPEROUS STATES

Do Healthy Families Affect the Wealth of States?

W. Bradford Wilcox, Joseph Price, and Robert I. Lerman

1. <u>How marriage matters</u>
2. Why marriage matters
3. The States of Our Unions
4. A family agenda

How Marriage Matters

Princeton-Brookings
Future of Children (2015)

Reams of social science and medical research convincingly show that children who are raised by their married, biological parents enjoy better physical, cognitive, and emotional outcomes, on average, than children who are raised in other circumstances.[1] Because nearly all of

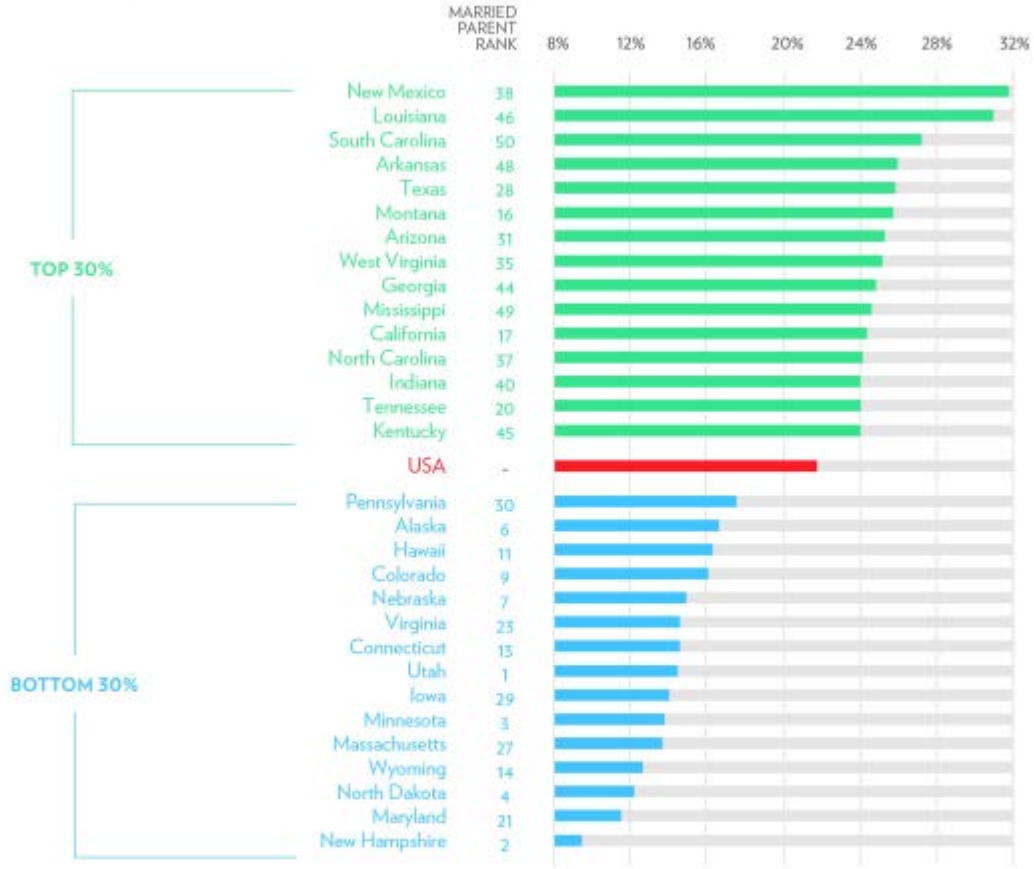
Strong Families, Prosperous States (AEI/Institute for Family Studies 2015)

- Where families are strongest, so too is the economy:
  - State growth is higher
  - State child poverty is lower
  - State family median income is higher
  - The American Dream is stronger

Child Poverty

FIGURE 8

States with highest and lowest child poverty rates



American Enterprise Institute (AEI)

Institute for Family Studies (IFS)

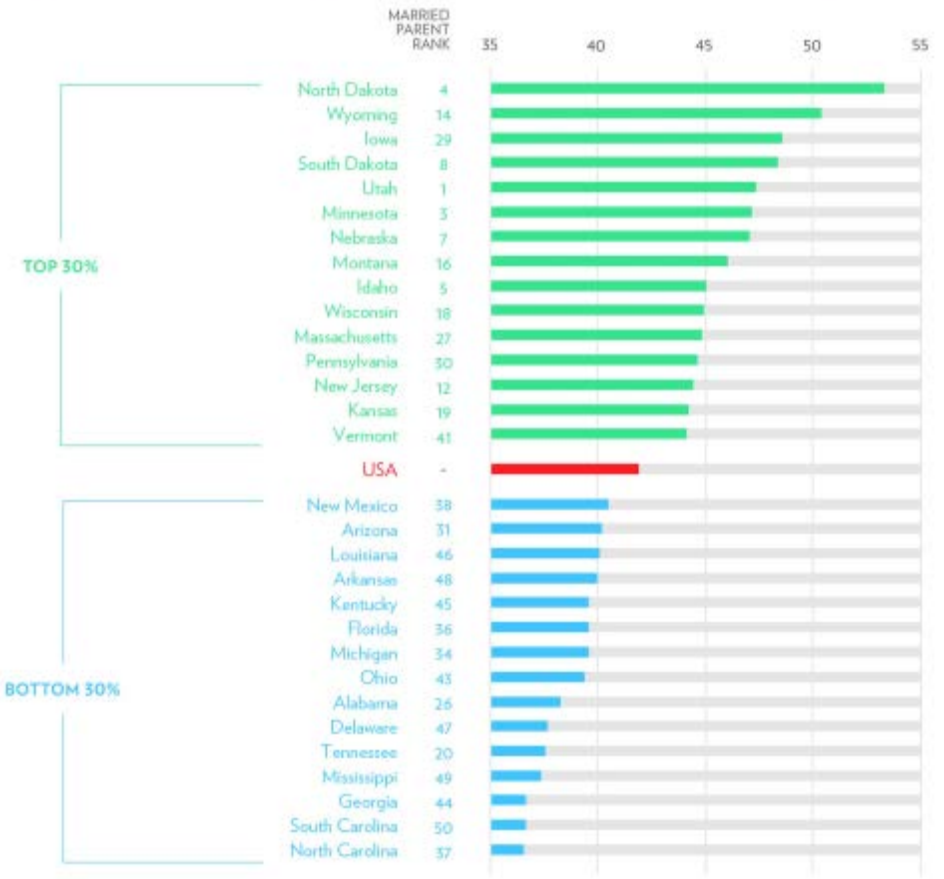
Source: Tabulations by authors from the Current Population Survey, 2012–2013.

Note: Married parent rank is based on the share of parents with children under 18 that are married, according to the 2013 Current Population Survey. Ages restricted to 25–59. All states included.

The American Dream

FIGURE 6

Highest- and lowest-mobility states for adults raised at the 25th income percentile



American Enterprise Institute (AEI)

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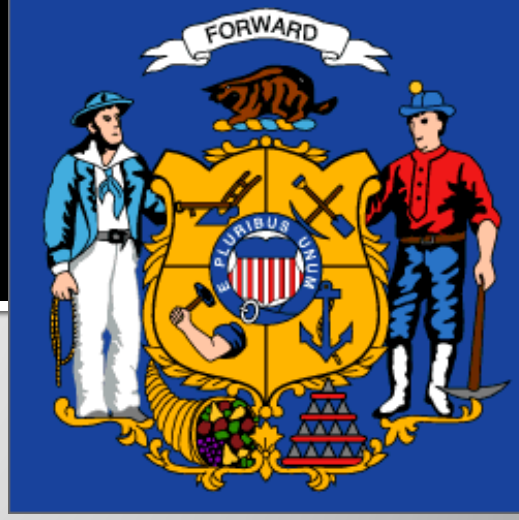
Source: Tabulations by authors from the Equality of Opportunity Project's absolute upward mobility data by county, collapsed to the state level. Note: Married parent rank is based on the share of parents with children under 18 that are married, according to the 2013 Current Population Survey. Ages restricted to 25–59. All states included. Mobility is from the 1980–1982 cohort.

The Family Formula for Prosperity

By our estimates, the average state per capita GDP would be 4.2% higher if states enjoyed their 1980 levels of married parenthood. Likewise, across the states, child poverty would be 17% lower and family median income would be 10 percent higher if states enjoyed 1980 levels of married parenthood. The bottom line: Our nation's economy would be in much better shape if more families were headed by married parents.

TIME

The Wisconsin Story



- Wisconsin is #19 for the share of children living with married parents (70%)
- If Wisconsin enjoyed 1980 levels of married parenthood:
  - GDP would be about 3.2% higher
  - Child poverty would be about 12% lower
  - Median family income would be about 7.4% higher

The Power of Marriage

- The "share of parents in a state who are married is… a stronger predictor of economic mobility, child poverty, and median family income in the American states than are the educational, racial, and age compositions of the states."
- ~ **Strong Families, Prosperous States**

How Marriage Matters

The Bottom Line:

- If you care about growth, child poverty, family income, and the American Dream, you should care about the health of the family in the Badger State.

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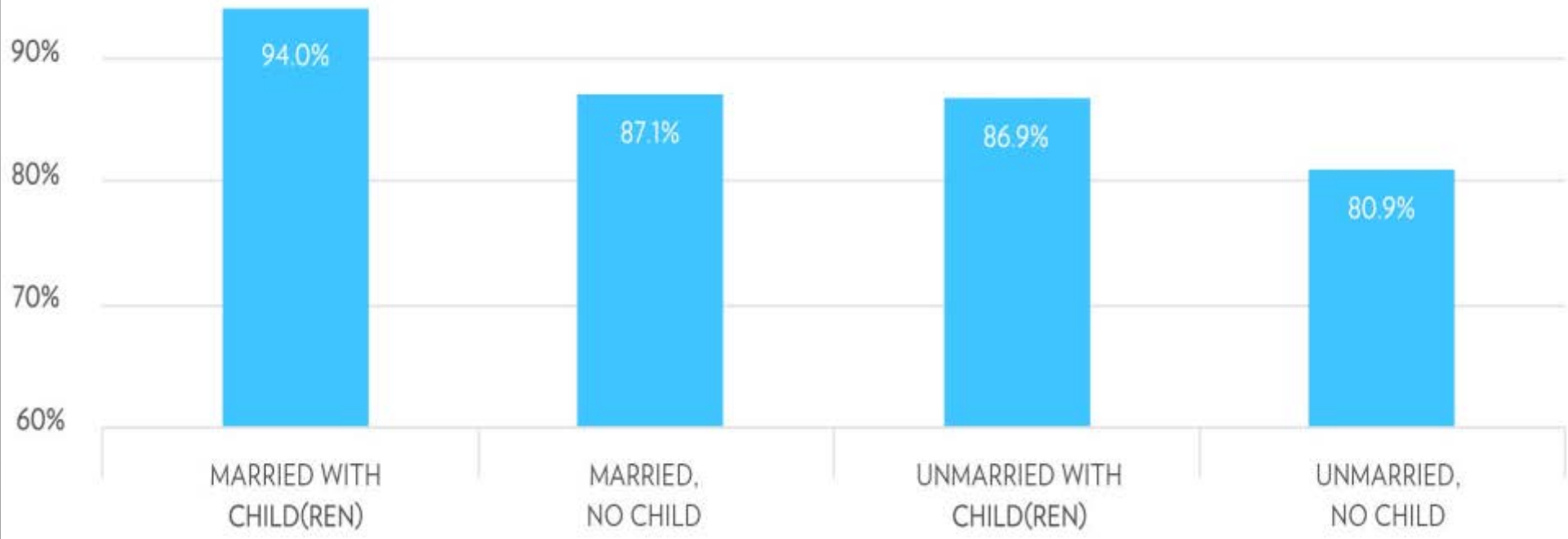
Marriage and Men

- Nobel Laureate George Akerlof (1998):
  - "Men settle down when they get married… "
- Marriage motivates men:
  - To work more
  - To work more strategically
  - To work more successfully

Men, Work & Family

FIGURE 11

Male labor force participation (ages 25–59), by marital and parental status



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Source: Tabulations by authors from the Current Population Survey, 2010–2013. All states included.

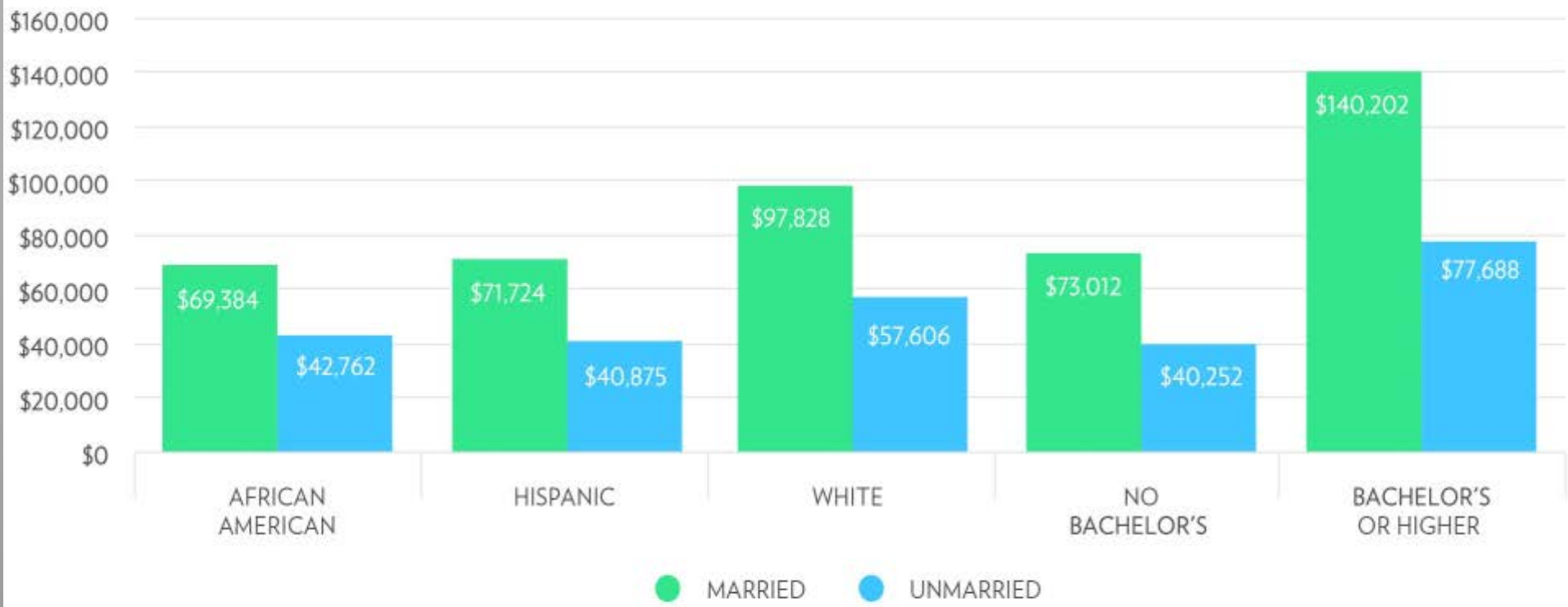
The *oikonomia*

- Married families have more money to manage & manage it more prudently:
  - Economies of scale
  - Income pooling
  - Higher rates of saving
  - Greater financial support from kin
  - More long-term stability

Marriage's Family Income Premium

FIGURE 13

Mean family income, by marital status, race/ethnicity, and education



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Source: Tabulations by authors from the Current Population Survey, 2010–2013.

Note: Includes controls for age, gender, and education of household head and region fixed effects. Ages restricted to 25–59. All states included.

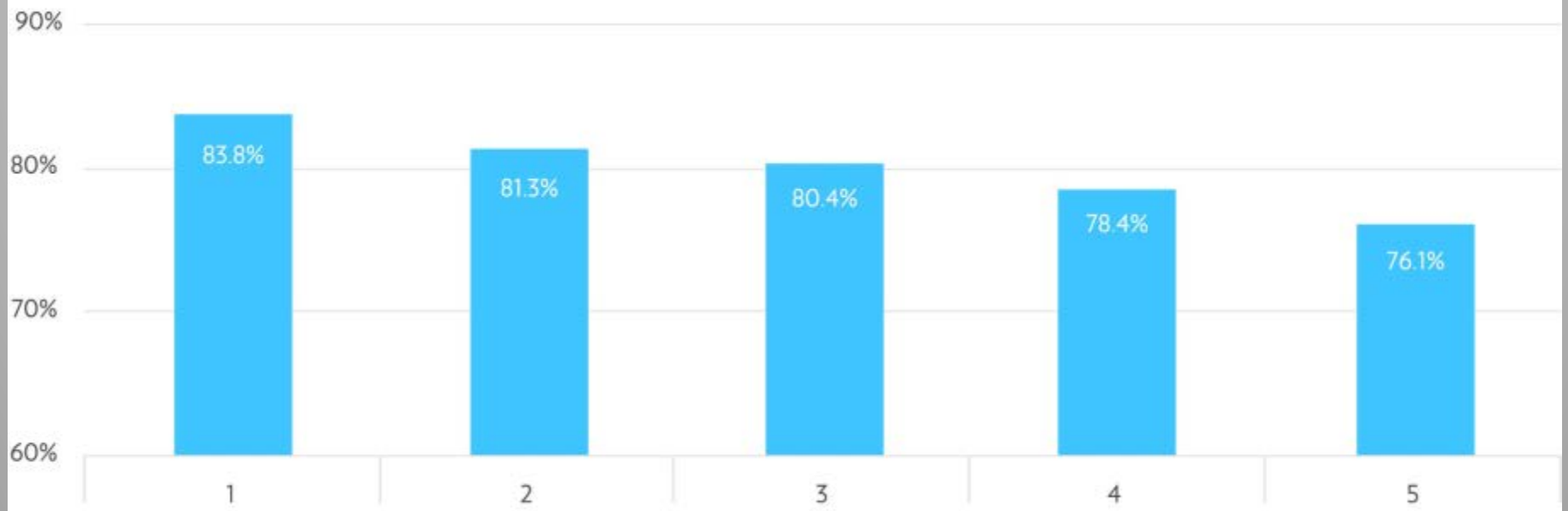
Strong Families, More Human Capital

- Children from intact, married families more likely to acquire the human capital they need to thrive in today's marketplace:
  - To graduate from high school & college
  - To be gainfully employed as young adults

The States of Education

FIGURE 14

States' high school graduation rates, by married-parent quintile



American Enterprise Institute (AEI)

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Source: Tabulations by authors from the Current Population Survey, 1995–2009; Elementary and Secondary Information System (ELSI) diploma and enrollment data, 1986–2012.

Note: Includes controls for year and states' racial composition, median family income, percentage of population with bachelor's degrees, and age composition of population. All states included.

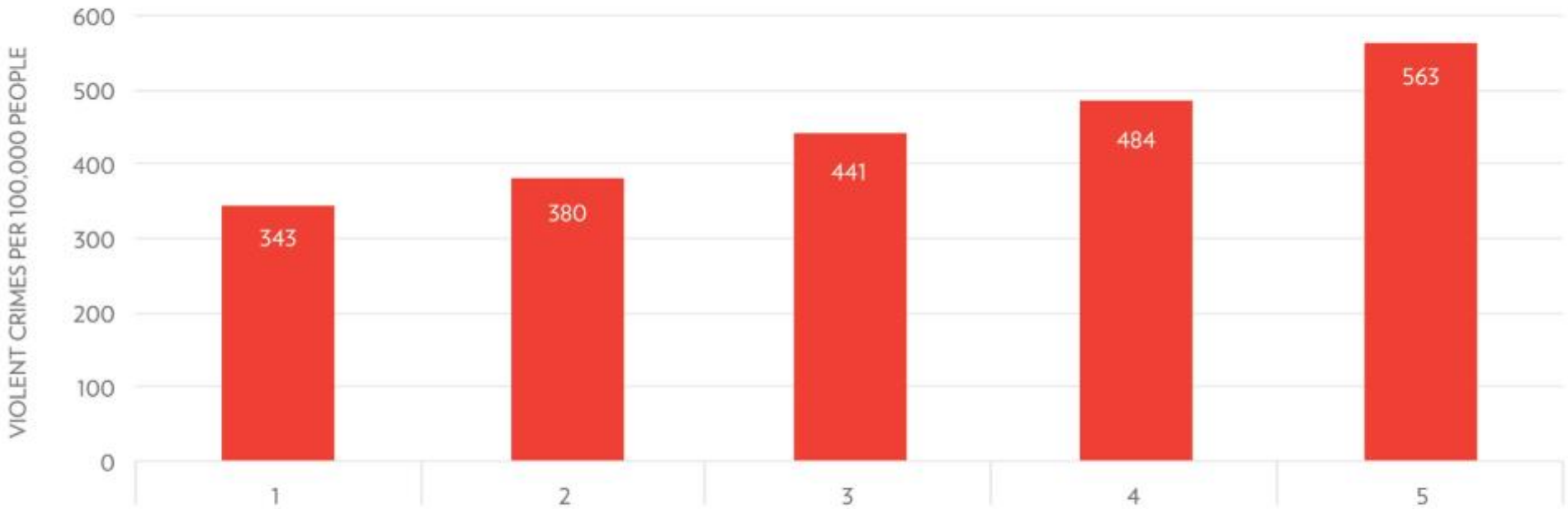
Stronger Families, Safer Streets

- When more families are headed by married parents, teenage boys and young men are:
  - Less likely to commit crime
  - Less likely to end up in jail
- At the community level:
  - Government can spend less on public safety
  - Businesses benefit from lower security costs
  - Safer neighborhoods promote greater upward mobility among the poor

Stronger Families, Less Crime

FIGURE 15

State violent crime rates, by married-parent quintile



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Source: Tabulations by authors from the Current Population Survey, 1977–2012; Uniform Crime Report, 1977–2012.

Note: Includes controls for year and states' racial composition, age composition, median family income, percentage of population with bachelor's degrees. All states included.

The Family Foundations of State Prosperity

The Bottom Line

- Strong families:
  - Deepen men's connection to the work force
  - Boost family income & assets
  - Foster better educational & labor force outcomes for children and young adults
  - Linked to higher levels of public safety & less spending on police and incarceration.

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Why has the retreat from marriage affected some states more than others?

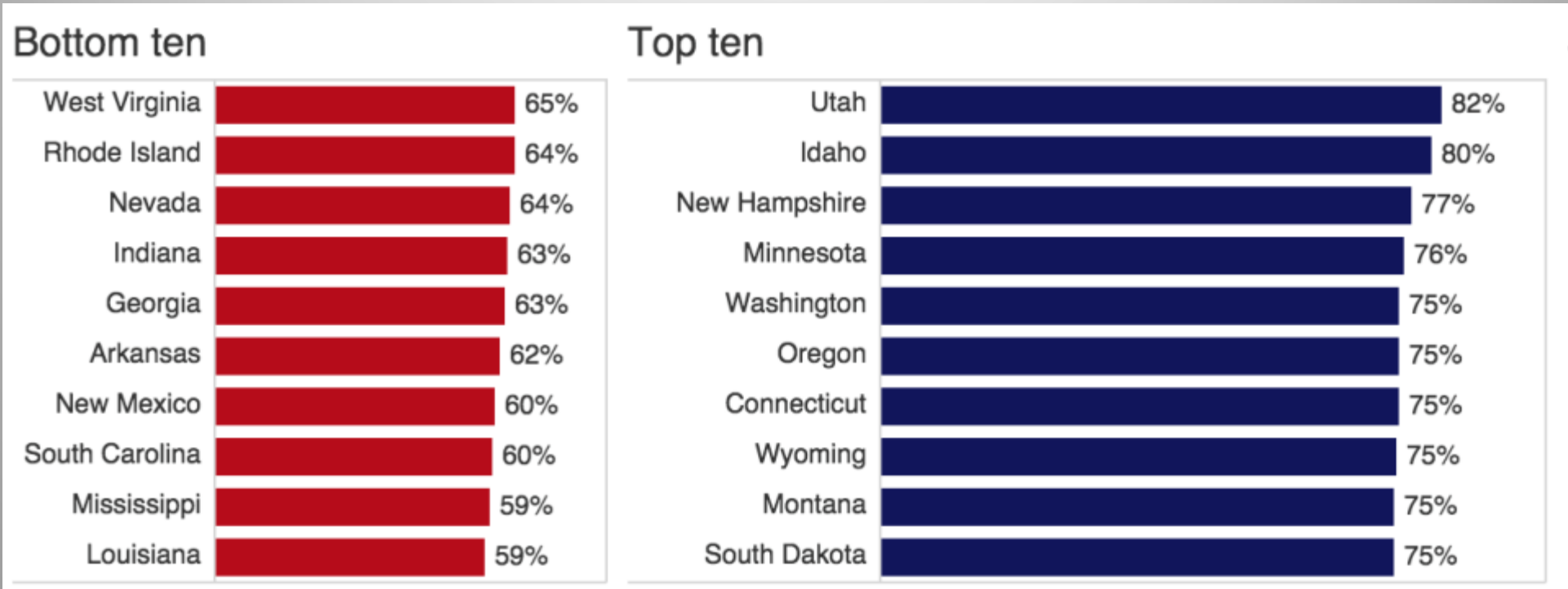
It's the Economy, Stupid

- "From an economist's perspective, our collective allergy to matrimony might be a macroeconomic issue: In order to save marriage, we'd have to have end poverty"
  ~ **Annie Lowrey, *New York Times***

It's More than Money

- But a "purely economic theory falls short as an explanation of the dramatic transformation of family life in the U.S. in recent decades."
  ~ **Isabel Sawhill, Brookings Institution**

Best and Worst States



Sources: 2013 Current Population Survey, a 2014 Gallup Poll (religious attendance), and The American Presidency Project (% voting Republican).

Social Structural Factors

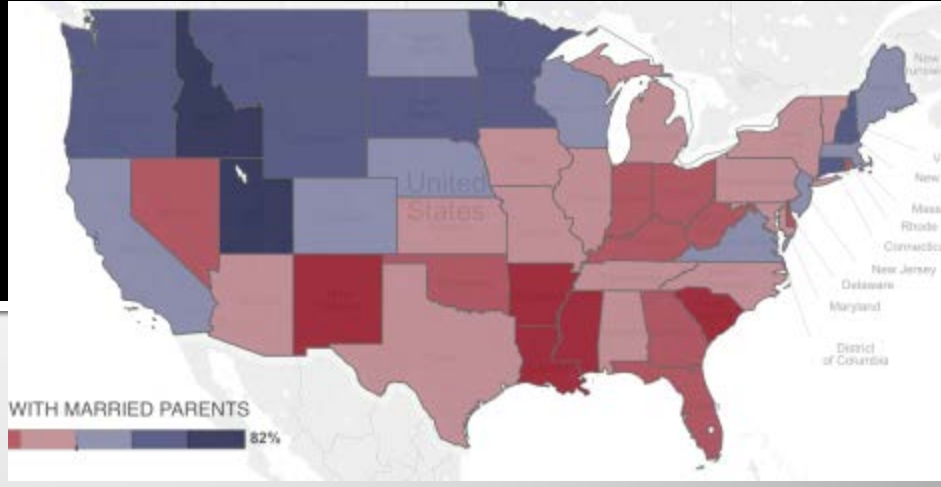
- Economics and education clearly matter
  - States with low levels of education or median income for men without college degrees most affected by retreat from marriage
    - **Mississippi and Georgia**
  - States with high levels of education and median income for men without college degrees least affected by retreat from marriage
    - **Minnesota and New Hampshire**

Cultural Factors

- States with middling or even low levels of education but a high degree of cultural conservatism some of the most resistant to retreat from marriage
  - **Idaho, South Dakota, and Utah**

- The "respect and even reverence for the idea of marriage [found] in conservative communities [may affect] people's behavior and attitudes"
- ~ **David Leonhardt, *New York Times***

The Bottom Line



The Bottom Line:

- "Our conclusion is that both structural *and* cultural factors explain why some states have proved to be more successful in resisting the nationwide retreat from marriage."

New Hampshire & Minnesota

and

Idaho & Utah

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What is to Be Done?

Do No Harm

- Public policy should "do no harm" to marriage esp. when it comes to low-income families:
  - Today, about 40% of American families receive means-tested benefits.
  - Many benefits penalize marriage.
  - The "probability of marriage falls as the marriage penalty increases" (Alm, Dickert-Conlin, & Whittington 1999).
  - Reform TANF, SNAP, & Medicaid with an eye towards minimizing marriage penalty.

Strengthen Economic Foundations

- Most Americans <u>will not get a college degree</u>.
- We need to improve economic prospects of Americans from poor & working-class communities by expanding vocational education & apprenticeship programs:
  - Career Academies boosts work hours, income, and marriage rates of young men from low-income families (MDRC 2008).
  - Wisconsin's Youth Apprenticeship System step in right direction.

Investing in Our Families

- Raising children is expensive today, especially for working-class families with stagnant incomes
- Expand child tax credit to $2500
- Acknowledge & encourage the investments families are making in future workers & taxpayers

Civic & Cultural Campaign

- Need state campaigns to expand civic and cultural supports for marriage:
  - "Success Sequence" (finish high school, work, marry, & become a parent, in that order);
  - Focus this campaign on less-educated men.
  - Think this is quixotic?
    - National Campaign to Prevent Teen and Unplanned Pregnancy has helped to drive teen pregnancy down 50% since 1990.

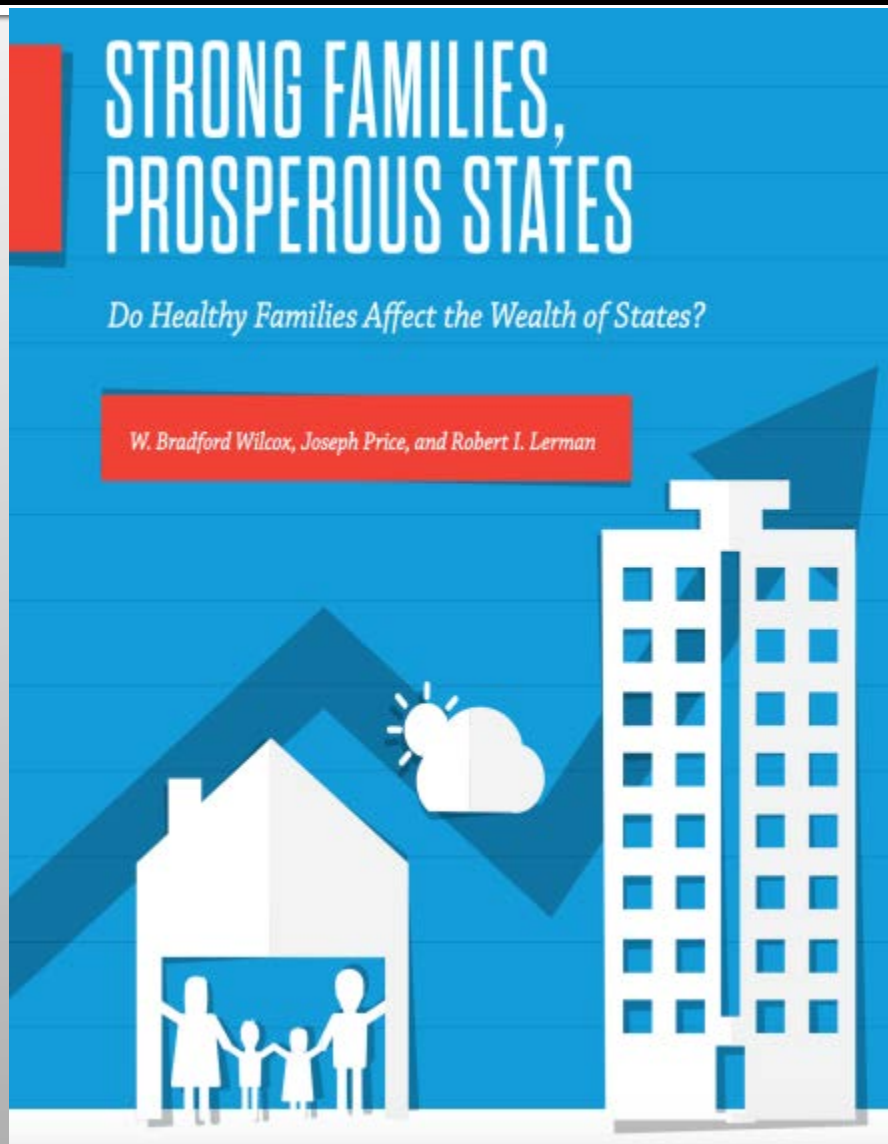
Conclusion

- Given the central role that marriage plays in fostering growth, prosperity, and the American Dream, states need to renew the

  - Economic
  - Policy
  - Civic &
  - Cultural

  foundations of marriage & family life for 21st century.

More Information

www.family-studies.org

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