

# **PERSONALLY SPEAKING**

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## **WHERE HAVE ALL THE BABIES GONE?**

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The Associated Press recently published a report highlighting the fall in birthrates around the world as a consequence of the Great Recession, notably in the United States, China, Japan, and Europe, and the dire implications for future economic growth. Our concern in the following is with the United States where the birth rate has fallen in 2012 to 12.6 births per 1,000 women ages 15 to 44. At the start of the severe economic slump in 2008 the birth rate was 14.0.

The decline in the U.S. birth rate is not a new development, however. From 1960 to 1968 it declined from 23.7 to 17.9 and from 18.4 to 14.6 between 1970 and 1976. It climbed to 16.7 by 1990 and has been dropping almost every year since. For whites there were more than 600,000 fewer babies born in 2012 than in 1960.

In the absence of immigration and higher labor force participation, fewer babies mean that in the years ahead there will be fewer workers in the labor force supporting a growing population of seniors whose Social Security retirement depends on the trust fund contributions from those workers and their employers. That's the main reason that the surplus in Social Security trust fund, which was built up over the years by the baby boom generation, will be depleted by 2033. Thereafter, retirees are likely to see the benefits they were promised cut by 25 percent.

Several different data sets suggest that the problem runs much deeper than the Great Recession. Jobless rates (not seasonally adjusted) for married persons since 2008, both by gender and race, were much lower than for the rest of the civilian labor force. For white married women the unemployment rate peaked during the slump at 6.3 percent. Among white men who were married it reached a high of 7.6 percent. In April 2014, those rates had tumbled to 3.2 percent and 3.0 percent respectively. Before the severe economic contraction that started in 2008, the unemployment rates for black married men and women were below 4 percent. Today they are at or below 5 percent. In sharp contrast, the rate of joblessness among never-married black men was more than three times higher.

Since 1973 when these data first became available, the rate of poverty among married-couple families has ranged from a high of 7.6 percent in 1982-83 to a low of 4.7 percent in 2000. Among female-headed families impoverishment was at its low point at 25.4 percent in 2000. In 2012 the poverty rate for all married-couple families was 6.3 percent. For female-headed families it was roughly five times higher.

Other data indicate that median household income in 2012 for married-couple families was more than twice as high as for female-headed families: \$75,694 vs. \$34,002.

The demographic composition of the U.S. population is changing radically. Between 2000 and 2010, for example, there was a 5 percent decrease in the number of husband-wife households with children, and an 11 percent increase in the number without children. Thus, the low unemployment rates and high household incomes of married couples notwithstanding, such families increasingly are not having children. Today, married-couple families with children represent only 20 percent of all U.S. households. There are now more married-couple families without children compared to those who have children: 32.9 million vs. 23.6 million. Some of these families no doubt are empty-nest families who had their children many years ago and those children, now adults, have moved out and established families of their own.

Married-couple families are not alone with regard to childbearing. Over the same time period there has been a nearly 30 percent increase in the number of female-headed families without children and a 36 percent increase in the number of male-headed families without children.

Further there has been a 41 percent increase in the number of unmarried couple households since 2000.

One clear conclusion stands out: American families of every type are having fewer children. The Great Recession perhaps contributed to this decline, either directly through effect of joblessness on the financial wherewithal to support children or indirectly through the fear that one might become unemployed and suffer a loss of income, but this trend seems unlikely to change over the near term.

More importantly, the traditional married-couple family with children is a thing of the past. Fifty-five percent of all family households, whether headed by a female, male, or married couple, have no children. The long-term decline in the birth rate is indicative of a profound change in the composition of American households and the desire of American men and women to have children. It seems that some are putting the comforts of higher incomes ahead of children while others are coping with the lower incomes associated with broken families by not having children.

Where have all the babies gone? Gone to heaven, everyone.

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