

The Changing Face of the American Family

BY CHARLES GERENA

“Family Economics Writ Large.” Jeremy Greenwood, Nezih Guner, and Guillaume Vandembroucke, *Federal Reserve Bank of St. Louis Working Paper No. 2016-26B, January 2017.*

The American family looks very different than it did 50 years ago, reshaped by a multitude of changes in the choices that people make and how they are accepted (or not) by society. Fewer couples are getting married and more are getting divorced, while more women are in the workforce and fewer are having babies.

A paper published by the St. Louis Fed has examined the use of models to better understand the macroeconomic effects of these and other family-related decisions made at the micro level throughout the life cycle. According to the authors, Jeremy Greenwood of the University of Pennsylvania, Nezih Guner of the Center for Monetary and Financial Studies, and Guillaume Vandembroucke at the St. Louis Fed, much progress has been made in explaining certain trends. These include the rise in the number of people in the same socioeconomic class marrying each other, a phenomenon known as assortative mating, and the rise in children living with a single mother.

Yet questions remain about other family-related decisions. “It seems likely that the secular decline in fertility is connected with the rise in married female labor-force participation,” noted Greenwood, Guner, and Vandembroucke. “Matching these long-run facts, in addition to the cross-sectional facts on female-labor force participation and fertility, would be an important thing to do. The development of such a macroeconomic model is essential for understanding a host of policy questions surrounding the family.”

As macroeconomic models incorporate these factors, the researchers suggested, they could provide much-needed guidance for state and federal lawmakers who want to use public policy to address societal ills. For example, should child care be subsidized for the growing number of single-parent families? Or, taken to an extreme, should tax policy be used to encourage marriage as it has been to encourage homeownership?

“The Role of Selective High Schools in Equalizing Educational Outcomes: Heterogeneous Effects by Neighborhood Socioeconomic Status.” Lisa Barrow, Lauren Sartain, and Marisa de la Torre, *Federal Reserve Bank of Chicago Working Paper No. 2016-17, November 2016.*

The achievement gap between low-income students and their more affluent counterparts has proven to be a difficult problem for policymakers to tackle. It has

widened over the last 50 years and is much larger than the achievement gap between students of different races. Policymakers want to break the cycle of poverty that results from this gap, as well as from Americans’ relatively low level of income mobility from generation to generation compared to other developed countries.

Lisa Barrow at the Chicago Fed and Lauren Sartain and Marisa de la Torre at the University of Chicago recently examined the effectiveness of Chicago public high schools with selective enrollment in bridging the achievement gap between students of differing income levels. Selective public schools admit students based on admission requirements such as academic performance and entrance exam scores. In Chicago’s case, they also consider a student’s socioeconomic background to extend broader access to their more challenging, academically enriched environments.

Earlier research on selective high schools has suggested mixed results. In countries where all assignments to secondary schools are based on test scores, such as Romania and Trinidad and Tobago, research has found that attending the most selective schools improves student scores on future high stakes exams. But in cities such as Boston and New York, where only a small number of schools have selective admission, the results have been less sunny. While students may be exposed to more rigorous course work, research has found no effect from these schools on test scores, according to the paper.

“These findings suggest that any apparent advantages gained by attending a selective high school are actually due to selection and not to [the] value that the schools themselves add for their students,” the authors noted.

Because the admissions processes of Chicago’s selective high schools give disadvantaged students a leg up, and because those schools are academically enriched, they might be expected to achieve better outcomes for their disadvantaged students than other Chicago schools. Based on the paper’s findings, however, that was not the case.

In addition to a lack of an effect on test scores, selective high schools had a large negative effect on the GPA of students from disadvantaged neighborhoods. Perhaps as a result, these students were less likely to attend a selective college.

Overall, students at Chicago’s selective high schools did have a more positive perception of secondary education. “[They] are more likely to say that students get along well and treat each other with respect, and they are similarly more likely to report that their teachers care about them and listen to their ideas.” They are also less likely to worry about crime, violence, and bullying at school.

“Perhaps it is factors like these that make SEHSs highly desirable to students and families — more so than the potential to improve test scores and college outcomes.” **EF**