

## Melissa Kearney

On the American fertility decline, the role of social norms, and the link between single-parent households and economic gaps

Over the past two decades, University of Maryland economist Melissa Kearney has been researching economic inequality and mobility, poverty, and children's well-being. She was first drawn to such topics, she says, by her own family's experiences.

"My parents grew up as poor kids in the Bronx, but they managed to build a middle-class lifestyle in suburban New Jersey for my sisters and me," she recalls. "They always taught us to recognize how lucky we were. My sisters and I all went off to college after high school, something my mom didn't have the opportunity to do. I think seeing my own circumstances, and how they compared to those of my parents and other people around me, made me keenly interested in questions about economic opportunity and social mobility."

Kearney's future research interests were further sharpened by a college summer internship at a welfare-to-work center in Bridgeport, Conn. "I was teaching classes to young mothers who were my age but obviously living totally different lives from me. That summer made me profoundly interested in the way economic circumstances shape the life trajectories of women and children, in particular."

Kearney went on to win Princeton's prize for best undergraduate thesis in economics for her 96-page senior thesis on the economic factors influencing the age when American women have their first child. From there, she earned her economics Ph.D. at the Massachusetts Institute of Technology and embarked on research analyzing the economics of the family, the polarization of the U.S. labor market, and declining male labor force participation, among other issues.

Her new book, *The Two-Parent Privilege: How Americans Stopped Getting Married and Started Falling Behind*, published in September by the University of Chicago Press, brings together many of her research interests; it looks at evidence that diverging patterns in marriage are reinforcing the economic disadvantages already borne by children of non-college-educated parents.

David A. Price interviewed Kearney by phone in July.



**EF:** You have pointed out that there has been a dramatic decline in U.S. birth rates since around the time of the Great Recession in 2007, and that this decline kept going during the economic recovery. Why do you think this has been happening?

**Kearney:** I'm convinced there's no one straightforward economic or policy factor that can account for this. Once you start looking at the data, it becomes obvious that it can't be something as simple as child care costs suddenly becoming too expensive or women's economic opportunities suddenly opening up. Nothing like that changed suddenly around 2007. And in fact, when you look across the U.S., you don't see contemporary policy or economic changes lining up with changes in birth rates the way we would predict.

For instance, we don't even see in the data that births have fallen more in places where rental costs or student debt loads have increased by more than in other places. I don't think, based on my look at the data, that these are the major driving factors. In work I've done with my colleague Phil Levine, we've been able to rule out some of these straightforward potential explanations. It's quite telling that the decline of birth rates in the U.S. has been widespread across the country, across socioeconomic groups. We're really left in a place where what we need is some sort of universal explanation, I think.

Furthermore, the declining U.S. birth rate means that the fertility rate in the U.S. now seems to be belatedly converging to the lower level of other high-income countries. So that would lead me to think it's something that has happened across the cohort.

Here's the speculative hypothesis that Phil Levine and I have put forward. We proposed that priorities have shifted across cohorts, such that people reaching adulthood in more recent years are less committed to having kids or multiple kids than people used to be. We're not just suggesting that preferences have shifted. It's potentially also about parenting having become more intensive over decades, over a period when women have more career opportunities, so the conflicts between focusing your adult life on having and raising kids and pursuing a career is more in conflict than it used to be. People might want to spend more time now in non-family-oriented activities than in the past, and that's become more socially acceptable.

So basically what I think is going on is that young adults today who were born in the 1980s and 1990s are making different decisions about how they want to spend their adult time and money, as compared to the cohorts of people who were born in the 1960s and 1970s. It's important to note that this is speculative.

Relatedly, I'm doing work now with Lisa Dettling and Taylor Landon looking at how housing costs have affected young adults' decision to marry, which of course is related to birth rates, though it is separate. I thought going into the project that perhaps rising housing costs were part of the explanation for why young adults today are putting off marriage, but we are not finding support for that.

**EF: The iPhone came on the scene in 2007. Is that a plausible change to be thinking about as a factor?**

**Kearney:** A lot of social changes happened in the years after the iPhone came out: the decline in birth rates, a delay in marriage, the rise in mental health challenges. I find the notion that these are linked to the introduction of the iPhone completely plausible. But I

have yet to see or figure out a way to really nail the causal identification.

And again, it's always hard for us empirical economists when something happened sort of universally. Some people think about it as people spending more time on their iPhone, so they're having less time with other people; if that leads to less relationship formation or even less sex among married couples, that would lead to a reduction in birth rates. Again, that's plausible.

But something that I'm intrigued by is the possibility that the iPhone and

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access to social media really amplified social messaging or trends. This is completely speculative and anecdotal, and I wish I could think of a way to study this. Yet I have heard from many young women that they are trying to decide whether they want to have kids, that they're going online and seeing all of these posts on Instagram, TikTok, etcetera, suggesting that people not have kids and saying how kids are a burden to freedom and their life. And so I think the amplification of social norms is perhaps one of the ways that the spread of the iPhone and social media is potentially having an effect. But I hasten to add that I can't point to causal evidence in favor of those hypotheses yet.

**EF: In *The Two-Parent Privilege*, you argue that the decline in marriage and the corresponding rise in the share of children being raised in one-parent homes has been widening economic gaps between haves and have-nots. In what way?**

**Kearney:** The decline in marriage and the rise in the share of children being raised in a one-parent home has happened predominantly outside the college-educated class. Over the past 40 years, while college-educated men and women have experienced rising earnings, they continue to get married, often to one another, and to raise their children in a home with married parents. Meanwhile at the same time, the earnings among adults without a college degree have stagnated or risen only a bit. And these groups have

become much less likely to marry and more likely to set up households by themselves.

So just mechanically, these divergent trends in marriage and family structure mean that household inequality has widened by more than it would have just from the rise in earnings inequality. You've got this double whammy of earnings inequality happening at the same time as the

groups experiencing declining earnings and declining employment are also more likely to just have one adult in the household. So in a direct sense, that demographic trend has widened economic gaps.

More consequentially for children's outcomes and socioeconomic gaps, children born to college-educated parents are now much more likely to live in a household with married parents and have the associated benefits of that. To be specific, 84 percent of children whose mothers have a college degree live with married parents, compared to less than 60 percent of children whose mothers don't have a college degree.

This means that the kids born to college-educated mothers live in a household with much higher levels of income, not just because their mother has the potential to make more income, but because she's much more likely to have a working spouse in the home or to have a spouse in the home at all. But also, there are many more

parental resources in general when there are two parents in the home — more parenting time for supervision, nurturing, and so on. To the extent that parenting inputs shape children's outcomes, this widens the gap in kids' behavioral and educational outcomes and exacerbates class gaps. This is why I referred to this phenomenon as the “two-parent privilege,” because the two-parent home has now become another advantage of the college-educated class and their children.

**EF: You wrote that when you brought up the subject of family structure at an economics conference, you encountered a lot of discomfort from other economists. What do you think made them uncomfortable?**

**Kearney:** This has happened many times over the years. In fact, I was at a conference on poverty earlier this summer where someone in attendance, not me, brought up the subject of family structure. The panelists, who were not all economists — they included sociologists and a social worker — were visibly uncomfortable, even annoyed, and promptly dismissed the person's question.

I think this discomfort stems from a well-intentioned instinct to not want to come across as sounding judgmental or shaming certain types of families. And I'm very sympathetic to that instinct. The problem, though, is that avoiding this topic is counterproductive. Denying the importance of family structure and the role of families to children's outcomes and economic mobility is just dishonest, based on the preponderance of evidence.

Another reason why I think it makes economists, in particular, uncomfortable is that we don't have a ready solution for the challenge. It would be much easier for us to talk about this issue if there were an obvious policy lever to address it. We're generally very comfortable arguing for, say, a specific tax cut to stimulate a certain type of business activity or a tax credit for

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### ■ PRESENT POSITION

Neil Moskowitz Professor of Economics, University of Maryland, College Park

### ■ SELECTED ADDITIONAL AFFILIATIONS

Director, Economic Strategy Group, Aspen Institute; Research Associate, National Bureau of Economic Research

### ■ EDUCATION

Ph.D. (2002), Massachusetts Institute of Technology; B.A. (1996), Princeton University

educational investment, but trying to incentivize family formation outcomes starts to feel like we're moving into territory we might not want to be in. And even if we got over that hangup, it's just a harder set of outcomes to move with the types of economic policy interventions we're used to studying and thinking about.

**EF: Can this development be accounted for by parents simply cohabitating in a committed relationship rather than getting married?**

**Kearney:** No, it can't. That's something that highly educated Americans often speculate about this topic: “Oh, we're just becoming more northern European in our attitudes about this.” But that's not what's happening. The decline in marriage among parents in the U.S. has not been replaced with a corresponding rise in unmarried parents stably living together for the long haul and essentially being married in all but name. In the U.S., cohabitation is a very fragile arrangement.

**EF: You report in your book that Asian families are an exception to the trends you're describing, with high rates of two-parent families across all levels of education. What do you think is driving that?**

**Kearney:** This is something that I was surprised to learn when doing the data

work for this book. Much of the work that I know in the social sciences in the U.S. has looked at differences in family structure between White and Black families. There's just been less of an emphasis over the past 40 years looking at Asian Americans in the U.S., since they have been a smaller population group.

What I can see in the data is that within the other three major race and ethnic groups in the U.S. — Whites, Blacks, and Hispanics — there's a large gap in family structure based on the mother's education level. Within each of those three major race and ethnic groups, the share of children living with married parents is substantially lower for children whose mothers are not college educated. But for children whose parents identify as ethnically Asian, even among children whose mothers don't have a college education, close to 90 percent live in a married-parent home. In other words, we don't see the same education gradient within this ethnic group.

I'll be honest: I need to learn more about what might be driving this. I just looked to see if it could be explained by the economic situation of non-college-educated Asian men being noticeably better than non-college-educated men in the other groups. That doesn't explain it. Despite similar trends in earnings over time, their rates of marriage just haven't fallen as much. I suspect that social norms might be playing a role here, but I am by no means an expert on Asian or Asian American culture.

The data do show, though, that single-parent homes are quite uncommon in Asian countries. So to the extent that that might be indicative of any sort of social or cultural norms that these groups maintain in the U.S., perhaps that's part of the explanation.

**EF: You cite research indicating that places with higher rates of two-parent families have higher rates of upward mobility, economic mobility. What is behind that?**

**Kearney:** On this point, I'm citing the 2014 paper by Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. This is one of the first papers to make use of access to millions of U.S. tax records to track social mobility across the country. What really jumped out at me from that paper is that a factor highly correlated with the rate of upward mobility in a place was the share of households headed by a single mother. In contrast, economic policies and factors including EITC exposure, tax progressivity, the number of colleges per capita, or local area college tuition are not particularly highly correlated with the rate of upward mobility.

This finding is challenging for economists — what do we make of it? I think it tells us that the way people form their families, the way they are raising their children, is really predictive of upward mobility.

And interestingly, it's predictive at a neighborhood level. It's not just about a child's own family structure; it's about the characteristics of the place. Another paper that came out of Harvard's Opportunity Insights Lab in 2020 documents that the presence of Black fathers in the neighborhood, not just Black men but Black fathers, is the strongest local area predictor of upward mobility rates for Black boys. And it's the factor that is most predictive of a smaller racial gap in adult male earnings for the boys when they grow up.

**EF: You've suggested that the trend toward one-parent families has been driven in part by changes in economic conditions that have hurt men in the labor market, such as the loss of manufacturing jobs. What's the connection?**

**Kearney:** This notion is related to William Julius Wilson's observation in the 1980s that differences in the availability of what he referred to as "marriageable men" — approximated by

the share of men in an age group who are fully employed — were contributing to the gap in marriage and married-parent families between Black and White individuals at the time. I am applying that concept to what is going on now in terms of the class or education gap in marriage and married-parent families. The trends over the past 40 years fit with this story, in that conditions that have hurt men in the labor market have led to an increase in one-parent families.

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There are multiple studies that document that there is a causal link between the economic struggles of men in recent decades and the rise in single-mother households. For instance, research by David Autor, David Dorn, and Gordon Hanson, as well as a paper by Eric Gould, show a causal link between the reduction in U.S. manufacturing jobs, which has historically employed many men and provided good wages, and a reduction in marriage and a rise in single-mother households and child poverty in affected communities.

Gould's research goes further to show that this trend has had particularly large negative effects on Black communities, worsening racial gaps. The idea is quite simply that as men become less reliable as financial providers for their families, the value proposition of marriage, at least marriage between a man and a woman, falls. In practice, this could reflect men themselves deciding they can't reliably provide for a family, and so they decide not to commit to it. Or women deciding they're better off providing for themselves and

their children by themselves rather than setting up a household with a man who's often out of work and potentially brings other personal struggles to their relationship.

On that point, I would note the same communities that have been affected by a loss of manufacturing jobs have also experienced increased rates of drug and alcohol abuse and what Anne Case and Angus Deaton call "deaths of despair." So broadly speaking here, the economic challenges facing non-college-educated men have spilled over from the labor market and economic sphere into the sphere of family with profound implications for children in society.

**EF: You have found that the trend is path dependent. That is, once economic decline in an area pushes marriage rates down, economic improvement doesn't necessarily reverse that trend. That seems surprising.**

**Kearney:** I was surprised by this, too. For a long time, I was of the view that to turn around the decline in marriage and the rise in non-marital childbearing, we needed to see an increase in economic opportunities and economic security for less-educated men. Then there was an economic shock in the past, say, 15 years that was actually good for the employment prospects and earnings of non-college-educated men: the fracking boom. I set out to study the family formation response to this economic shock in work with Riley Wilson.

I was expecting to find that in communities that had an increase in male employment and earnings because of a local fracking boom, there would be a reduction in the non-marital birth share. But it turns out that's not what happened in those places. The number of births did go up in response to the increase in male earnings and incomes. That's not surprising given past research

showing positive income effects leading to increased birth rates. But what was surprising to me was that the increase in births was in similar proportion among unmarried and married mothers, and there was no increase in marriage.

Then we looked back at what happened during the coal boom and bust of the 1970s and 1980s. That was a similar shock in similar communities, but what happened then was different: The increase in male earnings led to an increase in marriage and a reduction in the non-marital share of births.

I think this is potentially indicative of a feedback loop between economic and social forces. It's entirely consistent with the various pieces of evidence that economic pressures that have reduced the, let's say, economic attractiveness of non-college-educated men over the past 30 or 40 years led to a situation where in certain communities, among certain groups, non-marital childbearing has become commonplace. The social norm tying marriage and having and raising children together has been broken. And now it's going to take more than just a change in economic circumstances to reverse that. My current view is that it will likely require both economic and social changes to bring about a sort of return to the bundling of marriage and having and raising children.

To be clear, I don't think any of us would like to return to a situation where someone really had to be married, even if the marriage was harmful. But I think there's a question about whether a lot of people, at least outside the college-educated class, have become agnostic about the benefits of a married two-parent home for kids.

**EF: Would income transfers take care of the problem?**

**Kearney:** An obvious policy response to addressing the gaps in resources between one- and two-parent homes would be to increase government support to one-parent homes or more generally to lower-income homes. This would, to some extent, help close

resource gaps. Now to be sure, I am in favor of increasing income support to low-income families with children, given all we know about the benefits of alleviating material deprivation for children.

I hasten to add that this should be done regardless of parental marital status. Certainly, receipt of benefits should not be conditioned on having an absent parent as U.S. welfare used to be, since that explicitly disincentivized marriage. But I do want to acknowledge the concern that insofar as transfer payments increase the economic viability of single-parent households, that might lead to some small increase in these types of households. My read of the evidence is that the behavioral effects there are likely to be small.

But either way, I'll take the trade-off. I am firmly of the view that we cannot just allow children to continue suffering the consequences in the hope that entices some more parents to get married.

Having said that, even an increase in transfer payments isn't going to fully make up for the absence of the second parent in the home. Parents do more than just pay the bills. They invest their time and energy into their children. They provide supervision and guidance. They read to them and play with them. We should be clear that a government check is never going to be able to fully make up for the absence of a second committed parent in the home.

Furthermore, the reality is that in this country, we couldn't even muster the political support last year to maintain an annual child tax credit of \$3,000 per year. That indicates to me politically how far we are from a situation where we might conceivably have income transfers to make up for the absence of a second earning parent in the home. What are the chances we're going to have a child allowance equal to, say, the median earnings of a high school graduate, around \$40,000 a year, year after year until the child is 18? The idea that we're going to solve

this problem with a government check is just not plausible. And it doesn't account for all the many things that a second parent brings to the home beyond income.

**EF: Any thoughts on what policy-makers should be doing?**

**Kearney:** First, I think that policymakers and advocates for children and family well-being and social mobility need to acknowledge the fact that the unprecedented shift away from the institution of having and raising children within a married-parent home has not been good for children. And given the divergence across education groups in this trend, it has exacerbated class gaps. We need to acknowledge that this is a challenge and not pretend that it doesn't matter — or that we can just rely on schools or counselors or training programs to make up for the deficit that children often experience when they come from one-parent or unstable homes.

Once policymakers are willing to acknowledge that, it should lead to a shift in thinking about how to design government and social programs in ways that explicitly support and promote two-parent families. Certainly not by penalizing single-mother families. But rather by looking for ways to bring nonresident fathers into the family fold in a way that's productive and beneficial for everyone. Also, by supporting efforts to continue to innovate with programs and policies that would support and encourage the formation of two-parent healthy, married households.

And I would also add that recognizing the urgency of this problem and how the economic struggles of non-college-educated men have had disastrous consequences for families and children in America heightens the imperative of bolstering economic opportunity and promoting skills and jobs. We cannot be complacent about what's happened in certain groups and in certain parts of the country in terms of the economic struggles that have happened there. **EF**