



Summary:

How Much Does Teen Childbearing Cost?

Early pregnancy and childbearing remain pressing concerns in the United States. In 2002, there were over 760,000 pregnancies to women under the age of 20 and some 420,000 births to teens in 2004. Despite a 36 percent drop in the teen pregnancy rate between 1990 and 2002 (the most recent data available) and a 33 percent decline in the teen (girls aged 15-19) birth rate between 1991 and 2004, the United States still has the highest teen pregnancy and birth rates in the industrialized world. In fact, rates of teen pregnancy in the United States are two to six times higher than those in most of Western Europe including France, Holland, Denmark, and Sweden.

**TEEN CHILDBEARING
COSTS TAXPAYERS AT
LEAST \$9.1 BILLION
ANNUALLY**

Teen childbearing is associated with adverse consequences for teen mothers, fathers, and their children. Teen childbearing is also costly to the public sector—that is, to federal, state, and local governments and the taxpayers who support them. While the consequences of teen childbearing are many, this report focuses exclusively on the public sector costs of teen childbearing.

A decade ago, a group of researchers estimated that births to mothers age 17 and younger cost taxpayers nearly \$7 billion annually. Costs to society as a whole were more than twice as much as that. These cost figures, presented in the award-winning and widely cited book *Kids Having Kids: Economic Costs and Social Consequences of Teen Pregnancy*, compared the costs of childbearing by teen mothers 17 and younger to the costs of childbearing by mothers aged 20-21.

The new research detailed in this report provides:

- updated estimates of the public sector costs of teen childbearing in 2004;
- cost estimates of childbearing for those aged 17 and younger *and* for those aged 18-19;
- the first-ever estimates of the cost of teen childbearing in each state and Washington DC. (Please see Appendices 1-6 for state cost information and visit www.teenpregnancy.org/costs for detailed fact sheets on each state and Washington DC.)

The report's primary findings include:

- Teen childbearing in the United States cost taxpayers (federal, state, and local) at least **\$9.1 billion** in 2004. Put another way, the average annual cost associated with a child born to a teen mother is \$1,430.
- Most of the costs of teen childbearing are associated with negative consequences for the **children of teen mothers**. These costs include \$1.9 billion for increased public sector health care costs, \$2.3 billion for increased child welfare costs, \$2.1 billion for increased costs for state prison systems, and \$2.9 billion in lost revenue due to lower taxes paid by the children of teen mothers over their own adult lifetimes.
- The public sector costs of young teens (those aged 17 and younger) having children are particularly high. These births account for **\$8.6 billion** of costs, an average of \$4,080 per mother annually.
- The taxpayer costs associated with teen childbearing to those aged 18-19 are estimated at \$0.4 billion annually.
- Between 1991 and 2004 there were 6,776,230 births to teens in the United States. The estimated cumulative public costs of teen childbearing during this time period is **\$161 billion** dollars.
- The steady decline in the teen birth rate between 1991 and 2004 has already yielded substantial cost savings. As noted above, the national teen birth rate declined by one-third between 1991 and 2004. This progress in reducing teen childbearing saved taxpayers an estimated **\$6.7 billion** in 2004 alone.
- Because not all costs can be measured, and because the estimates themselves are constructed conservatively, it is certain that the **full public sector costs of teen childbearing are larger than those noted in this analysis**.

The cost estimates presented in this report are divided into two broad categories: (1) those associated with teen mothers and their partners, and (2) those associated with the children of teen mothers. The public costs for teen mothers are measured as the difference in the taxes that they pay because their earnings are lower and the difference in the cost of public assistance they receive (TANF, Food Stamps, and housing assistance). The costs for fathers are also associated with lower taxes paid. For the children, the costs are those associated with publicly-provided health care, foster care and other child welfare services, incarceration (for sons of

Figure 1: Public Sector Costs of a First Birth to a Teen Mother Compared to a First Birth at Age 20-21

All Costs in Billions of 2004 Dollars

OUTCOME MEASURES	1st Birth at Age 17 or Younger	1st Birth at Age 18-19	1st Birth Age 19 and Younger
Lost Tax Revenue	\$4.89	\$1.43	\$6.32
Income & Sales Taxes (Mothers)	\$0.92	-\$0.65	\$0.27
Income & Sales Taxes (Fathers)	\$1.71	\$1.45	\$3.16
Income & Sales Taxes (Children)	\$2.26	\$0.63	\$2.89
Public Assistance (Mothers)	-\$0.95	-\$2.62	-\$3.56
TANF	-\$0.72	-\$1.26	-\$1.98
Food Stamps	-\$0.45	-\$0.91	-\$1.35
Housing	\$0.22	-\$0.45	-\$0.23
Health Care Costs (Children)	\$0.95	\$0.98	\$1.92
Child Welfare (Children)	\$1.84	\$0.46	\$2.30
Incarceration of Sons of Teen Mothers (Children)	\$1.90	\$0.17	\$2.07
Total Annual Cost (Billions)	\$8.63	\$0.42	\$9.06

Numbers in this table and throughout the report may not quite total due to rounding.

teen mothers as adults), and lost tax revenue due to lower earnings when the children of teen mothers enter the labor force.

The cost estimates provided in this report are based on a very conservative research approach that only includes costs that can be *confidently* attributed to teen childbearing itself rather than to other traits or disadvantages that often accompany teen childbearing (such as poverty). While this report presents new estimates of the national costs of teen births, it draws on the work of many of the same researchers who developed the original 1996 estimates presented in *Kids Having Kids* and it follows the same conservative research approach.

While no estimate of the cost of teen births can ever be perfect and beyond critique, the costs presented here reflect state of the art research techniques, are the fullest and most reliable estimates to date, and reflect only those costs clearly associated with a teen birth rather than associated risks. The goal of this new research is to provide timely, scientifically sound evidence of the public costs that teen births impose on the public sector in the United States and to make apparent the economic value of preventing early childbearing.