



Conclusion – Public Sector Costs of Teen Births

Young Teen Mothers – Age 17 and Younger

The total public sector costs of births to girls age 17 and younger are substantial. The best current research suggests that, while other risk factors are important, the timing of a first birth makes a real difference. If teen mothers aged 17 and younger delayed their first birth to age 20 or 21, they would earn somewhat more over the first 15 years of motherhood and pay \$0.9 billion more in taxes. Surprisingly, this is largely offset by the net change in public sector assistance. If they delayed their first births, they would use less in housing assistance, but more in welfare payments and Food Stamps. This finding underscores that the other risk factors in the lives of early teen mothers are also substantial.

Most of the measured public sector costs of teen childbearing are associated with negative consequences for the *children* of the teen mothers. This analysis estimates that the annual public sector costs associated with the children of young teen mothers is \$6.9 billion. This consists of \$0.95 billion in public health care costs (primarily Medicaid and SCHIP), \$1.8 billion in child welfare costs, \$1.9

billion in incarcerations costs, and \$2.3 billion in lost tax revenue over their career due to lower educational attainment and earnings.

In addition, there are tax losses associated with the lower earnings of the partners of young teen mothers. Specifically, this analysis estimates that in 2004 the tax losses amounted to \$1.7 billion for the fathers.

In sum, the total public sector cost in 2004 of births to teens aged 17 and younger is \$8.6 billion. The average annual cost associated with a child born to a mother in 2004 17 and younger is \$4,080. These are costs attributed directly to a teen birth to girls 17 and younger rather than other risk factors—costs that could be averted if the mother delayed childbearing until age 20 or 21.

Older Teen Mothers – Age 18 and 19

The total public sector costs of births to teens age 18-19 are smaller than those for children born to teens 17 and younger. This reflects the somewhat older age at which the mother gives birth, (which may provide them greater maturity and skills) and

the shorter time period to reach age 20-21 (the age of the comparison group used throughout this report).

Total public sector costs in 2004 of births to mothers aged 18-19 are \$424 million. This total includes: \$2.2 billion in additional costs for the children in the form of health care, foster care, incarceration, and \$1.4 billion in lower taxes paid by the fathers of the children. Approximately \$3.2 billion of these costs, however, are offset by the finding that a delay in age at first birth from age 18-19 to age 20-21 would decrease earnings and increase use of cash welfare, Food Stamps, and housing assistance.

Adding It Up: What Does It Cost?

The 422,043 births to teens 19 and younger cost taxpayers a total of at least \$9.1 billion in 2004 for additional public services and reduced tax revenues. Because not all costs can be accurately calculated and because the estimates themselves are constructed conservatively, it is certain that the full

costs are larger than this. The \$9.1 billion total includes:

- health care for children of teen mothers (\$1.9 billion),
- foster care for children of teen mothers (\$2.3 billion),
- incarceration of the sons of teen mothers (\$2.1 billion)
- total tax revenue losses due to lower earnings of the mothers, fathers, and the children themselves when they are adults (\$6.3 billion), and
- offsetting public assistance savings costs for teen mothers (\$3.6 billion).

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 progress the nation has made in achieving a one-third reduction in the teen birth rate between 1991 and 2004 saved taxpayers an estimated \$6.7 billion in 2004 alone.