

# Briefly...

## Policy Brief: Preventing Teen and Unplanned Pregnancy Makes Good Economic Sense

Teen and unplanned pregnancy costs taxpayers billions of dollars every year, and contributes to a cycle of poor education and other outcomes that affect the long-term strength of our workforce. Although significant progress has been made, it is still the case that three in ten girls in this country will become pregnant before the age of 20, that 1,100 teen girls will give birth each day, and that the United States has much higher teen pregnancy rates than our trading partners and competitors. It is also the case that one half of *all* pregnancies in the United State are unplanned and rates of unplanned (or unintended) pregnancy have remained stagnant. As policymakers strive to reduce public spending while also strengthening the economy, it is critical to maintain commitments to strategies that are proven to prevent teen and unplanned pregnancy. Consider the case for prevention:

- **Updated data** show teen childbearing costs taxpayers at least \$10.9 billion annually. The estimated savings to taxpayers in 2008 alone due to the substantial decline in the teen birth rate between 1991 and 2008 is \$8.4 billion.
- **Two recent studies** estimate that unintended pregnancy (to women of all ages) costs at least \$11 billion annually.
- **An analysis by The Brookings Institution** shows that effective teen pregnancy prevention models, such as the ones currently funded through the Office of Adolescent Health Teen Pregnancy Prevention Program and the Personal Responsibility Education Program, are cost effective and more than pay for themselves.
- While providing much-needed resources, federal funding dedicated to evidence-based teen pregnancy prevention programs barely begins to meet the tremendous need; together, these funds still will only be able to serve fewer than two percent of teens in America.
- There is **overwhelming evidence** that providing contraceptive services for low-income women (through Medicaid and the Title X family planning program) directly and powerfully reduces Medicaid costs. In 2008, the average cost for one Medicaid-covered birth was \$12,613. In comparison, the annual per-client cost for contraceptive care was \$257. For every dollar invested in contraception, the nation saves \$3.74 in Medicaid expenditures.
- Preventing teen and unplanned pregnancy will help **improve high school completion, contribute to increasing the number of college graduates, and make our workforce more competitive**. Only 40 percent of teen mothers finish high school, and less than two percent of those girls earn a college degree by age 30. Sixty-one percent of women who have a child after enrolling in community college fail to finish their degree.

In light of this compelling evidence, cutting funding for evidence-based teen pregnancy prevention programs or Title X, or weakening Medicaid family planning in any way would be penny wise and pound foolish.