

Says:

The Public Costs of Teen Childbearing



Despite recent declines in teen pregnancy and birth rates, early pregnancy and childbearing remain a problem in the United States. More than 760,000 girls under the age of 20 get pregnant each year¹ and more than 420,000 teens give birth.² Put another way, every hour more than 87 teen girls get pregnant and 50 give birth.

Teen childbearing is associated with negative consequences for teen mothers, fathers, and, in particular, their children. The children of teen mothers tend to have decreased educational attainment and earnings, suffer higher rates of child abuse and neglect, and are more likely to be incarcerated (among adult sons of teen mothers). The daughters of teen mothers are also more likely to become teen mothers themselves. In addition to these important personal consequences, teen childbearing is also costly to federal, state, and local governments and the taxpayers who support them.

This research brief presents key findings from a detailed report by Saul Hoffman, Ph.D., *By the Numbers: The Public Costs of Teen Childbearing*. The new analysis updates research from 1996 which compared the costs of childbearing by teen mothers 17 and younger to the costs of childbearing by mothers aged 20-21. The updated report also includes data about the costs of childbearing by mothers aged 18-19 compared to mothers aged 20-21, and, for the first time ever, includes state specific data on the public costs of teen childbearing for all 50 states and Washington DC. Data on other consequences of teen childbearing are also noted. Please visit www.teenpregnancy.org/costs to read the full report, review state-by-state information on the cost of teen childbearing, or to find related materials.

Key National Findings

- In 2004, teen childbearing in the United States cost taxpayers (federal, state, and local) \$9.1 billion.
- The costs of young teens (aged 17 and younger) having children are particularly high and account for \$8.6 billion of the total costs, an average of \$4,080 per mother annually.
- Most of the costs of teen childbearing are associated with negative consequences for the children of teen mothers and 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 tax revenue due to lower taxes paid by the children of teen mothers over their own adult lifetimes.
- There were approximately 6.8 million teen births in the United States between 1991 and 2004.
- The estimated cumulative public costs of teen childbearing during this time period are \$161 billion.
- If the teen birth rate had not declined by one-third between 1991 and 2004, it is estimated that the annual costs of teen childbearing to taxpayers would be \$15.8 billion rather than \$9.1 billion. In other words, the decline in the teen birth rate between 1991 and 2004 saved taxpayers \$6.7 billion in 2004 alone.

A Note about the Methods

The costs presented in this brief are conservative estimates and are based on the research approach used in the award-winning book, *Kids Having Kids: Economic Costs and Social Consequences of Teen Pregnancy*.³ Only costs that can be confidently attributed to teen childbearing itself—not to other disadvantages such as poverty—are included in the analyses. These

costs are determined by measuring: (1) the participation of the children of teen mothers in public health care systems, the child welfare system, and the criminal justice system; (2) the participation of the teen mothers in public assistance programs; and (3) the lost labor market activity of the children of teen mothers (when they become adults) and the reduced earning capacity of teen mothers and their partners due to lower levels of educational attainment—all of which translate into lost tax revenue. The costs for some services, such as special education or juvenile

justice, were not included due to the lack of data necessary to determine the net impact of teen childbearing on these particular services. Furthermore, although teen childbearing often has a negative impact on the life prospects of teen mothers and their families in many ways, this analysis only captures the economic costs outlined above. Readers may also note that there are offsetting public assistance savings costs for teen mothers. Please refer to the full report for a more thorough discussion of this.

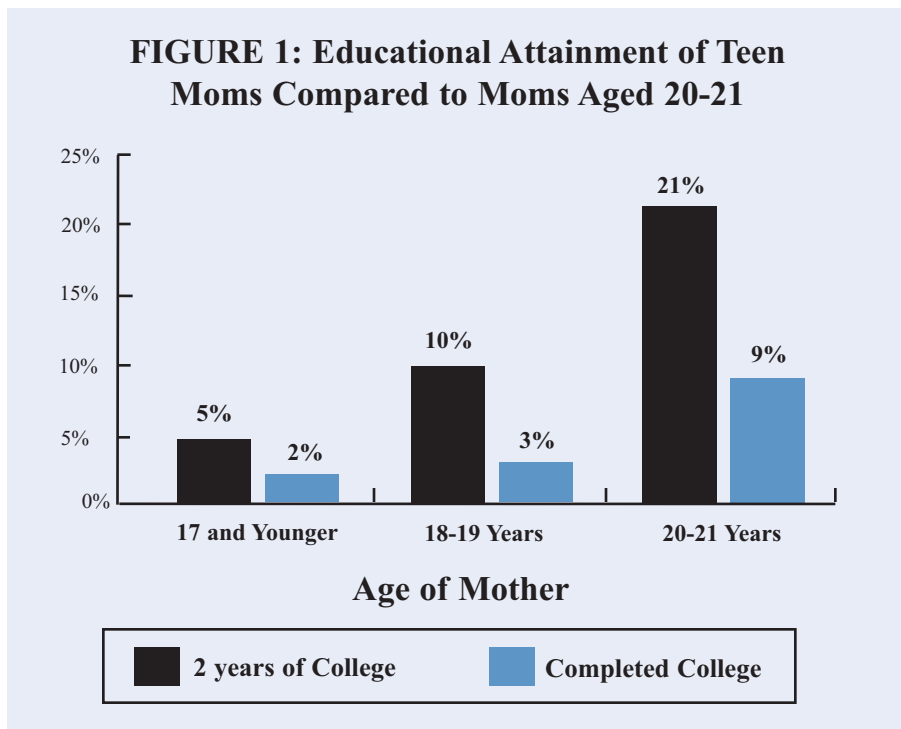
Public Sector Costs of First Births to Mothers 19 or Younger Compared to First Births to Mothers Age 20-21

All Costs in Billions of 2004 Dollars

OUTCOME MEASURES	1st Birth at Age 17 or Younger	1st Birth at Age 18-19	1st Birth at Age 19 or 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 Costs (Billions)	\$8.63	\$0.42	\$9.06

Consequences of Teen Childbearing

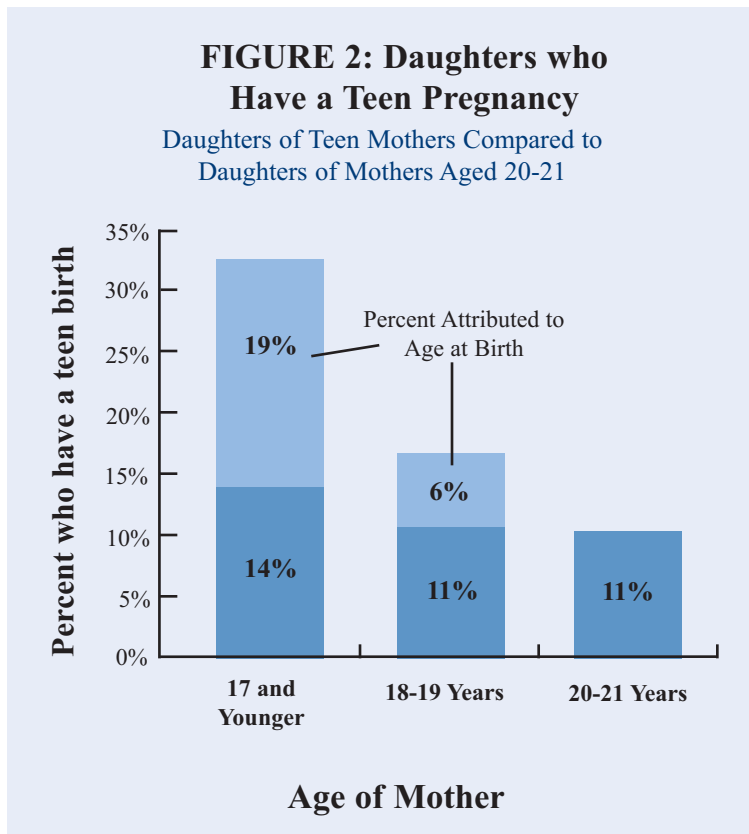
In addition to describing the public costs of teen childbearing, this report also documents other negative consequences of having a child as a teen. Compared to women who delay childbearing until they are 20-21 years old, teen mothers are more likely to drop out of school (see Figure 1), remain unmarried, and live in poverty; their children are more likely to be born at low birth weight, grow up poor, live in single-parent households, and enter the child welfare system. Daughters of teen mothers are more likely to become teen mothers themselves (see Figure 2), and sons of teen mothers are more likely to be incarcerated as adults.



Key State Findings

State specific cost estimates were derived from the national cost estimates and were apportioned based on three measures: (1) the state's share of births; (2) the state's relative

cost of providing a particular service; and (3) the relative size of the served population in that state for that particular service.



- The costs of teen childbearing among states in 2004 ranged from \$12 million in Vermont to \$1 billion in Texas.
- The average annual cost associated with teen childbearing to a mother 17 or younger ranged from \$2,991 in New Mexico to \$7,836 in Vermont.
- Between 1991 and 2004, California had the greatest cumulative number of teen births (855,973) costing taxpayers \$3.4 billion over that time period. Vermont had the smallest cumulative number of births (7,944) between 1991 and 2004, costing taxpayers \$0.3 billion over that time period.
- While the national teen birth rate declined by one-third between 1991 and 2004, state specific declines varied dramatically from 47% in Vermont to 15% in Nebraska. The cost savings in 2004 alone due to the decline in teen birth rates from 1991-2004 ranged from over \$1 billion in California to \$5 million in Wyoming.

What It All Means

Teen pregnancy and childbearing have significant social and economic costs. The children of teen mothers account for a majority of these costs, particularly among teens who have a child when they are 17 or younger. Making progress in reducing teen pregnancy will not only benefit national and state economies, it will also improve the educational, health, and social prospects for this generation of young people and the next.

Substantial progress in reducing teen childbearing has saved taxpayers billions of dollars.

Practitioners and program providers in states and communities have made significant progress encouraging young people to delay sexual activity and to use contraception carefully and consistently. This has resulted in a one-third decline in teen pregnancy and birth rates since the early 1990s. In turn, this progress has resulted in tremendous cost savings at both the national and state level. The one-third decline in the

teen birth rate since 1991 saved taxpayers \$6.7 billion in 2004 alone.

Teen pregnancy prevention is a wise investment. Continued investment in teen pregnancy prevention is critical for sustaining the progress that has been made in the past decade. Simply put, investments in prevention pay huge dividends. If states continue to make progress in preventing teen pregnancy they will (1) improve the well-being of children, families, and communities, and (2) reduce the burden on taxpayers.

References

- ¹ The Guttmacher Institute. (2006). *U.S. teenage pregnancy statistics National and State trends and Trends by Race and Ethnicity*. New York, NY: Guttmacher Institute.
- ² Martin, J.A., Hamilton, B.E., Sutton, P.D., Ventura, S.J., Menacker, F., & Kirmeyer, S. (2006). Births: Final data for 2004. *National Vital Statistics Reports*, 55(1)
- ³ Maynard, R. (Ed.) (1997). *Kids Having Kids: Economic Costs and Social Consequences of Teen Pregnancy*. Washington, DC. The Urban Institute.

About the Putting What Works to Work Project

Putting What Works to Work (PWWTW) is a project of the National Campaign to Prevent Teen Pregnancy funded, in part, by the Centers for Disease Control and Prevention. Through PWWTW, the National Campaign is translating research on teen pregnancy prevention and related issues into user-friendly materials for practitioners, policymakers, and advocates. As part of this initiative, the Science Says series summarizes recent research in short, easy-to-understand briefs.

Author Information

This research brief was written by National Campaign staff member Katherine Suellentrop, and designed by Melissa Spindler-Virgin.

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About the National Campaign to Prevent Teen Pregnancy

The National Campaign to Prevent Teen Pregnancy is a nonprofit, non-partisan organization supported largely by private foundations and donations. The National Campaign's mission is to improve the well-being of children, youth, and families by reducing teen pregnancy. The National Campaign's goal is to reduce the teen pregnancy rate by one-third between 2006 and 2015.