

NATIONAL REVIEW

What an Intact Family Has to Do with the American Dream, in Six Charts

What's happening to the American family and why it matters

By W. Bradford Wilcox & Robert I. Lerman — October 30, 2014

The standard portrayals of economic life for ordinary Americans and their families paint a bleak picture of stagnancy, rising economic inequality, joblessness, and low levels of economic mobility. From President Barack Obama's [speech](#) last year at the Center for American Progress to Fed chairman Janet Yellen's [address](#) this month in Boston, we're getting the picture that the American Dream looks to be in bad shape. These portrayals contain an important germ of truth — today's economy isn't doing ordinary Americans many favors — but what is largely missing from the public conversation about economics in America is an honest discussion of the family factor in all of this.

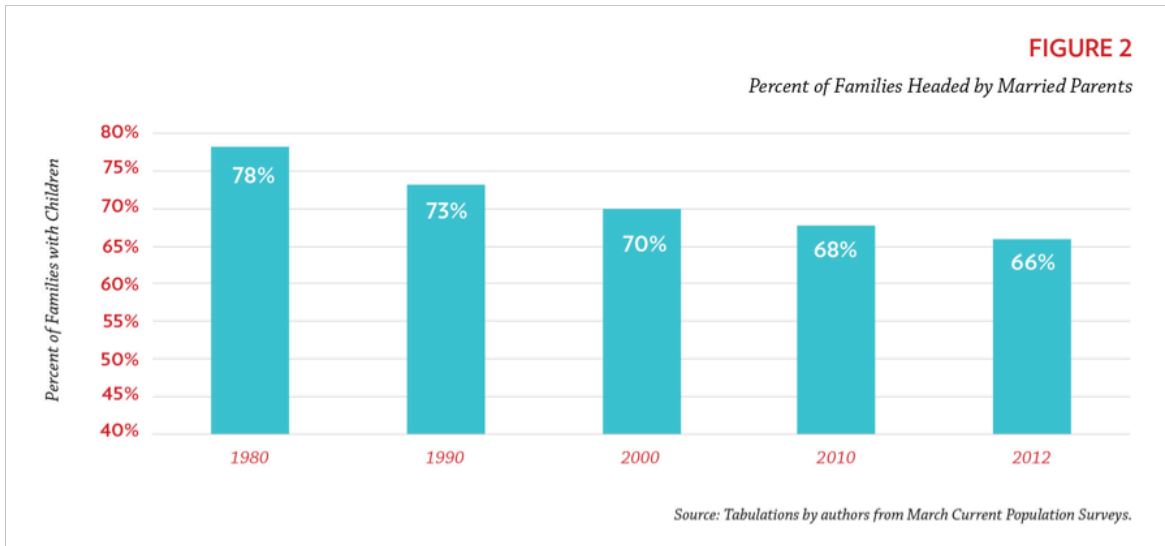
That's unfortunate, because one reason — though, to be sure, not the only reason — that the American economic landscape looks bleaker today is that American families are not as strong and stable as they could be. Indeed, in a new [report](#) released this week from the [American Enterprise Institute](#) and the [Institute for Family Studies](#), we find that about one-third of recent increases in family-income inequality and male joblessness, and a significant share of median family-income stagnation, can be linked to the declining share of Americans who are getting and staying married.

Below are six charts that show what's happening to the American family and why it matters for the health of the American Dream.

One: Fewer families are headed by married parents.

One big reason ordinary families are struggling is that fewer families are headed by married parents. Clearly, the share of married-parent families has fallen in recent years,

from 78 percent in 1980 to 66 percent in 2012. That matters because married parents are more likely to pool their income, save more, and spend more on their children, compared with single parents. To make matters worse, this retreat from marriage is concentrated among Americans without college degrees. This means that poor and working-class children, adults, and families who are already more economically vulnerable to start with end up being made more vulnerable by the high levels of family instability and single parenthood in their own communities.

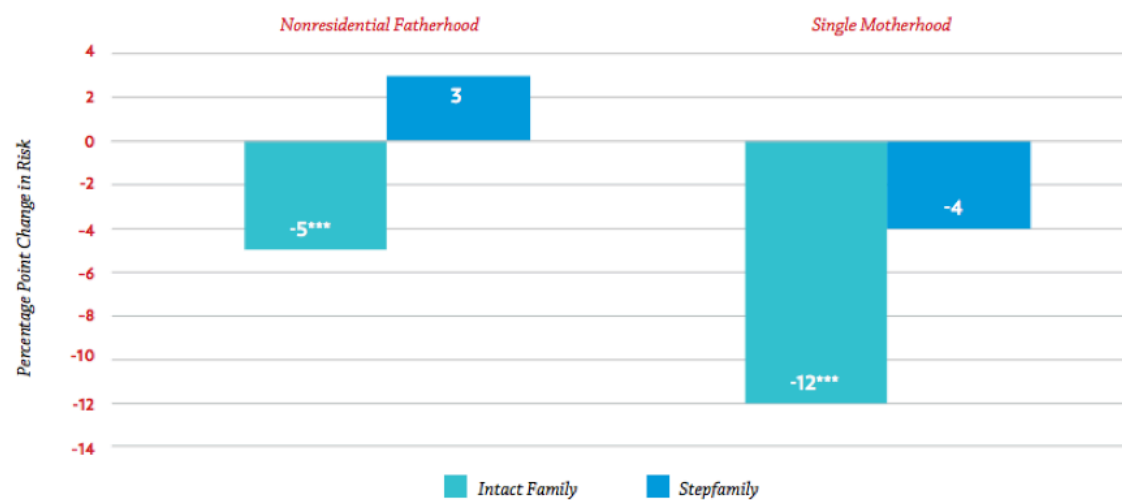


Two: Children raised in intact families are less likely to fall afoul of detours on the road to the American Dream.

Boys *and* girls raised in intact families are more likely to flourish in the labor force later in life. One reason? They are less likely to fall afoul of the detours on the road to the American Dream that can put teens and young adults on the wrong track. A nonmarital birth, for instance, puts a real economic strain on both women and men. That's partly because such births can derail schooling and decrease adults' future chances of getting and staying married. And a stable family protects them against these kinds of detours. The chart below shows that young men and young women from intact families are, respectively, 5 and 12 percent less likely to have a child before marriage, compared with their peers from single-parent families.

FIGURE 8

The Risk of Nonresidential Fatherhood and Single Motherhood: 28- to 30-Year-Olds from Intact and Stepfamilies, Compared to Single-Parent Families



Note: Three asterisks indicate a statistically significant difference ($p < 0.01$) between the group and young adults from single-parent families, controlling for respondent's race or ethnicity, mother's education, mother's age at respondent's birth, and AFQT score. Source: NLSY97.

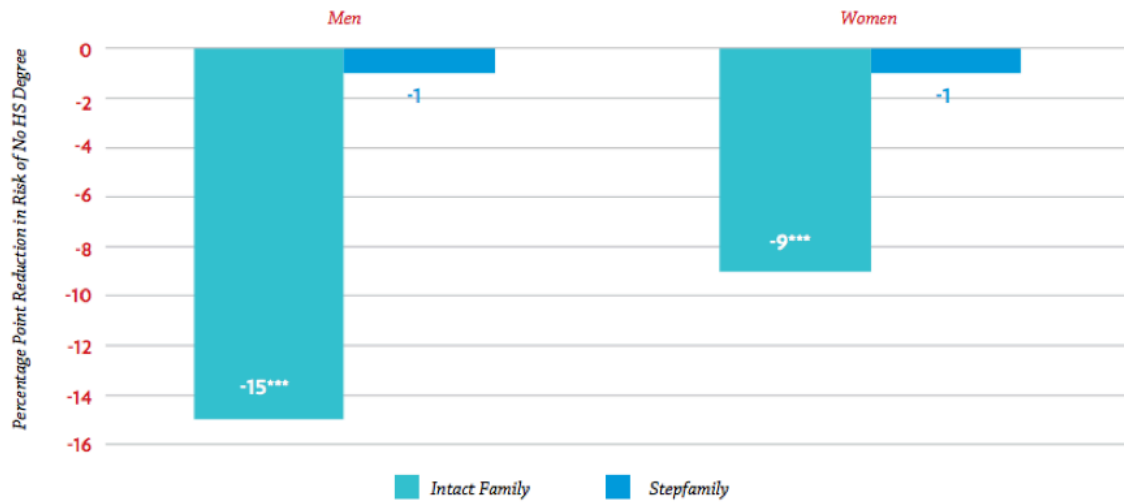
Three: Children raised in intact families are more likely to acquire the human capital they need to live the American Dream.

Children from intact families are less likely to drop out of high school. The “For Richer, For Poorer” study finds that young men raised in single-parent families are 15 percentage points less likely to get a high-school degree and that young women raised in single-parent families are 9 percentage points less likely to get a high-school degree, compared with their peers from intact families. Or to put this positively: Young men and women are more likely to acquire the education they need to compete in today’s global economy if they were raised in an intact home with both of their parents.

Having two parents in the picture typically increases the amount of time, attention, encouragement, and money that can be devoted to a child’s education. It also protects children from the household moves and emotional stress associated with family instability, both factors that seem to hurt children’s odds of educational success in high school and beyond.

FIGURE 7

The Risk of Not Completing a High-School Diploma: 28- to 30-Year-Olds from Intact and Stepfamilies, Compared to Single-Parent Families



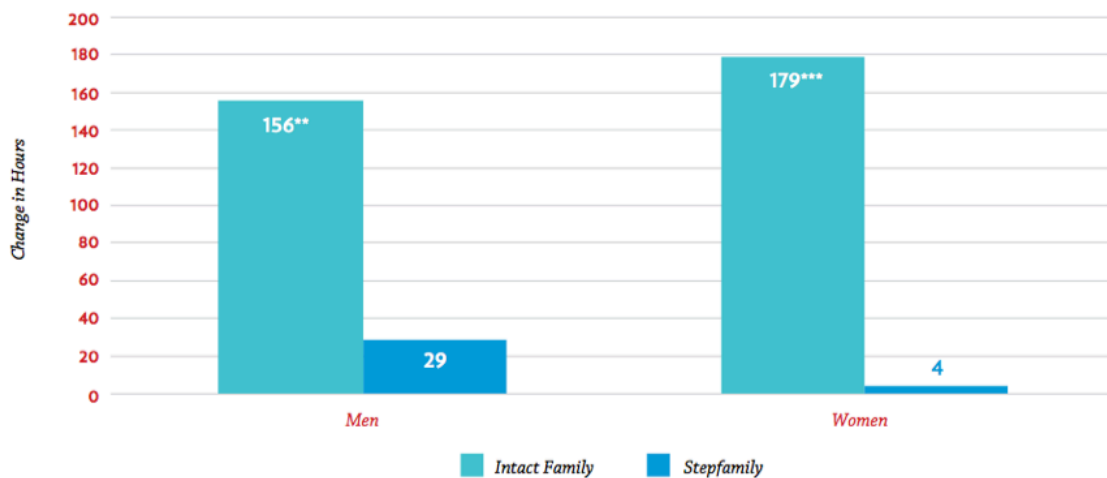
Source: NLSY97.
 Note: Three asterisks indicate a statistically significant difference ($p < 0.01$) between the group and young adults from single-parent families, controlling for respondent's race or ethnicity, mother's education, mother's age at respondent's birth, and AFQT score.

Four: Young men and women raised in intact families work more hours.

It's a simple idea: On average, the more hours you work, the more experience you gain in the labor force and the more money you make. What's clear from the data is that young men and young women who are raised by their own biological or adoptive parents in an intact family work more hours as young adults aged 28 to 30. Specifically, young men and young women work, respectively, 156 and 179 more hours than their peers raised in single-parent families. And our analyses suggest that part of the reason is that these young adults have more education and fewer children born out of wedlock in their personal histories.

FIGURE 10

Change in Hours Worked Per Year: 28- to 30-Year-Olds from Intact and Stepfamilies, Compared to Single-Parent Families

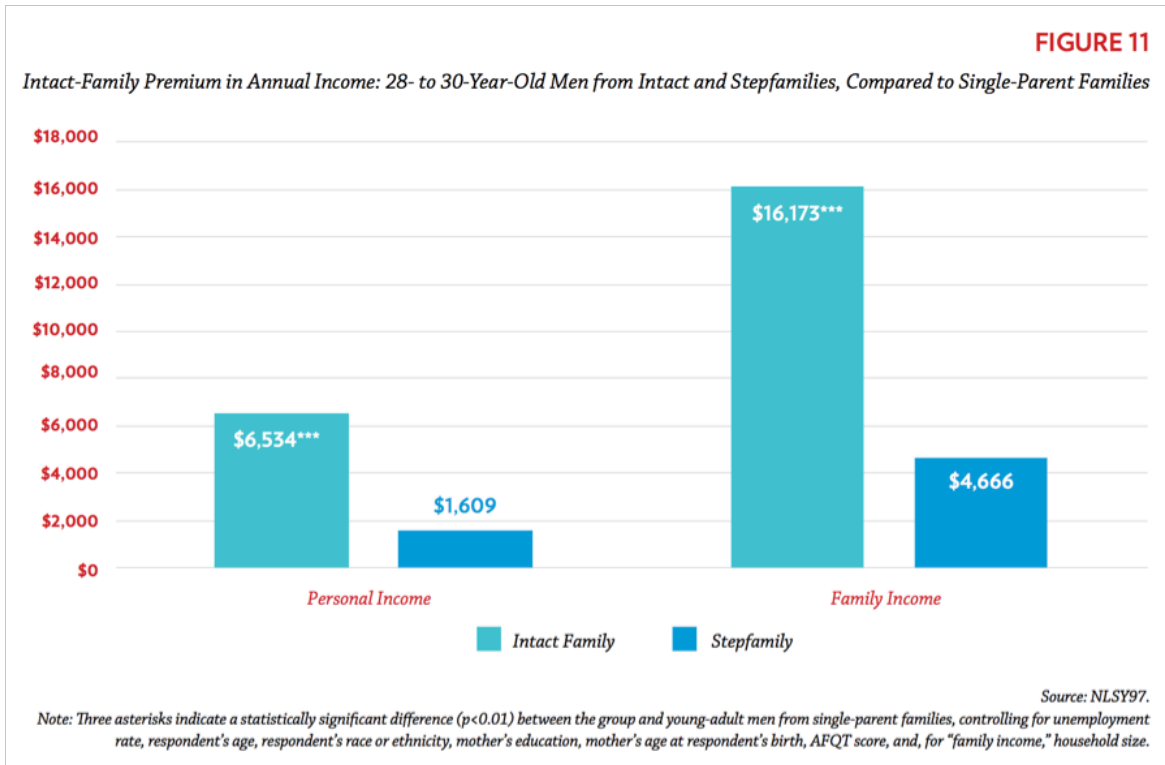


Note: Three asterisks indicate a statistically significant difference ($p < 0.01$) between the group and young adults from single-parent families, controlling for unemployment rate, respondent's age, respondent's race or ethnicity, mother's education, mother's age at respondent's birth, and AFQT score. Two asterisks indicate the same ($p < 0.05$).

Source: NLSY97.

Five: Young men raised in intact families make more money.

Today, young men and women who are raised by their own biological or adoptive parents in an intact family make more money. Specifically, 28- to 30-year-old men make more than \$6,500 more than peers who come from single-parent families but otherwise hail from largely similar backgrounds; their family income is also about \$16,000 greater, on average.

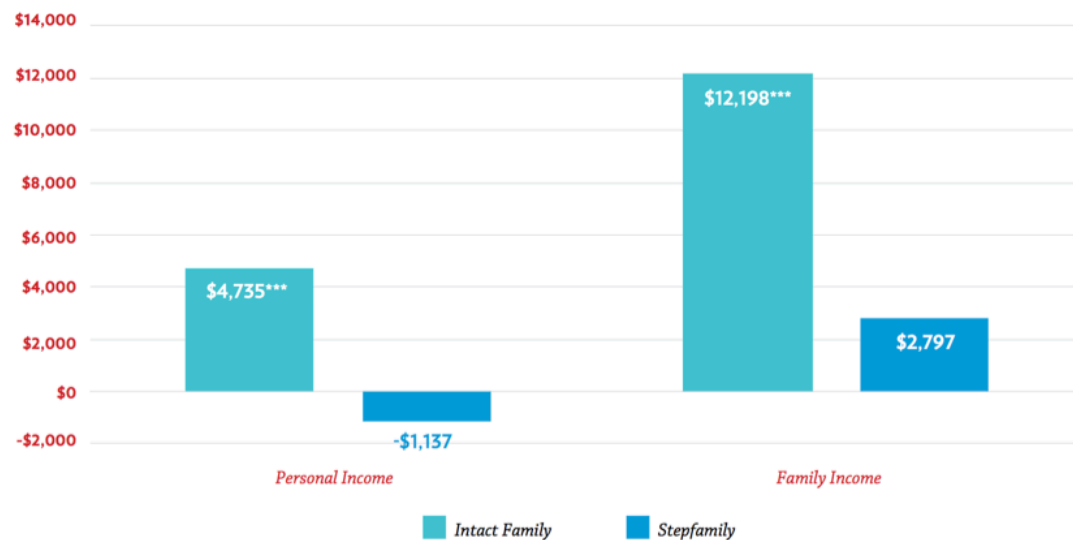


Six: Young women raised in intact families make more money.

Likewise, young women who grow up in an intact family also make more money for themselves and enjoy more family income, compared with their peers who grew up in single-parent families but who were otherwise comparable to them in most respects. They make at least \$4,700 more personally, and enjoy family incomes that are at least \$12,000 greater, compared with their female peers from single-parent families. Note here that one reason that these young women and men enjoy higher family incomes is that they are more likely to be married compared with their peers from non-intact families.

FIGURE 13

Intact-Family Premium in Annual Income: 28- to 30-Year-Old Women from Intact and Stepfamilies, Compared to Single-Parent Families



*Source: NLSY97.
Note: Three asterisks indicate a statistically significant difference ($p < 0.01$) between the group and young adults from single-parent families, controlling for unemployment rate, respondent's age, respondent's race or ethnicity, mother's education, mother's age at respondent's birth, and AFQT score. Two asterisks indicate the same ($p < 0.05$).*

The bottom line: Both young men and young women who grow up in an intact, two-parent family have a leg up in today's competitive economy. By contrast, young adults from single-parent families are much more likely to be floundering in this economy. It's for that reason, in part, that Americans of all stripes — be they conservative or liberal — concerned about the health of the American Dream should be concerned about the health of the American family.

Tale of Two Parents: A Policy Path

Growing up in married, two-parent households gives children better odds of:



- Graduating High School
- Delaying Parenthood until Marriage



with marriage

- **Boosting Earnings throughout Their Adult Lives**

What public policies can strengthen lower- and middle-income families to give young people a better shot at economic success?



Eliminate or reduce marriage penalties

in public policy. Lower-income Americans should not need to decide against marriage for fear of losing eligibility for public assistance.



Increase the child credit to \$3,000 and extend it to both income and payroll taxes.

TAX CREDIT

Expand the maximum earned income tax credit for single, childless adults to \$1,000.



Expand and improve vocational education and apprenticeship programs to strengthen job prospects for less-educated young people.



Launch a national campaign among civic institutions, private partners, and government around a “success sequence” that encourages young adults to pursue schooling, work, marriage, and parenthood, in that order.

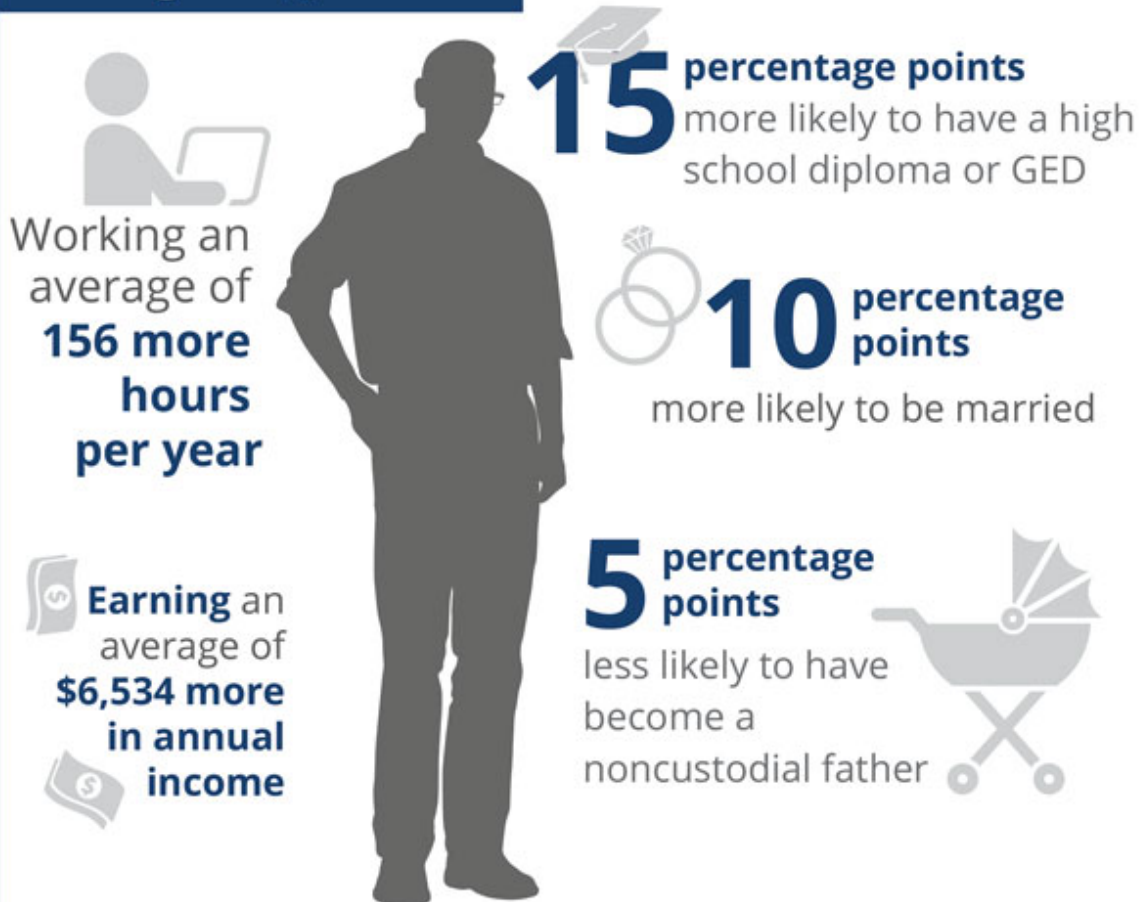


Tale of Two Parents

It's a Boy!

Joe is raised in a married, two-parent family. Compared to his peers* raised by single parents, **Joe has better odds of succeeding in school, in the workplace, and in family life.**

At age 30, Joe is:



*Controlling for age, race/ethnicity, mother's age at birth, mother's education, and scores on the Armed Forces Qualifying test (which measures intelligence and knowledge of a range of subjects). Based on data from the National Longitudinal Survey of Youth 1997.



Tale of Two Parents



It's a Girl!

Jane is raised in a married, two-parent family. Compared to her peers* raised by single parents, **Jane has better odds of succeeding in school, in the workplace, and in family life.**

At age 30, Jane is:



Working an average of **179 more hours per year**

Earning an average of **\$4,735 more in annual income**



9 percentage points more likely to have a high school diploma or GED



12 percentage points more likely to be married

12 percentage points less likely to have become an unmarried mother



*Controlling for age, race/ethnicity, mother's age at birth, mother's education, and scores on the Armed Forces Qualifying test (which measures intelligence and knowledge of a range of subjects). Based on data from the National Longitudinal Survey of Youth 1997.



Learn more about how family structures economic success in America at www.aei.org/publication/for-richer-for-poorer-how-family-structures-economic-success-in-america/

— *W. Bradford Wilcox, a professor of sociology at the University of Virginia, directs the Home Economics Project, a joint undertaking of the American Enterprise Institute and the Institute for Family Studies. Robert I. Lerman, a professor of economics at American University, is an Institute fellow in labor and social policy at the Urban Institute. (The original figures referred to in this article are all available at this link.)*