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On the 50th anniversary of the War on Poverty in January 2014, poverty remains a salient policy issue, and dramatic changes in family life have made it even more difficult to design and carry out effective antipoverty policies. I am happy to introduce this issue of Focus, *which includes an important essay on the rise and fall of poverty as a policy issue since the declaration of the War on Poverty, and summaries of papers by emerging social science scholars on topics related to family complexity. The set of four family complexity articles is introduced by the conveners of IRP's Family Complexity, Poverty, and Public Policy conference held in July 2013. The senior scholars' papers and commentaries from that conference will be published in July 2014 in* The ANNALS *of the American Academy of Political and Social Science (vol. 654).*

We lead off with an engaging essay from researcher and IRP affiliate Tom Corbett, adapted from introductory remarks he delivered at IRP's inaugural Teaching Poverty 101 Workshop. This event brought together over two dozen instructors for an intensive four-day workshop on developing college-level courses in poverty and inequality. Corbett served as Associate Director of IRP, and had a long and varied career as a poverty researcher and policymaker. He has worked on welfare reform issues at all levels of government, including as a senior policy advisor at the U.S. Department of Health and Human Services. He also created the Welfare Peer Assistance Network (WELPAN) concept in the mid-1990s, and worked with current IRP Associate Director Jennifer Noyes in bringing together senior state welfare officials for discussions on welfare reform. Using personal observations from his many vantage points, Corbett provides a detailed and compelling summary of the history of poverty as a policy issue in the United States, its rise and its wane.

Next is a set of articles summarizing work commissioned by IRP as part of a major three-year research project on family complexity, poverty, and public policy that began in 2011. Big changes in family complexity have been one of the most important demographic shifts of the past 50 years. Marriage rates have declined, while divorce rates have risen, and individuals tend to marry later, or not at all. Cohabitation before marriage has become much more common, and the rate of births to unmarried parents has risen dramatically. Importantly, many children born to unmarried parents will experience complex families; in fact, the majority will have at least one half-sibling by their father or their mother from the time of birth. Together, these changes have resulted in an increase in family instability, and have broad implications for poverty policy. Marcia Carlson and Daniel Meyer begin this set with a concise introduction of the topic, and a description of the research questions addressed by each article. The first article in the set, by Rebecca Ryan, Amy Claessens, and Anna Markowitz, examines how changes in family structure are related to changes in children's behavioral problems. They argue that family changes early in a child's life, particularly those from two-biological-parent families to single-parent families, may in fact increase children's behavioral problems, but that these effects are not uniform across income levels. Instead, they suggest that children in disadvantaged families, though they tend to experience a higher degree of family instability, are less affected by this instability—both for better and for worse—than are children in more advantaged families.

Second, Laura Tach and Alicia Eads look at the economic costs of family dissolution. They argue that while the net economic consequences of divorce for women and children have changed little since the 1980s, the economic consequences of cohabitation dissolution have increased substantially over that time, so that mothers' income losses after the end of a cohabiting relationship now more closely resemble those of divorced mothers. They attribute this to the rising earnings of male cohabiting partners, combined with smaller growth in women's earnings and compensating government transfers.

The third article, by Kristin Turney, examines the relationship between incarceration and relationship dissolution, and finds that among couples with children, incarceration leads to a higher likelihood of a breakup while the children are young, with *no significant differences in how incarceration affects the relationships of married, cohabiting, and nonresidential couples. She argues that this association is explained by the suspended status of incarcerated men who are at once members of families, but also isolated from those families.*

Finally, Christine Percheski and Rachel Kimbro consider how the Great Recession affected fertility for married women, cohabiting women, unpartnered women, and teenagers. They argue that poor economic conditions are generally associated with a lower likelihood of pregnancy, although the effects differ by population subgroup. Unpartnered and married women showed the largest decreases in pregnancies in response to the recession, though married Hispanic women had higher rates of pregnancy as state poverty rates rose.

As always, IRP is on the lookout for good opportunities to stimulate research, train young researchers, analyze policy, and improve program performance and practice to better the lot of the poor. We welcome any ideas you may have that will help us to achieve these goals.

—Timothy M. Smeeding, IRP Director

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The purpose of *Focus* is to provide coverage of poverty-related research, events, and issues, and to acquaint a large audience with the work of the Institute by means of short essays on selected pieces of research. Full texts of Discussion Papers and Special Reports are available on the IRP Web site.

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Edited by Emma Caspar

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The rise and fall of poverty as a policy issue

Thomas Corbett

Thomas Corbett is a senior scientist-emeritus at the University of Wisconsin–Madison and an IRP affiliate. He delivered the opening remarks at IRP's inaugural Teaching Poverty 101 Workshop in June 2013. This essay is adapted from his talk. (For more information about the Teaching Poverty 101 Workshop, see Focus+.)

Poverty as a concern has been with us for a long time. The fact that the issue has endured so long is a testament to just how compelling and contentious it is. And why is it so compelling, to us policy wonks at least? Well, poverty is what we call a "wicked social problem" where we are confused about: (1) the nature of the problem; (2) the theories and evidence brought to bear on the issue; (3) the ends or goals we are trying to achieve; and (4) the means for achieving those ends.

I am reminded of a story I told at my retirement party. I noted what a marvelous career I had fallen into, a career where I got to fly around the country to work with the best and brightest on some of society's most vexatious problems; poverty and welfare reform. It was like working in a professional candy store with all sorts of policy delights laid out before me.

It was fun but also hard. Think about this: Kennedy promised to put a man on the moon within a decade, and we did it; Johnson launched a war on poverty, not such a good result.

We often date our national focus on poverty as a salient public policy issue to the 1960s, but there is, of course, a much longer history. The "poverty as a public issue" story is not unimodal, rising once to national prominence and then fading. It is cyclical, rather, rising and falling several times.

With rapid urbanization, industrialization, and a resurgence of immigration (particularly from southern and eastern European countries) after our Civil War, poverty emerged as an object of significant public attention. In response, there arose Charity Organization Societies (to bring some coherence to a confusing array of local efforts), the Scientific Charity Movement (to bring some rigor to the investigation of distressed families), and a number of Settlement Houses (to help mostly poor, ethnic immigrants integrate into American society). With the exception of a Civil War Pensions program, virtually all aid to the poor was local, much of it private, and all of it disorganized.

Above all, a fundamental aspect of the subsequent national debate about poverty was already evident: the distinction between poverty and pauperisms, between institutional or environmental explanations of poverty and those explanations based on perceived personal failings. It was a distinction between what was thought of as the "worthy" and the "unworthy" poor that would stay with us.

The Wisconsin Idea

The national poverty debate has a long history so let me pick up the story with a local perspective, the Wisconsin Idea or scholarship in the service of the public good. The idea goes back to the early decades of the University. Among its promoters were Charles Van Hise, an early president of the school, and Robert La Follette, the great progressive politician and reformer. The two were classmates and became good friends. Another early UW president, Thomas Chamberlain, captured the underlying foundation of the Wisconsin Idea as follows:

> *Scholarship for the sake of scholars is refined selfishness. Scholarship for the sake of the state and the people is refined patriotism.*[1]

A wonderful sentiment to be sure, but I doubt that he would get tenure today.

During what was called the "Progressive Era" early in the 20th century, faculty members such as John Commons, Charles McCarthy, and Richard Ely worked with Wisconsin legislators on a number of ideas that eventually became national initiatives, including a Workers Compensation program, a Progressive Income Tax, and various labor market improvements. Perhaps more importantly, they helped elevate the professionalism of the state legislature by developing an independent staff capability, on occasion taking staff positions themselves. This wrested control of the bill-writing process from powerful special interests who had previously drafted legislation for their own narrow purposes.

One of Ely's students, Willford King, wrote a tract titled *Wealth and Income of the People of the United States.*[2] His work spurred interest in determining how much of the nation's income was concentrated in the top 1 percent of the population. He and others found that inequality was growing during this period, with the top 1 percent commanding 18 percent of all income in 1913 before rising to a 24 percent share by 1928, just before the onset of the Great Depression.

The 1930s saw an economy in ruins, with at least one-quarter of the labor force unemployed, and poverty rates estimated at 60 percent or higher using contemporary measures. Quite naturally, economic want resurfaced as a dominant public issue. When President Roosevelt wanted academic help he turned once again to the University of Wisconsin. He tapped Ed Witte, a student of John Commons, to head the Committee on Economic Security. Witte, in turn, brought several other Wisconsin experts to D.C., including Arthur Altmeyer and Wilbur Cohen. Members of this team drafted and helped implement the Social Security Act, which established a dramatically expanded federal role in dealing with economic insecurity in this country.

A War on Poverty

Fast forward a quarter of a century! Robert Lampman, a student of Ed Witte and another economics professor at Wisconsin, was serving on President Kennedy's Council of Economic Advisors. He, along with Burt Weisbrod, wrote a seminal chapter in the annual economic report to the president that is often credited with inspiring the subsequent declaration of a War on Poverty.

Of course, the story is more complicated than one chapter in a voluminous report. For example, some have pointed out that Kennedy had been quite moved by the abject poverty he had seen while campaigning in West Virginia. Others note that a book by Michael Harrington titled *The Other America* seems to have reminded the country that an impoverished segment of the population existed but was being ignored.[3] And an Edward R. Murrow documentary, *The Harvest of Shame*, also had an outsized impact.[4] While each of these contributed something to the "rediscovery" of poverty, I doubt that any of them was seminal.

Rather, I believe the following happened. In the quarter-century following World War II, the country experienced an extraordinary period of economic growth. In retrospect, this was not a shocking development. We had about 6 percent of the world's population but were producing over 50 percent of total economic output. Our natural competitors were in ruins, bankrupt, in disarray, or all three. Moreover, the safety net and labor market protections enacted during the New Deal were not dismantled when the Republicans took power in the 1950s (though I do wonder what might have happened if Robert Taft, not Eisenhower, had won the Republican presidential nomination in 1952).

Poverty was falling like a rock, to about 22 percent at the end of the 1950s, and it continued to fall through the 1960s, though at a slower pace. In addition, real income more than doubled during this period with every income quintile participating in this growth. That is, both income and wealth inequality were falling sharply in what later became known as the "great compression."

In effect, poverty was becoming a manageable issue, something that was feasible to attack. Robert Lampman argued that this expanding economy, in fact, would continue to remove people from economic want. But he threw in an important caveat: the rising tide would not lift all boats. Some groups would be left behind, because of geography, race, or physical or mental limitations. These "structural" pockets of poverty would need special help, assistance for which directed federal interventions would be necessary.

Poverty was now a war that might actually be won. Even as late as 1967, Nobel laureate James Tobin wrote that continued economic growth combined with targeted public interventions could yet eliminate poverty by 1976, the country's bicentennial. Sensing the possibilities and drawing upon his hardscrabble Texas roots as a teacher to poor Hispanic children, Lyndon Johnson declared a War on Poverty in 1964. Picking up the themes that had been floating around the Kennedy administration, he created the Office of Economic Opportunity (OEO) to coordinate this war.

To wage such a war, the generals needed two things: (1) a better understanding of the enemy, and (2) information, or intelligence, about that enemy. For the first, a mid-level bureaucrat in the Social Security Administration, Molly Orshansky, was given the assignment to come up with a poverty measure. She did a simple back-of-the-envelope calculation. She took an older study that estimated that food absorbed about one-third of a low-income family's budget. Then she took a more recent estimate of the lowest cost of a "basket" of food for such a family and multiplied that amount by three. And that became the official poverty measure, which, except for updates for inflation over time and a few other minor technical adjustments, remains the official measure today, despite shortcomings that became increasingly obvious over time. Years later, when she was long retired, I heard Molly Orshansky express shock and dismay that no one followed up her crude measure with a more sophisticated alternative.

For the second need, federal officials approached the University of Wisconsin, largely because of Robert Lampman's connection to the University, to create a kind of think tank that would do the sort of thoughtful research and analysis needed to successfully wage such a war. Though some at the University worried that getting overly involved in a controversial public policy issue would erode academic independence, the Institute for Research on Poverty was created in 1966 with Robert Lampman being appointed as the first interim director.

In brief, the "war" had two fronts. The first largely focused on rehabilitating people and communities, including strengthening local participation in the policy development process. These were purposes that were close to the original OEO vision. Head Start, Upward Bound, Model Cities, Community Action Programs, and too many other programs to mention were developed under this banner.

The second front is best associated with what came to be associated with the "Great Society" and involved either expanding or creating new benefits programs. We saw the creation of Medicaid, Medicare, and new housing and education programs among other initiatives. No matter the tactic involved, this "war" remained front and center in most domestic policy debates. Robert Lampman himself noted that many policymakers applied a litmus test to new proposals: "What does it do for the poor?"

Despite all this effort, there never was an underlying consensus regarding the War on Poverty. All the traditional tensions bubbled just under the surface:

> What was the nature of the problem(s) being addressed—personal failings or institutional shortcomings?
>
> What ends should be pursued—increased opportunities or guaranteed (income) outcomes?
>
> How should the disadvantaged be helped—human capital enhancements, increased job opportunities, community rehabilitation, the remediation of personal problems, or direct transfer of cash and cash-like resources?
>
> Who should be in charge—the federal government, the states, locals, nonprofits, or private markets?
>
> And perhaps most importantly, did government action help or hurt?

By the early 1970s, those fighting for community and personal rehabilitation strategies faltered, and the debate began to focus on direct resource transfers. For example, social workers, whose role in helping welfare families had been expanded early in the 1960s by President Kennedy, fled the field as fast as they could. I think they are still running. I served on the School of Social Work's Master's admissions committee for years and, when I ran across an applicant who wanted to work with the poor, would call for paramedics so that I might be revived.

Direct benefits to the disadvantaged, though, continued to increase in this period. President Nixon, despite his many flaws, proved a big spender on social programs. Among other things, he:

> Instituted a cost of living provision for Social Security recipients;
>
> Federalized welfare for the blind, disabled, and aged under the Supplemental Security Income program;
>
> Nationalized the Food Stamp program so that it almost became a funny-money income floor (a "negative income tax");
>
> Almost passed a real guaranteed income floor, or what most called a cash-based negative income tax;
>
> A bit later, one of the most important antipoverty measures ever developed was introduced, the Earned Income Tax Credit.

And yet, the underlying tensions never were far from the surface. Nixon dismantled or slashed many remnants of the original War on Poverty, oversaw the separation of human services from the transfer of cash to poor families with children, and vetoed the Comprehensive Child Development Act.

War-fueled deficit-spending (Vietnam), a robust social safety net, a booming economy, and declining income inequality worked their magic. In 1973, poverty would fall to its nadir, 11.1 percent, a figure we would not see again. Not surprisingly, income inequality had also fallen dramatically over time with the share of all income going to the top 1 percent of the population falling from about one-quarter in the late 1920s to less than 10 percent in the 1970s.

As the War on Poverty began to lose momentum, we found ourselves with a social safety net that yet reflected earlier world views of the poor, one based on a notion of the "worthy" and "unworthy" poor. For the worthy poor, those not expected to work, assistance was relatively more generous, included cash transfers, and was more likely to be a federal responsibility. For those deemed unworthy by some, those expected to work like single able-bodied adults, assistance was meager at best, mostly non-cash, and remained largely a local responsibility. For those in the middle, like single mothers with children, we were torn. Control was split between the federal and state levels while assistance was uneven across jurisdictions and increasingly conditional.

In addition, one could feel an ideological pushback gaining momentum. Many were frightened by civil discord (urban riots) and by what they saw as a breakdown of law and order. Moreover, there appeared to be a fracture in expected social conventions. For example, the nonmarital birthrate began an inexorable rise from 5 percent in 1960 to about 40 percent before finally leveling off. And welfare rolls continued to expand through the 1960s and 1970s, not decline as many had predicted, despite good economic times for the most part and a relatively robust safety net.

The pushback was aided in no large measure by a growth in the conservative voice. In earlier debates, the American Enterprise Institute (created during World War II) had been one of the few think tanks opposing an expansionary public assault on poverty. By the end of the 1970s, there were a plethora of such institutions with the Cato and Heritage Institutes leading the way.

In Washington, President Carter's Program for Better Jobs and Income was a last gasp for national comprehensive reform as residual concerns about poverty appeared to be going the way of the Titanic. Perhaps sensing the shift in where the debate would next settle, the states, the Wisconsin legislature mandated its own reform effort, an initiative chaired by Robert Haveman and staffed by me. We helped to develop a technocrat's dream with broad reforms of the state tax system, workforce development system, and child support system among many others. Some of it was actually implemented, including a state Earned Income Tax initiative and several major child support reforms. But most of the proposed changes were ignored and the Wisconsin Idea, unfortunately, was soon to run into trouble.

The tide turns

Remember the Reagan revolution? "Government is not the solution to our problems, it is the problem," and "We had a

War on Poverty and poverty won." In any case, we had a visible shift in the dominant political perspective and governing ideological norms, which transitioned from aggressive public interventions to remedy social problems to the following:

- Supply-side economics, market-based strategies, deregulation, privatization, and smaller government;
- A shift in political focus from ending poverty to minimizing welfare dependency; and
- The "devolution revolution"—the promotion of block grants and the turning of problems back to the states.
- In the end, though, we had more tax cuts than social spending cuts.

The intellectual tide was also changing. Charles Murray wrote a very popular book titled *Losing Ground* in which he argued that public interventions for the poor exacerbated the problems being addressed rather than alleviating them. In short, poverty was no longer a salient policy concern; welfare and welfare dependency dominated the discussion. Even more than welfare writ large, it was the Aid to Families with Dependent Children (AFDC) program that stoked public indignation the most, even though it was relatively small in terms of both caseloads and expenditures. AFDC, it seems, proved a convenient proxy for a broad array of contentious public battles involving normative disputes concerning family, sex, work, personal responsibility, government overreach, compassion or the lack thereof, and so much more. It was, as many had said, "The Mideast of Domestic Policy."

In the meantime, income inequality began to worsen. From a low of 9 percent of total income during the 1970s, the top 1 percent saw their share grow to 12 percent by 1984 and to 20 percent in 1994.

Much of the world began to watch Wisconsin as Governor Tommy Thompson, later Secretary of Health and Human Services under George W. Bush, launched a host of welfare reform initiatives. The first to grab public attention was Learnfare, an intervention that linked children's school attendance to their parents' welfare benefits. It was to be the first of many that introduced what might be termed a "social contract" notion of public assistance where help was conditional on personal behavior. While this was, in reality, an old concept, the governor was quite successful in getting his agenda implemented where so many others failed. Buoyed by the notoriety his reform agenda generated, it was not long before the governor was proposing what was called Wisconsin Works (W-2), an initiative that was considered a radical welfare-replacement scheme.

Thompson's rhetoric was tough, but a closer look suggests that the reality of his reform agenda was more tempered. He expanded child care and health care and workforce development programs that greatly helped the working poor. He was quite willing to help those he felt were playing by society's rules. Through all these changes, the University played no role. The Wisconsin Idea had hit what we might call a rough patch.

The Clinton years: "Ending welfare as we know it"

By the 1990s, even many of a more liberal persuasion saw a new role for government, one where programs ought to be designed in ways more consistent with prevailing norms. This was clear when I went to Washington to work on President Clinton's welfare bill in 1993. The tensions across the partisan divide were enormous, as might be expected. But the tensions within the administration were equally daunting. While some attention was directed on poverty, for example by liberalizing the Earned Income Tax Credit, the main focus was on welfare dependency. Whether an initiative would end welfare as we know it became the new litmus test for determining the worth of any new idea.

A debate raged within the Clinton administration: what did 'ending welfare' mean? One thing is certain. I seldom heard the old litmus test as reform ideas were being vetted: "What does it do for the poor?" In any case, the internal debates delayed the bill's completion long enough to forego serious Congressional consideration until after the midterm elections. By then it was too late; the Republicans had taken control of the House.

Clinton eventually signed a Republican-sponsored bill in 1996. As the story goes, all his advisors counseled him to veto the Act except Al Gore, his vice president. When he did sign it, several of his top advisors resigned including Peter Edelman and Mary Jo Bane. The Act he signed created the Temporary Assistance for Needy Families (TANF) program, which ended the entitlement to cash assistance, imposed time limits, and strengthened the work requirements. Nationally, the rolls fell from 14 million recipients to about 4 million.

W-2 in Wisconsin suggested what might happen if the you transformed the very foundations of a cash welfare program. A conversation I had with a county welfare director in western Wisconsin will give you an idea of how profound the impacts were. Before W-2, she told me they had 1,400 AFDC cases. In the run-up to the reform, the caseload fell to about 800. When they signed a contract with the state to run W-2 (as a block grant), the state and county agreed that about 500 cases was a good assumption for the post W-2 caseload. After the dust had settled, they had about 60 cases remaining.

The Welfare Peer Assistance Network (WELPAN) concept, which I put together in the mid-1990s, periodically brought top state welfare officials together for intense two and three day discussions on the future of reform. For me, it was another "counter" in my professional candy store. The Midwest group (there were two others for a time) endured for over a decade and, in my opinion, captured best the thinking of those who were making reform a reality on the ground. Given new flexibility, and enjoying freed-up resources for a time, these officials yearned to go back to dealing with the root causes of poverty. They discussed ways of re-integrating income support with human services to heal whole families. And they played with ideas for integrating a broad array of human services to deal with the complex challenges many of these families faced. It was an exciting conversation for a time.

Once the welfare debate ended on the national level, so did any residual concern for the poor. In contrast, in 1999, British Prime Minister Tony Blair announced a kind of War on Poverty, pledging to eliminate child poverty in 20 years. It is hard to imagine any U.S. politician, even President Obama, making a similar announcement these days. Everyone seems to avoid discussing the poor.

A forgotten agenda: Our collective amnesia

Where has our amnesia about the disadvantaged gotten us? Well, we have:

- Overall poverty levels (almost 50 million) higher than they were several decades ago and child poverty rates (roughly 1 in 5) that would spark outrage in our peer countries (maybe six times the rate in some Scandinavian countries);
- Income and wealth inequality not seen since just before the Great Depression with the share of all income enjoyed by the top 1 percent back up to 24 percent in 2007, or right before the most recent economic collapse. While inequality in most advanced countries is up, the United States still ranks fourth out of 33 countries in terms of the concentration of income at the top;
- Social mobility rates in the United States that have declined to the point where we have fallen behind our so-called "socialistic" peers in that regard. By some measures of social mobility, the probability of moving up the income distribution, we rank dead last compared to our European peers;
- Health care outcomes that are middling at best. We stand next to Romania in some rankings despite spending far more than anyone else on health care. And we have the 47th highest infant mortality rate in the world;
- Educational outcomes that indicate our kids are falling further behind our primary economic competitors, particularly in math and science; and
- Just about the highest teen birth rate in the world.

What I find particularly troubling is that our easy strategies for dealing with declining economic opportunities (stagnating incomes for most families along with growing inequality) appear exhausted. We have already delayed marriage, had fewer children, thrown our spouses and partners into the labor market, saved less and borrowed more (using housing equity as personal ATMs), and added more advanced educational credentials after our names. And our children often delay establishing their own households (good luck in kicking them out of the nest). And still, economic outcomes grow more unequal.

And yet, so little outrage. When new policies are posed, not enough ask, "What does it do for the poor or for those falling further behind in an increasingly bitter Darwinian struggle for success?" So, let us ask again: have we lost the War on Poverty? On a superficial level, yes! But let us think of the question in a different way. Think of the trends over the past several decades that would be expected to exacerbate poverty and increase the economic struggles for so many:

Demographic changes—particularly the rise in single-parent households raising children.

Globalization—where firms seek to lower labor costs by outsourcing higher-paying jobs overseas.

Technology-driven changes, automation, and computerization—where tasks formerly done by humans are now done by digital technology and robotics (can robot-driven trucks be far off?).

Immigration—opening up in the mid-1960s, we saw the proportion of the population being foreign born jump from 5 percent to 13 percent, many (though surely not all) of whom are low-skilled individuals.

Deunionization—unionized workers in the private sector fell from about one-third of the workforce in the 1950s to about 7 percent in recent years.

A fractal economy—even within specific sectors of the economy, compensation has grown wildly unequal even in the face of modest differences in talent and contribution. A typical CEO's remuneration went from 27 times the average worker's pay in 1973 to 262 times the average in 2008.

Macro-policy changes—aggregate Federal taxes and benefits reduced inequality by 23 percent in 1979 but by only 17 percent in 2007.

When you consider these adverse trends, and others that might be cited, maybe we did better than many of us had thought in at least moderating the adverse effects of an increasingly hostile world for the less-well off. Still, so much remains to be done.

I remember asking a colleague many years ago why he thought the United States had such an impoverished safety net for the disadvantaged. He gave a one-word answer: heterogeneity. Over the years I came to appreciate his terse response. We are too tribal and have no common identity. It is too easy to say, and to believe, that the less successful are "them" and not "us." They did it to themselves; we are not all in this together. It is instructive to note that Americans are much more likely (by some 30 percentage points) than our European counterparts to respond positively to questions that assign success to personal efforts as opposed to luck or social environments or family fortunes.

Parting idea

Let me finish by returning one more time to the Wisconsin Idea. Key to the idea is that one generation helps the next, passes the torch so to speak. Each of you has a responsibility to pass on to the next generation an understanding of and a passion for an issue, poverty, and for a population, the poor, that too often go unnoticed these days. If you do not, who will?■

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[1]Thomas Chamberlin, *The Coming of Age of the State Universities* (no publisher listed, 1890), 9.

[2]Willford King, *The Wealth and Income of the People of the United States*. (New York: The Macmillan Company, 1917).

[3]Michael Harrington, *The Other America: Poverty in the United States*. (New York: Simon and Schuster, 1997).

[4]Edward R. Murrow, "Harvest of Shame," *CBS Reports*, first broadcast November 25, 1960.

Family complexity in America

Marcia J. Carlson and Daniel R. Meyer

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Dramatic changes in family life have occurred in the United States over the past half century. Marriage has become less central to the life course, as individuals marry at older ages (or not at all) and face a high likelihood of divorce. Cohabitation typically precedes marriage today, and more than two-fifths of all births now occur outside of marriage. Taken together, these changes have led to an increase in family complexity and instability, as the majority of U.S. children do not spend their entire childhood living with their two biological parents. Particularly notable is an increase in multiple-partner fertility, or the number of adults who (will) have biological children by more than one partner (with a corresponding increase in the number of children that have at least one half-sibling). These changes and trends in family life are important for understanding both the causes and consequences of poverty and likely have implications for broader trends in inequality. As the reach and effects of many antipoverty policies vary with family structure, changes in family life pose challenges to the effective design and operation of a host of social programs and policies.

In order to learn more about growing family complexity and its implications for families, poverty, and public policy, the Institute for Research on Poverty commissioned a small grant competition for emerging scholars in 2012, with final papers submitted by the fall of 2013. Awards were made to outstanding young scholars studying family change across several social science disciplines. The following four articles explore an important set of forward-looking issues related to the nature and implications of family complexity and instability. Taken together, these articles examine both the antecedents and consequences of family complexity and instability. In particular, they evaluate how family structure changes affect children's outcomes, how union dissolution is linked to income changes for married and cohabiting couples, how paternal incarceration is associated with family instability, and how the Great Recession may have influenced fertility behavior both within and outside of marriage.

In the first article, Rebecca Ryan, Amy Claessens, and Anna Markowitz explore how changes in family structure are linked to changes in children's behavioral problems. Mindful of the fact that the effects of family change may differ as children grow and develop, they evaluate four child age groupings from infancy/toddlerhood through pre-adolescence. They also explore differences across various types of family changes (e.g., union dissolution versus re-partnering), and they consider variation by parental income, comparing low-, moderate-, and high-income parents. The latter is especially informative for public policy, since most social welfare programs and policies are particularly targeted on disadvantaged families.

The second article, by Laura Tach and Alicia Eads, examines the extent to which increasing family instability may have contributed to growing household income volatility in the United States since the 1980s. In particular, they evaluate how the economic consequences of union dissolution for married and cohabiting couples have changed over a 26-year period, and the extent to which changes in mothers' employment and public and private support systems may have affected this. This research has important implications for understanding how the dramatic changes in family life may have affected the economic well-being of the next generation.

The third article, by Kristin Turney, turns our attention to the possible link between the dramatic rise in incarceration, particularly among low-educated and minority men, and family instability. She uses data from a recent cohort of urban births to analyze how paternal incarceration is associated with the dissolution of married, cohabiting, and nonresident romantic relationships, as well as to consider whether post-incarceration changes in family experiences can help account for the link between incarceration and union dissolution. This article provides important new information about how the rise of one social institution (prison) in the lives of disadvantaged men is linked to challenges in another fundamental social institution (family) designed to rear the next generation.

Fourth and finally, Christine Percheski and Rachel Kimbro focus on how economic conditions are linked to fertility patterns by considering how the Great Recession affected pregnancy for four groups of women – married adults, cohabiting adults, unpartnered adults, and teenagers. Their research sheds light on how economic circumstances and social factors interact to affect family outcomes, highlighting the fact that different economic indicators (unemployment and mortgage foreclosure inventories) are not uniformly related to childbearing across different contexts (or by race and education).

The articles are summaries of four of the small grants to emerging scholars awarded under of the "Family Complexity, Poverty, and Public Policy" initiative of the Institute for Research on Poverty at the University of Wisconsin–Madison. Funded by the Assistant Secretary for Planning and

Evaluation under the U.S. Department of Health and Human Services, this initiative aims to understand the nature and consequences of growing family complexity, including implications for public policy. In addition to the small grant awards, a major IRP conference was held on this topic in July 2013, and the papers and commentaries will be published July 2014 in *The ANNALS of the American Academy of Political and Social Science* (vol. 654).■

Family structure and children's behavior

Rebecca Ryan, Amy Claessens, and Anna J. Markowitz

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Over the last 40 years, rates of divorce and nonmarital childbearing in the United States have risen dramatically.[1] Most children in the United States will experience one or more changes in family structure during their childhood, for example, from a two-biological-parent family into a single-parent or stepparent family.[2] Children who have experienced family change tend to have poorer cognitive and behavioral outcomes than those from intact families.[3] Public policy attempts to reduce family change or ameliorate its expected effects take three broad approaches: (1) promoting marriage; (2) promoting father involvement; and (3) reducing economic strain among single-parent families. These policies assume that the relationship between family change and child development is as strong—or stronger—in poor or near-poor families as in families with higher incomes. With their substantially higher rates of family instability, low-income families are the targets of many of these policies. The study discussed in this article tests this assumption by estimating how changes in family structure are related to changes in children's behavior, for low-, moderate-, and high-income households.

Family instability and family income

Family instability has been linked to poorer child outcomes, particularly with regard to behavior. Children whose parents have divorced have more behavior problems than those in intact families; children living in stepparent and blended families also tend to have more behavior problems, though the effect sizes are smaller and the relationship is less consistent.[4] Overall, prior research has shown that children who have experienced any kind of family change have poorer behavioral outcomes than children in stable, two-biological-parent families. Policy efforts intended to promote marriage and encourage fathers' involvement primarily target low-income families, since rates of nonmarital childbearing and family instability are disproportionately high for this population.[5] This targeting assumes that the links between family change and child behavior described above apply to low-income families. Prior research and theory differ on whether this connection actually exists.

Evidence that family instability matters as much (or more) for low-income families

Research on the relationship between income and child development, and between poverty and family stress, suggests that family instability may actually matter *more* for children in low-income families than for those in higher-income families. Associations between changes in income and child outcomes have been found to be much larger for—and in some cases found only among—those at the lowest end of the income distribution.[6] Findings suggest that declines in economic resources account for as much as half of the correlation between family change and child outcomes.[7] If changes in economic resources partly explain links between family change and child development, and those changes matter more to those with fewer resources, then family change could affect children in low-income families to a greater degree.

This theory is also supported by studies examining the effects of poverty on family functioning. For example, economic hardship has been found to cause emotional distress in parents, which can in turn impede parents' ability to be supportive, sensitive, and consistent with their children.[8] If low-income parents have fewer emotional resources on average than those with higher incomes, then parent-child interactions as well as child well-being could suffer more as a result of family change in poorer families.

Evidence that family instability matters less for low-income families

An alternate set of theories suggests that family instability may matter *less* for children in low-income families compared to those with higher incomes. Because single and blended families are more common among low-income families, parents and children may perceive transitions into these family structures as less unusual and thus less stressful.[9] A less stressful change should in turn have less effect on parenting behavior and child well-being. Another reason that family instability may matter less for low-income families is that fathers in those families may contribute a smaller proportion of the household economic resources than do higher-income fathers, so divorce or separation could have less of a negative economic effect on these families.[10] Fathers in low-income families may also spend less time on average with their children, and have more emotionally strained relationships with their partners, so their departure from the home may not decrease the parenting and emotional resources in the home as much as the departure of a higher-income father.

In turn, moving into a stepparent family may provide a greater benefit to children in higher-income families than those in lower-income families, because mothers in higher-income families are more likely to repartner with men whose economic resources resemble their own.[11] These new partners may thus elevate the economic and emotional stability of the family more than stepfathers in lower-income families, perhaps leading to a greater improvement in child behavior. This set of theories thus suggests that family structure changes would affect children in higher-income families more than those in lower-income families both for worse and for better, depending on the type of family transition.

Types of family change

It is possible that the relationship between family change and child behavior, and thus the effect of family income on that relationship, will vary by what type of change the family experiences. If stress is the driving force that affects child well-being, and all family change strains family roles and relationships, then the effect of family change on child well-being could be uniform and negative. However, different types of change reduce—or increase—family resources in different ways. A transition into a single-parent family from a two-biological-parent family may be expected to be detrimental to children's well-being because they would lose important economic and emotional resources. However, a transition into a blended family could either impair child well-being (because having a new adult in the family means that family roles and relationships are reorganized in ways that are stressful to children), or increase economic and emotional resources at a crucial time in development. The latter possibility is supported by our earlier study, in which we found that with the negative effect of divorce or separation held constant, movement into a stepparent family during middle childhood predicted reductions in children's behavior problems relative to staying in a single-parent family.

The question of causality

Supporters of marriage or fatherhood initiatives often emphasize the benefits of an intact family for children, citing the well-documented relationship between changes in family structure and children's outcomes. However, before effective policies can be designed to address these links, it is necessary to determine causality. It is possible that the parental characteristics that contribute to family instability, including poor emotional or behavioral health, low human capital, and interpersonal issues, also affect parenting and children's home environments more generally. If this is the case, then policies designed to encourage the formation of stable families would not necessarily increase child well-being, even if they did successfully decrease family instability.

In order to control for child and family characteristics that do not change over time, studies have used models in which changes in family structure predict changes in child outcomes.[12] These change models typically look at concurrent associations between family change and child outcomes, however, and do not allow for the possibility that relationships vary by children's age or change over time. If relationships do vary by children's age, these models would underestimate effects by averaging across ages. Similarly, if associations decrease or increase over time, these models would either overestimate or underestimate effects. Some scholars have suggested that a family change during children's first five years should alter their developmental paths by a greater degree than a change experienced later, because at this stage children are more dependent on the family context and thus most sensitive to its influence.[13]

Results

In order to assess children's behavioral outcomes, we used scores on the Behavior Problems Index, a measure of the frequency, range, and type of childhood behavior problems.[14] We estimated how changes in family structure relate to measures on this index for low-, moderate-, and high-income households.

Children of low-income parents

We found that children in low-income families had significantly higher initial levels of behavior problems than those in moderate- or high-income families. Children in low-income families who experienced early change from a two-biological-parent to a single-parent family had higher initial behavior problems at age 3 or 4 than those who experienced no early change.

Here, our primary interest is in how family-structure changes predict the pattern of increase in behavior problems during four age ranges: infancy and toddlerhood (birth and age 1 or 2); preschool years (age 3 or 4 and age 5 or 6); middle childhood (age 7 or 8 and age 9 or 10); and preadolescence (age 11 or 12). We found that for low-income families, no family change of any type affected children's long-term behavioral trajectories. We examined children's behavioral trajectories after (1) preschool-age changes from two-biological-parent families to single-parent families; (2) preschool-age changes into stepparent families; and (3) no preschool-age change in family structure. The only significant effect was a recovery during preadolescence from initially higher levels of behavior problems for children who experienced an early move into a single-parent family.

Children of moderate-income parents

For children in moderate-income families, we again looked at trajectories for children who experienced changes during the preschool period, compared to those who experienced no changes. We found no significant initial differences in behavior problems between those who experienced early changes in family structure and those who did not.[15] We did find that an early change from a two-biological-parent to a single-parent family is associated with a significant increase in behavior problems in middle childhood.

Children of high-income parents

For children in high-income families, there were no initial differences in behavior problems between those who experienced early changes and those who did not. There were, however, two significant effects for changes experienced later in childhood. Children of preschool age who experience a change from a two-biological-parent family to a single-parent family have a significant increase in behavior problems by age 11 or 12 relative to those who did not experience a preschool-age change. Children who experienced movement into a stepparent family during middle childhood had fewer behavior problems than those who did not experience a family change during middle childhood. These children likely experienced an earlier move into a single-parent family, and had the associated increase in behavior problems; the subsequent move into a stepparent family was then followed by a recovery in terms of behavior. The net effect is that children in high-income families who experience a preschool-age move into a single-parent family followed by a middle-childhood move into a stepparent family have behavior problem scores nearly identical to those of children who experienced no changes during the preschool period.

Discussion

Our study tested a central assumption underlying policies that are aimed at reducing the occurrence of family change, or ameliorating its expected effects on children: that the relationship between family change and child behavior is as strong or stronger in poor families as it is in higher-income families. We found little support for this assumption; significant effects of family structure changes were found only for children with moderate- and high-income parents, and not for those with low-income parents. Our results instead suggest that family structure changes affect children in high-income families more than those from low-income families, and that they do so for better and for worse, depending on the type of family transition. Overall, while these results confirm that union dissolutions do affect children's behavior, they also highlight the importance of family context to understanding the implications of family instability.

We used an analytic approach that looked at how changes in family structure predict changes in child outcomes, thus reducing the possibility that permanent family characteristics could obscure the relationship between family change and child behavior. Using this conservative approach, we found few significant effects of family structure changes in moderate- and high-income families, and no effects in low-income families. These results suggest that many factors other than family instability are responsible for determining children's behavior, particularly for children in low-income families. We did find some significant effects among children in moderate- and high-income families, indicating that the effect of family change varies by families' economic status. These findings suggest that although low-income families have a higher prevalence of family instability, public and policy concern over family disruption might more effectively focus on the broader population.

Our findings also show that the type of family change experienced by children matters. Moving from a two-parent or single-parent family into a stepparent family results in a positive effect on child behavior compared to those who experience no family change during middle childhood. Because movement into stepparent families typically follows divorce or separation, which are associated with increases in children's behavior problems, this positive effect is more accurately described as a recovery rather than a benefit. Children's behavior might improve when their mothers form beneficial relationships after a period of marital discord or single parenthood, or when stepfathers bring additional economic resources into the home and alleviate financial stress. This kind of transition may indeed benefit (or at least not harm) children's behavioral development if it improves maternal parenting quality, or provides a higher-quality father figure for children.

The question remains, however, why this advantage appears only for children in high-income families. Existing research suggests that low-income mothers tend to repartner with men who have greater economic resources than their child's father, while married stepfathers partnered with divorced mothers tend to have lower incomes than married biological fathers.[16] To the extent that low-income mothers are more likely than high-income mothers to have a nonmarital birth, one might expect repartnering to benefit children in low-income families as much as, if not more than, those in high-income families. However, even if low-income mothers are more likely to "trade up" upon repartnering, high-income mothers still tend to repartner with men who contribute more economic resources, and possibly more parenting resources, to the household, compared to low-income mothers.

We found significant relationships between family changes and child behavior problems only for changes experienced during early childhood and preschool; for changes during subsequent periods, the relationship was weak or nonexistent. These findings are consistent with earlier work indicating that family structure changes during the first five years of children's lives are important for behavior throughout childhood. These patterns suggest that public policies related to family instability should focus on the years immediately following childbirth rather than on all stages of childhood.

Overall, our results suggest that early family changes, particularly those from two-biological-parent families to single-parent families, may indeed increase children's behavior problems both concurrently and in the long term. Most significantly, our findings reveal the importance of considering family context when generalizing about the negative effects of family instability. It is possible that children in disadvantaged families, although they experience more family instability on average, are not as affected by instability—for better or for worse—as their more advantaged counterparts.■

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[14]N. Zill and J. L. Peterson, *Behavior Problems Index*, Child Trends, Washington, DC, 1986.

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The cost of breaking up

Laura Tach and Alicia Eads

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Household income instability in the United States has doubled since the 1970s. As a result, children are now more likely to experience significant fluctuations in their family's resources than they were four decades ago.[1] Theory suggests that instability in household income may reduce parents' ability to maintain their current standard of living and plan for the future.[2] Most research on rising income volatility has looked at how labor market transformations have increased the volatility of individual earnings. In this article we argue that changes in family structure through divorce or cohabitation dissolution are another important source of income instability, and that the ending of cohabitating relationships has increased income instability for less-advantaged children. Whether growing family instability in fact contributes to rising income instability depends in part on the economic effects of relationships ending.

Prior research has found large income drops following divorce or the end of a cohabiting relationship, particularly for women, but these studies have looked at a single time period or cohort.[3] The earlier work does not examine whether changes in mothers' labor force participation, government cash transfer programs, and cash assistance from social networks may have altered these economic effects over time. In addition, prior research has not examined whether and how family instability has contributed to growing income instability for children. Large-scale changes in family structure, maternal labor force attachment, and government cash transfer programs may have altered both the frequency of union dissolution and mothers' ability to cushion associated economic losses. In this article, we combine the literatures on income volatility and family instability to examine trends in the economic effects of relationships ending. We ask whether the magnitude of income loss from family dissolution has changed over time, and whether it differs between families with married versus cohabiting parents. We also look at changes in how families use the labor market, and public and private safety nets, to smooth the economic costs of family instability.

Income volatility and family instability

The increase in household income volatility in the United States since the 1970s is largely due to rising earnings instability.[4] Evidence of the trend includes the doubling in the annual variance in men's earnings between 1974 and 2000.[5] In addition, jobs are increasingly likely to be of shorter tenure, have unstable work hours, and be part time or temporary. Most studies of income volatility trends have focused on individual labor market earnings, but studies that looked at household income also found increased volatility, especially among poor families.[6]

While researchers looking for the sources of rising income volatility have focused primarily on labor market causes, rising family instability may also have contributed to the growth in household income volatility in the United States. In 1960, only 5 percent of births were to unmarried mothers; in 2010, the proportion had risen to over 40 percent.[7] The majority of nonmarital births are to cohabiting couples, whose unions are considerably less stable than those of married couples.[8] The rise in childbearing within cohabiting relationships and the relative instability of those unions has led to greater instability within families.

Economic effects of family instability

When parents end relationships with partners who contributed to household income, children are affected by the income loss. Most prior research on the economic effects of relationship instability has focused on changes in parents' individual household incomes following divorce, within a single cohort. Mothers have been found to experience significant drops in household income after divorce, and a substantial number end up in poverty.[9] Although initial incomes differ for higher- and lower-income households, and across racial and ethnic groups, the proportion by which income falls is similar. Estimates of the drop in women's household income a year after divorce range from 23 percent to 40 percent.[10] For men, the economic effects of divorce are less severe than they are for women, and some studies have reported income gains.[11]

Couples who cohabit are significantly less likely than married couples to pool their incomes; they also tend to have less-traditional gender role expectations, lower levels of commitment and planning for the future together, and lower average socioeconomic status.[12] These differences suggest that the economic costs of relationship dissolution may be proportionally less for cohabiting women than for married women. Few studies have examined the economic consequences for these two groups separately, but one that did indeed found that the average income loss for women following the end of a cohabiting relationship was 33 percent, compared to 58 percent following divorce.[13] The absolute levels of post-dissolution income were similar for married and cohabiting women.

Changes in the public and private safety nets

While the argument that the household plays a central role in socioeconomic stratification is not new, there has been little attention paid to whether the economic effects of family instability have changed over time in ways that either contributed to, or offset, children's household income volatility. There are a number of strategies that parents can use to moderate the economic effects of losing a partner's income after the end of a relationship, including getting a job or increasing work hours, obtaining cash assistance from government programs, and obtaining economic assistance through their social networks. Changes over time in maternal labor force attachment and in government cash transfer programs may have in turn altered parents' ability to use these resources to address economic loss after union dissolution.

Maternal labor force participation

A mitigating factor in the effects of rising income and familial instability on household income is the increase in mothers' participation in the workforce. In 1960, less than 20 percent of married women with children under six years old were in the labor market; by 2012, this proportion had soared to over 70 percent.[14] Households with two adults now constitute just over half of all households with children.[15] The pay gap between men and women has declined since the 1970s, and women and mothers are more likely to work full time and year round.[16] If women's earnings now constitute a larger proportion of shared household earnings during relationships, then relationship endings might mean a relatively smaller drop in women's household income than in the past. Women may also now be more easily able to increase their hours of work either in anticipation of or in response to the end of a relationship, further minimizing the dissolution's economic effects.

Public safety net

Public programs that provide a buffer against poverty for low-income families include cash welfare, the Earned Income Tax Credit (EITC), and Supplemental Security Income. Cash welfare benefits—first through Aid to Families with Dependent Children (AFDC), then after 1996, through Temporary Assistance for Needy Families (TANF)—have become considerably less generous since the 1970s.[17] Caseloads also dropped dramatically after the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 introduced a block grant system that included diversions, sanctions, and time limits.[18] TANF now provides a weaker safety net than it did in the past, as evidenced most recently by the fact that caseloads rose only modestly during the severe recession that began in 2007.[19]

The declining generosity of cash welfare benefits has been at least partially offset by expansions in other cash transfer programs. The EITC provides a refundable tax credit to low-to-moderate income individuals and families, primarily those with children. For tax year 2013, the maximum available federal credit ranges from $487 for those with no qualifying children, to $6,044 for those with three or more qualifying children. After expanding in the 1980s and 1990s, the EITC is now the largest antipoverty program in the United States. The Center on Budget and Policy Priorities estimates that in 2011, the EITC and the related Child Tax Credit together lifted 9.4 million people out of poverty, including 4.9 million children.[20] Supplemental Security Income, which provides mean-tested cash assistance to the disabled, has also expanded dramatically since it began in the 1970s.

In addition to cash transfer programs, stronger government enforcement of child support laws has also increased cash flow to mothers. New legislation in the 1980s and 1990s required states to withhold child support obligations from fathers' paychecks, strengthen paternity establishment requirements, and standardize child support order formulas.[21] As a result, the likelihood of paternity establishment, child support order amounts for unmarried mothers, and total child support transfers to mothers all have increased.[22]

Private safety net

Single parents may also rely on their social networks, including relatives, friends, and romantic partners, as sources of cash and in-kind assistance when needed.[23] Although these resources play an important role in making ends meet, researchers have found that financial transfers are less common within the social networks of low-income households, and the amounts tend to be small in both relative and absolute terms.[24] However, lower-income families are more likely than more-advantaged families to live in extended family households—with parents, boyfriends, or other relatives—which provides another important way to cope with economic loss. Indeed, moving in with a new romantic partner often returns women's incomes to nearly pre-dissolution levels.[25]

Study results

In our study, we examine how the economic costs of union dissolution have changed over time. We track changes in the economic costs of dissolution of both marital and cohabiting unions from the 1980s through the 2000s, a time period that encompasses periods of dramatic change in both labor markets and the public safety net. We assess how changes in maternal labor force participation and public and private support systems have affected the economic costs of dissolution. By including both married and cohabiting couples in our analysis, we are able to provide the first assessment of whether the relative costs of ending marriage and cohabitation have changed over time, and whether married and cohabiting mothers use different strategies to mitigate those costs.

Looking first at trends in children's family structures over time, we found results consistent with earlier studies. The proportion of children living with married parents during the course of a year decreased from 80 percent in 1984 to 72 percent in 2010, while the proportion living with cohabiting parents doubled from 3 percent to 6 percent over the same

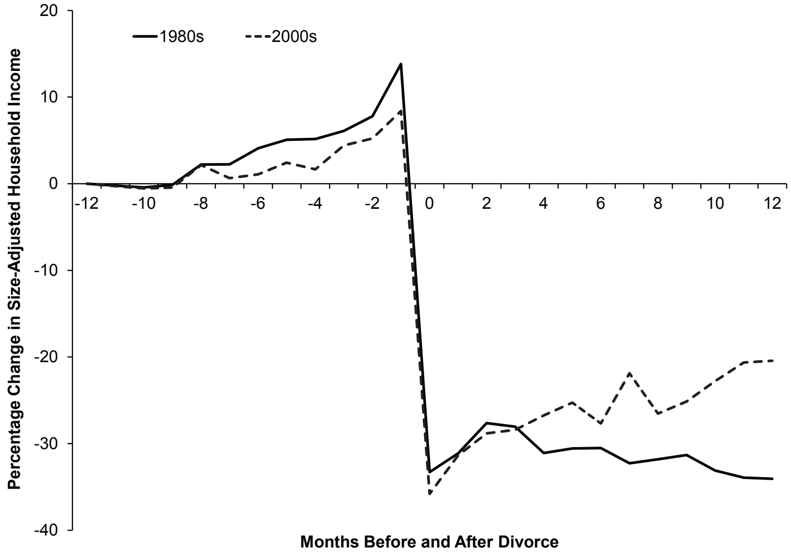

Figure 1. Median percentage change in household income before and after divorce.

time period. Children's families also become more stable, with only 2.9 percent experiencing a parental union dissolution in 2010, compared to 4.5 percent in 1984. This increase in stability was true for both married and cohabiting families, although cohabiting families remain more likely to break up; about 10 percent in the 2000s, compared to just over a 3 percent divorce rate for married families.

Trends in the economic costs of union dissolution

Looking at trends over time in a child's total household income in the year prior to and following the end of a relationship, we find first that there was little change in children's economic losses from parental divorce. While children's average household incomes were higher in the 2000s than in the 1980s, as Figure 1 shows, the loss of household income immediately following divorce was about the same in each decade, around 35 percent. Incomes rose slightly in the 12 months following divorce, leaving children with a net 30 percent loss in household income after one year in the 1980s, and a net 20 percent loss in the 2000s. One notable pattern is that household incomes "ramp up" by around 10 percent in the year prior to divorce.

In contrast to married families, cohabiting families experienced greater economic losses associated with union dissolution over time. In the 1980s, economic loss was only about 20 percent, but their incomes did not recover in the year following the breakup. Figure 2 shows that by the 2000s, the pattern for cohabiters was similar to that for married families (albeit at lower income levels); household incomes dropped

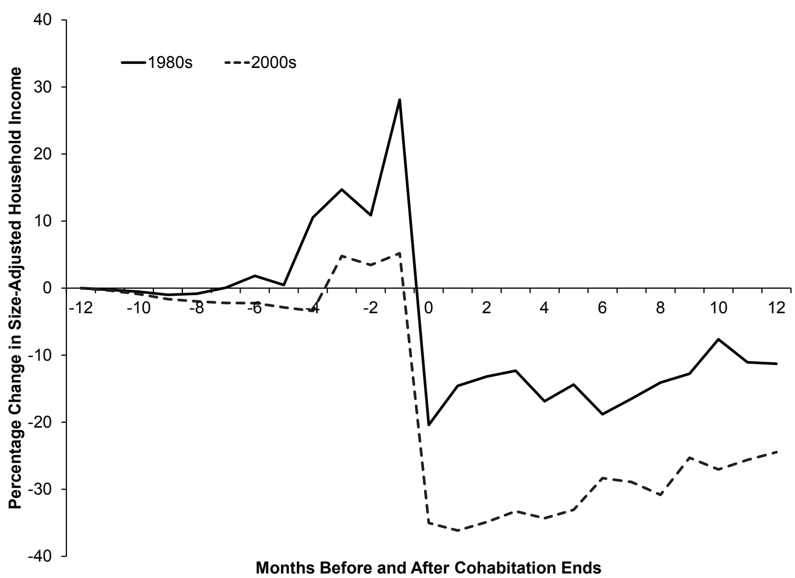

Figure 2. Median percentage change in household income before and after the end of a cohabiting relationship.

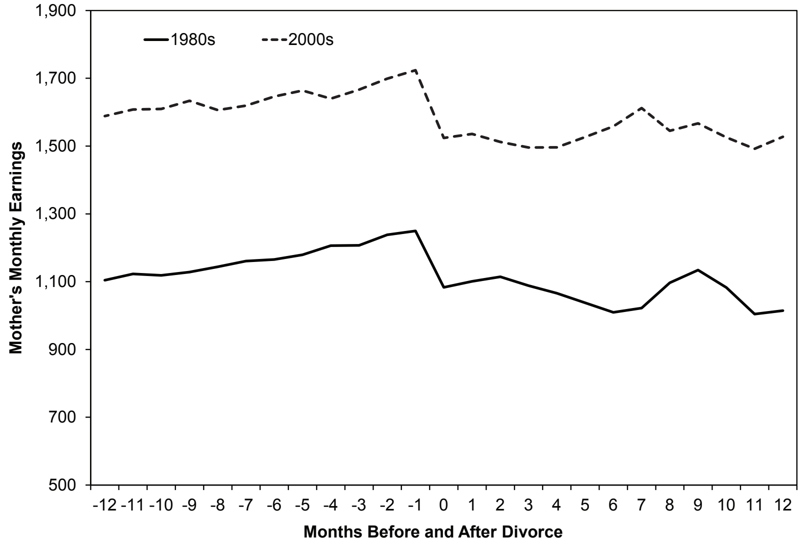

Figure 3. Trends in mothers' earnings before and after divorce.

by about 35 percent immediately after the relationship ended, then rose in the following year, for a net loss of 25 percent. Cohabiters' incomes also increased greatly between the 1980s and the 2000s, though their household incomes remain lower than married parents' incomes at all points in the timeline. The pattern of ramping up income prior to relationship end also differs from that of married parents; in the 1980s, cohabiters ramped up their income by almost 30 percent, but by the 2000s, household income went up by less than 10 percent in the year before the breakup, a level similar to that in divorced families. Overall, the economic consequences for children of cohabitation dissolution have grown since the 1980s, and have also become more similar to the economic consequences for the children of divorce.

Trends in earnings, cash transfers, and income pooling

As married women have participated in the labor force at increasing rates over time, they have also had higher monthly earnings in each decade from the 1980s to the 2000s. As a result, married mothers' earnings (adjusted for inflation to 2012 dollars) averaged about $1,100 per month during the 1980s, and rose to about $1,500 per month in the 2000s. Despite this growth, Figure 3 shows that there was little overall change in married women's labor supply response to divorce over time. Married women's earnings increased in the three months prior to divorce, but dropped by about $100 in the month of divorce, and do not recover in the following year. While these women's earnings are higher in absolute terms in the 2000s than in the 1980s, we find no evidence that married women are increasingly altering their labor supply in response to a divorce. Figure 4 shows the same trends for women's earnings before and after the end of a cohabiting relationship. Like married women, cohabiting women's earnings increase over time, but unlike married women, there is no clear association between relationship dissolution and earnings.

Cash transfers also rose over time for children in married households. While cash transfers increased in the months following a divorce in each decade, the increases were proportionally larger in the 2000s than in the 1980s. In the 1980s, the amount of monthly cash transfers from government sources and from child support increased by about 20 percent following a divorce, but in the 2000s increased by over 50 percent. Thus, children in married households in the 2000s received greater cash transfers than those in the 1980s, and their mothers relied more on this source of money in the wake of a divorce.

Children in cohabiting households receive more from public transfers than do children in married households, but the amount of those transfers does not rise following the end of a cohabiting relationship. Instead, there is a general downward trend in cash transfer payments over time, and a small drop in cash transfers at the time of the dissolution. These trends are likely explained by the declining generosity of cash welfare programs over this time period, the fact that unmarried mothers are less likely to have child support orders than divorced parents, and the loss from household income of government transfers paid to cohabiting men (since these men may be more likely to receive such transfers than men in married households).

The private safety net is another potential source of household income following a union dissolution. Direct cash transfers from family or friends constitute a very small part of household budgets, amounting to less than $50 per month on average. However, income pooling through sharing a household with other adults is both more common and more consequential. Adult relatives contributed just over $50 per month to married household incomes in the 1980s; by the 2000s, that amount was around $250. Relatives also contributed more over time to post-divorce incomes; about

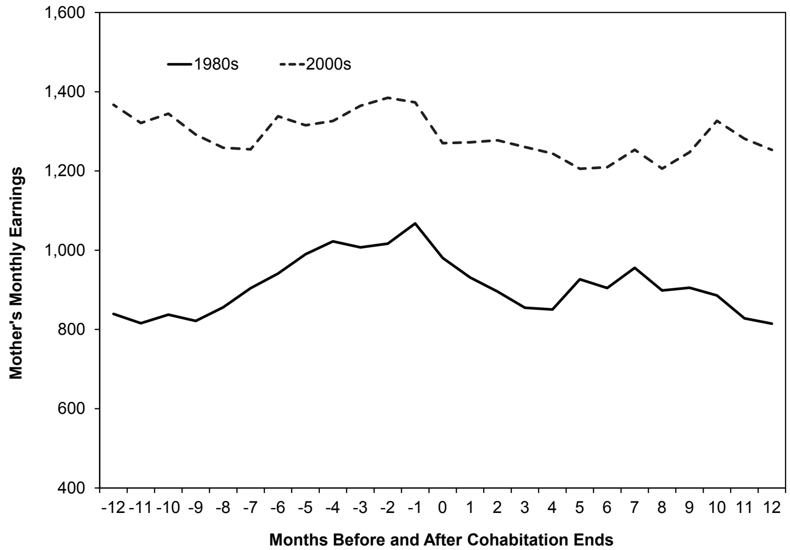

Figure 4. Trends in mothers' earnings before and after the end of a cohabiting relationship.

$200 on average in the 1980s, compared to about $500 in the 2000s. There is a very similar pattern of results for cohabiting households.

The largest source of new income after a breakup is from new coresidential partners, either married or cohabiting. New partners' contributions to household incomes increase steadily in the months following the dissolution of both marriages and cohabitations. This pattern, and the amount contributed by new partners, changes little over time, indicating that much of the increase in post-dissolution household income noted above is attributable to repartnering. However, because mothers' earnings increase over this time period, new partners' contributions constitute a smaller percentage of post-dissolution incomes in the 2000s than they did in the 1980s.

Implications

The growth in women's labor force participation and the changing structure of public cash transfer programs has led some scholars to suggest that the economic costs of family dissolution for children's household incomes have declined over time. However, our results show that the net economic consequences of divorce have changed little since the 1980s, although married women have relied more on government transfers like the EITC and more on their own earnings and private safety nets over time. In contrast, the economic consequences of cohabitation dissolution have increased markedly since the 1980s, so that mothers' income losses associated with cohabitation dissolution now more closely resemble those of divorced mothers. We find that the growing economic consequences of dissolution for cohabiting parents are attributable to the rising earnings of male cohabiting partners over time combined with smaller growth in women's earnings and receipt of government transfers, which in turn increases the economic shock associated with their exit from the household.

The results of this study have implications for research on trends in income instability. First, we find little evidence that changes in marital stability have contributed to rising income instability. Marriages became slightly more stable over time, and the economic consequences, while large, have changed little since the 1980s. Despite the lack of change in the economic costs of divorce, we find that divorced mothers rely comparatively more than cohabiting mothers on labor market earnings and public cash transfers from the EITC (that are conditional on work) following dissolution, which could potentially make them more vulnerable to labor market volatility. Second, we find that more children live in cohabiting households in the 2000s, and that while these households have become more stable over time, they remain less stable than married households. The economic costs associated with the end of a cohabiting relationship have also increased over time. Finally, cohabiting households with children tend to be at the lower end of the income distribution. As a result, trends in the growth of cohabitation and the economic costs of cohabitation dissolution have likely contributed to rising income instability for less-advantaged children.

These findings also have implications for family theories of the meaning of cohabitation. Our results are consistent with prior work that has found that cohabiting relationships have become more stable over time. In part, our research supports prior work showing that cohabiting couples have lower levels of commitment and are less certain about the future of their unions. We find little relationship between cohabiting women's labor supply and government transfer payments before and after a union dissolution, suggesting that cohabiting mothers are not specializing in domestic labor as married women might; their lack of response suggests that they were perhaps more prepared for a relationship ending, and may qualify for some benefits while still cohabiting that married women would not qualify for. We do find, however, that the economic consequences of cohabitation dissolution have grown for children and that patterns of behavior for cohabiting parents have broadly become more similar to those for married parents. Taken together, these finding suggest that cohabitation has come to play an economic function more similar to marriage, at least among cohabitations that involve children.■

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Neither here nor there: Incarceration and family instability

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Family instability in the United States has increased dramatically since the 1970s. Demographic changes in family life including postponement of marriage, more short-term cohabiting unions, and a dramatic increase in the rate of births to unmarried parents, mean that considerable numbers of adults and children experience frequent relationship churning in their family lives. Family instability has been found to impede parenting practices, increase stress and mental health problems, reduce social support networks, and increase poverty and material hardship. Instability is also linked to many detrimental outcomes for children, including behavioral problems, reduced educational achievement and attainment, and health deficiencies. Some scholars have suggested that family instability, which is disproportionately concentrated among economically disadvantaged groups, may increase income inequality and contribute to the intergenerational transmission of poverty.[1]

Another recent demographic change in the United States—the rapid and dramatic rise in mass incarceration—may contribute to family instability. About 2.3 million U.S. residents (1 in every 134 individuals) are incarcerated in prisons or jails, and even larger numbers of individuals have been recently released back to their families and communities.[2] There are compelling reasons to believe that mass incarceration, most often experienced by poorly educated minority men, contributes to family instability.[3] Indeed, most of these men—prior to confinement, while behind bars, and after release—are connected to families as romantic partners and fathers.[4]

Incarcerated men are simultaneously members of and isolated from families, and are by and large unable to perform their roles as romantic partners and fathers. Maintaining contact with incarcerated partners is difficult and costly for women, while men, upon their release, may face a variety of consequences including stigma and discrimination, difficulty finding employment, and increased physical and mental health problems. All of these consequences could make reintegration into family life difficult.

Despite considerable recent research on the effects of incarceration on family life more generally, as well as a vast literature documenting how marriage leads to a reduction in crime, there has been much less research on the consequences of incarceration for the dissolution of marital, cohabiting, and nonresidential romantic relationships.[5] Given the considerable number of families affected by incarceration, the unequal distribution of incarceration across the population, and the potential consequences of family instability for the intergenerational transmission of inequality, understanding how the expanding penal system affects relationship dissolution is an important new area of research.

I explore the possible connections in this article, examining analyses done using data from the Fragile Families and Child Wellbeing Study, a longitudinal survey of parents who share children. I consider three previously unexplored research questions that extend our knowledge about the collateral effects of incarceration on relationship dissolution. First, how is paternal incarceration associated with dissolution among couples that share children? Second, does this association vary by parents' relationship status when their child was born? Third, to what extent do post-incarceration changes in family life (including relationship quality, economic well-being, and physical and mental health) explain the association between incarceration and relationship dissolution?

Betwixt and between: The status of incarcerated men

The recent dramatic rise in incarceration, resulting largely from increased harsh sentencing policies for nonviolent offenses, has had profound implications for the lives of American men. Incarceration has especially transformed the life course of low-educated minority men living in impoverished neighborhoods. Approximately 60 percent of black men without a high school diploma have served time in prison by their early 30s.[6] For many young black men, incarceration has become a normative life course stage and a rite of passage. Isolation is common, both in prison and upon release, and police presence, which is heightened in poor communities, can make it more difficult for former prisoners to adjust to life after incarceration. Formerly incarcerated men frequently experience discrimination, encounter political disenfranchisement, and have difficulty securing stable housing.[7] Further, those who have outstanding warrants, even for minor infractions, may avoid formal employment, hospitals, and sometimes even family and friends for fear of going back to prison.[8]

Additionally, incarcerated men experience a "liminal" state that complicates the maintenance of romantic relationships. Liminality refers to individuals who are "neither here nor there; they are betwixt and between the positions assigned and arrayed by law, custom, convention, and ceremony."[9] Liminality, according to Victor Turner, begins when individuals are removed and isolated from society, and ends with individuals reintegrating back into normal life and assuming their former roles.[10] During the liminal stage, individuals' roles become increasingly ambiguous, with their rights and obligations unclearly defined and aspects of their future uncertain. Incarceration forces people into a liminal state.

Turner's conception of liminality did not include predictions about its consequences, but it is plausible that this stage has lasting, negative consequences for individuals. For incarcerated men, their role in family life, in particular, becomes suspended between what they left behind and an unknown future. These men are members of families, but simultaneously isolated from those families. Therefore, it is possible that this liminality leads to relationship dissolution. While some women are committed to maintaining relationships with incarcerated partners, doing so is complicated.[11] Incarcerated individuals have limited, regulated, and institutionalized contact with romantic partners. Prisons are often located far from inmates' communities, which can make visits time-consuming and expensive. One researcher estimates that 60 percent of prison inmates are located more than 100 miles from their families.[12] The often inflexible visiting schedules and the expense of making long-distance calls from prisons complicate relationship maintenance. The physical separation of partners may create deficits in emotional interactions and increased household labor for the partner left behind.[13]

Incarceration may also create ambiguous family boundaries, leaving men confused about their identities as romantic partners and fathers, and leaving women without economic and emotional support crucial for maintaining successful relationships.[14] The difficulties faced by these marginal men likely continue after release, as men struggle to reintegrate into family life with partners who have moved on, both psychologically and romantically.[15] The stigma of incarceration, including the spillover stigma experienced by families of the incarcerated, may also make former inmates' reintegration into family life difficult.

Mechanisms linking incarceration and relationship dissolution

There are at least three plausible mechanisms that may link incarceration to relationship dissolution: changes in relationship quality, changes in economic well-being, and changes in physical and mental health resulting from the incarceration experience.

For one, the association between incarceration and relationship dissolution may operate through changes in relationship quality. Although men often return to their pre-incarceration families and communities after release, the isolating and regimented prison experience may alter their personalities in ways that make maintaining romantic relationships difficult. Even among couples with high-quality relationships prior to incarceration, the time spent apart may lead to poor communication, decreased supportiveness, and increased conflict. Ethnographic work shows that the incarceration experience may encourage men to engage in violent behavior.[16] Romantic partners who experience a significant drop in relationship quality are likely to dissolve their union.

In addition, incarceration may diminish economic well-being—among both the incarcerated and their romantic partners—and, therefore, increase relationship dissolution. Incarcerated men have few opportunities to earn income and, after release their criminal record makes it difficult to find employment. Women attached to incarcerated men may also have increased parenting and household responsibilities that force them to leave the paid labor force, and thus impede their ability to maintain the family's economic standard of living.[17] Indeed, perhaps because most men contribute economically to their families prior to incarceration, research shows that incarceration reduces family income, intensifies material hardship, and increases reliance on some forms of public assistance.[18] The stress associated with economic insecurity may create conflict within families and lead to dissolution.[19]

Finally, the association between incarceration and relationship dissolution may operate through changes in physical and mental health patterns among both partners. The physical and mental health consequences of incarceration have been documented, but these effects may extend beyond the offender.[20] Qualitative research documents that the incarceration of a romantic partner is associated with anxiety, uncertainty, and loneliness.[21] These feelings may persist after release, as women worry about their partners violating parole and their children's adjustment to their father's return.[22] Poor physical and mental health have been linked to union dissolution.[23]

Existing evidence on the consequences of incarceration for relationship dissolution

What does existing literature say about the effect of incarceration on relationship dissolution in the United States? By and large, quantitative research suggests that incarceration increases marital dissolution. For example, data from the National Longitudinal Study of Youth 1979, a longitudinal study uniquely positioned and often used to study the consequences of incarceration, finds that incarcerated men have a higher probability of divorce or separation than their non-incarcerated counterparts.[24] Other researchers find that this association between incarceration and divorce is explained by the length of incarceration.[25]

Qualitative research on nonmarital relationships documents a more complicated and nuanced portrait of family life during and after a partner's incarceration than does quantitative research on marital relationships. These qualitative portraits show that relationship stability and instability result from a complex interplay of both men's and women's reactions to the incarceration. Men, for example, may use incarceration as a time to reflect on their familial roles. Their liminal status may lead to internal confusion, but some men return to families ready to reprise their roles as romantic partners and fathers.[26] Women's perspectives have been shown to be equally nuanced; some women are committed to maintaining relationships with incarcerated partners, while others use the incarceration as an excuse to hasten an inevitable breakup.[27]

Variation by relationship status

As suggested above, the effects of incarceration on relationship dissolution may be moderated by relationship type, and research has yet to thoroughly examine this possibility.[28] It is possible that incarceration equally disrupts marital, cohabiting, and nonresidential romantic relationships. Many features of incarceration—the removal of men from families and communities, the challenges associated with maintaining romantic relationships while a romantic partner is behind bars, and the liminal status of incarceration—may be difficult for couples in all types of relationships. Similarly, the mechanisms linking incarceration to relationship dissolution—changes in relationship quality, economic well-being, and physical and mental health—may also equally affect marital, cohabiting, and nonresidential romantic relationships.

It is also possible, however, that the association varies by relationship type prior to incarceration. On the one hand, incarceration may be more consequential for marital relationships than cohabiting or nonresidential romantic relationships. Indeed, Tach and Edin find that relationship and economic conditions are more strongly associated with the dissolution of marital than cohabiting unions.[29] On the other hand, marital unions are governed by greater norms and expectations than other unions, which may cause some individuals to salvage their marriage and avoid divorce at all costs.

Results

I use data from the Fragile Families and Child Wellbeing Study to assess: (1) how paternal incarceration is associated with relationship dissolution among couples that share children; (2) whether this association varies by parents' relationship status at the time of their child's birth; and (3) to what extent the association between incarceration and relationship dissolution can be explained by post-incarceration changes in family life, including relationship quality, economic well-being, and physical and mental health.

I look first at the relationship between incarceration and relationship dissolution. As expected, the likelihood of a breakup, especially early in the child's life, varies quite dramatically by father's incarceration. However, given the very different characteristics of couples that do and do not experience incarceration, these differences may result not from incarceration but instead from other factors associated with both incarceration and relationship dissolution. Using various models to control for these factors, my results suggest that the association between incarceration and relationship dissolution is large in magnitude but relatively short-lived.[30] When partners manage to survive the initial period of confinement, incarceration has no lasting consequences on dissolution.

Next, I consider the possibility that the association between incarceration and relationship dissolution varies by relationship status. Given that results for the full sample show no association between incarceration and delayed relationship dissolution, I consider only dissolution within a two year period. The results for both married couples and couples cohabiting at the time of their child's birth show the same relationship between incarceration and relationship dissolution that was found for the full sample. Although analyses of couples in a nonresidential romantic relationship at the time of their child's birth show no independent association between incarceration and relationship dissolution, interaction terms included in models estimating dissolution for the full sample are statistically insignificant, suggesting that the relationship between incarceration and relationship dissolution does not vary by relationship status.[31] These results should be interpreted cautiously, as it is quite possible the statistically insignificant interaction terms result from the small sample size. Indeed, the direction of interaction effects for nonresidential romantic couples suggests that incarceration may be less harmful for their relationships than for married relationships.

Finally, I look at mechanisms underlying the association between incarceration and relationship dissolution. The association between incarceration and relationship dissolution may result from the direct effect of incarceration, or alternatively may result from a number of indirect pathways including changes in relationship quality, changes in economic well-being, and changes in physical and mental health. Additional analyses provide little evidence that most theorized mechanisms—including declining relationship quality, reduced economic well-being, and worse physical and mental health—explain the link between incarceration and relationship dissolution.

Conclusions

My analysis of how incarceration affects relationship dissolution yields three main conclusions. Perhaps most consequentially, results show that among couples with children, incarceration leads to a greater likelihood of relatively immediate relationship dissolution. Since couples who separate before their child turns three are excluded from the sample, these results are conservative. Second, I find no clear evidence that the association between incarceration and dissolution varies among married, cohabiting, and nonresidential couples. Considering this possibility is important, as it bridges the quantitative research on the effects of incarceration for divorce and the qualitative literature on mostly unmarried couples. These findings suggest that, regardless of level of relationship commitment, maintaining relationships while one partner is behind bars is difficult. Importantly, these results also suggest that previous quantitative research, which has nearly exclusively considered marital dissolution, underestimates the consequences of incarceration for family life. Third, I find that three plausible mechanisms—changes in relationship quality, changes in economic well-being, and changes in physical and mental health resulting from incarceration—explain, by and large, very little of the association between incarceration and relationship dissolution. One explanation for these findings is that this association stems directly from the liminality associated with incarceration. The ambiguity associated with the period of confinement, the resultant changes in men's personalities, or women's opportunities to meet other partners may have direct, negative implications for their romantic relationships. When unions dissolve during incarceration, as opposed to after re-entry, liminality may be further intensified.

An alternative possibility, of course, is that other unmeasured pathways—such as women's increasing share of household labor, infrequency of contact between partners during confinement, or declining family support—link incarceration to relationship dissolution. Though the data do not permit an examination of these possibilities, it seems unlikely that these factors—but not changes in relationship quality, which are correlated with these factors—would explain this large association. In this study, data on relationship status were collected at study entry and three, five, and nine years later. Future quantitative research should collect data at more regular intervals (such as weekly or monthly) to more precisely identify the timing of dissolution and further unravel the familial and decision-making processes leading to dissolution. Future qualitative research should systematically consider the processes underlying dissolution among marital and nonmarital couples.

Taken together, my findings on incarceration and relationship dissolution make several important theoretical and empirical contributions. The theoretical contributions are primarily related to liminality. I draw on the work of Victor Turner, who first put forth the idea of liminality (primarily to describe rites of passage), to suggest that incarceration embodies a liminal experience. Incarcerated men are "betwixt and between"—they are currently separated and isolated from their families. But, at the same time, they are members of families and eventually will be reintegrated into society and at least some of their family roles. Additionally, I extend Turner's theory to consider the consequences of this status, and show that the liminality of incarceration often leads to relationship dissolution and thereby further marginalizes already marginal men.

Empirically, my findings advance our knowledge about incarceration and relationship dissolution in several ways. First, I consider dissolution among married, cohabiting, and nonresidential romantic couples. The consideration of multiple relationship types is important because the modal prisoner is in a romantic relationship but not a marital one. This is also important because children—especially children in disadvantaged communities where incarceration is common—are increasingly born to unmarried parents and experience poor outcomes when these unions dissolve. I also consider both short-term jail spells, the most common type of incarceration, and long-term prison spells. This, in combination with the focus on both marital and nonmarital relationships, means the results are applicable to a much broader group of the population than was the case for previous research.

Though data from the Fragile Families and Child Wellbeing Survey provide an exceptional opportunity to examine the consequences of incarceration for family life, the data have several limitations. To begin with, the incarceration measure is limited, as it does not distinguish between different lengths of incarceration, nor between prison and jail incarceration. It is possible that both of these factors may differentially affect family instability. Similarly, the association between incarceration and relationship dissolution may vary by the father's distance from home or the frequency of mother's visits. The data also do not include the precise timing of relationship dissolution, and is instead limited to broad time periods.

In order to ensure that incarceration precedes dissolution, a necessary requirement to estimate the causal link from incarceration to relationship dissolution, I must examine only current incarceration—as opposed to incarceration that occurred in the recent past—which limits the sample size. The sample is further limited by fathers at risk of relationship dissolution (those in a romantic relationship at the three-year survey). Even with these sample restrictions, these analyses preclude causal conclusions. Unobserved heterogeneity may exist, though findings from sensitivity analyses suggest that is unlikely that the results are explained by it.

Despite the data limitations, my findings add to a growing body of literature on the consequences of paternal incarceration for family life and the intergenerational transmission of inequality. Similar to the recent demographic changes that have transformed family life, such as trends in nonmarital childbearing, incarceration rates, as well as social inequality in incarceration rates, have increased rapidly over the past four decades. Incarcerated individuals do not exist in isolation. Instead, while incarcerated, they experience a period of liminality where they are both connected to and disconnected from their families, which contributes to relationship dissolution. By documenting how and under what conditions the collateral consequences of incarceration extend beyond the offender, and spill over onto his family, this research highlights the considerable influence and unintended consequences of the penal system on family relationships.■

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[30]In supplemental analyses, I restricted the sample estimating immediate relationship dissolution to the smaller sample used to estimate delayed relationship dissolution. Results are consistent, suggesting the differential findings for immediate and delayed dissolution do not result from different samples.

[31]Results from propensity score models are similar to results from logistic regression models.

How did the Great Recession affect fertility?

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The Great Recession that officially began in December 2007 and ended in June 2009 had differing economic, social, and demographic consequences across the United States. Unemployment rates, mortgage foreclosures, and poverty rates rose while housing values fell, but the extent of these changes varied widely across local areas. For example, between 2006 and 2010, the unemployment rates in Nevada and Florida tripled, and poverty rates in those areas increased by more than 30 percent; in contrast, unemployment rates remained below 5 percent in Nebraska and North Dakota throughout the recession. Fertility rates also changed unevenly during the recession. The fertility rate declined at the national level, dropping from a recent high in 2007 of 69.5 births per 1,000 women aged 15 to 44, to 63.2 for 2012.[1] There was, however, great variation by state, age, and ethnicity, with younger and Hispanic women showing disproportionate decreases.[2] In this article, we look in detail at the effects of the recession on the likelihood of a pregnancy for four groups of women: married adults, cohabiting adults, unpartnered adults, and teenagers.

Evidence on economic conditions and reproductive behavior

How are economic conditions related to fertility? Adverse conditions may lead some individuals to delay childbearing, and others to hasten it. Alternatively, economic conditions may be irrelevant to fertility if other factors such as cultural norms are sufficiently strong.

Prior research suggests that stress may be linked to riskier sexual activity.[3] Research also suggests that financial hardship and poverty can negatively affect cognitive function, and shorten the time horizons over which individuals make cost-benefit determinations.[4] During a recession, stress from events such as losing a job or facing a mortgage foreclosure could impair an individual's ability to make reasoned decisions, or decisions based on a long-term horizon. Because approximately 85 percent of sexually active women of childbearing age will become pregnant within a year in the absence of measures to prevent pregnancy, those who do not want to become pregnant must actively decide to avoid pregnancy, and follow through on their decision with consistent behavior. If stress and financial hardships do impede reasoned decision-making and purposeful behavior, then we might expect higher fertility among those women who were most directly affected by the recession.

Alternatively, fertility may be unaffected by economic conditions if cultural norms related to the context and timing of births are particularly influential. For example, nonmarital births are more socially consequential for some racial and ethnic groups, and in some geographic areas.[5] For some individuals, these social norms may outweigh any economic considerations. For example, one study found that although higher levels of educational achievement for men is a strong predictor of not fathering children outside marriage, men's earnings and employment levels have little effect.[6] Other research has found that among religious groups that place a particularly high value on childbearing, these norms may alter the relationship between economic considerations and fertility, or else simply override other factors. For example, among members of the Mormon Church residing in Utah, higher income is related to having a greater number of children, while the opposite is true among non-Mormons in the state.[7]

Population subgroups and fertility

We group the female population of reproductive age in the United States into four population subgroups based on differences in sexual and reproductive behaviors and social norms: married, cohabiting, and unpartnered adult women; and teenage women.

Married women

Childbearing remains a key feature of most contemporary first marriages. Over 91 percent of ever-married women have had at least one birth, and over two-thirds of ever-married women had a first birth before marriage, or within the first four years after marriage.[8] Fertility among married women is largely planned; married women are much less likely to have a mistimed or unwanted pregnancy than unmarried women.[9] Because most married women can rely on a spouse for economic support, and because motherhood is socially normative for married women, choosing parenthood over career may be a particularly viable option for married women who experience recession-related setbacks such as unemployment or stagnant wages. Thus, we would expect married women's fertility to either be unaffected or increase (because of lower opportunity costs or increased salience of the parenting role) during poor economic conditions.

Cohabiting women

Sexual and reproductive behavior in cohabiting unions is harder to generalize as people cohabit for a variety of reasons, including as an alternative to being single, as a trial marriage, as a precursor to marriage, and as an alternative to marriage.[10] Recent estimates suggest that 74 percent of women have cohabited before age 30, and that nearly 60 percent of new marriages are preceded by cohabitation.[11] Still, because many cohabitations are short-lived, any cross-section of cohabiters will overrepresent long-term cohabiters, who tend to be less educated and are more likely to be Hispanic. While cohabiting and married women have been found to have similar birth control practices, rates of unintended pregnancy are still two to three times higher for cohabiting women.[12] Since cohabiting women tend to have relatively low average incomes and savings, we expect that poor economic conditions will reduce fertility, but that this effect may be somewhat weak given the high rate of unplanned pregnancy among this population.

Unpartnered adult women

Although the proportion of nonmarital births which are to cohabiting women has been growing, about half of births to unmarried women are to those not living with the child's father.[13] Poverty rates are higher for unpartnered women than for those who are married or cohabiting; if women are making calculations about childbearing based on whether they can afford to support a child, we would expect that unpartnered women would have fewer pregnancies and births during poor economic conditions. However, this group may be more susceptible to stress related to financial hardship, first because they are making decisions as individuals rather than as part of a couple, and second, because they are more likely to be using a non-permanent contraceptive method, and thus must make repeated, consistent decisions in order to avoid a pregnancy.[14] It is also possible that if many men in a particular geographic area are unemployed, then the opportunity costs of a nonmarital birth would be reduced as a result of restricted marriage prospects, so pregnancy and birth rates could increase for unpartnered women.

Teenage women

The context of teen childbearing in the United States is considerably different than that for adult women. Four out of five teenage pregnancies are unintended.[15] The unplanned nature of teen fertility suggests that teenagers may be particularly unlikely to be making reasoned decisions about the ideal timing of childbearing, and thus may be less likely to intentionally change their behavior in response to adverse economic conditions. Teenagers may also be less aware of changes in economic conditions than adult women, unless their own families are directly affected. Despite indications that some teenagers do not make calculated decisions about fertility, there are still reasons to think that a recession might be associated with reduced fertility among that group.

Overall, we expect that economic conditions will most strongly affect the behavior of those groups that engage in the most intentional fertility-related choices. Thus, we expect that married and cohabiting women will be most responsive to the recession.

Prior studies of economic conditions and fertility

Recent studies of the recession's effects on fertility have found a decline in fertility rates at state and national levels, with the degree and direction of change varying by state, age, race and ethnicity, and birth order. For example, Sutton and colleagues found that births between 2007 and 2009 declined by 4 percent among all women ages 15 to 44, with women over age 40 showing an increase in fertility, and all other age groups showing a decline, with the largest declines among women ages 20 to 24.[16] Across racial and ethnic groups, Hispanic women had the steepest decline in fertility rates. Third and later births were more strongly affected than first or second births.

Fertility among teenagers has fallen 25 percent since 2007, an acceleration of the steep decline in teen birth rates that began in 1991, with a brief plateau between 2005 and 2007.[17] The steepest declines have been among those under age 17, and black teenagers.[18] Although an improvement in the economy was at first linked to the decline in teen pregnancy rates during the 1990s, teen fertility rates continued to drop even when economic conditions fluctuated.

Although these new studies of the recession and fertility provide a general picture of fertility decline during the Great Recession, studies based on birth certificate data have considerable limitations. First, these data do not allow identification of women who have cohabiting partners, thus it is not possible to address questions of whether and how the recession affected women differently by partnership context. Second, these data provide no information on what factors, such as increased use of birth control or a decrease in transitions into marriage, may have changed to cause the fall in fertility.

Findings

With National Survey of Family Growth data from 2006 through 2010, we investigate how pregnancy rates changed during the recession. We consider three questions: (1) What is the association between local economic conditions—specifically, unemployment, poverty, mortgage foreclosures, or housing values—and the likelihood that an individual woman becomes pregnant? (2) Did the likelihood of becoming pregnant decline equally across all groups of women in hard-hit communities? If not, which population subgroups had fewer pregnancies during the recession? (3) What changes in behavior explain changes in pregnancies?

Figure 1 shows the proportion of women with a pregnancy during our one-year observation window by partnership status. Married and cohabiting adult women had similar pregnancy rates, while unpartnered adult women had a rate half that of partnered women, and teenage women had the lowest rate. Differences in pregnancy rates by level of education are shown in Figure 2; teenage women are grouped by their mother's level of education. Differences by educational

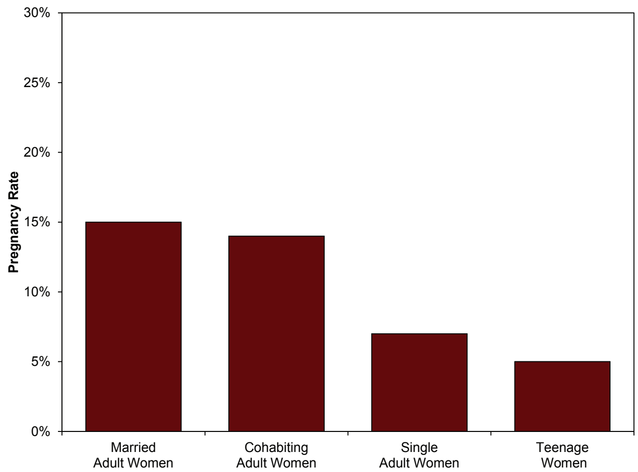

Figure 1. Likelihood of pregnancy by relationship status.

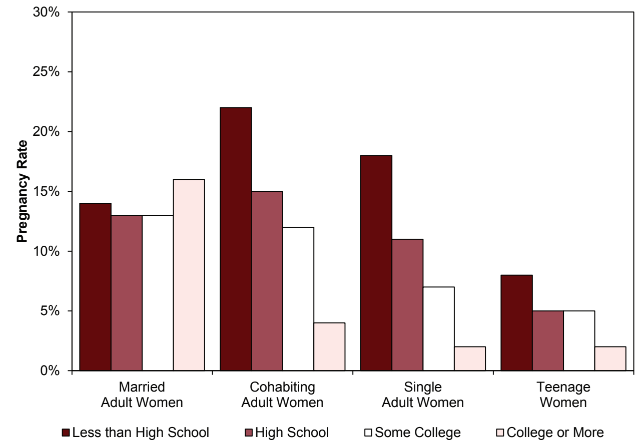

Figure 2. Likelihood of pregnancy by relationship status and level of education.

Note: Teenage women are grouped by their mother's level of education.

attainment are small for married women, moderate for teenage women, and large for cohabiting and unpartnered adult women. Figure 3 shows differences by race and ethnicity; among cohabitating women, those who are black and Hispanic have much higher pregnancy rates than those who are white and non-Hispanic.

Next, we look at how measures of economic conditions are associated with pregnancy rates among each of our four groups of women. For married women, a 50 percent increase in the local unemployment rate (for example, from 6 percent to 9 percent), is associated with a 50 percent reduction in the likelihood of pregnancy, all else equal. For cohabiting women, none of the economic measures are associated with a statistically significant difference in the likelihood of pregnancy. Among unpartnered women, a difference of 1 percentage point in the mortgage foreclosure inventory is associated with a 36 percent drop in the probability of pregnancy. (The median change in state mortgage foreclosure inventories from 2007 to 2009 was 1.4 percentage points). Finally, we find some evidence that teenage women are responsive to economic conditions; a fifty percent higher state unemployment rate (for example, from 6 percent to 9 percent) is associated with an 85 percent increase in the likelihood of pregnancy. We also find, however, that teenagers across the country had far fewer pregnancies during 2009.

Interaction effects

Looking at variations within population subgroups by race and ethnicity, and by level of education, we find evidence that the relationship of economic indicators to pregnancy for Hispanic women is unique, as shown in Figure 4. Although a state's poverty rate has no significant association with the likelihood of pregnancy for white and black women, married Hispanic women have a slightly higher probability of pregnancy in states with higher poverty rates. In contrast, unpartnered Hispanic women have a lower likelihood of pregnancy when state poverty rates are high, compared to other racial and ethnic groups. Additionally, unpartnered Hispanic women have a greater reduction in pregnancy than other racial and ethnic groups when local unemployment rates are high.

Behavioral changes associated with lower pregnancy rates

Our findings show that higher unemployment is related to a lower likelihood of pregnancy for married women, while higher state-level mortgage foreclosure inventories are associated with lower likelihoods of pregnancy among unpartnered adult women. To investigate how these lower pregnancy rates during the recession were achieved, we analyzed the relationship between economic conditions and five behavioral factors related to pregnancy. These were whether, during the observation period, the respondent (1) was sexually active (teenagers and unpartnered women only); (2) used contraceptives; (3) had a sterilizing procedure (adult women only); (4) began a cohabiting union (adult unpartnered women only); and (5) got married (cohabiting and unpartnered women only).

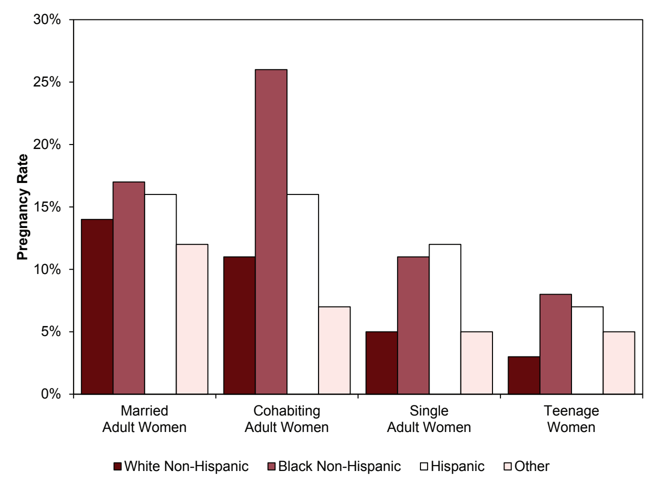

Figure 3. Likelihood of pregnancy by relationship status and race and ethnicity.

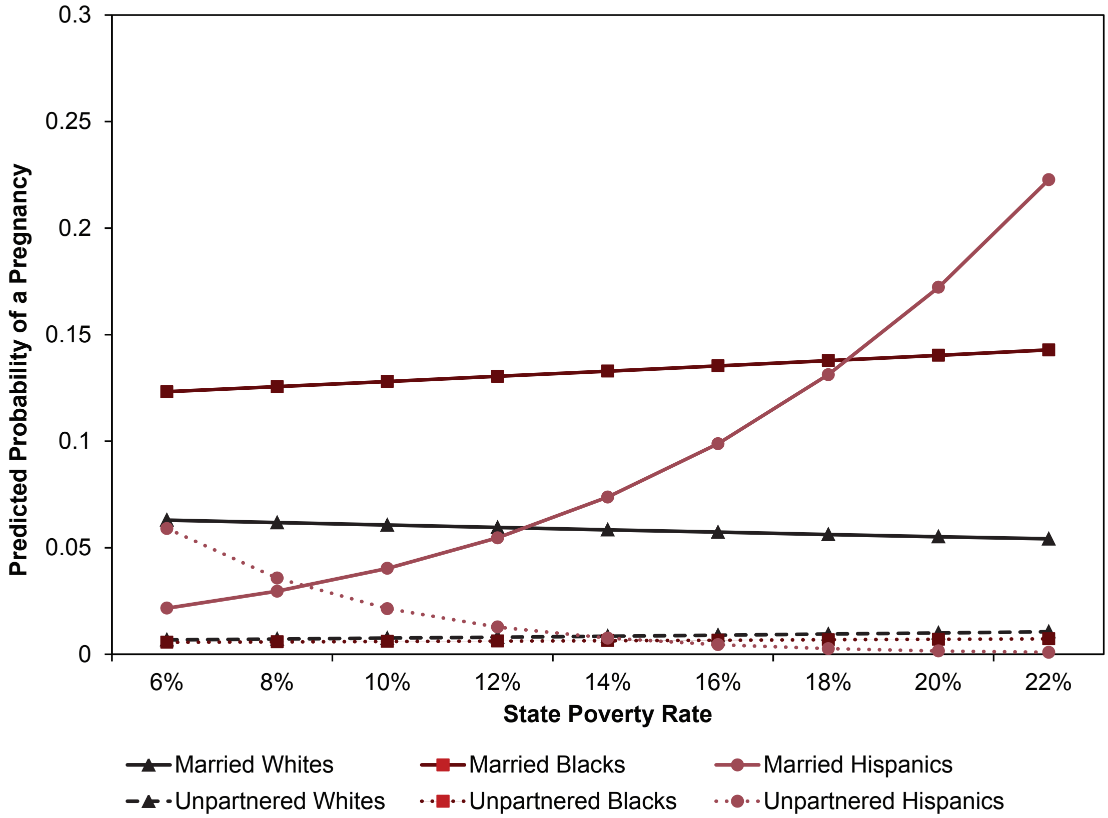

Figure 4. Likelihood of pregnancy for married and unpartnered women by poverty rate and race and ethnicity.

The results suggest that, among unpartnered women, a higher state employment-to-population ratio (which is a sign of favorable economic conditions) is associated with lower odds of being sexually active, suggesting that poor economic conditions are associated with more, not less, sexual activity. For teenagers, we find no statistically significant relationship between economic conditions and sexual activity.

The measure used to assess contraceptive use was whether a woman had used contraceptives at any point during the observation period. We find no statistically significant association between economic conditions and contraceptive use among unpartnered women, cohabiting women, or married women. For teenagers, we find weak evidence suggesting that birth control use may be higher when economic conditions are poor.

As an alternative to birth control, some women chose to have a sterilizing procedure. We find that some measures of poor economic conditions are associated with a higher likelihood of having such a procedure for both married and cohabiting women, but for unpartnered women find no significant relationship between economic conditions and sterilization.

Changes in relationship transitions may also help explain changes in pregnancy rates. Many people still hold marriage as the ideal setting for childbearing, and a decrease in the rate at which women marry could thus lower the pregnancy rate for the population. We find a complicated relationship between marriage rates and economic conditions for cohabiting women; they are more likely to marry when local unemployment rates are higher, but cohabiting women as a group had lower marriage rates during the recessionary years. We find no association between relationship transitions and economic conditions for unpartnered women.

Conclusions

The Great Recession reduced fertility in industrialized countries around the world, including the United States. Because of the recentness of the recession, the potential for lagged effects, and delays in data availability, much is still unknown about the specific ways in which fertility was affected by the recession. Using data from 2006 through 2010, we counted pregnancies during a one-year observation period. We found that although poor economic conditions are generally associated with a lower likelihood of pregnancy, the effects differed by population subgroup and the measure of economic conditions used. Unpartnered and married women showed the largest decrease in pregnancies in response to the recession. Married women had lower likelihoods of pregnancy when unemployment rates were higher, while unpartnered women were less likely to become pregnant when mortgage foreclosure inventories were higher. None of the economic conditions that we examined were related to pregnancy for cohabiting women. For teenage women, we found a lower likelihood of pregnancy during recessionary years, but higher local unemployment was actually associated with an increase in pregnancy.

Our analysis of variation within population subgroups revealed some interesting patterns. We found that across several economic indicators, Hispanic women differed significantly from their counterparts of other racial and ethnic groups. For example, as state poverty rates rose, unmarried Hispanic women decreased their fertility, while married Hispanic women increased their fertility.

In general, our analyses suggest that women responded to income constraints and generalized uncertainty by not getting pregnant during recessionary years. We found increases in partnered women's likelihood of having a sterilization procedure and in teen's likelihood of using birth control when economic conditions were poor, which may have contributed to lower pregnancy rates. We conclude that, for adult women, there is little evidence that lower opportunity costs, increased salience of the parental role, or increased stress-induced decision-making operated to increase fertility during the recession. For teenage women, we find some evidence that likelihood of pregnancy increases when local unemployment is high, a result consistent with lower opportunity costs or stress-induced impairments to decision-making. Our study highlights the importance of considering differences among women's response to the recession by their partnership status, and not just their marital status.■

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