

# **The Welfare State, Abortion and the Growth in Single Parent Families<sup>1</sup>**

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## **Introduction**

Since 1950, the percentage of children in the US living in households without a father present has more than tripled, rising from 7.5 percent to more than 23 percent. Numerous studies have demonstrated the negative consequences for children of living with a single mother, or more generally, of living in a household without the father present.<sup>2</sup> Although some would attribute the increase to declining morality, much of it is the result of changes in incentives. Welfare programs have changed the incentives to marry and stay married for low income couples, abortion and low cost contraception have changed incentives affecting childbearing, and changes in labor market opportunities for women compared to men have also played a role. What role have the various changes in policy and the economic environment played in contributing to the rise in single-parent families, and what can be done to bring down the number of children reared by single mothers and increase the number who are raised by both parents?

The proximate causes of the growth in the share of children living apart from their fathers include childbearing by unmarried women and divorce. This article focuses mostly on explaining increases in out-of-wedlock childbearing, but also gives some consideration to why divorces increase.

To explain trends in childbearing by unmarried women, this article will focus on the role of economic incentives. Incentives are often critical for explaining changes in behavior. How have incentives changed since the 1960s? The first section of the paper discusses economic

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<sup>2</sup> For a review of some of the literature on the relationship between marriage and the welfare of children, see W. Horn (2004).

theory and what it implies about the impact of various government policies and other changes in the economic environment on the family. The second section discusses the evidence about factors responsible for the growth in female-headed households, emphasizing the role of welfare programs, but also considering the role of changes in relative wages and in policy toward abortion. The last section discusses alternatives for the future that might contribute to reducing the share of children reared in female-headed households.

### **Economic Theory and the Rise in Single Parent Families**

To understand the reasons for the decline over time in the share of children reared in two-parent families, it helps to understand the economic role of the family. Application of economic theory to the family by economists, such as Gary Becker, emphasizes that decisions to marry and remain married are influenced by the alternatives available to women for supporting themselves and their children, such as the wage they could earn, the husband's income and contributions to the family, and eligibility to receive government assistance.

The family facilitates specialization and division of labor as couples divide up responsibilities related to caring for children. In traditional families this often meant the husband was employed full-time while the wife and mother specialized in home production, including child care. Technological change that reduced the amount of time required to perform routine household tasks and the growth of labor market opportunities for women have led married women to spend less time on home production and more time employed than they did in the past. It is still true, however, that most mothers devote a considerable amount of time and energy to household production, including child care, which often results in them working fewer hours for pay than their husbands.

Because of economies of scale in household production and the unique role that each parent can play in contributing to the well-being of family members, two-parent households usually result in higher standards of living and better outcomes for everyone, especially children. For example, evidence suggests that wives' investment in household production makes husbands more productive in their work, enabling them to earn more than single men (Gray & Vanderhart, 2000).

Marriage clearly offers substantial benefits for many couples, but there are also costs in terms of foregone alternatives associated with marrying someone. Becker (1991) argues that decisions about whether to marry and about staying married or getting a divorce can be explained in terms of cost-benefit calculation. A man and woman will agree to get married if each expects the benefits of doing so to exceed the costs. Similarly, if at some point, one spouse determines that the expected net benefits of ending the marriage and getting a divorce exceed the expected net benefits of staying married, that spouse will pursue a divorce unless the other spouse compensates her enough so that the net benefits of staying married are at least as great as the benefits of divorce. This model also allows for some couples to place a high value on keeping their marital vows so that they remain married even if the costs of doing so seem high, relative to the other benefits. For many couples, however, keeping marital vows is not a high priority.

Changes in market opportunities and changing government policy toward the poor have altered the rewards to getting or staying married compared to the costs. One of the biggest changes in the costs of staying married for low income couples is due to the enactment of various means-tested transfer programs, such as Aid to Families with Dependent Children (AFDC), which initially was intended to provide assistance to single mothers and their children. Besides means-tested transfer programs, improving job opportunities for women combined with falling

relative wages for men with a high school education or less have influenced the rewards from getting married. Another important factor influencing the costs and benefits of marriage is the availability of contraception and a woman's option of getting an abortion if pregnant. In the next section, I consider how each of these changes influenced incentives.

### **Factors Explaining the Rise in Single Parent Families**

AFDC and other government-funded welfare programs reduced the incentive to marry and stay married for low-income men and women. Instead of being dependent upon a husband and father to provide income from market work, women and their children have an alternate source of income from government transfer payments, which may be as much as or more than what low income fathers could provide. If mothers and children can have their needs met by government-funded welfare programs, women have less incentive to get married before children are born or to stay married while they are caring for children.

In addition to welfare programs, changes in earning opportunities for women relative to men likely played a role in the growth of single-parent families. Whether it is worthwhile for one partner (usually the wife) to specialize in home production depends on her outside earning opportunities both in the present and the future (Lundberg, 2001). Higher female wages increase the costs of specializing in household production. One spouse specializing in household production likely leads to higher wages for the other spouse, but it has short-term and long-term costs. In the short-term, specializing in household production means less market work. The long-term cost includes the erosion of the skills and earning opportunities of the spouse who specializes in household production. Higher female wages, thus, reduced the net benefits of specializing in household production, which reduced the benefits of marrying or staying married.

Economic theory also implies an important role for improvements in the availability of contraceptives and legalized abortion on the benefits and costs of marrying. Inexpensive methods of contraception reduced the risk of conceiving a child for sexually active couples. Abortion makes it possible to eliminate a child after it has been conceived.<sup>3</sup> Since having children to care for increases the benefits of marriage, abortion and inexpensive contraception reduce those benefits and lead to fewer sexually active couples choosing to marry. As will be discussed below, it was common for a man, prior to beginning a sexual relationship with a single woman, to commit to marry her if she became pregnant, but such commitments became less common after abortion was legalized.

The above described changes in policy and the economic environment may all have played some role in the growth of single-parent families. The next section explores what the empirical evidence reveals about the role played by each of the above changes in the growth of out-of-wedlock childbearing and divorce.

### **Empirical Evidence: What Explains the Rise in Female-Headed Families in the US?**

Between 1964, when President Johnson declared a war on poverty, and the late 1970s, the percentage of poor families with children that are headed by single mothers rose from 30 percent to around 60 percent, where it has remained since then (Ellwood and Jencks, 2004; US Census Bureau, 2000). Although the percentage of children living only with their mothers among all families is smaller than among poor families, it has increased by a factor of more than 3 since 1950 (Table 1). No similar trend exists in the percentage of children living only with their fathers, although the percentage is higher now than it was before 1990.

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<sup>3</sup> Aborting an unborn child is murder, but few mothers perceive it that way when choosing abortion.

Table 1: Percent of Children Living with Single Parents.

Year	Percent of children living with mother only	Percent of children living with father only
2010	23.1%	3.4%
2000	22.4%	4.2%
1990	22.0%	3.1%
1980	18.0%	1.7%
1970	10.8%	1.1%
1960	9.0%	1.3%
1950	7.4%	1.5%
1940	7.9%	2.5%

Source: US Census Bureau, *Children Under 18 Years Old by Presence of Parents*. Various years. Table 1.

Although the general trend of changes seems to support a link between welfare programs and the percentage of children born to unmarried mothers, a more careful look at the evidence raises questions about whether much of the increase in out-of-wedlock childbearing since 1970 can be blamed on welfare programs. Many other changes were happening during this period that may have contributed to the decline of two-parent families, including declining religious participation, better earning opportunities for women relative to men, a decline in community and neighborhood cohesiveness, and greater availability of abortions and contraception (Moynihan & Smeeding, 2004, p. xxiv). Next we consider the evidence about the impact of AFDC and other means-tested transfer programs.

### **Evidence on the Impact of AFDC Benefits on Out-of-Wedlock Birth Rates**

A variety of approaches have been used to try to determine empirically whether a relationship exists between welfare benefits and the prevalence of single-parent families. These include studies that seek to explore whether states with more generous welfare benefits have more out-of-wedlock births as well as research that estimates relationships between changes in policy over time and changes in the rate or ratio of illegitimate births.

Most studies of illegitimacy rates or ratios across states with varying AFDC benefit levels have not found a relationship between out-of-wedlock birth rates and benefit levels. Vining (1983) noted that there were slightly lower illegitimacy ratios for blacks in southern states, where AFDC benefits are much lower than in the rest of the country.

Many studies of changes over time in benefit levels and illegitimate birthrates have also found no positive relationship. Between 1970 and 1980 real AFDC benefits fell about 30%; combined food stamp and AFDC benefits fell 22% in real terms from 1971-1983 (US House of Representatives. Subcommittee on Public Assistance and Unemployment Compensation, 1983). In spite of the decline in benefits, the percentage of children living in female-headed households rose between 1972 and 1982 (Ellwood & Summers, 1986).

Although the percentage of female-headed families grew steadily from the 1950s until the 1990s, a considerable amount of the increase is due to other factors than an increase in the non-marital birthrate. Non-marital births were roughly constant at 23 births per 1000 unmarried women between 1960 and 1975 (Blau J. , 1999, p. 147). The increase in the percentage of births that were to unmarried women during this time period was the result of declining marital fertility rates combined with an increase in the average age at which women married. Other factors, such as liberalized abortion laws and better job and educational opportunities for women, likely were more important than AFDC in explaining why a growing number of women delayed marriage. Another reason why AFDC has had a limited impact on the growth of female-headed families is that most heads of those families earn too much to qualify for AFDC. Blau (1999) reports that two-thirds of the young women who give birth outside of marriage are not poor in the year prior to their pregnancy (p. 147). Recent data confirms that less than a third of single-mother households are in poverty (US Census Bureau, 2013).

Wilson and Neckerman (1986) report that a variety of approaches to determine whether there is a relationship between welfare benefits and illegitimacy have yielded inconclusive results. Studies of the relationship between AFDC benefits and divorce are similarly inconclusive. The problem with many of these studies may be that they do not adequately control for other factors that affect the number of female-headed families. A factor of particular importance is the ratio of female-to-male wages. Moffitt (2001) finds that this variable does quite a good job in explaining trends in female headship between 1968 and 1996. He finds that if the ratio of female-to-male wages is controlled, then the real value of AFDC plus food stamps plus Medicaid benefits has a significant positive effect on the number of female-headed families. Changes in wages appears to be the more important factor explaining the growth of female-headed families.

In spite of the importance of other factors, including legalized abortion, the effects of welfare programs on the incentive to get married and stay married are hard to dispute, which is an important reason why the Personal Responsibilities and Work Opportunities Reconciliation Act (PRWORA), was signed into law in 1996, with the intent of reforming AFDC and other means-tested transfer programs. Besides the objective of promoting work among welfare recipients, this new program, called Temporary Assistance to Needy Families (TANF), included the stated goals of children being cared for in their own homes or the homes of relatives, reducing out-of-wedlock pregnancies, and encouraging the formation and maintenance of two-parent families (Bitler, Gelback, & Hoynes, 2006).

Although the work requirement could contribute to more marriage and fewer single-parent families, it could also have the opposite effect. By making it harder for single mothers to collect welfare benefits and spend time with their children, mandatory work requirements for



mothers on welfare can be expected to increase marriage and reduce the share of women bearing children out-of-wedlock (Klerman, 2005, p. 175). Welfare reform, however, also included financial work-incentives for former welfare recipients that may have made it easier for single mothers to support themselves and their children, which may have decreased marriage. Increased employment reduces the time women have to find marriage partners but could enhance the prospects for marriage through workplace interactions.

Klerman (2005) reports the results of empirical research about the effects of various reforms on marriage rates. The evidence suggests that financial work-incentives reduced divorce and increased marriage. Mandating that welfare recipients get a job does not appear to have had an effect on marriage. Studies evaluating the combined effects of all TANF provisions on marriage get inconclusive results, whether they use experimental studies or observational studies.

### **Enforcing child support**

Federal and state governments have implemented other changes in policy that are complementary to welfare reform and designed to strengthen families. In an effort to save the government money, beginning in 1990, the federal government increased its efforts to get dads to pay child support to the mothers of their children. Government officials seek cooperation of mothers in identifying the father of each child. If a mother does not cooperate in helping to establish a child's paternity, the result could be a 25 percent reduction in a family's grant. When government identifies the father and assesses child support, part of the additional money collected is offset by a reduction in the size of the family's welfare benefit.

Going after absent fathers to pay child support sounds like a good idea, but in practice, it has not worked very well. Christiansen and Williams (1986) note how enforcing child support rules may motivate fewer fathers to leave their wives and children, but actually increases

incentives for women to leave their husbands. The threat of government garnishing their wages in order to enforce child-support orders also gives men an incentive to avoid jobs that government can track and instead work in the underground economy. This may result in lower wages and less support being voluntarily provided to their children. In 1996, only 13 percent of 7.4 million AFDC child-support cases received at least one payment (Schwarz, 2000, p. 221).

Although noncustodial fathers do not pay much child support through the formal system, many mothers and their children receive some under the table financial assistance from fathers, which supplements the government benefits they receive (Edin, 1995). Apart from government coercion, whether a father provides financial support might depend on how much influence the mother permits him to have in the lives of his children. Government attempts to collect child support may interfere with voluntary interaction between fathers and mothers. Such voluntary interaction sometimes results in the father gaining more access to the children in exchange for providing financial or in-kind assistance to the mother.

The child-support enforcement program does not work very well for several reasons. One is that it does not account for the in-kind contributions that fathers provide to their families, including time spent caring for their children (Sorenson & Lerman, 1998). Many mothers engage in covert non-compliance when asked to reveal the identity of the fathers of their children (Edin, 1995). If fathers of children with mothers on welfare provide under-the-table support, all of it goes to mothers, while when government collects child support, part of it goes to offset welfare payments. Enforcement of child-support orders is often so strict that when mothers reveal the identity of their children's fathers, the fathers face a risk of being sent to jail for missing payments, which will reduce their future earning potential.

In addition to efforts to require fathers to financially support their children, government agencies have implemented some programs to promote fatherhood and encourage noncustodial fathers to marry the mothers of their children (US Department of Health and Human Services, 1999a). Critics argue that government promotion of fatherhood is not always in the best interest of the mothers or the children (Mink, 2006, p. 163). The biological father of one or more of a woman's children might not be a good marriage partner. Although children who live with biological fathers are usually better off than those who do not, some biological fathers will do more harm to their children by living with them than by living elsewhere.

Some mothers need to be protected from the fathers of their children rather than being encouraged to marry them. Critics of policy to promote marriage argue that many welfare recipients experience abuse at the hands of current or former boyfriends or husbands (Brush, 2006, p. 186). Similarly, attempts to establish paternity or enforce child support can backfire and subject mothers to greater abuse from former husbands or boyfriends. Studies reveal that a high percentage of welfare recipients have been abused. According to the US Department of Health and Human Services (1999b), up to 32 percent of adults in the caseload are current victims of domestic violence. Other studies report that more than half of AFDC recipients have been abused (Raphael, 1999).

Although the government's role via welfare programs is hard to ignore, the role of cultural forces and changes in the economic environment on the decline of marriage seem to be larger and more long lasting. Yet, some of the important cultural changes, particularly those involving changes in women's role in the workplace and changes in attitudes toward sexual relationships outside of marriage have also been impacted in important ways by economic incentives created by changing government policies.

## **The Impact of Legalized Abortion and Low-Cost Contraception**

This interaction between incentives and cultural changes is evident in considering the impact of government policy toward abortion and of changes in technology that resulted in the widespread availability of effective and inexpensive methods of contraception. The model proposed by Moffitt (2001) that includes changes in relative wages and welfare benefits does a good job of explaining trends in female-headed families, but it does not tell the whole story. Akerlof, Yellen and Katz (2006) present a compelling argument that legalized abortion and easy contraception are important factors explaining the growth in female-headed families. They present two models both of which suggest a positive relationship between changes in the availability of abortion and contraception and the growth in such families.

One model emphasizes how, after abortion became legal and contraceptives became easier for single women to obtain, women became more willing to begin sexual relationships with men who they did not expect would be willing to marry them if they became pregnant. Akerlof, Yellen, and Katz (1996) point out that before 1970, it was common for a man, based on a commitment made before engaging in premarital sex, to marry his girlfriend if she became pregnant. Ellwood and Jencks (2004) note that “the fact that non-marital births were rare before the 1960s does not mean that non-marital *pregnancies* were rare, only that prospective parents nearly always married before the baby was born. “As it became feasible for single women to count on contraception or abortion to reduce or eliminate the risk of bearing a child, many women no longer sought promises of marriage in the event of pregnancy as they would have when abortion and contraception were much harder to obtain. Because relationships between men and women involve a competitive process, as fewer sexually-active unmarried women required a commitment from a man to marry them in case of pregnancy, those women who

would have preferred not to be sexually active found it harder to find men who would date them unless they consented to a sexual relationship. Some in this group, who were less willing to use abortion or rely on contraception, contributed to the increase in pregnancies in unmarried women. The size of this group may be reflected in the increase in the number of children born out-of-wedlock, children who were kept by their mothers rather than put up for adoption as discussed below.

Akerlof, Yellen and Katz (1996) propose a slightly different model that also suggests a positive impact of legalized abortion and contraception on female-headed families. This model emphasizes who is considered responsible for childbearing. Without legal abortion or access to contraception, the man is viewed as sharing responsibility for any child that is conceived, and thus, feels an obligation to marry the mother of the child. Abortion and easy contraception give the woman full control over the childbearing decision apart from the man. Thus, the man no longer feels responsible to marry since the woman can terminate the pregnancy without his input.

Akerlof, Yellen and Katz (1996) present several kinds of evidence in support of their model. First, they discuss the increase in the percent of out-of-wedlock mothers who keep their children rather than putting them up for adoption, noting that the number of agency adoptions fell from 170,000 to 105,000 as the number of out-of-wedlock births more than doubled in the fifteen years after abortion was legalized. This suggests that with abortion and contraception being more readily available, a smaller percentage of out-of-wedlock births were unwanted, since unwanted births were more easily prevented. Many of the children that were wanted, and thus, not put up for adoption may have been born out of wedlock because, due to the availability of abortion and contraception, the father was unwilling to marry the woman. The evidence shows that about three-fourths of the increase in out-of-wedlock births among whites and three-fifths of

the increase among blacks between the late 1960s and the late 1980s can be explained by “the decrease in the fraction of premaritally conceived first births that are resolved in marriage” (Akerlof, Yellen, & Katz, 1996).

Data show that shotgun marriages declined slowly over an extended period of time with the decline beginning around 1968 for white women and much earlier for black women. (Akerlof, Yellen, & Katz, 1996). The stigma associated with out-of-wedlock childbearing also gradually declined as it became more common.

It is not necessarily the case that economic incentives preceded cultural changes in contributing to the current state of the family in the western world. Abortion was legalized in part due to changes in attitudes toward sexuality. Nevertheless, the incentives created by legalized abortion and easy contraception likely also contributed to further changes in attitudes about the legitimacy of sexual relationships and childbearing outside of marriage. Welfare policies and government attempts to promote equal opportunities for women in the labor market also played a role by easing some of the economic constraints on childrearing by single mothers.

Without changes in the dynamics of sexual relationships resulting from the legalization of abortion and the growth in the availability of low cost contraception, the number of female-headed families would not have grown as much as it did during the 1970s. Its continued increase during the 1980s can be blamed on the rising wages of high-school educated females relative to males as documented by Levy and Murname (1992). Eligibility for AFDC and other means-tested benefits during the entire period likely complemented these other two changes by making it easier for low income mothers to remain single and still have adequate income to provide for their children.

## **Policy Options for the Future**

In light of the complex interaction between abortion and contraception, welfare programs and changes in labor market opportunities, what changes in policy might contribute to a reduction in out-of-wedlock childbearing? Our focus will be on changes in abortion policy, reforming welfare programs, and improving labor market opportunities.

### **Policy to Restrict Abortion or Alter the Availability of Contraceptives**

Since abortion and the widespread availability of contraceptives played such an important role in contributing to the growth in the number of children living with unmarried mothers, what role can changes in policy toward abortion or contraception have in reducing out-of-wedlock childbearing in the future?

Legalized abortion contributed to a cultural change in sexual relationships between males and females that would be very hard to reverse, even if abortion were restricted or outlawed. Given current cultural mores, which hold the mother responsible to deal with the consequences of pregnancy if she is unmarried, it is hard to imagine that restricting abortion would make it easier for single women to elicit commitments from boyfriends to marry them in case children are conceived as a result of their sexual relationship. Thus, Akerlof, Yellen and Katz (1996) argue that if abortion were no longer a legal alternative, the number of children born out of wedlock would increase.

Evidence about the effect of abortion restrictions on marriage and childbearing is inconclusive. One study found that the number of teen pregnancies decreased following restrictions in access to abortion in some states (Kane & Staiger, 1996). This is because some women are less sexually active or more careful to use contraception if abortion is not permitted. If abortion is legal, some women, believing that a good chance exists that their boyfriends will

marry them if they become pregnant, are more willing to risk pregnancy if abortion is an option that they could use if the marriage does not become feasible. Having the option of abortion, even if they would prefer not to use it, leads to more women being willing to risk getting pregnant. If abortion becomes harder to get, fewer pregnancies occur, but those that do are more likely to be unintended and less likely to lead to marriage. Kane and Staiger (1996) found the number of out-of-wedlock births to be unaffected by state laws that restricted abortion or reduced access to abortion clinics

Using cross section data to account for variations in state policy toward abortion, Lundberg and Plotnick (1995) find that restrictive abortion laws result in fewer pregnancies by unmarried women, but a larger probability of carrying the child to term rather than aborting it. The latter effect is the bigger of the two so that premarital births are higher in states where abortion is restricted or less available.

The availability of contraception as an option for women is unlikely to be reduced by legislation, although whether it is universally subsidized by health insurance plans or promoted in sex education classes could make some difference in the number of unmarried women who rely on contraception to protect themselves from unwanted pregnancies. Overall, changing policy toward contraception is not a very promising approach for reducing the number of children born out-of-wedlock.

### **Other Approaches to Welfare Reform**

Besides restricting abortion, further attempts at welfare reform deserve to be explored. To strengthen families, welfare reform should place less emphasis on requiring mothers to get jobs, and more on helping fathers to get jobs and on increasing their incentives to provide both in-kind and financial support to their children. Thus, work requirements for single mothers should be



relaxed or eliminated, especially for mothers of pre-school children. Changing the rules to make it easier for two-parent families to qualify for benefits might strengthen families if effective procedures can be used to require at least one parent to work at whatever job(s) he or she may qualify for.

To encourage more fathers to provide child support, states should direct more of their welfare spending to assisting those fathers who might otherwise have difficulty finding and keeping a job to develop the skills and habits necessary to do so. The Parents Fair Share demonstration program, which was implemented in seven locations in 1994, found that providing employment and training services increased employment and earnings for the least employable noncustodial fathers (Miller & Knox, 2001). Providing these services combined with peer support groups, voluntary mediation between parents, and modified child-support enforcement resulted in the men in the experimental group paying more child-support than men in the control group. These interventions could result in some fathers marrying the mothers of their children.

### **Improving Labor Market Opportunities**

Besides reforming welfare, other changes might make a difference. The share of families headed by females would likely decrease if earning opportunities increased for men with a high school education or less. If the same job opportunities were available for low-skilled and uneducated men as were available in the 1960s, those men might be more willing and able to support a family and would be more desirable as marriage partners. No easy or obvious way exists to change labor markets so that similar opportunities exist today as in the past. Changes in educational policies and methods of training young men so that they have the skills and aptitudes necessary to be successful in today's labor market could play an important role. Identifying all

the ways that our educational system could be improved to better serve those from disadvantaged backgrounds is worth exploring but is beyond the scope of this article.

Many advocates for the poor, who are aware of the limited economic opportunities of men with little education and few skills argue in favor of living-wage laws or wage subsidies to enhance their earning power. Living-wage laws likely harm low income men more than they help them, since those laws, by raising the cost of hiring a worker, will result in fewer jobs. Those most likely to be unemployed as a result of such laws are those with low skills and poor work habits. Both are common among fathers of children who are on welfare. Eliminating minimum wage laws would actually do more to help men with limited education to get jobs and improve their skills, because it would make it possible for firms to afford to risk hiring such men and to train them and teach them good work habits. Firms would be more willing to provide on-the-job training to a worker if they could recoup the cost of doing so by paying lower wages while the worker is being trained. Such training could enhance the long-term earning prospects of workers who enter the labor force without good work habits and with few skills.

Instead of focusing on how government can spend money to help strengthen families, more could be accomplished by eliminating government policies that make it hard for many men to support families. Reducing income tax rates on two-parent families, reducing regulations of business, eliminating minimum wage laws, and replacing government schools with a system of competing private schools could all play a role in strengthening the family in the long run.

## **Summary and Conclusions**

Up to now, attempts to reform welfare have done very little to reduce the number of children living without their fathers. This may be because welfare reform has not fundamentally altered the fact that a safety net exists, which means that regardless of their education or skills,

women can provide for the basic needs of children without a husband and father supporting them. Even women who earn too much to qualify for welfare can have confidence that if something goes wrong, the safety net will be there for them. Ultimately, almost any system of means-tested, government-funded transfer payments, regardless of whether they explicitly favor unmarried mothers over two-parent families, will weaken the family.

History reveals two alternatives to the welfare state that might avoid many of the adverse incentive effects of our existing welfare system—reliance on private charity or a government-funded system that imposes onerous requirements on those who receive assistance, such as sending them to almshouses or workhouses, which were common in the US and England during the 19<sup>th</sup> century. The ideal would be to rely solely on private charity rather than have government assisting the poor using tax-funded programs.

During the 19<sup>th</sup> century, private charities provided a greater share of help to the poor than they do today. The existence of a large and comprehensive government safety net has likely displaced private charity and arrangements for mutual assistance from voluntary associations and family members. History provides some evidence about the viability of private charity in meeting the needs of the poor, but that is beyond the scope of this article<sup>4</sup>.

Since legalized abortion played an important role in contributing to the growth of single-parent families, making abortion illegal should be part of the solution. Reducing the percentage of children reared in female-headed households among families well above the poverty line could probably not happen without substantial restrictions in abortion. Outlawing abortion would

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<sup>4</sup> Olasky (1992) uses historical evidence to argue for a return to the principles that governed assistance to the poor during the 19<sup>th</sup> century and before, which resulted in a much greater emphasis on private charity. Katz (1986) offers a different perspective on the history of welfare policy in America.

not have much effect in the short run, because many cultural changes would need to occur for people to return to the old habits and practices regarding sexual relationships, pregnancy and marriage. This cannot come about by changes in incentives alone but by changes in beliefs and values. Churches and other Christian organizations could play an important role in this, but how such changes in beliefs and values could come about is beyond the scope of this article.

Both abortion and the welfare state reduce women's need to depend on husbands to help support their children, but their willingness to marry also depends on how much they can earn on their own compared to what prospective husbands could earn. Increasing the relative wages of men with a high school education or less could increase incentives to marry, but no good way exists to alter relative wages in a market economy without raising the unemployment rate. Although beyond the scope of this research, fundamental changes in our education system that better prepare children for adulthood could potentially increase incentives to marry and stay married.

No easy solutions exist to reduce the prevalence of single-parent households using economic incentives. Some room exists to reform welfare so that it is more family friendly. Better labor market opportunities for men with less education are desirable, but hard to bring about. Given the cultural mores that have become widespread in the 21<sup>st</sup> century, changes in incentives won't, by themselves, take us back to the 1950s. Cultural changes, which likely were influenced by changing incentives, are very difficult to undo. The Gospel has the power to change the culture in a more positive direction, but it may take a long time. If cultural changes lead more people to marry before having children, bigger changes can occur if policy, including abortion and welfare policy, also changes in a way that increases the incentives of men to marry the mothers of their children.

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