



The Hidden Cost of the Recession Two Million Fewer Births and Still Counting

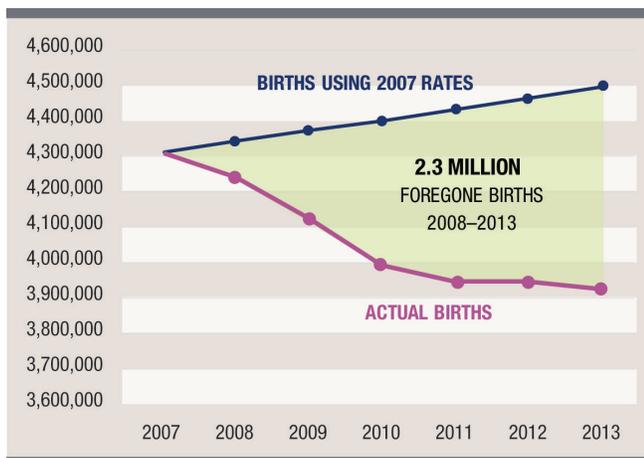
Kenneth M. Johnson

The Great Recession sent an economic shock through American society that reached far beyond the stock and housing markets, including the substantial long-term impact the Great Recession is having on U.S. births. Nearly 2.3 million fewer babies were born in the United States between 2008 and 2013 than would have been expected if pre-recession fertility rates had been sustained (see Figure 1). In each of the last three years, this birth deficit has resulted in nearly 500,000 fewer births.

KEY FINDINGS

- The Great Recession reduced births by nearly 2.3 million between 2008 and 2013.
- The 2013 shortfall of births was more than 500,000.
- Recent data provide no evidence of any upturn in birth rates.
- Births diminished despite more women of childbearing age.
- Birth rates for young women declined precipitously.

FIGURE 1. ACTUAL BIRTHS COMPARED TO BIRTHS USING 2007 BIRTH RATES, 2007 TO 2013

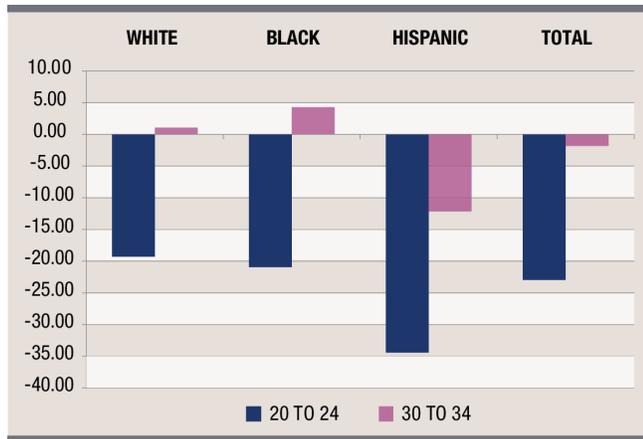


Source: National Center for Health Statistics and U.S. Census Bureau

Recent data do not show any evidence yet of an upturn in births. National Center for Health Statistics data for 2013 show the lowest general fertility rate on record and only 3,932,000 births last year: the fewest in fifteen years. Births declined by 384,000 (9 percent) when 2013 is compared to 2007 just before the Recession began to influence fertility. This decline in births is entirely due to reduced fertility rates. The number of women in their prime childbearing years (20 to 39) actually increased by 1.6 million (4 percent) between 2007 and 2013. With more women of childbearing age, the expectation would be for more babies. Yet the larger cohort of childbearing age women in 2013 produced 384,000 fewer births than the smaller 2007 cohort did before the recession.

Though economists report that the recession ended in 2009, apparently no one told young American women. The recession has had a particularly pronounced impact on their fertility. For example, the fertility rates for women 20 to 24 declined by 23 percent between 2007 and 2013 (see Figure 2).

FIGURE 2. RECESSION BIRTH RATE DECLINES FOR YOUNG WOMEN, BUT REMAINS STABLE FOR OLDER WOMEN, 2007 TO 2013



Source: National Center for Health Statistics

It declined the most for Hispanic women in this age group (-34 percent), but the downturn was also substantial for white women (-19 percent) and black women (-21 percent) of the same age. In contrast, women in their early 30s continued to have babies at roughly the same rate as just before the recession, with the exception of Hispanics whose fertility rate declined by 12 percent. Because women in their 20s have significantly more children than those in their 30s, the reduction in fertility to younger women reduced the overall number of births by nearly 15 percent for Hispanics, 7 percent for non-Hispanic whites, and 6 percent for non-Hispanic blacks. The greatest fertility decline (-35 percent) occurred for women 15 to 19. Because teenage mothers face significant health, economic, and social challenges, this decline in teen births between 2007 and 2013 is considered a positive change.

Economic recessions often temporarily reduce fertility because women delay marriage and childbearing in uncertain times. This is a particularly viable option for young women because they have long fertility horizons. Older women further along in their fertility careers have less opportunity to delay. A critical question right now is whether women today are just delaying births because of the Great Recession or whether they will forego these births entirely.

The United States has not experienced an economic decline of this magnitude in two generations. The Great Depression of the 1930s also had a substantial and lasting impact on U.S. fertility. Young women who entered their childbearing years early in the Depression also delayed having children. The net result for them was extremely low lifetime fertility and the highest level of childlessness ever recorded. In essence, they never fully recovered from delaying their fertility during the Depression. It is too early to determine yet what implications this recession will have for long term U.S. fertility. But the 2.3 million missing births so far means there are currently many empty cradles in maternity wards and less business for firms in the baby industry. Soon, there will also be many empty seats in kindergarten classrooms.

Data

Fertility rates are calculated by dividing the number of births to mothers in a given age group by the total number of women in that age group. To estimate the impact of the recession on births, newly released birth data for 2013 from the National Center for Health Statistics (NCHS) were merged with historical NCHS birth data and combined with Census Bureau annual estimates of the female population of childbearing age. Pre-recessionary fertility was estimated by multiplying 2007 age-specific fertility rates for women 15 to 49 by the actual number of women in each five year age cohort for each year from 2008 to 2013. These expected births were then compared to the actual births in that year reported by NCHS. The difference between the two estimates the effect of the recession on births.

About the Author

Kenneth M. Johnson is senior demographer at the Carsey School of Public Policy and professor of sociology at the University of New Hampshire (ken.johnson@unh.edu).

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