



Millennial Childbearing and the Recession

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Between 2007 and 2012, just before and just after the Great Recession, birth rates among women in their twenties declined more than 15 percent. A dramatic decline in birth rates among unmarried women is the most important factor in the overall reduction in childbearing among African Americans and Hispanics. Among non-Hispanic whites, most of the fertility decline can be attributed to a decline in the share of women married. With the exception of young Hispanics, birth rates for married women did not decline much and even rose for some groups. It remains to be seen whether the Millennial women who eschewed childbearing during the recession years will compensate by exhibiting higher birth rates in their thirties or if this generation will have fewer children than their older counterparts.

This brief is part of an Urban Institute study of the Millennial generation, those born between 1980 and 1995, exploring its diversity, demographics, and policy implications.

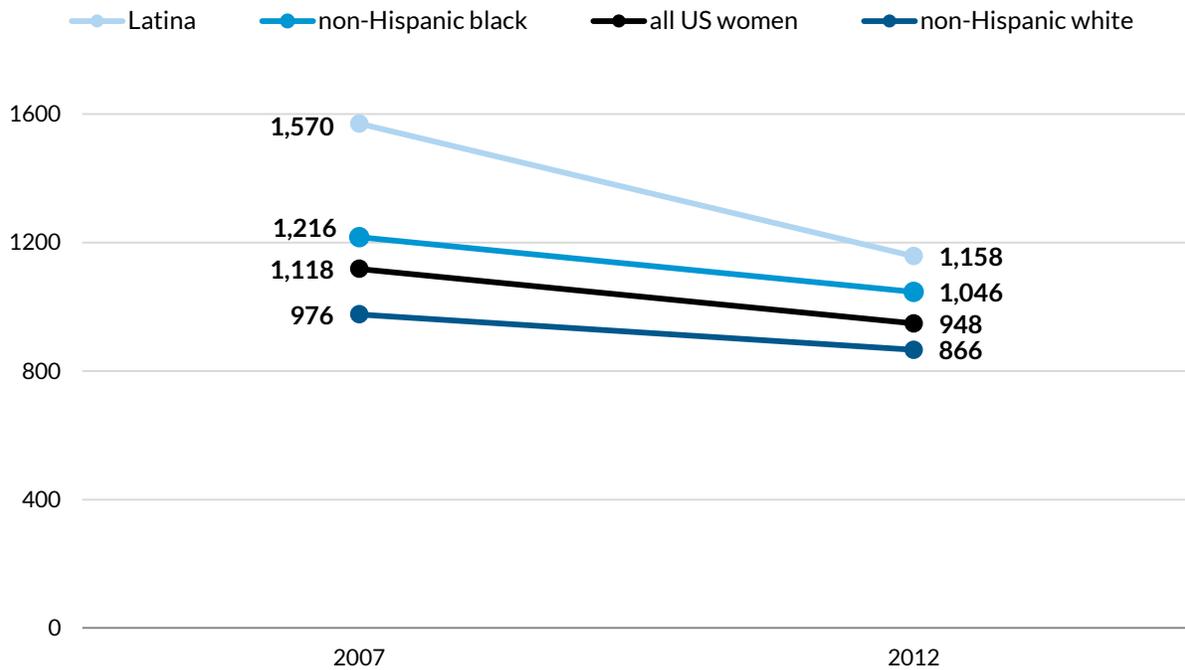
Fertility Decline and the Great Recession

Although birth rates in the United States had been fairly stable for more than three decades, beginning in 2008 they began to fall, especially for women in their twenties (Martin et al. 2015). We calculate that in 2012 women in their twenties had births at a pace that would lead to 948 births per 1,000 women,¹ by far the slowest pace of any generation of young women in US history.

The decline in twenty-something fertility affects young women across races and ethnicities (figure 1). From 2007 to 2012, Hispanics experienced the largest decline in birth rates, 26 percent (from 1,570 to 1,158), followed by a decline of 14 percent for non-Hispanic blacks (from 1,216 to 1,046) and 11 percent for non-Hispanic whites (from 976 to 866).

FIGURE 1

Change in Fertility for Women Ages 20 to 29 between 2007 and 2012



Source: Authors' calculations based on data from CDC Wonder and American Community Survey.

One plausible explanation for this fertility decline is the Great Recession of 2007–09 and its painfully slow recovery, which was even slower for young adults. Previous historical low points for twenty-something fertility rates occurred in the early 1930s and late 1970s and coincided with other times of economic stress (Lindner and Grove 1947; Martin et al. 2015). In addition to the direct effects of the economic downturn on fertility, the recession also reduced immigration. Because recent immigrants tend to have higher birth rates than US natives or less recent immigrants, the drop in fertility for Hispanics has been particularly pronounced (Cherlin et al. 2013).

This rapid decline in young adult fertility raises two important questions. First, does this decline in fertility mean that Millennials as a generation will have fewer total children than previous generations, or will Millennials catch up on childbearing during their thirties? Second, what might this decline in fertility mean for trends in family inequality? As baby boomers and generation X passed through young adulthood, family inequality increased as single parenthood increased among already disadvantaged groups of young adults while more-advantaged young adults postponed both childbearing and marriage, often starting families in their thirties or later. Millennial fertility might be a continuation of the trend in family divergence, or it might start a return to earlier patterns of family formation.

These questions will not have final answers until the Millennial generation has completed its reproductive years, but it is possible to look closely at recent fertility trends and draw some insights

about likely futures. In this brief we explore how the rapid and widespread decline in young adult fertility came about by decomposing this decline into three demographic components:

1. The first component is a change in birth rates for married women. This means that we measure the difference in fertility between married women in 2007 and married women in 2012. How big a component of the overall decline this turns out to be will be proportionate in size to the married fraction of the population.
2. The second component is a change in birth rates for unmarried women. This means that we measure the difference in fertility between unmarried women in 2007 and unmarried women in 2012. If the size of the unmarried population is large, this component will be proportionate.
3. The third component is the change in the fraction of women who are married. Married women have higher birth rates than unmarried women, and this is true even for groups with relatively high nonmarital birth rates. So if over a period of time, the percentage of married women in a population goes down, that change will lower birth rates overall because it means a smaller share of the population is exposed to the higher birth rates of married women and a larger share is exposed to the lower birth rates of unmarried women.

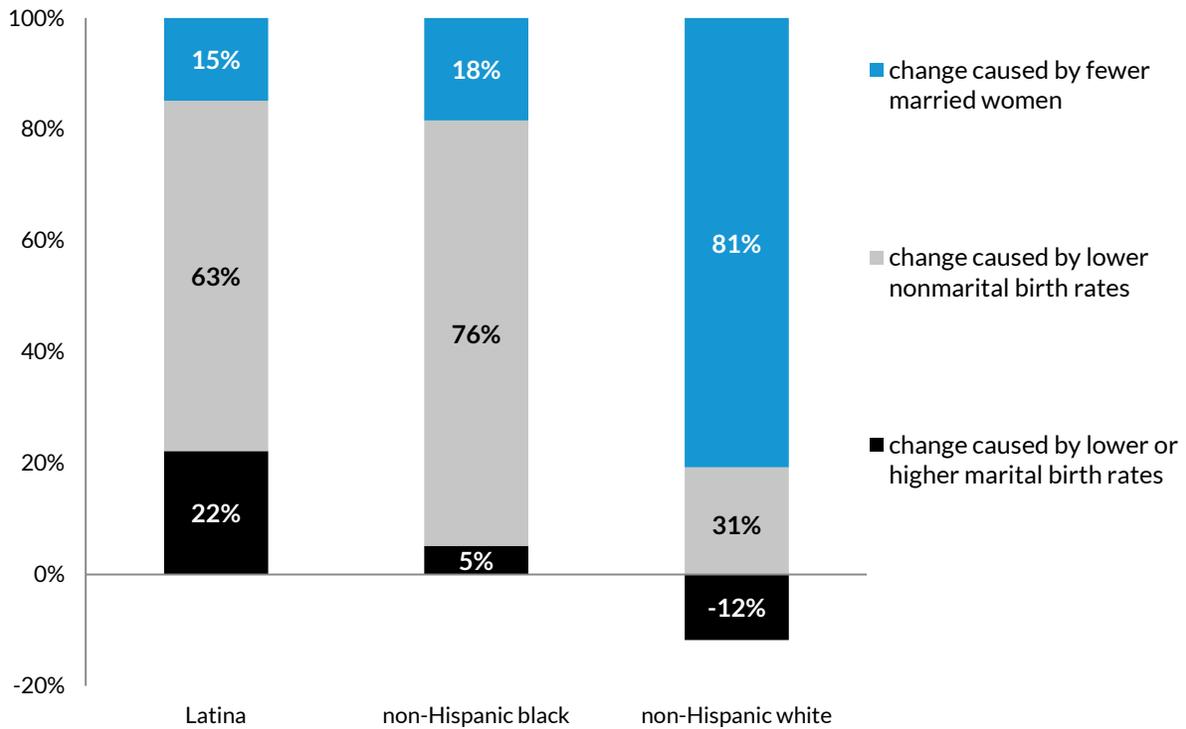
Changes in twenty-something fertility can be partitioned among the three factors described above using a demographic decomposition technique (Das Gupta 1978). We provide details on how we broke the change in fertility down into these three components in appendix A. Our data on the number of births to married and unmarried women come from the Centers for Disease Control and Prevention's National Vital Statistics System, and our data on the percentage of married women come from the American Community Surveys.

Findings

Summarizing our results, figure 2 shows the proportion of the total decrease in fertility for each racial and ethnic group that can be attributed to changes in nonmarital birth rates, marital birth rates, and proportions married among women ages 20 to 29. For Hispanic women, the majority (63 percent) of the total decrease in fertility is explained by falling birth rates among nonmarried women (yellow), 22 percent is explained by falling birth rates among married women (light blue), and the remaining 15 percent explained by more women remaining in or moving to singlehood (dark blue). For non-Hispanic blacks ages 20 to 29, fully 76 percent of the decrease in fertility is caused by a decrease in unmarried women's birth rates; only 5 percent is caused by changes in married women's birth rates and 18 percent was caused by declines in marriage. For non-Hispanic white women, however, the change in twenty-something fertility has come through a very different process: 81 percent of the decrease in fertility is attributable to declining marriage rates and 31 percent is attributable to lower nonmarital birth rates.²

FIGURE 2

Components of Decreasing Births among US Women Ages 20 to 29 between 2007 and 2012



Source: Authors' calculations based on data from CDC Wonder and American Community Survey.

Although the three racial and ethnic groups show distinct differences in the sources of their fertility decline, they also have much in common. For all three groups, the recession has accelerated a long-term decline in the proportion of married women in their twenties. This decline had the largest percentage effect on fertility for non-Hispanic whites, in part because white women have the largest differences between married and unmarried birth rates, thus changes in marriage have a greater effect on white fertility. Similarly, for all three groups the recession has brought a decrease in the birth rates of unmarried women in their twenties, reversing previous trends of rising birth rates for unmarried nonteen women (Martin et al. 2015). This decrease in birth rates to unmarried women had the largest percentage effect on fertility for Hispanics and especially for non-Hispanic blacks because in 2007 those groups had higher unmarried birth rates than whites and a corresponding higher proportion of births to unmarried women.

Table 1 presents the results of figures 1 and 2 in more detail showing the decomposition separately for 20- to 24-year-olds and 25- to 29-year-olds. Consistently across all three racial and ethnic groups, it is the 20- to 24-year-olds who have shown the greatest change in fertility behavior from 2007 to 2012.

TABLE 1

Components of Change in Fertility for Women Ages 20 to 29, 2007–12

	Number of Births per 1,000 Women		2007–12 decline		Change in number and percent change of births caused by					
	2007 rates	2012 rates	Number	Percentage	Changes in proportion married		Changes in birth rates to married women		Changes in birth rates to unmarried women	
					Number	Percentage	Number	Percentage	Number	Percentage
Non-Latino blacks										
20–24	668	542	-127	-19.0	-16	12.6	-6	4.7	-104	81.9
25–29	548	505	-43	-7.8	-15	34.9	-2	4.7	-26	60.5
20–29	1216	1046	-170	-14.0	-31	18.2	-9	5.3	-130	76.5
Non-Latino whites										
20–24	422	348	-73	-17.3	-36	49.3	-10	13.7	-27	37.0
25–29	555	518	-37	-6.7	-53	143.2	23	-62.2	-8	21.6
20–29	976	866	-111	-11.4	-89	80.2	13	-11.7	-34	30.6
Latinos all races										
20–24	823	558	-265	-32.2	-38	14.3	-54	20.4	-172	64.9
25–29	747	599	-148	-19.8	-23	15.5	-37	25.0	-88	59.5
20–29	1570	1158	-413	-26.3	-61	14.8	-92	22.3	-260	63.0
All ethnicities										
20–24	527	416	-111	-21.1	-34	30.6	-19	17.1	-59	53.2
25–29	591	533	-58	-9.8	-39	67.2	6	-10.3	-25	43.1
20–29	1118	948	-169	-15.1	-73	43.2	-12	7.1	-84	49.7

Source: Authors' calculations based on data from CDC Wonder and American Community Survey.

The first four columns of numbers show (1) the measure of births per 1,000 women in 2007, (2) the measure of births per 1,000 women in 2012, (3) the absolute change from 2007 to 2012, and (4) the percentage change from 2007 to 2012. Columns 5 through 10 partition the total decline in births between 2007 and 2012 into their demographic components. For example, of the total decline of 170 births per 1,000 non-Hispanic black women, 31 fewer births (18 percent of the total) were caused by a decline in the fraction married, 9 fewer births (5 percent of the total) were caused by a decline in marital birth rates, and 130 fewer births (76 percent), by far the largest share, were caused by a decline in the birth rates to unmarried women. Women of each race, ethnicity, and age group experienced some decline in fertility caused by declining proportions married (columns 5 and 6). Except for Hispanics, the decline in the proportion married was more important for 25- to 29-year-olds: it explains 67 percent of the total decline for 25- to 29-year-olds compared with only 31 percent of the decline for 20- to 24-year-olds. The changes in fertility caused by changes in birth rates of married women were small but generally slightly negative (columns 7 and 8). Columns 9 and 10 show that changes in birth rates of unmarried women explained the majority of the decline in overall fertility for non-Hispanic black women and Hispanic women. For all racial and ethnic groups, the decline in nonmarital childbearing was slightly more important for those ages 20 to 24, explaining 53 percent of the overall decline in fertility, compared with 43 percent for those ages 25 to 29.

Discussion

Our 2007 snapshot of women ages 20 to 29 captures a sample of mostly early Millennials born from 1980 to 1987 and a few late Gen Xers born in 1978 and 1979. Many of these women were postponing starting a family, others had already started, and some had finished. Our 2012 snapshot captures some of the same early millennials five years later and a few later millennials born as recently as 1992. This snapshot shows a population where postponing a family or having fewer children was much more widespread than a few years earlier, which is not surprising given the hardship the recession has brought to many young adults.

These results indicate that in the near future the number of very young children will drop at least temporarily. This affects planning how many Head Start spots, vials of vaccine, and seats in classrooms we will need. If these low birth rates to women in their twenties continue without a commensurate increase in birth rates to older women, the United States might eventually face the type of generational imbalance that currently characterizes Japan and some European countries. It is too early, however, to predict or worry about that eventuality.

Implications for Completed Fertility

Job growth started picking up in 2014, but many questions remain about family formation in the postrecession economy. Our estimates indicate that if fertility does not rebound from 2012 levels, US women will continue to have fewer births in their twenties. Recent releases of 2013 fertility data show that fertility rates of twenty-something women are still declining, though not as rapidly as they declined during the recession years (Martin et al. 2015). As they age into their thirties, it remains to be seen

whether Millennials will exhibit an increase in birth rates to catch up on postponed childbearing or simply have fewer total children than women in previous generations. Historical experience suggests there will be some catching up: some Millennials will go on to have as many children as their older counterparts, but at an older age.

Implications for Family Inequality

Our results show that nonmarital childbearing is decreasing especially among Hispanics and non-Hispanic blacks. These results are good news because nonmarital childbearing is associated with lower education and family income and worse outcomes for children. Research has generally shown that childbearing behavior has exacerbated inequality and social immobility: advantaged groups have children later and in marriage while disadvantaged groups have children earlier and outside of marriage (McLanahan 2004).

It would be premature to conclude from these young-adult fertility patterns, however, that family inequality is or will be decreasing. In the past, postponing family formation has been a way for women and couples to increase resources available for parenting (Rindfuss, Morgan, and Offutt 1996). There are nonfinancial resources that older parents bring to raising their children, so an older average age at birth is a benefit for children in this sense. For non-Hispanic black women and Hispanic women, the decline in nonmarital birth rates in their twenties is a sign that family inequality may decline. But how or whether they will form families in their thirties is still very much in question.

Notes

1. This is the Total Fertility Rate, but just for women in their twenties.
2. Marital birth rates actually increased for non-Hispanic white women; if that had not been the case, birth rates for these women would have fallen even further.

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Nan Marie Astone is a senior fellow in the Center on Labor, Human Services, and Population at the Urban Institute. She is a demographer with expertise on reproductive health, adolescent health, the family, adolescence, and the transition to adulthood. Astone, a former W.T. Grant Faculty Scholar, received her PhD from the University of Chicago.



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