# **Effects of Out-of-Wedlock Births on Poverty**

#### 1. Unmarried Parents

In 2001, 1.35 million children were born outside marriage. This represents 33.5 percent of all children born in the United States in that year. Children raised by never-married mothers were seven times more likely to be poor when compared to children raised in intact married families. However, nearly 50 percent of these mothers are cohabiting with the expectant father at around the time of the child's birth. Another 23 percent describe themselves as "romantically involved" with the father, although the couple is not cohabiting. The 2001 Fragile Families and Child Well-Being Study revealed the following relevant information:

- The median age of non-married mothers is 22 at the time of birth of the child.
- Nearly three-quarters of non-married mothers are in a relatively stable romantic relationship with the expectant father at around the time of birth of their child.
- The expectant non-married fathers who have a romantic involvement with the mother-to-be are quite "marriageable." Very few have drug, alcohol, or physical abuse problems.
- On average, the earnings of non-married expectant fathers are higher than the earnings of expectant mothers in the year before the child's birth.
- The median annual earnings of non-married fathers are approximately \$17,500 per year.<sup>1)</sup>

The study "Increasing Marriage will Dramatically Reduce Child Poverty" calculated the reduction in poverty that would occur if non-married women married the fathers of their new children around the time of the child's birth.<sup>2)</sup>

# 2. Effects of Marriage on Unmarried Parents

Some non-married pregnant women do not have positive and stable relationships with their child's father. In these cases, marriage is not, for the most part, a reasonable option. Therefore, the initial marriage simulation was restricted to the 73 percent of non-married couples who were cohabiting or romantically involved but living apart at the time of their child's birth, referred to as the "marriageable group."

To determine the impact of marriage on the poverty of children and mothers, the study first estimates what the poverty rate of the mothers would be if they remained single. It then calculates what the poverty rate would be if the mother and father marry. The difference between the poverty rate of the mothers when single and the rate for mothers when married demonstrates the potential for marriage to reduce child poverty and maternal poverty.

This study employs data on the annual earnings of new fathers in the year before the child was born, as well as the annual earnings for mothers in the year before birth. Then, the study estimates the mothers' post-birth earnings based on the following assumptions concerning future hours of employment:

### 2.1 Scenario #1: The Mother is Unemployed

In this scenario, the mothers are not employed after the birth of the child. When single, the mothers are solely dependent on welfare (TANF and food stamps). When married, the mothers are solely dependent on the father's earnings plus EITC and food stamps.

If mothers remain single and unemployed, they will be poor 100 percent of the time. This is because welfare benefits alone rarely, if ever, provide enough income to raise a family above the poverty level. By contrast, if the mother marries the child's father, the poverty rate drops dramatically to 35 percent. In other words, nearly two-thirds of the non-married fathers within the marriageable group earn enough by themselves to support a family above poverty without any employment on the part of the mother.

Under the conditions of Scenario #1, marriage more than doubles the family income of mothers and children. If unmarried, the mothers would have a median income of around \$8,800. Marriage would raise the mothers' median family income by over \$11,000 to \$20,226.

#### 2.2 Scenario #2: The Mother is Employed Part-Time

In this scenario, mothers are assumed to be employed part-time for a total of 1,000 hours per year after the birth of their child. This scenario closely matches the employment rates of single mothers with young children as reported by the U.S. Bureau of the Census.<sup>3)</sup> Thus, it is the most realistic of the three scenarios.

Single mothers are assumed to receive income from earnings, EITC, food stamps, and, in some cases, TANF.<sup>4)</sup> Married couples are assumed to receive income from earnings, EITC, and food stamps. In this scenario, mothers are assumed to work 1,000 hours per year, whether single or married.

Results show that 55 percent of the mothers in the Fragile Families Study will live in poverty if they remain single and are employed part-time. By contrast, if the mothers marry, their poverty rate plummets to 17 percent. In other words, the father's normal earnings, combined with the part-time earnings of the mother, are sufficient to raise 83 percent of the families above the poverty line.

Under conditions of part-time maternal employment in Scenario #2, marriage increases family income by 75 percent. If unmarried, mothers would have a median income of around \$13,500. Marriage would raise the mothers' median family income by around \$10,000 to a level of \$23,700.<sup>5)</sup>

Marriage combined with part-time maternal employment not only raises nearly all families above poverty, but in many cases also raises family income well above the poverty level. For example, under Scenario #2, less than 4 percent of single mothers would have family incomes above 150 percent of the poverty level. By contrast, about 46 percent of married couples would have an income above 150 percent of the poverty level.<sup>6)</sup>

## 2.3 Scenario #3: The Mother is Employed Full-Time

Full-time/full-year employment is very effective in reducing poverty among single mothers. Some 90 percent of single mothers could maintain their families above poverty if they worked full-time throughout the year. (Full-time/full-year employment is equivalent to 2,000 annual hours of

employment or 40 hours per week for 50 weeks.) Census Bureau data reveal that approximately 30 percent of single mothers with children under four are employed 2,000 hours or more per year.

Since very few single mothers who were employed full-time/full-year would remain poor, marriage has little effect in reducing poverty in this scenario. Nearly 96 percent of married couples would have incomes above the poverty level, compared to 90 percent of single mothers. However, marriage would raise the family incomes of many full-time working mothers well above poverty and into middle-class levels.

Full-time working mothers would have a median income of around \$17,500 per year. If these mothers married their child's father, median family income would rise to \$29,000 per year. Nearly two-thirds of these married couples would have incomes above 150 percent of the poverty level. By contrast, only 20 percent of full-time working single mothers would have incomes above that level.

1)

For a detailed description of the Fragile Families and Child Well-Being Study, see <a href="http://crcw.princeton.edu/fragilefamilies">http://crcw.princeton.edu/fragilefamilies</a>. The Fragile Families Study is a survey of roughly 4,700 new and in many cases unwed parents. Information about them and their new children will be tracked over the course of five years. The analysis here deals only with the first year or "baseline" survey.

For a complete analysis of the methodology used, see "Increasing Marriage Will Dramatically Reduce Child Poverty"

3) 4

According to Census Bureau data, the median annual number of hours of employment for single mothers with children under four is 1,040.

5)

The increase in family income due to marriage is less than the median earnings level of the father because the couple would suffer a substantial reduction in welfare benefits if they marry.

In 1999, a family of four would have an income above 150 percent of the poverty level if it had an income above \$25,342. A family of three would have an income above 150 percent of the poverty level if it had an income of \$20,135.

This entry draws heavily from Increasing Marriage will Dramatically Reduce Child Poverty.

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