



## **Are childless millennials harming the US economy?**

Brittany De Lea

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Millennials appear to be either waiting to have children – when deciding whether to have them at all – which could end up having serious consequences on the U.S. economy.

According to a recent Wall Street Journal/NBC News survey, slightly more than 20 percent of young Americans – between the ages of 18 and 38 – said having children was very important to them. That compares with nearly 45 percent of Generation X and more than 65 percent of Baby Boomers and individuals belonging to the Silent Generation.

And while there are differing surveys explaining young Americans' view on the matter, the facts have shown a decline in population growth.

The U.S. birth rate fell to its lowest level in more than three decades last year, according to data from the Center for Disease Control and Prevention. Birth rates declined for nearly all women under the age of 35, but rose for women in their late 30s and early 40s – reflecting a decision among some to wait longer before having children. Americans are now having fewer children than required to replace the population.

For a generation that has grown up in the shadow of the financial crisis, weighed down by student debt, costs can factor in. According to Fidelity Investments, it would cost a middle-income family about \$233,610 to raise a baby born in 2015 from birth through the age of 17 – and about \$372,210 for a family in the highest income bracket. Those figures obviously do not include the mounting costs of higher education.

“Financial pressures,” are one factor driving trends in U.S. birth rates, Chelsea Follett, managing editor of HumanProgress.org at the Cato Institute, told FOX Business.

However, affordability may not be the biggest barrier, Lyman Stone, an Adjunct Fellow at AEI, said.

“Priorities tend to be shaped by the conditions of your life,” Stone told FOX Business. “And millennials have gotten married much later ... delayed marriage is the number one predictor of lower odds of having the number of children that a woman says she wants.”

A 2018 New York Times/Morning Consult survey found asked young adults why they were having “fewer children than they considered ideal,” and found that childcare costs were the top reason. The third biggest barrier cited by respondents was worry about the economy, followed closely by the inability to afford more children and having waited to have a family because of financial instability.

Affordability also prevented many millennials from making a home purchase at the same time as previous generations, which may also play into their decision to have families. Being unable to afford a house ranked fifth in a New York Times survey of young adults who either didn't want, or weren't sure whether they wanted, children.

Follett also noted concerns about the environment – and “overpopulation” – are also playing into young Americans' decisions about whether to have a family.

New York Democratic Rep. Alexandria Ocasio-Cortez brought up this “moral” quandary earlier this year, saying it was “legitimate” for young people to be asking if it is “OK to still have children.”

“Not just financially because people are graduating with 20, 30, 100 thousand dollars of student loan debt so they can't even afford to have kids in the house, but there's also just this basic moral question, like, what do we do?” she said, referring to climate change.

A declining population, however, carries consequences for the U.S. economy that could be serious. With muted growth in the number of workers, output could begin to decline. There are also concerns as millennials congregate near jobs at large cities, that some more rural areas of the country could take an economic hit, too.

“The effects of population decline are numerous ... I think it's quite a serious issue,” Stone said. “Lower population growth reduces the economy through a variety of ways.”

Among those ways are lower innovation, lower entrepreneurship, less demand for things like housing and a greater dependency ratio for things like Social Security, among other things, Stone noted.