

## Frequently Asked Questions

### ***The Taxpayer Costs of Divorce and Unwed Childbearing: First-Ever Estimates for the Nation and All 50 States***

*(EMBARGOED—not for distribution or discussion—until April 15, 2008)*

#### **1. What is so significant about this new report?**

This report is the first-ever rigorous, scholarly study to determine the government (or taxpayer) cost of family fragmentation at all levels of government. We define “family fragmentation” as divorce and unwed childbearing.

#### **2. What new insight does this report provide?**

This report shows that concern about the increase in divorce rates and unwed childbearing should lie not only with measurable social impacts on children or moral concerns about family change, as important as these concerns may be. Rather, for the first time this report reveals that high rates of divorce and unwed childbearing are extremely costly to the American taxpayer, at the federal, state and local levels.

#### **3. There is a lot of data out there about the family. What is new about yours?**

For the first time we have a hard estimate of *how much* family fragmentation costs the American taxpayer. This new, hard data supports the argument that strengthening marriage can and should be a legitimate goal for public policy. The report reveals that even very modest government-funded efforts to reduce divorce and out-of-wedlock childbearing rates would pay for themselves and save taxpayers money.

For example, Texas recently appropriated \$15 million over two years for marriage education and other programs to increase stable marriage rates. If such a program succeeded in increasing stably married families by just three-tenths of 1 percent, it would still save Texas taxpayers almost \$9 million per year. Efforts are currently underway to evaluate the impact of these programs.

#### **4. If this is a government cost, does this mean this is a government problem? In other words, are you saying that government should do something about this?**

Government *already is* deeply involved in this problem. Many of the taxpayer costs of family fragmentation involve very serious matters—such as crime, prenatal care, and food and housing assistance for mothers and children—that government is not likely to walk away from any time soon.

Leaders in our nation might disagree over how much government should be involved in these matters. **But let us be clear: This report is not an argument in favor of big government or small government; for welfare or against welfare; for raising taxes or for cutting taxes.** Rather, the focus of the report is this: The U.S. is currently spending what we estimate to be *at least \$112 billion dollars per year* on the costs of family breakdown. Social science data reveal that the problem is not getting any better, and in some ways is getting worse. We hope that with better information government and voters can make better choices about how to spend taxpayers’ money wisely and effectively.

## **5. Does the report make policy recommendations?**

The report argues that new, hard data strongly suggests that supporting marriage is a legitimate and important goal of public policy. Around the nation, civic and government leaders at the national, state, and local levels are engaged in projects seeking to do just that. These initiatives, some of which are older, some newer, grew out of recommendations made by civic, legislative, and professional bodies around the country. For one example of 86 recommendations made by a gathering of 100 leaders in 2004, see this report.

In the meantime, *The Taxpayer Costs of Divorce and Unwed Childbearing* offers this sole and, we think, powerful recommendation. We recommend that readers take a hard look at the data and decide for themselves whether it supports the idea that the U.S. should use modest taxpayer and other funds to support marriages and families *before* they end up in costly breakdown.

We believe the answer is yes, and that the investment will more than pay for itself.

## **6. How were the taxpayer costs determined?**

The report assumes taxpayer costs are driven exclusively by increases in poverty—the most widely accepted and best quantified consequence of divorce and unmarried childbearing. The methodology of the paper does not assume that marriage would improve habits, mores, or other behaviors in ways that lead to reduced social problems or increased productivity, though vast amounts of other research certainly support this claim.

The report states that \$112 billion per year is a lower-bound estimate and incurred from \$70.1 billion at the federal level, \$33.3 billion at the state level, and \$8.5 billion at the local level. It includes estimates from foregone tax revenues in income taxes, FICA taxes, and state and local taxes, plus taxpayer costs on the justice system, as well as relevant costs for means tested government programs such as Temporary Assistance to Needy Families (TANF) cash assistance, Food Stamps, Housing Assistance, Medicaid, State Children's Health Insurance Program (SCHIP), Child Welfare Programs, Women, Infants and Children (WIC) assistance, Low Income Home Energy Assistance Program (LIHEAP), Head Start, and School Lunch and Breakfast Programs.

The report assumes a lower-bound estimate—a minimum figure—because of the many areas of expensive government programs that were excluded because existing data could not be quantified. For instance, such items as costs for social problems in public education which could relate to unwed childbearing or divorce, or Medicare and Medicaid benefits for older adults which could relate to divorce, were not included due to lack of hard data.

## **7. Is this an effort to simply reduce the costs of those related government programs?**

No. We want to emphasize strongly that this report does not take a position on the size of government or the finer details of how policy should respond to needy families. Rather, this report reveals for the first time how much taxpayers pay at the national and state levels to respond to divorce and unwed childbearing. We hope that readers of the report will undertake a lively, responsible debate on whether and how our nation can best use its funds to support children and families.

## **8. Aren't marriage and family private matters?**

Some feel that marriage and family are private matters in which government has no business. Unfortunately, as any divorced or single parent will tell you, government is *already* deeply involved in the private lives of divorced and unwed parents. Family court judges can and do tell these parents when

they can (and cannot) see their children and how much money they must pay in support of them. Judges often get involved in decisions such as where divorced and single parents send their children to school, what religion they are raised in, whether they will go to summer camp, and more.

By contrast, in America today one of the surest ways to retain your freedom and privacy is to get and stay married to the mother or father of your child and work together to sustain a healthy marriage. Therefore, one of the best things leaders can do to help protect Americans' private family lives is to help them form and sustain stable families in the first place.

## **9. Who should care about the results of this study?**

Every taxpayer. Every elected official, in all branches of government. Civic and business leaders. Policy makers and journalists, economists and family scholars. Child advocates. Parents of young children and parents of children who are setting out on their own. All of us.

## **10. Is someone already doing something about this problem?**

In the U.S., we have what is probably the world's highest divorce rate. The number of children born to unwed parents continues to climb. Recently, after declining for a decade, the teen pregnancy rate edged up again.

In response, a growing "marriage movement" has taken shape across the country. Its leaders are as diverse as the country itself. They come from all races, ethnicities, and economic backgrounds. Their political allegiances span the spectrum. They are professors and policymakers, business and civic leaders, clergy and therapists, judges, attorneys, and social workers. Many have experienced divorce or unwed childbearing in their own lives. All have witnessed the impact on children when parents do not stay married or fail to marry. Though diverse in experience, they are united in their goal of improving marriage and family life for today's and tomorrow's children. They have launched countless initiatives around the nation, some of which are standing up to evaluation and bearing important results. More needs to be done. Spokespersons for this report would be happy to put you in touch with these leaders so that you can learn more.

## **11. How did this project get started?**

It began as a partnership between the Institute for American Values and Georgia Family Council as a study to determine the taxpayer costs of family fragmentation in Georgia. Then we realized that with our methodology we could estimate for all 50 states. That is when we reached out to the Institute for Marriage and Public Policy and Families Northwest and a group of distinguished advisors to make it a national report.

## **12. What could be an outcome of this report?**

Because taxpayers' costs associated with high rates of divorce and unmarried childbearing are so staggering, and because the price tags associated with most marriage-strengthening initiatives are often modest, marriage-strengthening programs with even very modest success rates will be cost-effective for taxpayers.

The goal of this report is to inform taxpayers about the costs and let them decide what to do. We believe this report can lead to a larger national debate about what taxpayers want to do at the national, state and local levels.