



# The Family

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## *Agent of Economic Development & the Fundamental Safety Net*

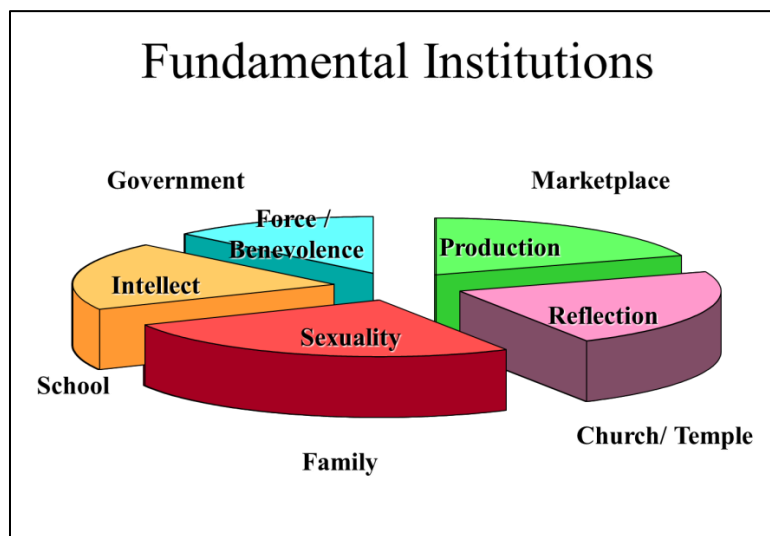
Address to the United Nations Conference, sponsored by the Holy See's Permanent Observer Mission,  
The Pontifical Council for the Family and The UN Alliance of Civilizations.

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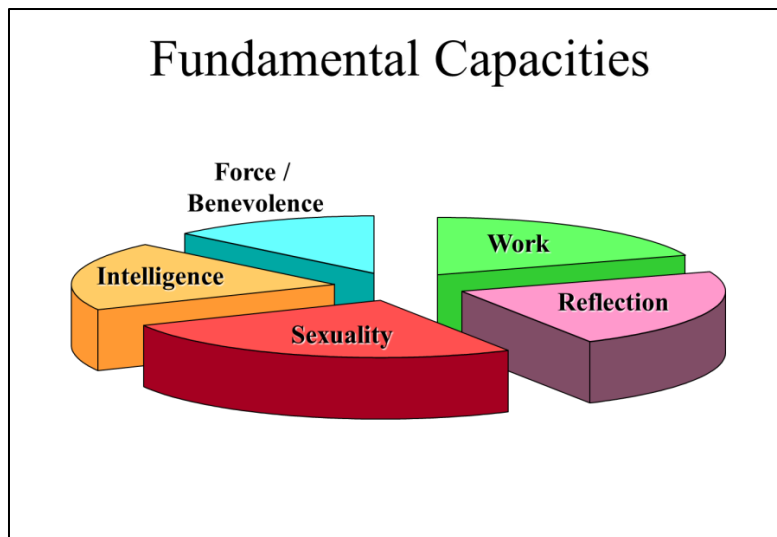
To set the stage for understanding the data that will be presented I want to first lay out, for your consideration, the five fundamental institutions of society. These institutions exist at the personal or the individual level, at the marital level between the couple and the family level, among all the members of the family, at the local community level and then at the regional and finally the national level. These institutions are,

- 1) The institution of the family,
- 2) The institution of the religion (church, synagogue, mosque, temple, or meeting place).
- 3) The institution of the school or the education.
- 4) The institution of the marketplace: the provision of goods and services.
- 5) The institution of the Government: harnessing force for the protection of the common good and then for benevolent purposes as well.



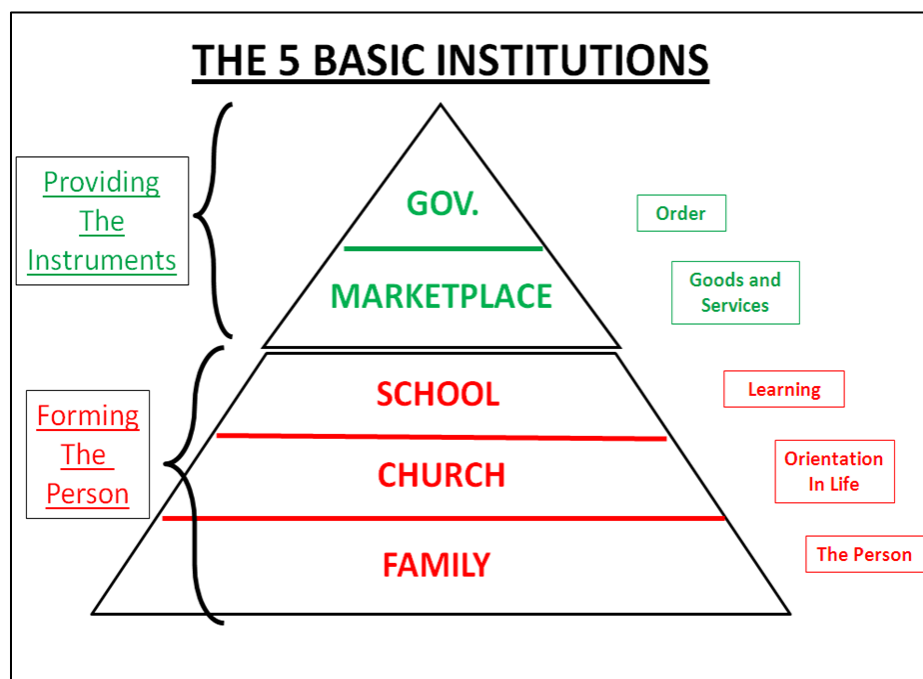
These five institutions, or these five tasks (the word institutions and tasks are interchangeable in this presentation) are these tasks done at different levels of organization and cooperation from the individual, right up to the national level. Different human capacities are harnessed by each of these five institutions:

- 1) The family harnesses sexuality, which is made most evident in procreation.
- 2) The institution of religion harnesses the capacity to reflect, evident especially (but not solely) in moral norms.
- 3) The school harnesses the intellect, passing knowledge from one generation to the next.
- 4) The marketplace harnesses our capacity for production of goods or services whether material or intellectual.
- 5) The government harnesses force, which can be used for beneficent purposes, redistribution, taking care of public goods, etcetera.



Below we see the five basic institutions of society which can be divided into two categories. The first three basic institutions: family, church, and schools, are the people forming institutions. These develop the capacities of the person. They change the person from being a helpless infant into an adult ready to go out into the marketplace and/or to take their place in government.

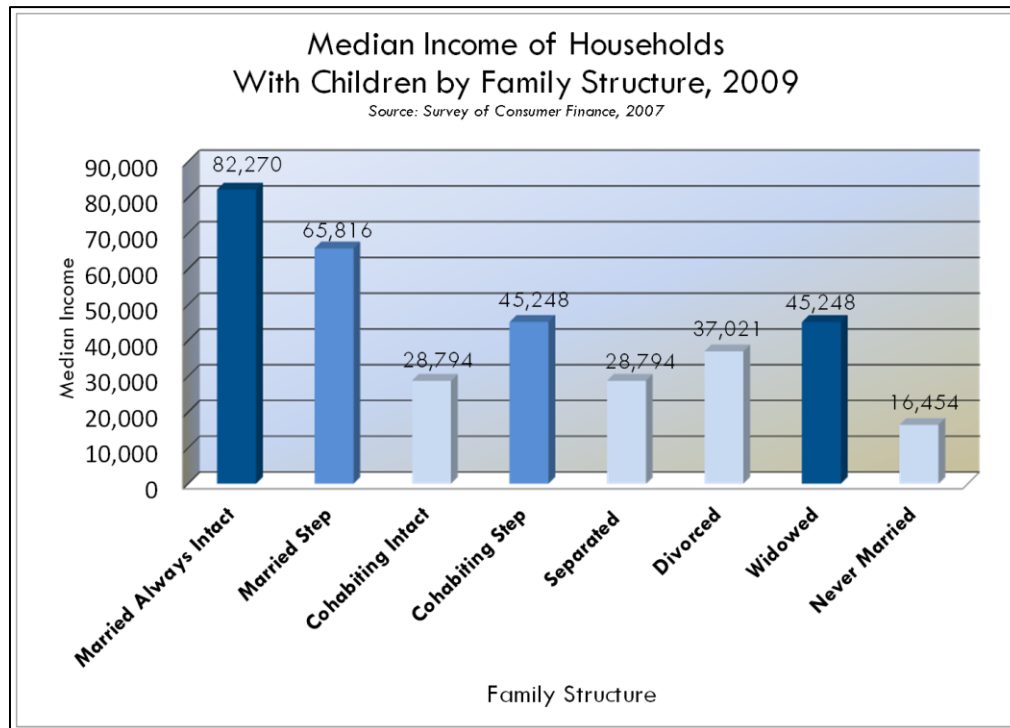
The marketplace and the government focus on the instrumentals of society. They are more about means and less about the people. Of course, the means are for the people, but the main objective is the production of goods and services on the part of the market, and justice and protection on the part of government.



## The Marketplace: Income and Savings

### The Relationship between the Marketplace and the Family

In the graph below we look at the median income of the different family structures within the United States. You can see that the married always intact family has the highest income; you can see the married step family (divorced and re-married) has significantly less, but still quite high an income. The cohabiting intact family—by cohabiting intact I mean biological mother and father with their children—cohabiting but not married -- these families have significantly less income. The cohabiting step family—this can mean a formally married now cohabiting or a formally cohabiting now in a second cohabitation with children of a former mate—tend to have higher incomes than other forms of cohabiters.



Those four categories (always married, married step, cohabiting intact, cohabiting step) are all two parent families—male and female with child(ren). The next four categories are single parent. The dark blue column shows the income of widows and what is left from a formally married intact family. The benefits of having been married are clear, as widows have the highest income among single parents. The divorced individual makes less still, the separated individual makes even less, and the never married individual makes the lowest. So the single parent family, understandably, is lower in income than the two parent family. Not always, as you can see the cohabiting intact family is quite low.

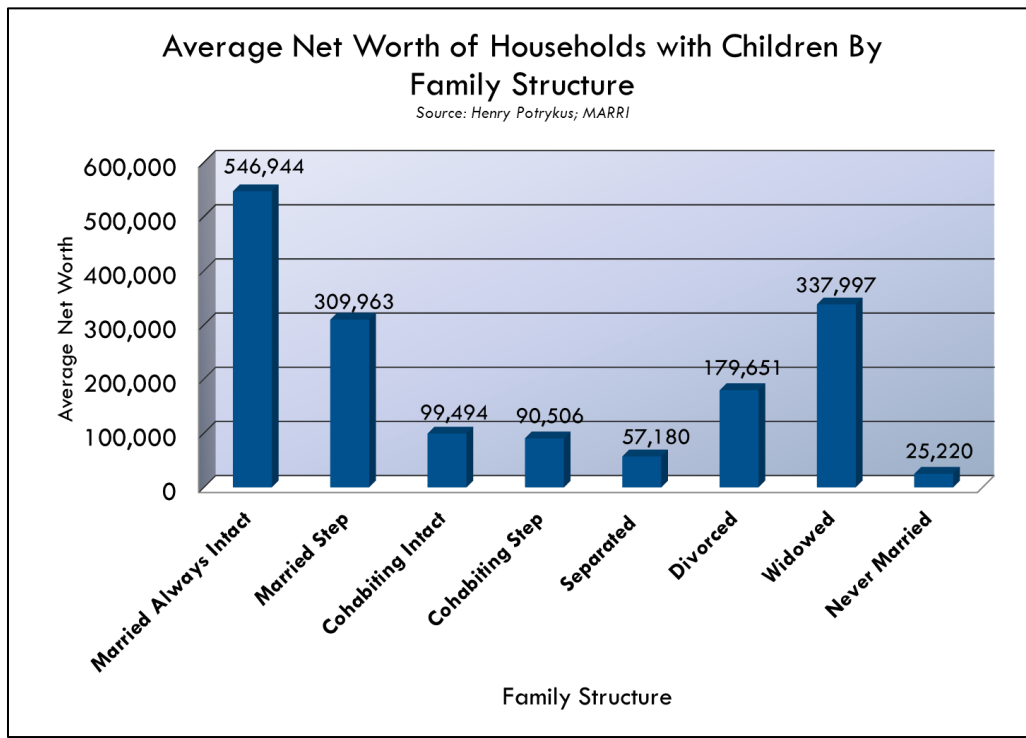
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Below we look at the same survey, the Survey of Consumer Finance, a survey of the United States Federal Reserve Board. This graph looks at the average net worth<sup>1</sup> of households where children

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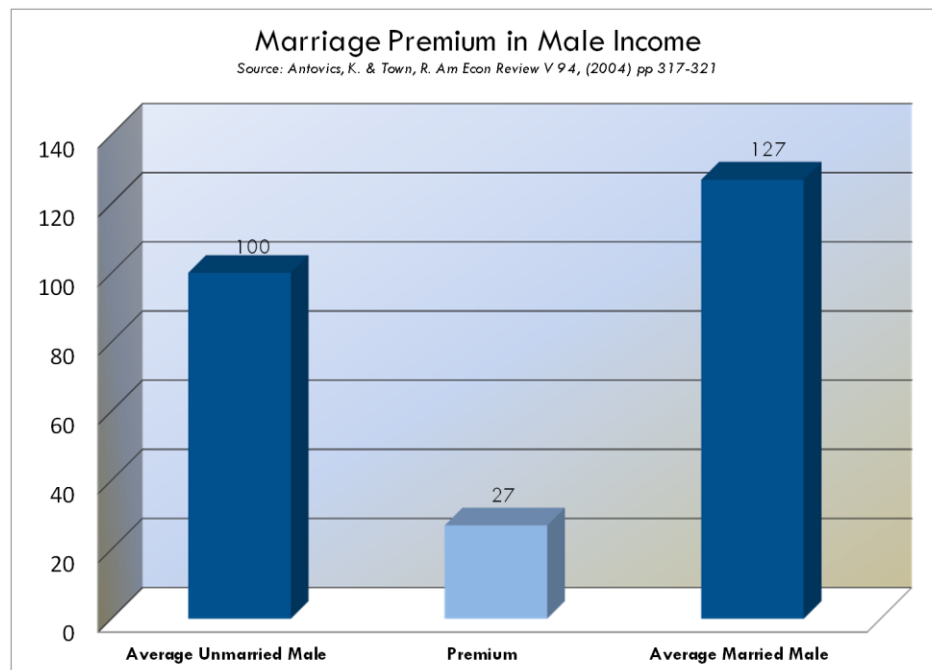
<sup>1</sup> What we mean by net worth will be ones house and how much of the house is paid for and owned, savings for retirement, and the some of the goods the person owns: cars, refrigerators, etcetera.

are still growing up. Their differences are even more apparent here than in the comparison of incomes. The married intact family median net worth is the highest with over a half million in net worth. Here again, under the widow, you see the benefits of the intact married family remain even after death, whereas the never married individual, has the lowest net worth.

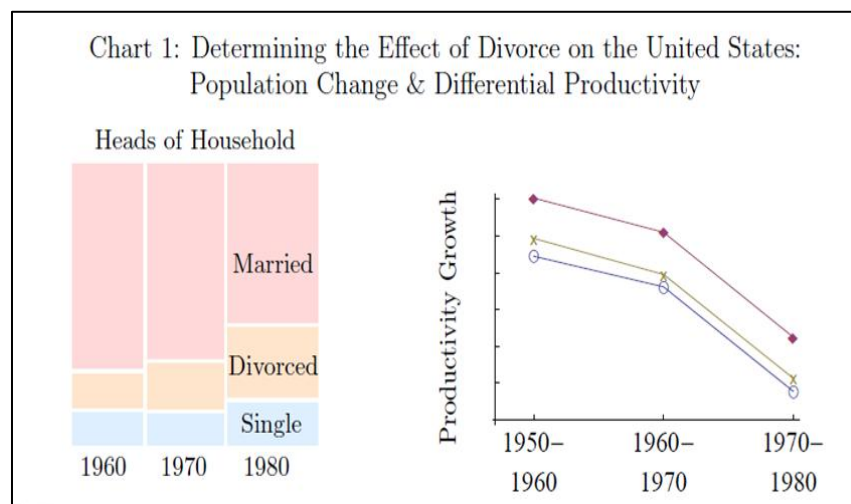


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This graph shows one of the reasons why the intact married family, and the step family but particularly the always intact family, does so much better: When men marry their productivity increases by 27 percent. This, obviously, does not occur overnight, but over the next number of years. This figure is the product after controlling for everything including education status even genetic inheritance.



The effect of divorce on the productivity of the country is big. On the left-hand side of the graph below you will see the distribution of married, divorced, and single heads of households from 1960-1980. Over those decades the portion of married individuals diminished while the portion of divorced individuals increased. When heads of households divorce, their productivity drops, not back to exactly where they were when they were single, but very dramatically. That cumulative effect of increase in the number of divorce, plus the drop in productivity has for the last 20 years, slowed down the growth rate, of the American economy by one sixth per year for the last seven years. This is an unprecedented amount of growth, and it comes by the reduced productivity of the head of households once the household breaks.

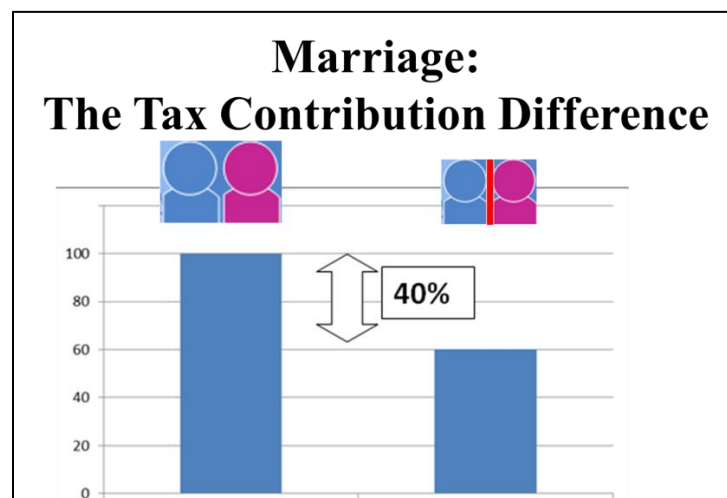




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The following chart is in an unpublished (soon to be released) report by the Marriage and Religion research Institute. The chart accounts for all the factors involved in all the different levels of contribution involved in the tax pool of what people make. The question asked was, what difference does an intact marriage make in contributions to the common tax pool? The results show that there is a big difference; a difference that all politicians should be aware of and very interested in.

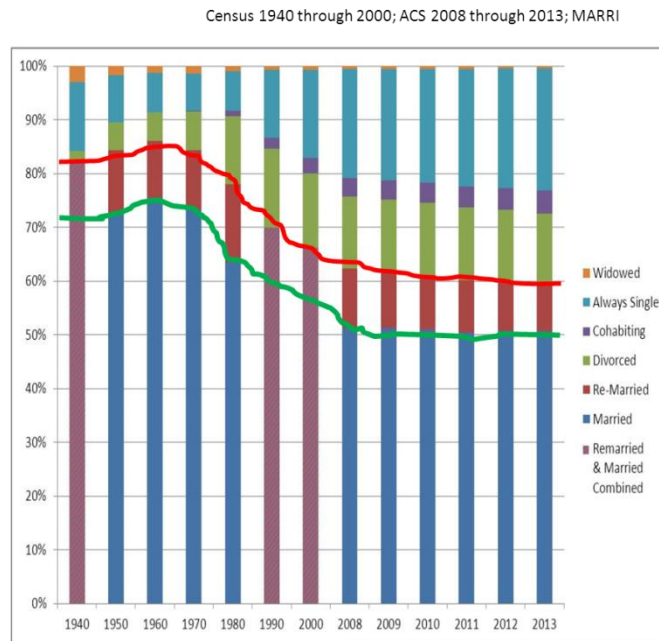
When you control for every variable, so that respondents are identical in every way except marriage, the married couple contributed 40 percent more than the two single individuals combined (even with the pro-marriage bias of tax deductions). This is of great significance to the tax pool in the United States as our society retreats from marriage. This retreat creates a shrinking tax pool, and government is forced to go looking elsewhere to receive compensating tax income. As everyone living in the United States is aware, over the last number of decades there have been an increased number of taxes in all sorts of small areas. My interpretation is that the government is raising taxes elsewhere because it is not getting taxes at the level it was used to when there was a greater proportion of married couples in the nation. An additional downside to this is that is the broken family cost government a lot more in supplementary services.



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The graph depicts the changes in family structure over the last 70 years. It starts on the left in 1940 and goes all the way to 2013. The green line shows the drop in the proportion of those ages 35 to 39 that are married, which is the most representative age group of what has happened to the family over the last 70 years. The amount of always single individuals (light blue to the top) has increased significantly. The amount of divorced individuals (green columns) has also increased steadily over the last 70 years. These two columns show the most expansion over this time frame and explain the drop in the always intact married family.

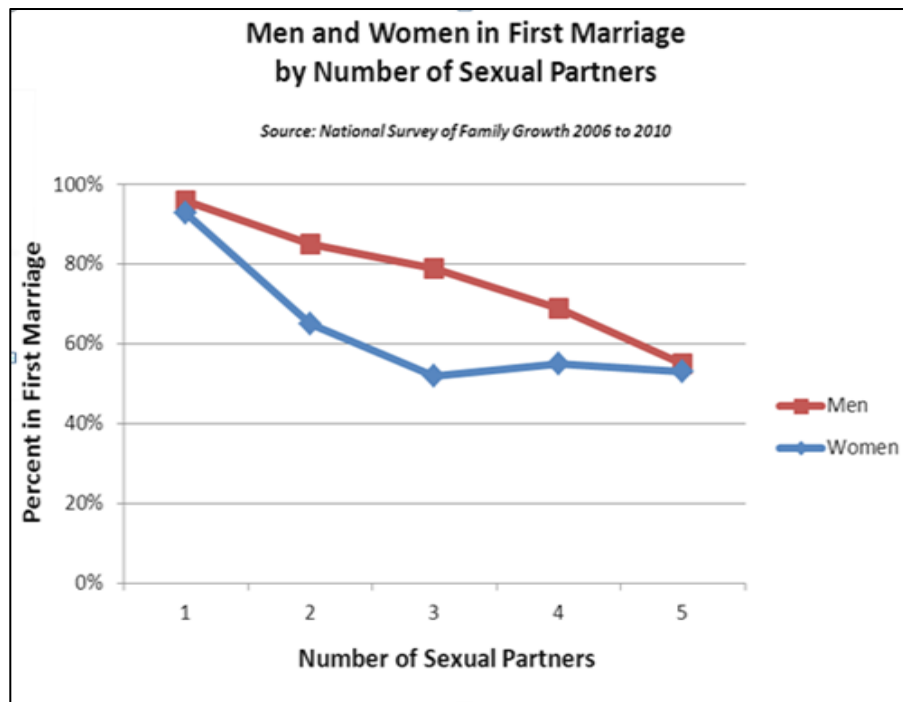
# Family Structure of U.S. Adults Aged 35 to 39 years old



I spent the last 30 years dealing with data in social science on marriage and family and the chart below, in my opinion, is one of the most important charts in all of the social sciences because of its pervasive effects on everything else in the economy and on the entire social infrastructure. The data is taken from the US federal government's National Survey of Growth (2006-2010). This shows all Americans who have ever been married and what proportion of first marriages survived through the fifth year of marriage given the number of sexual partners they had before marriage. It shows that roughly 95 percent of men and women who had only one sexual partner (each other) are still in their first marriage after five years. That is they are truly monogamous. Thereafter there is a significant divergence between men and women. For women, those who had two sexual partners in their life (i.e. they had one other sexual partner before marriage) it drops from 95 percent to 62 percent. Three sexual partners cause a drop to 50 percent and then it plateaus. For the men there is a steady decrease. It takes till the fifth sexual partner for the two sexes to equalize in the breakdown level.

Given the impact that the breakup of marriage has on productivity, on savings, and on income the chart has significant implications, not only for the social but also for the economic health of the country – stated another way: chastity before marriage has huge economic impact. Therefore the foundational virtue in a thriving society is chastity. This is totally out of sync with the main message of culture today, but the data speak for themselves. Given the way that human beings are made chastity/monogamy have huge impacts for good on society. The absence of chastity has massive weakening effects. So these data imply.





## Marriage & Employment

This graph below is a bit complicated, but the lines at the top part of the slide illustrate the levels of unemployment for males in the last 30 years given whether they are single, cohabiting or married. It also shows that those who are most likely to be unemployed are single (red) followed in the middle by cohabiting (grey) and the lowest level of unemployment are the married heads of households (black). Taking that last point further, we know that the men who are most likely to be employed are married men with three children or more. The bottom graph shows that the fraction of married men within the economy is slowly declining, while the fraction of singles is slowly but steadily increasing. And the same is true for the cohabiting. This has economy-wide implications in productivity and on employment rates.

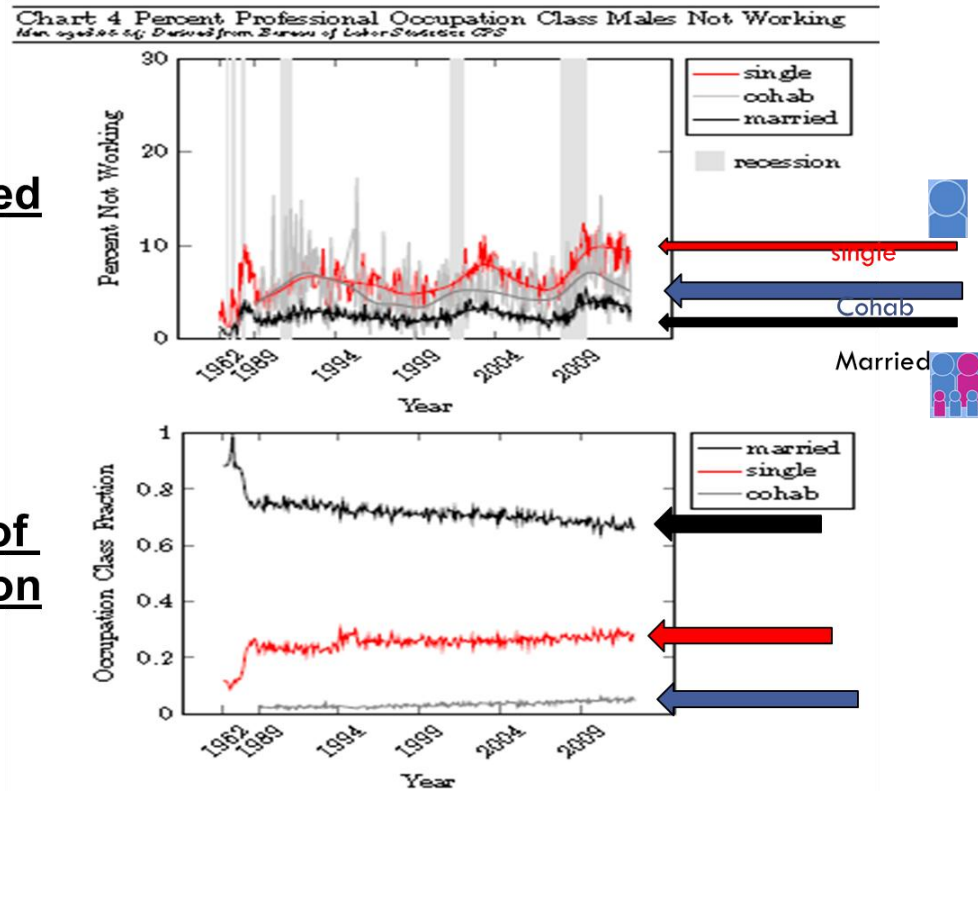
## % Professional Class Not Working

### US Total (Males) 1982-2010

Source: Derived from Bureau of Labor Statistics, CPS; Henry Potrykus, MARRI

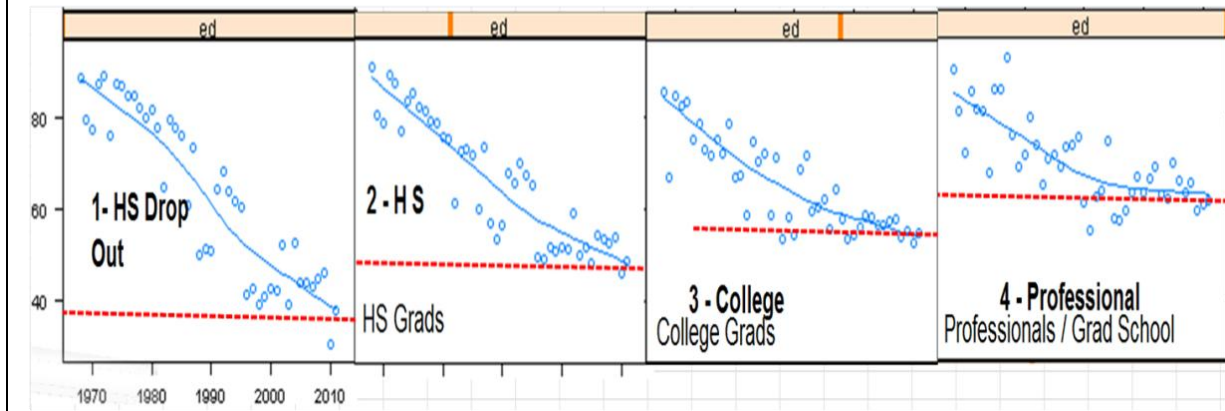
Unemployed

Fraction of  
Occupation  
Class

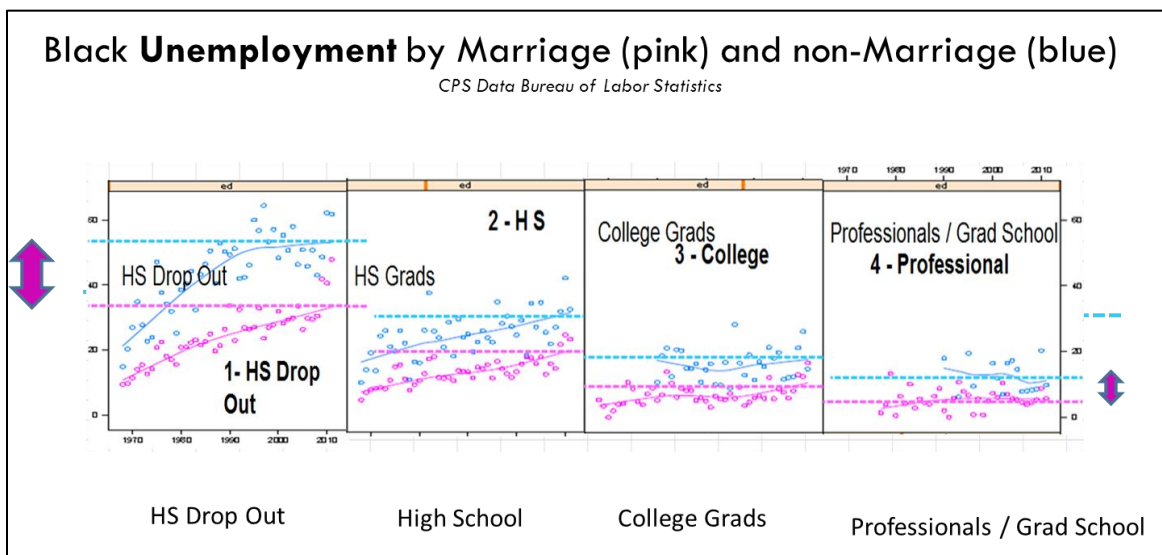


This next graph looks at the retreat from marriage among young black men --- which will be compared later to its impact on employment --- at four different levels of education. On the left hand side are high school dropouts, followed by high school graduates, then college graduates, and finally those who went on to procure professional degrees (doctor, lawyer, accountant etc.). In all you see a significant decrease in levels of marriage, but the less the education the greater the decrease. This is from 1970-2012. Among high school drop outs you have from 90 percent all the way down to less than 50 percent, a retreat of more than 40 percent from marriage. Among high school graduates: not as high but closer to 40 percent, among college graduates, roughly 35 percent, and among the professional class about a 25 percent decrease.

# Retreat from Marriage: Black Men (25-54) by Education Level 1970-2010)

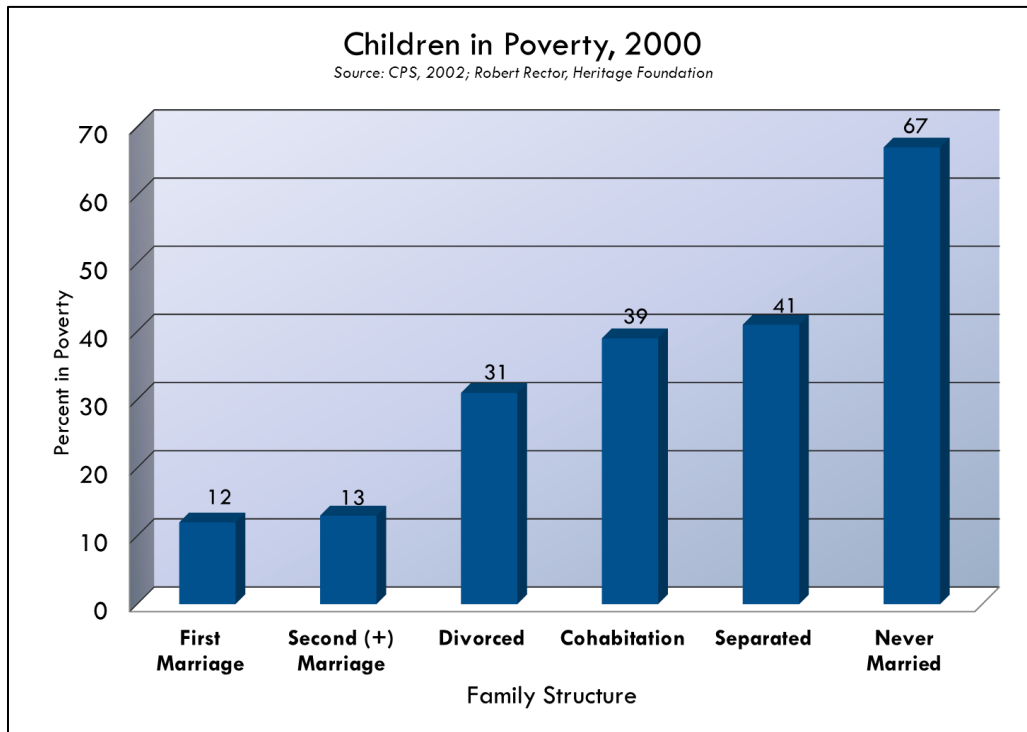


Now let's look at the correlation between that and unemployment, those who are in the work force and those who are not. The pink line under each quadrant is the level of employment of those who are married. The blue is representative of those who are unmarried. The gap is widest, the impact of marriage is greatest, on those who are least educated, but it is there for all groups, including the professional class. There is a significant difference in the level of employment between the married and the unmarried. Marriage has a huge impact on the economy and particularly on those about whom we are most concerned: the poor.



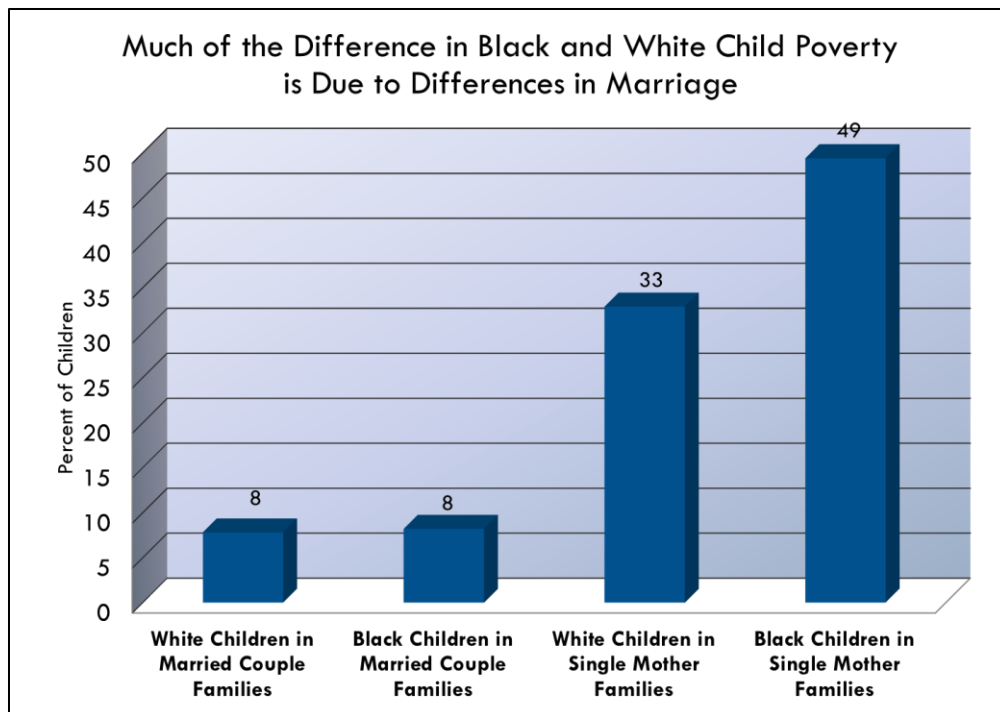
## Poverty

These numbers change a little year by year but they have stayed pretty much the same from decade to decade. The levels of poverty in first and second marriages are roughly the same, 12-13 percent. Divorced single-parent families see a significant increase in poverty, 31 percent. Cohabitating families are worse still. Separated families are at 41 percent. And almost 2/3rds of the children of those never married are in poverty.

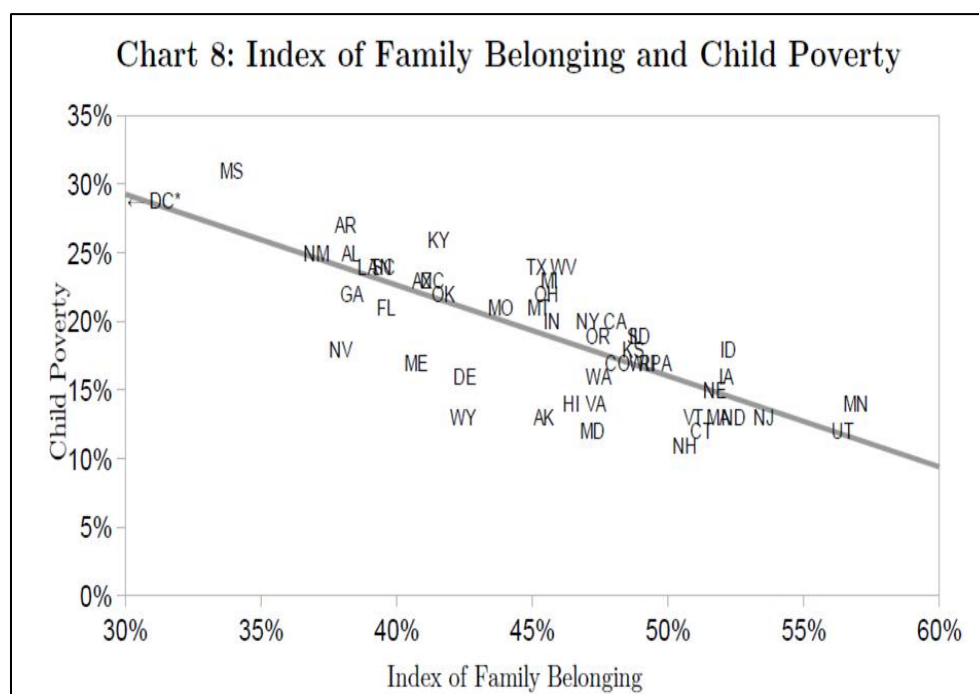


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This next chart looks at something talked a lot about in the United States, the difference between whites and blacks. If you look at white children raised in a married family and then at black children in a married family there is no difference in poverty rates—they are both at 8 percent. There is a difference when you look to the single mother, 33 percent among whites, and 49% among blacks. Marriage makes a huge difference as to whether children will be in poverty or not. Race also does but nothing near as much as marriage does.

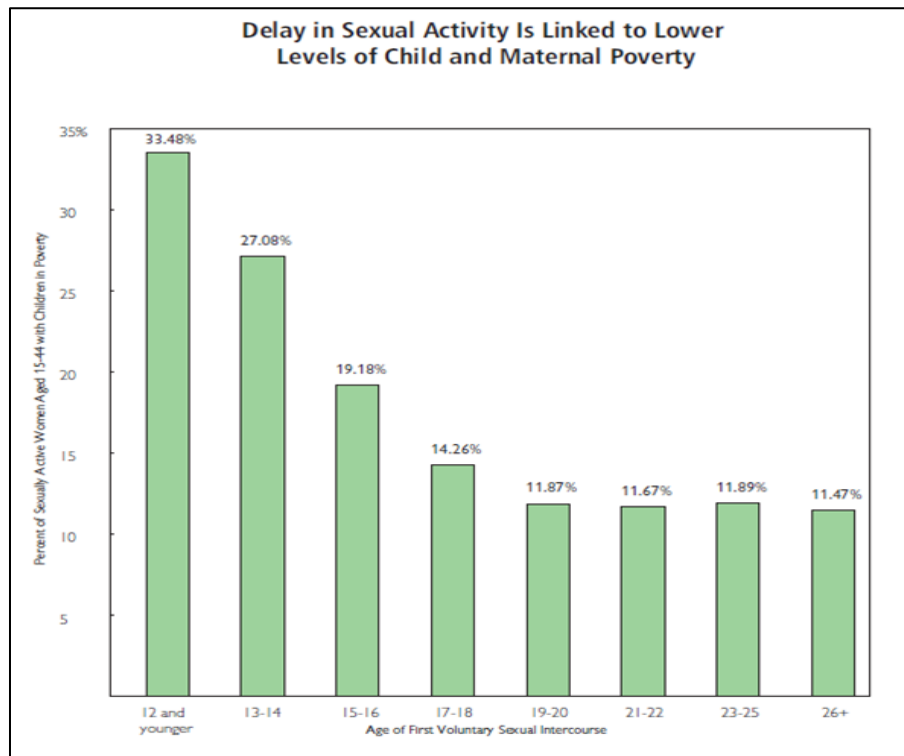


Next chart: Poverty rates across the United States. This is a trend line given the level of family intactness in the states: the more one moves to the right the greater proportion of intact families in a particular state. Our poverty levels are highest in those states which have the lowest rate of family intactness.



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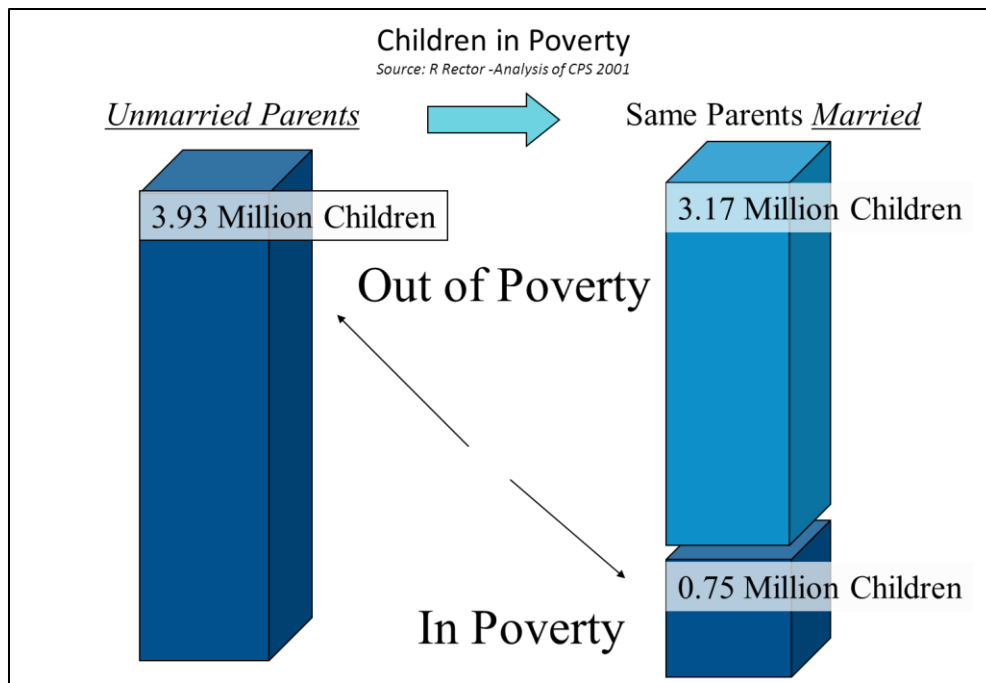
Next graph: This graph depicts the relationship between early sexual engagement by young girls and their levels of later poverty. For young girls who have their first sexual intercourse at 12 years or younger, 1/3 of them will live in poverty later. For those beginning at 13-14 years it is 27 percent. At 15-16 it drops to 19 percent and at 17-18 it drops still further. And then it plateaus at around 11 percent from then on. There is a relationship between early sexual debut and later income/poverty.



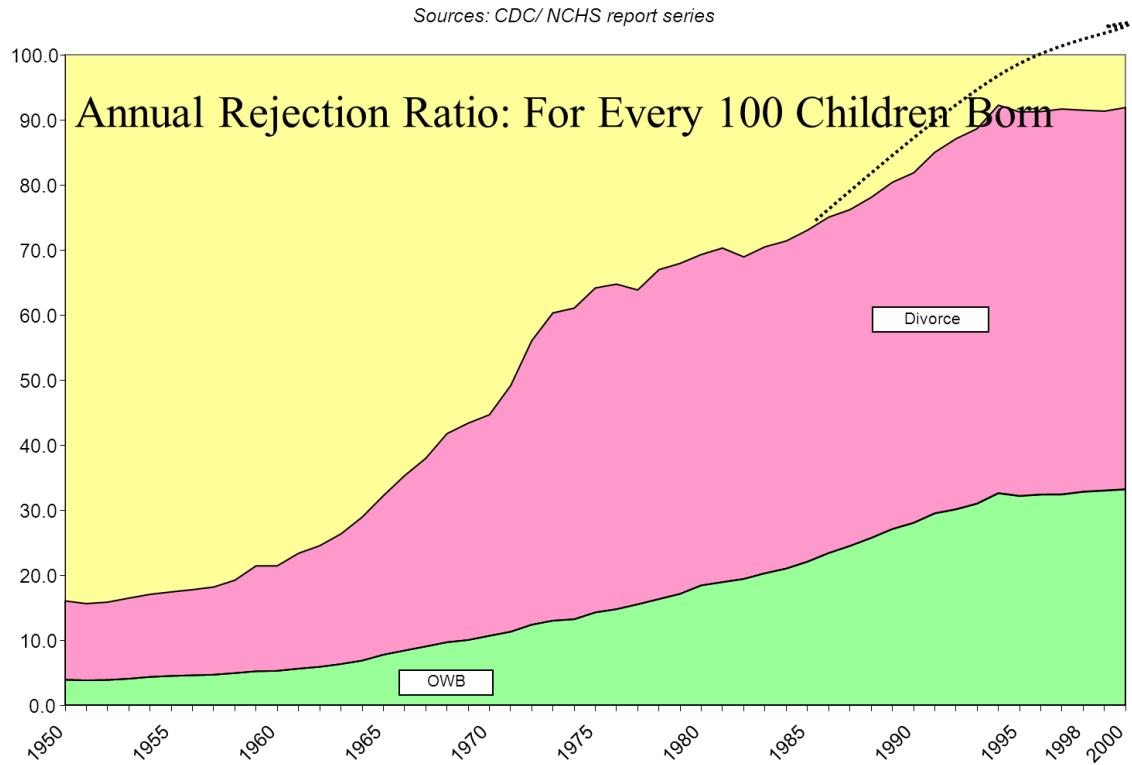
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This next chart is one of the neatest experiments I have come across. It is the work of Robert Rector, a former colleague of mine when I was at the Heritage Foundation. It depicts 3.39 million children in poverty in single parent families in the year 2001. With the data we had from the Current Population Survey, conducted by the Census Bureau, we had the data on the fathers, the income of the fathers of those children. We “married” the two incomes. The light blue shows the proportion that moved above the poverty line when the incomes of the mother and the father were combined. It shows that 80 percent of children moved above the poverty line. This is without accounting for the significant benefit that would have been there had this been a real marriage, as we saw earlier: men become more 27 percent more productive and have a higher income when married.

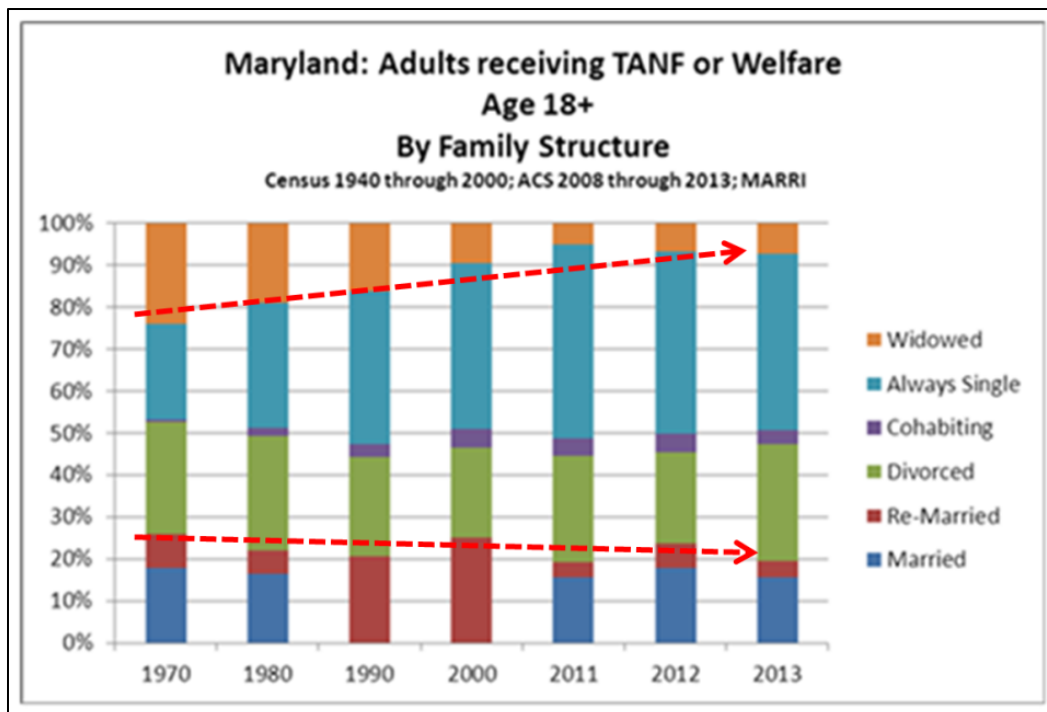




In this next graph below, one can observe what has been happening to the children of the United States 1950. For every 100 children born in a particular year we depict those who experienced their parents rejecting each other that year: the green section shows the increase of children born out of wedlock; the pink section shows the number of children whose parents divorced that year. That dotted line, at the far right corner, is the number of cohabitants which begins to be demographically significant in the 1980s. What can be clearly seen is the divorce revolution, beginning in the 1970 and the effect of the sexual revolution-- out of wedlock births--- which started to rise back in the 1960s, plateaus in the 1990s and has even decreased some since that time. At MARRI we do an annual "Index of Belonging and Rejection" in which we measure what proportion of our 17 year-olds (at the end of their family formation years) are in a family with their married biological father and mother. For 2013, our latest year measured, it was 46%. That is the majority (54%) have experienced at least one of their parents rejecting the family and moving out. We have become a culture of rejection --- with all of its attendant deficits, including economic deficits.

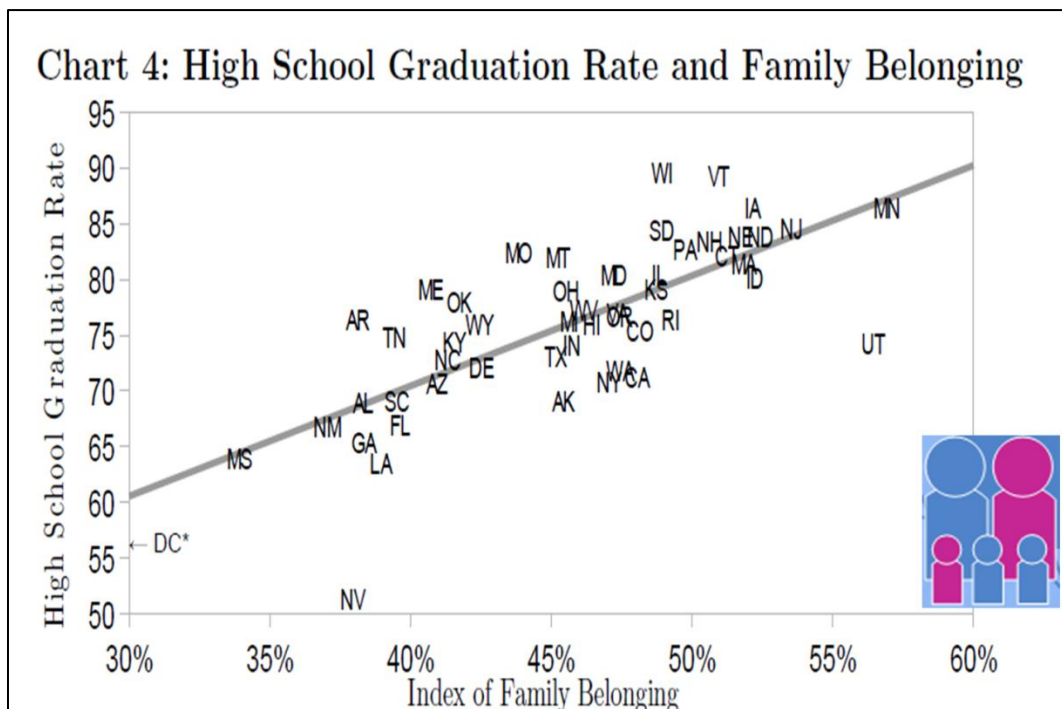


This next graph looks at who is receiving the benefits of the welfare state by family structure. At the very top are the widowed: Over time fewer and fewer widows get, need, and receive welfare support. And on the bottom you have the married, and there you have a steady decrease since 1970. Where the expansions take place are in the always single parent category and the divorced single parent category. These are new family structures, new in the sense that they have been expanding more and taking over a greater portion of society. As this macro demographic illustration shows they are where the great poverty weakness now lies.



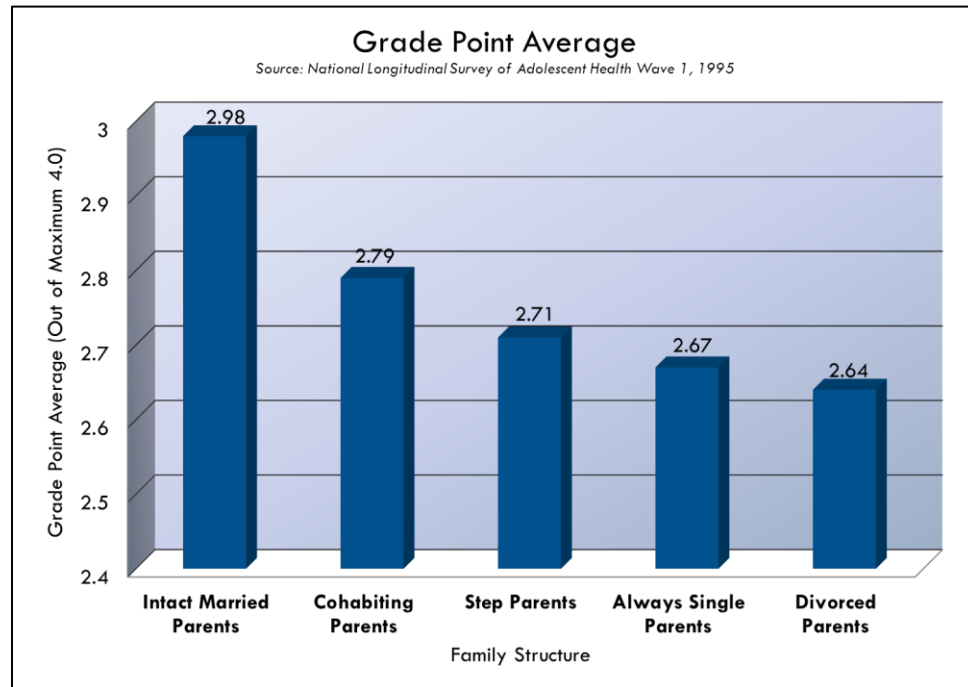
## Education

Looking, in the chart below, at education attainment (high school graduation rates) under the lens of the level of family intactness in the state (more intact as you move to the right), we see that family intactness has major effects on graduation rates (and thus future economic productivity for the individuals and the nation)



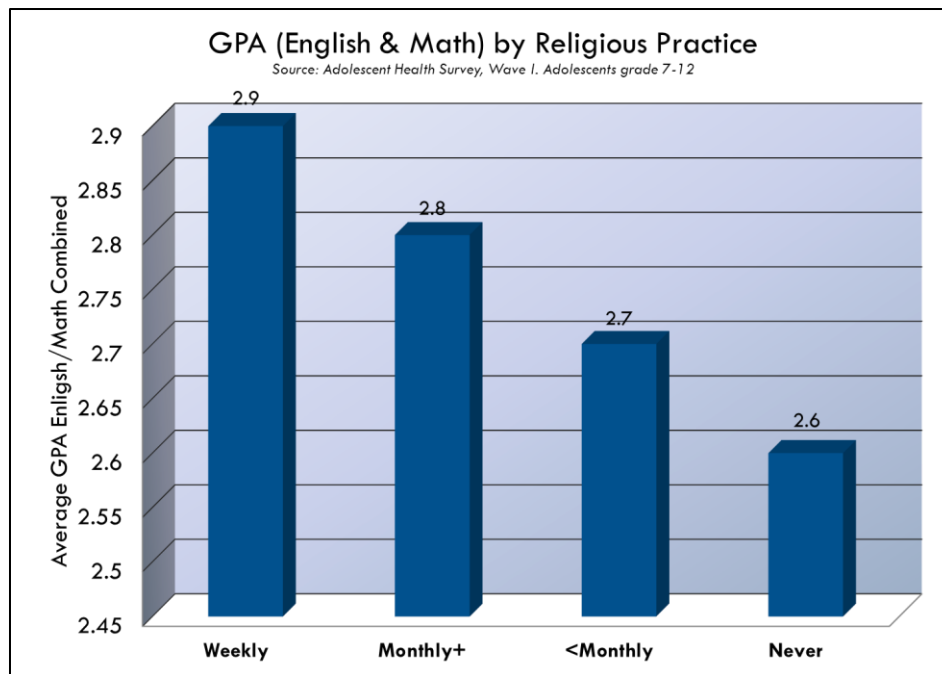
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This next graph looks at the grade point average which is a combination of math and English scores, by family structure for the nation as a whole. This is from our largest survey on adolescents: the AddHealth survey. Children in the intact married family score highest, at a 2.98 Grade Point Average (GPA). Thereafter there are significant drops for the other family structures with obvious effects of divorce, cohabitation, and single parenthood. The impact of divorce on students is dramatic, the scores below illustrate.



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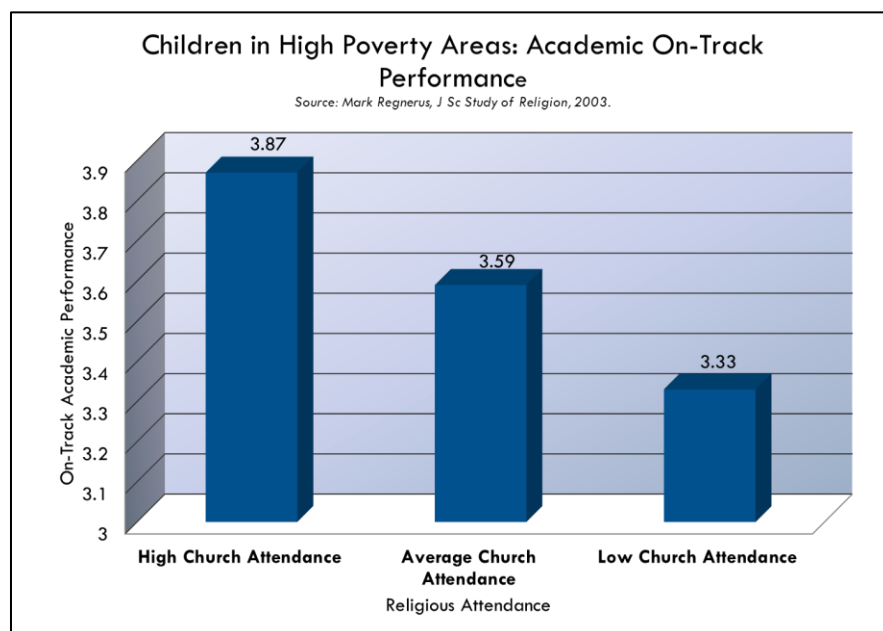
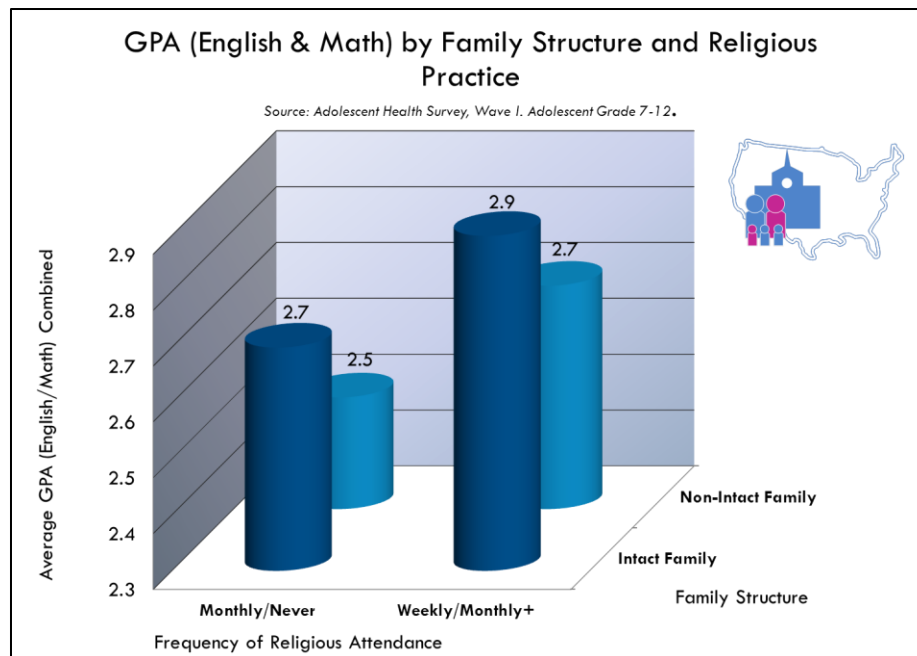
The next chart brings in a new dimension, the impact of religious practice. Using the same AddHealth survey as in the last chart we see that the same teenagers have significantly different scores depending on their level of worship: Those teenagers who attend church weekly have on average, the highest GPA at almost 3.0. The average of those who attend once a month drops to 2.8. Those who attend a couple of times a year: 2.7. And those who never attend religious service had a GPA of 2.6. There is nothing else in education policy that can deliver such differences other than income of the parents, and even that is not as steady an effect as this. This phenomenon holds for every outcome measured in the United States data system. The United States government is unique among governments in that in a significant number of its major surveys it measures the frequency of religious attendance of the parents or the child thus permitting analyses such as this. And I repeat: on every measure measured the more frequently people worship the better they do, and the better the nation does.



On the Marriage and Religious Research website we have 100 different publications (called *Mapping America*) which compare religious attendance for all the typical social and economic measures: health, mental health, income, sexual enjoyment, longevity, etc. Every single one of our measurements shows that the more people worship, the better they do. This is one of society's phenomenal strengths, and it is outside the competence of government to control or deliver, except to protect the freedom of worship. Government can also "talk it up", but of course we have a great tradition in the United States of protecting religious freedom –it is one of the great strengths of our country that people are free to worship how they like, or not to worship at all. On that last point, we have a growing number of "nevers" or "nones", as they are called in this county. Some rejoice in that fact, but it is clear that this growth of individuals who have never attended church is actually weakening society. These benefits are not tied to any one particular religion, as best we can track it in the United State. It holds for all religions.

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The next slide shows the combined effects of intact marriage (or its absence) and religious worship: the always-intact-married family that worships weekly has the highest outcomes. Again on all measures measured in the US data system this pattern holds – on every single measure measured: there are enormous development implications from this pattern for all governments and for the UN. Governments cannot deliver religious faith and practice but they can protect and they can encourage it. The greatest people-developing results come from the interaction of marriage, religious worship and education that works with both. As the chart following this shows (again from the AddHealth Survey) this holds also for the poor (typically black single mothers living in the inner city): there the benefits of religious worship are the same as moving them into a middle class neighborhood to attend middle class schools. No government program can rival that for impact.



## Elites

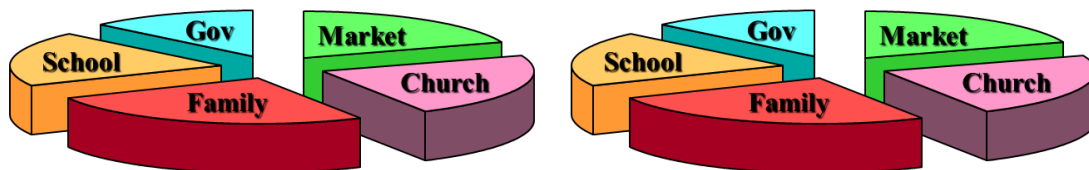
The elites in society are those who have the capacity to perform in all five major tasks or all five institutions, and the children of the elite are those children whose parents have competence in all five areas—this doesn't mean they are the wealthiest or most educated but they have a balance of all five tasks.

A married couple, who practice their religion, ensure their children's education, perform in the market place (making their own arrangements as to who will work and who doesn't in the distribution of labor), and each with a sense of self control leading to their own united way of governing each other and their family: they are the elite. It is their children who have a guaranteed future, who will move out

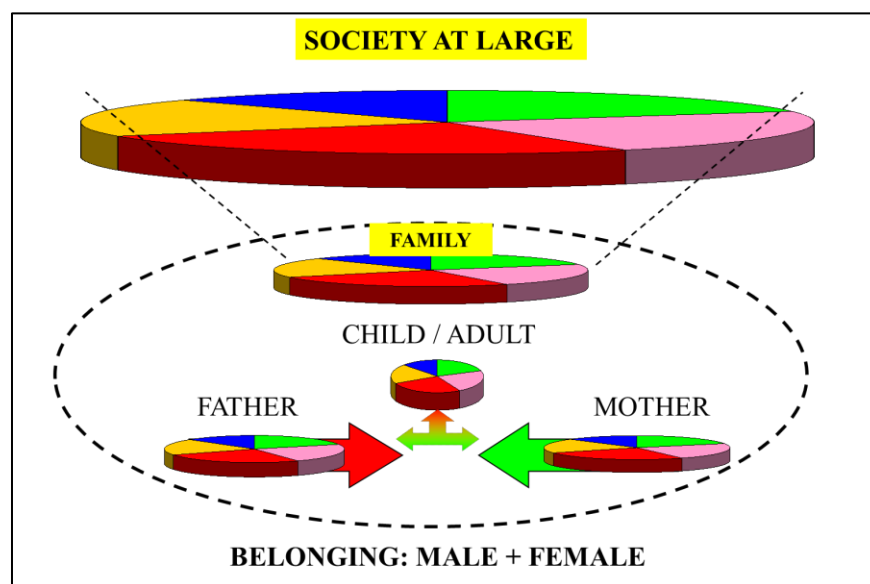


of poverty if they are caught there and who will be the most productive members of the economy and the most contributory of citizens in government areas of concern.

# Fundamental Tasks Of the Couple



These final slides show how society benefits from the marital structure. Each couple works out together how to do these five tasks in unity. This doesn't mean they both do everything exactly the same way, instead, it means that together, as a composite, all five are well covered and the couple are united in how each will be done. A child born to such a couple, over the process of growing up, learns to perform these tasks by being formed within a family where all five tasks are routinely executed. As a result the family's gift to society at large is a young adult, capable of having a family, having good control over his or her sexuality, practices his religion, has received an education, has the capacity for work in the marketplace, and governs himself or herself well. Such is the benefit of the family to the economy and to society at large.

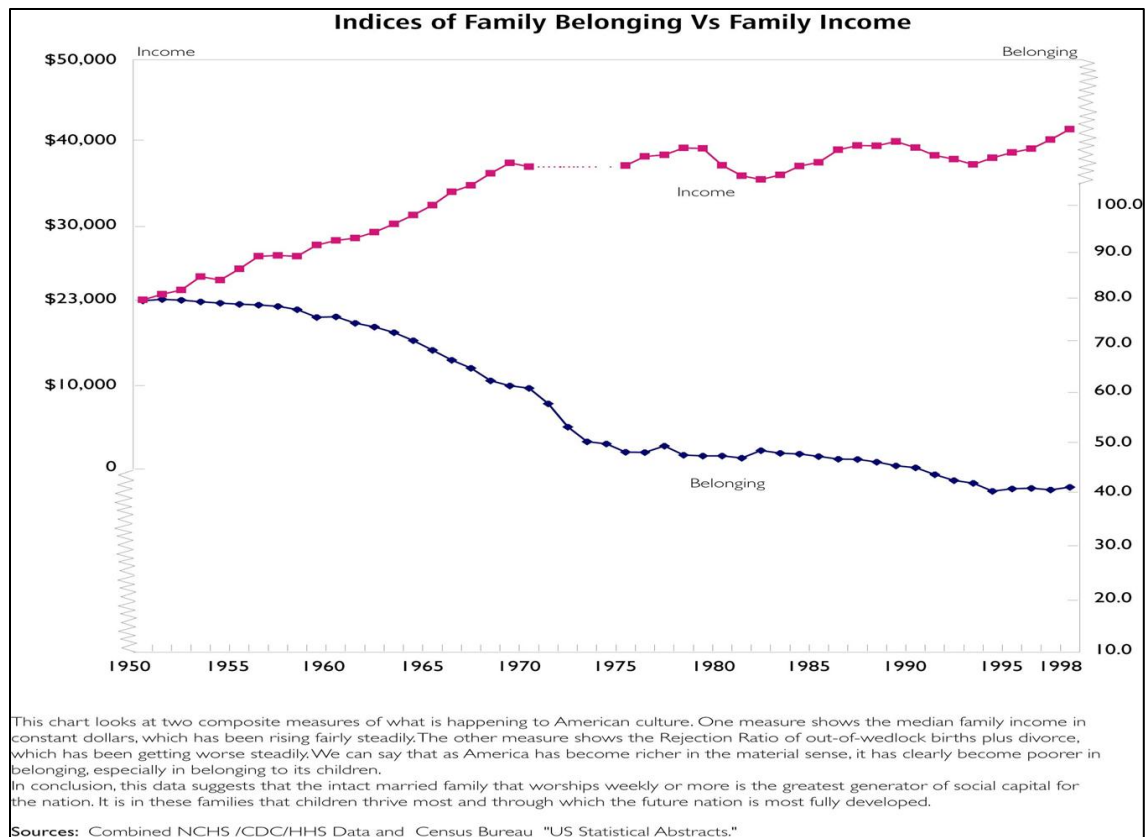


Gary Becker, the first Nobel Laureate for Economics of the Family, has a phrase that this picture helps illustrate, “the mother at home raising the children creates a greater economic contribution to society than her husband in the marketplace.” Not all women have to stay at home, but clearly a mother with a lot of children, like the one in this picture, is, for a number of years, probably going to spend more time at home than in the market place. She makes a greater contribution than the father. The father is earning his money at present, as you can see he is going to be one of the highly employed and highly productive men because of the size of the family he is supporting. This mother, on the other hand, is raising 5 future workers, who are going to make a much bigger contribution together than their father.

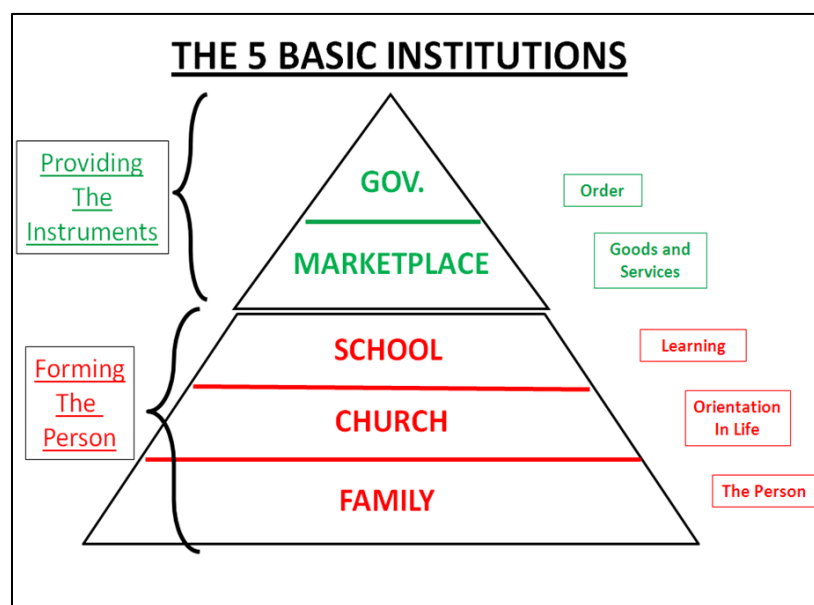


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This next graph shows what has been happening in the United States. The top line shows the median family income in constant dollars. The median family income hasn't really changed much since the late 1960s because of the decrease in the intactness of the family, as the bottom line shows. As was explained earlier, this creates an economic drag. As the United States economy has boomed since 1960, as a whole, the family has not participated because of the level of breakdown of the family of the United States. While each country in the west is slightly different economically, this basic trend is holding across the board.



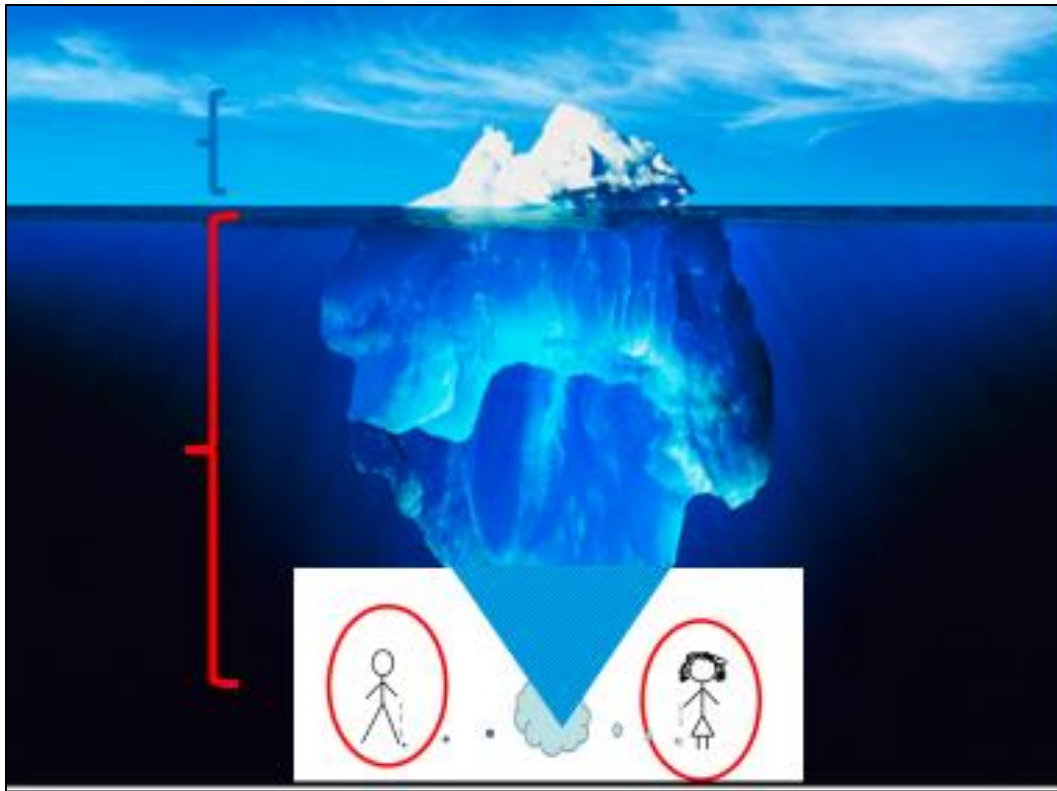
The graph below is to recapitulate the three people-forming institutions of family, church, and school, working together has a huge impact, for strength or weakness, on the marketplace and on government.



Let me begin to wind up with a story: During my first three years as a young therapist in Canada I gained the most formative insight of my professional life. Half of my practice was with children in mid-childhood, referred by pediatricians and general practitioners. During my first year out of graduate school I used many psychological tests to understand and diagnose these children and found that almost all were reacting to dysfunctions within the family. The second year, with an increasingly intense family focus led to the insight that these dysfunctions almost always stemmed from conflicts between the parents. (That is pretty basic stuff – so I was a slow learner!). By my third year the course of therapy would consist of 1) getting the whole family in and keeping the focus off the identified patient; 2) after 4, 5 or six sessions I would typically ask the parents that for the next session just they and I get together, leaving the children at home (something to which they always readily acquiesced); 3) we worked on the conflicts between them until resolved; 4) the symptoms of the identified patient/child almost always disappeared if they were in mid childhood (if they had lived into their teens with these conflicts they normally needed more individual therapy). The key insight and lesson learned: unity in the marriage of the parents is the rich soil in which children grow robustly. This led me to say frequently to couples “You can benignly ‘neglect’ your children if you take great care of each other”. When mother and father are happy, the children are happy. This is a universal law of mankind.

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This brings me to my final illustration which depicts society as an iceberg. What is visible above the water line, and what is discussed and debated most in society, are issues of the two institutions of government and the marketplace. But these institutions really rest upon the other three institutions: family, church, and school, the people-forming institutions. At the base of those three institutions, is that moment from which they all stem: the coming together of male and female in the sexual act which produces a new child and thus the new society. All of society emanates from that sexual act. How that act is structured so is the rest of society structured. I would go further: as that first sexual act is structured, so is the rest of society structured. This illustrates how the foundation of society rests on chastity and monogamy. They have an unprecedented impact for good and evil. Chastity is not the most important virtue for society –love is -- but it is the most foundational, and it is the protector of family love, unity and strength.



A family so structured has a good economic future, and inter-generationally its children will move upwards within society. A family not so structured places its children in increasing weakness and -- - compounded inter-generationally --- yields decreasing capacities. Therefore, it behooves governments to learn how to protect the three people forming institutions: To increase the freedom of parents to cooperate in those institutions of their choice regarding religion and educational. Then, working in unison, the family, church, and school, can produce the greatest human and social capital in the child they have brought into existence and whom they eventually give to society at large.