The Growing Differences in Family Structure: What Do We Know? Where Do We Look for Answers?

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The rapid changes in family structure in the United States over the past 40 years have unquestionably contributed to growing family income inequality. One mechanism is quite well known. The growth of single parenthood tends to raise poverty and lower family incomes if for no other reason than more children are being supported by only one potential earner who is usually a woman. What is far less well known is the fact that single parenthood has grown quite differently by the level of maternal education. For a women aged 25-34 in the bottom third of the education distribution, the odds of being a single parent has risen from 7% in the mid 1960s to nearly 20% today. For a comparably aged woman in the top third of education, the odds have barely changed from the 5% figure of the 1960s. In spite of a few high profile celebrity cases, single parenthood remains rare for this educated group.

The growth in single parenthood, particularly the differential growth by maternal background, is troubling because evidence strongly suggests that growing up in a lone parent home disadvantages children. Over a period when wages became more unequal, changing family structure may be differentially harming children from less advantaged backgrounds and reinforcing inequalities in other domains. Moreover, this apparent correlation between family structure changes and growing wage inequality raises an

obvious question: is there some causal link between changing labor market rewards and opportunities and subsequent family patterns.

This paper is an attempt to summarize what we know about changing family structure and why these changes appear to have occurred differentially. The changing family patterns have proven to be one of the greatest challenges and frustrations for social scientists. While differential changes by education per se have not been the focus of much literature, altered family structure patterns have preoccupied some of the nations best theorists, including Gary Becker and William Julius Wilson. Yet there is no generally accepted story about why single parenthood became more common or why trends differ across education and race. The most widely cited empirical works may be those that disprove rather than support one or another popular explanation. It is only a little unfair to say that social scientists have done as good a job in proving that nothing caused families to change as they have in finding something that did.

This paper reviews the large literature on family change. Ultimately we want to know how well social scientists really can explain the intertemporal changes in the prevalence of single parent families, particularly the variations across groups. We also want to identify places we might look for further answers. To do this we will need to look not just at work dealing with single parenthood per se but at work dealing with its proximate causes: the rise in out of wedlock childbearing and divorce, the decline in marriage rates among those who are already single parents, and the fact that less educated women have postponed marriage far more than they have postponed childbearing. Our review suggests that while many questions remain unanswered, social scientists may have learned more than they realize. It also suggests that more progress can be made by

looking at marriage and fertility simultaneously, and by integrating economic and cultural theories. In particular, we find:

- At least among women 25-34, the changes in single parenthood have not occurred uniformly, nor have they been confined to only the most disadvantaged. Overall it appears that women in the lower 2/3s of the education distribution have become far more likely to become single parents in the past 35 years, while women in the top 1/3 have seen very little change.

- By contrast to single parenthood, marriage patterns among women aged 25-34 have changed much more uniformly by education level. Marriage has fallen for everyone. Thus, by definition, the changes in single parenthood reflect differential changes in childbearing inside and outside of marriage.

- Simple economic models usually conflate marriage and childbearing decisions. Implicitly one marries to have children. The advantages attributed to marriage usually flow from the fact that one partner fully or partially specializes in child rearing while the other specializes in market labor. Moreover economists principally model whether individuals gain from marriage, not whether they gain more from marrying at a particular age instead of another; they model incidence not timing. These models generally predict that improvement in men's earning power affects will raise marriage, that improvements in women's earning power will reduce marriage, that a higher ratio of men to women will increase marriage, and that higher welfare benefits will push marriage down.

- In combination, the simple trends in male opportunity, female opportunity/labor force participation, sex ratios, and welfare are consistent with the changes in marriage and family structure patterns and their differentials across race and education. But the apparent impact of any one factor is extremely sensitive to functional form and methodology. A simple cross-group time-series regression gives properly signed and significant results for all of the economic variables. But simply adding a time trends and race dummies, sometimes reverses signs and destabilizes the findings.

- There is widespread and consistent evidence that male success/opportunity has an important influence on marital decisions. Unfortunately changes in male economic success by themselves are too small to explain a large share of the changes in family structure over time, even for the least advantaged families.

- There is also consistent evidence that sex ratios—the number of males relative to the number of females in an area or for a group—have significant impacts on marriage. But even in combination with male earnings, changes in the sex ratio are again too small to explain most of the patterns in family structure.

- The role of female work/opportunity is far less clear. Estimates of its impact vary from negative to positive. Cross-area and aggregate time-series data tend to find a

negative impact of women's wages and hours on marriage, while longitudinal data on individuals often shows the reverse.

- Welfare effects are not robust. Many studies find little or no effect. Others find a modest impact. Recent literature suggests welfare's impacts are in the expected direction, but the magnitude is not large. But since welfare benefits were falling over much of the past quarter century, welfare incentives cannot explain a big part of the decline in marriage.

- Non-economic models sometimes lead to different predictions and orientations than the simple economic models. Expectancy models which focus on a person's sense of control and confidence often predict that women with greater opportunities for work might eschew early childbearing, but be more inclined to marry ultimately. Cultural/attitudinal models suggest that changing norms about premarital sex could facilitate postponement or avoidance of marriage, since sexual desires could be met outside of marriage. Other social norms could also play a role. Unfortunately the bi-directional links between behavior and norms make it difficult to test such models. And the slow pace of normative change also implies that empirical strategies which rely heavily on timing to estimate causal impact are unlikely to perform well.

- There is abundant evidence that attitudes toward premarital sexual activity, sex roles, the value of marriage, and the legitimacy of out-of-wedlock childbearing changed rapidly in the 1960s and 1970s. These trends mostly leveled off in the mid 1970s. Attitudes have not changed much since then. There is less evidence available on changing attitudes by education or income class.

- Reported premarital sexual activity rose sharply in the 60s and 70s. It continued to rise into the 1980s and early 1990s, even though attitudes did not appear to change then. The age of sexual initiation (both marital and premarital) drifted downward very slowly over this whole period, suggesting that premarital sex was largely replacing marital sex, not abstinence. Still differences by education were surprisingly small.

- The timing of technological advances in birth control, legalization of abortion, and divorce liberalization are all broadly consistent with the timing of changes in sexual activity and marriage, including the decline in so called "shot-gun" marriages. But the case is mostly circumstantial.

- In a final section we examine several of the implicit assumptions behind the models and explore the trends to be understood. We find:

    - The tight linkage between the timing of marriage and childbearing which existed in 1960, has now been largely broken. More women are having their first child prior to marriage and more women are marrying well before they have their first child.

- Much of the change in marriage and fertility represents delays more than avoidance. More educated women are postponing childbearing far more than less educated women. Both groups are postponing marriage. As a result, out-of wedlock childbearing has risen far more among less educated women.

- In contrast to whites, African-American women are postponing childbearing very little, on average, but they are postponing marriage even more. Unlike whites, significant numbers (though still a small minority) look as though they may never marry.

- Cohabitation is up sharply. But this most applies to couples without children.

- We conclude that any reasonable theoretical and empirical examination of differential family change must examine childbearing and marriage decisions in combination, must distinguish between delay versus permanent avoidance in each, and must integrate some of the traditional economic factors with other social and technological forces such as altered sexual mores and advances in birth control. We offer one possible "working hypothesis" that seems consistent with the data and may explain the differential patterns by education.

Needless to say this is lengthy set of conclusions. Throughout we try to highlight our key findings to help guide the reader of this rather lengthy review.

I. Basic Trends and Eight Hypotheses

Families have changed in a multitude of ways. Marriage is being postponed and sometimes being eschewed entirely. Cohabitation is up. Divorce has risen. Single parenthood has grown. It is the latter trend that primarily motivates this review. If adults were shifting their patterns of commitment, it would probably not be a source of great public concern were it not for the fact that children are often involved. But there is powerful evidence that children in single parent families fare worse than those in two-parent settings. At a minimum their incomes are lower, and they often do more poorly in a wide variety of areas from schooling to criminal activity.