



# ASPE RESEARCH NOTES

INFORMATION FOR DECISION MAKERS

FOCUS ON: *Teen Births*

Issued August 1992

## COST OF TEENAGE CHILDBEARING: CURRENT TRENDS

### Single-Year Public Cost of Teenage Childbearing

The Center for Population Options (CPO) estimates the single-year public cost for all families originating from a teen birth to be more than \$25 billion in 1990, up more than 50% from \$16.6 billion in 1985. This estimate is thought to be conservative since it does not include social service programs for young mothers, special education, foster care, and public housing subsidies. Nonetheless, this spending accounts for 53% of AFDC expenditures, food stamps, and Medicaid expenditures on AFDC recipients.<sup>1</sup>

The rapid increase in public expenditures related to adolescent childbearing over the last five years is a function of: (i) the rapid increases in medical care costs (up 43%), (ii) federally mandated expansion of Medicaid eligibility, and (iii) the 30% increase in unwed teen births from 1984 to 1989 resulting from a 31% increase in the 15-17 year old unmarried birth rate and a 33% increase for unmarried 18-19 year olds during this period.

Data from the National Longitudinal Survey of Youth (1979-1985) indicate that within a year after birth of a first child, half of unmarried teen mothers started receiving AFDC benefits; by the end of five years, nearly four out of five these unwed teen mothers had received aid. During the two year period 1985-86, the poverty rate for married teens living with husband and children was 28% compared with 81% for unmarried teen mothers living alone with their children.<sup>2</sup>

### Teenage Births

The number of births to all teenagers peaked in 1970 at 656,000 (see Figure 1), and subsequently declined to a 35-year low of 472,000 in 1986. This 28% decrease in total teen births was due to a 60% **decrease** in the number of married teen births combined with a 45% **increase** in the number of unwed teen births. (A change in the number of births is a consequence of a change either in the number of women or in the birthrate.) Since 1976 when it reached its lowest level, the married teen birth rate (ages 15-19) has actually increased by 40%; thus the decrease in the number of married teen births since 1976 reflects the sharp decline in the teen marriage rate and consequently the number of married female teens.

The unmarried teen birth rate (ages 15-19) increased by 71% since 1976. Due to a 15% increase in the combined teen birth rate from 1986 to 1989, the number of births to all teenagers increased by 10% despite a 20% decrease in the number of married female teens (ages 15-19) and the 3% decrease in the number of unmarried females 15-19 year olds. Data on teen births in 1990 are not yet available, but provisional data on all births showed an increase of 3% for the year, which is same to the increase in 1989.

In 1989, two out of three births to women 19 years of age and under were out-of-wedlock as compared with only one out of seven in 1960 (see Figure 2). Births attributable to married teens decreased from 85% in 1960 to 33% in 1989. During the same period, the proportion of white teen births out-of-wedlock increased nearly eightfold--from 7% in 1960 to 54% in 1989, and the proportion of minority teen births out-of-wedlock increased from 43% to 94%. Analysis by decade shows that white unmarried teenagers accounted for 40-45% of the increase in unmarried teen births during the 1950s and 1960s, 69% during the 1970s, and 72% during the 1980s.

### Health Consequences of Teen Births

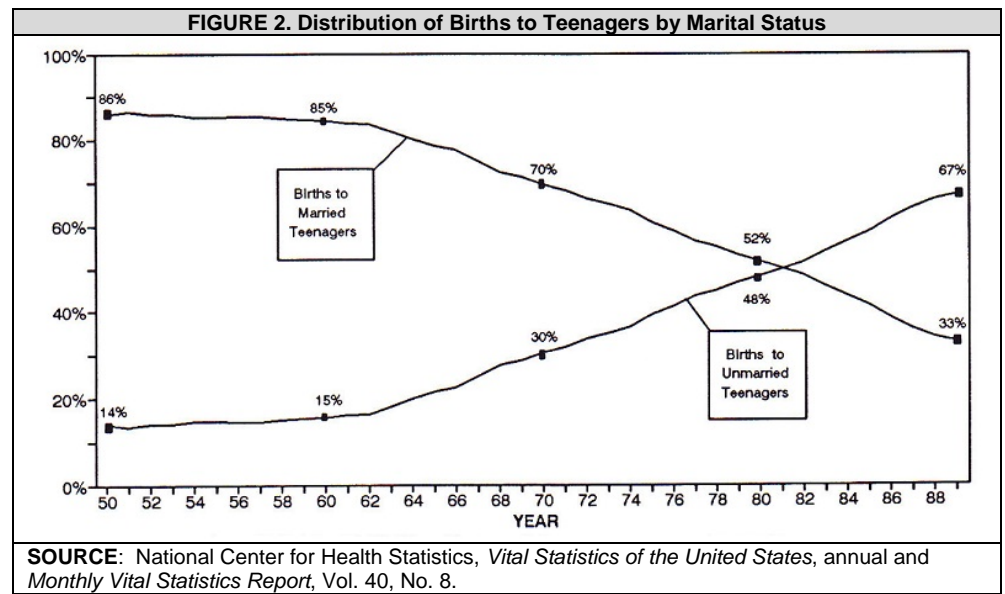
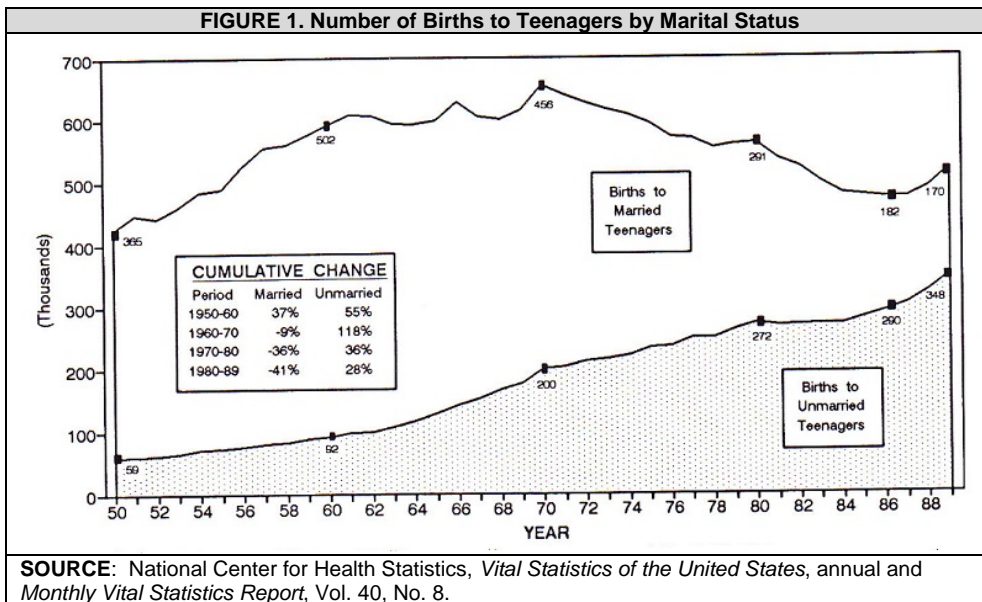
Nearly 40% of the costs associated with teenage childbearing are health-related, which increased at a much faster rate than other components. CPO estimates that since 1985 Medicaid costs related to teen births have doubled, going from \$4.91 billion to \$9.84 billion in current dollar terms; this constitutes a 40% real increase.

### Low Birth Weight Infants

The costs of providing neonatal and postnatal health care for infants born weighing less than 5.5 pounds, i.e., low birth weight (LBW), are three times higher on average than the costs for normal birth weight babies.<sup>3</sup> Moreover, LBW infants have an elevated risk of infant mortality (nearly 20 times higher than normal birth weight babies), and other physical and neurological impairments. In 1988, over 9% of births to teenage mothers were LBW, a rate 40% greater than among women 20-34 years of age. Three-quarters (74%) of these LBW infants were born to unmarried teens.<sup>4</sup>

## References

- Center for Population Options, Teenage Pregnancy and Too-Early Childbearing: Public Costs, Personal Consequences, 6<sup>th</sup> Edition, Washington, DC, 1992. These estimates include both direct payments and administrative costs. Since a large percentage of teens who give birth are living in poverty, not all of the costs attributed to teenage births by CPO would be eliminated if all teens postponed childbearing until age 20 or older; CPO estimates the savings would be 40% of the total amount currently being expended.
- Congressional Budget Office, Sources of Support for Adolescent Mothers, September 1990, Tables 10 & 17.
- Health Care Financing Administration, DHHS, "A Comparison of Medicaid and non-Medicaid obstetrical care in California," Health Care Financing Review, Vol. 12, No. 4, Summer 1991, Table 12, p. 11.
- National Center for Health Statistics, DHHS, "Advance Report of Final Natality Statistics, 1988." Monthly Vital Statistics Report, Vol. 39, No. 4, 1990, Table 15, p.28 and Vital Statistics of the United States: 1988, Volume I-Natality, Table 1-86, p. 1-255.
- National Center for Health Statistics, DHHS, Vital Statistics of the United States: 1988, Volume I-Natality, Tables 1-86, p. 1-255.



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ASPE Research Notes is circulated periodically to the Department of Health and Human Services by the Office of the Assistant Secretary for Planning and Evaluation. For further information on teen birth issues, call Patrick Fagan, Deputy Assistant Secretary for Family, Community and Long-Term Care Policy at 202-245-6443.

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