

# 2017

## INDEX OF

# CULTURE & OPPORTUNITY

INSTITUTE FOR FAMILY, COMMUNITY, AND OPPORTUNITY

*with an introduction by*  
**J. D. Vance**

*edited by*  
**Jennifer A. Marshall**





**2017**

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**CULTURE &  
OPPORTUNITY**

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The *2017 Index of Culture and Opportunity* is dedicated to William E. Simon, Jr., whose understanding of the significance of faith and family to free society has inspired a generation of visionary scholarship and a better hope for our future.





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**Andreas Widmer** is Director of the Ciocca Center for Principled Entrepreneurship at the Catholic University of America's Busch School of Business and Economics.

# Acknowledgments

A multi-author publication like the *Index of Culture and Opportunity* amounts to a little exercise in civil society. It draws on the diverse talents of more than 30 contributors and a dozen implementers to accomplish a common project. Along the way, it relies on division of labor, requires resolution of coordination issues, and derives a certain character of its own from the influence of these many participants.

In civil society, the closest neighbors are always the most affected by a project's particular demands. As this project reaches its fourth year, my Heritage colleagues are by now well aware of this endeavor's idiosyncrasies, and it has benefited from their continual eagerness to introduce improvements while accommodating challenges old or new.

Therese Pennefather's perseverance in managing the publication process and William

Poole's exceptional editorial skills have been especially indispensable. The talents of John Fleming, Jay Simon, and Maria Sousa are evident in this publication's visual presentation, both in print and online. On the research team, Anne Ryland and Jean Morrow provided critical support in assembling and reviewing content. Christine Kim, Jamie Hall, and Patrick Tyrrell provided technical research review. Leslie Merkle coordinated logistics with contributors. Finally, Marguerite Bowling's ever-ready communications assistance ensures that the invitation to join the conversation among this little circle of civil society reaches a much wider audience of fellow citizens.

**Jennifer A. Marshall**  
*Institute for  
Family, Community,  
and Opportunity*



# Executive Summary

Jennifer A. Marshall

## Overview

The **2017 Index of Culture and Opportunity** evaluates a range of factors needed to sustain freedom and opportunity in America. Through charts that track social and economic changes and expert commentary that explains the trends, the *Index* reports on important indicators in American society and analyzes what they mean for our future.

## What We Track

The *Index* tracks social and economic factors related to culture, poverty and dependence, and general opportunity in America. It monitors trends for 31 indicators, based on regularly updated national data and organized into three categories:

- **Cultural indicators**, including data on family, religious practice, and civil society;
- **Poverty and dependence indicators** related to marriage and poverty, workforce participation, and welfare spending and participation; and
- **General opportunity indicators**, such as measures of education, jobs and wealth, and economic freedom.

## How We Track

For each indicator, a chart provides the most recent year of data available as of April 2017 and historical data over the past one, five, and 10 years.<sup>1</sup> In the chart, a red line designates

		RIGHT TRACK	WRONG TRACK
Culture	Marriage Rate (p. 14)		○
	Divorce Rate (p. 16)	●	
	Total Fertility Rate (p. 18)		○
	Single-Parent Households (p. 20)		○
	Teen Drug Use (p. 22)		○
	Abstinence Among High Schoolers (p. 24)	●	
	Abortion Rate (p. 26)	●	
	Religious Attendance (p. 28)		○
	Volunteering (p. 30)		○
	Violent Crime Rate (p. 32)	●	
Poverty & Dependence	Labor Force Participation Rate (p. 44)		○
	Unwed Birth Rate (p. 46)		○
	Self-Sufficiency (p. 48)		○
	Total Welfare Spending (p. 50)		○
	Subsidized Housing Participation (p. 52)		○
	Food Stamp Participation (p. 54)		○
	TANF Participation (p. 56)	●	
	TANF Work Participation Rate (p. 58)		○
General Opportunity	Reading Proficiency (p. 66)	●	
	Charter School Enrollment (p. 68)	●	
	Private School Choice Participation (p. 70)	●	
	High School Graduation Rate (p. 72)	●	
	Student Loan Debt (p. 74)		○
	Employment-Population Ratio (p. 76)		○
	Unemployment Rate (p. 78)		○
	Job Openings Rate (p. 80)	●	
	Job Hires Rate (p. 81)		○
	Money Taxed Away by Federal Government (p. 82)		○
	Start-Up Job Share (p. 84)		○
	Major Federal Regulations (p. 86)		○
	Economic Freedom (p. 88)		○

the main indicator; in some cases, related data are displayed alongside using grayscale lines. A key above each chart shows the change over one-year, five-year, and 10-year periods (with exceptions in the case of a few indicators).

The primary focus of this *Index* and the commentators' contributions is the 10-year change and its direction. That decade-long window allows us to observe what has happened over a longer period of time rather than focusing on short-term variations. This greater time horizon gives readers a sense of what has been happening regardless of changes in government or the state of the economy at any particular time. While examining annual data is helpful in some instances, it may not always be the most reliable approach for determining overall movement of a particular societal trend. This is particularly true with data that are affected by the business cycle, such as labor market and poverty indicators. It is also true for cultural trends that typically change quite gradually.

### Commentary Providing Context

One of the unique aspects of the *Index of Culture and Opportunity* is the expert commentary alongside each indicator to put data in context. Contributors include researchers at The Heritage Foundation and other think tanks, academic scholars, journalists, and practitioners. These commentators explain why the indicator matters for culture and opportunity in America and help readers discern the significance of the trends within our current context.

### Why It Matters

The Heritage Foundation seeks to advance conservative public policies based on the principles of free enterprise, limited government,

individual freedom, traditional American values, and a strong national defense. This *Index* is part of a set designed to assess our nation's strength in these areas, along with the *Index of Economic Freedom* and *Index of U.S. Military Strength*. Together, these indices measure America's economic, social, and military strength to help inform policy and cultural conversations both in Washington and across the country.

**Policymakers** will find the foundational data in this *Index* that they need to address issues involving:

- Marriage, family, and civil society;
- Welfare reform;
- Reduced spending;
- Economic growth; and
- The opportunity of individuals in a free society to improve their circumstances.

**Individuals** can use this *Index* to inform their own efforts to shape the future of our society, whether by raising the next generation, devoting efforts to overcoming neighborhood challenges, or participating in the public policy process.

Personal responsibility, concern for our neighbors, and public policy all influence the culture of opportunity. The *2017 Index of Culture and Opportunity* will equip those who are seeking to advance an America where freedom, opportunity, prosperity, and civil society flourish.



# Highlights from the 2017 Indicators

## Section 1: Culture

- While the marriage rate ticked up slightly again between 2014 and 2015, the 10-year change (2005 to 2015) was a drop of 6.4 marriages per 1,000 unmarried women. This follows a decades-long pattern of declining marriage rates. “Marriage has long been a part of the American dream. People have an innate understanding that healthy marriages build healthy lives and families. But the declining marriage rate shows that the dream is fading,” writes Derek McCoy.
- Just under one-quarter of 12th graders reported current drug use in 2016, an increase of 13.5 percent since 2006. “Three main areas of concern are marijuana, opioids, and access to mental health/substance treatment,” writes Christian Thurstone, MD. “Since 1999, the rate of people dying from opioid overdose has quadrupled.”
- Good news on abstinence: From 2005 to 2015, the percentage of 12th graders who had ever had sex decreased by 5 percentage points. “The 10-year decline in the percentage of high school students who have had sex should be a cause for modest hope. This year’s rate is lower than at any other point in the history of this indicator going back to 1991,” explains Judy Romea.
- Weekly religious attendance declined 2.1 percentage points between 2006 and 2016, continuing a gradual slide in recent decades. “The long-term decline in church attendance should trouble even those who are not personally religious,” writes John Stonestreet. As the scholarly research shows, “the benefits of regular church attendance...are virtually impossible to dispute.”

## Section 2: Poverty and Dependence

- The labor force participation rate (LFPR) for adults ages 25 to 54—those at prime working ages—fell by 1.6 percentage points between 2006 and 2016. “For the better part of the past two decades, America’s LFPR has been heading mainly in the wrong direction. Worrisome in and of itself, the decline in LFPRs also reflects and further exacerbates a multiplicity of additional social ills,” writes Nick Eberstadt.
- The percentage of individuals who live in poverty (excluding welfare benefits) increased just under 1 percentage point (0.9) between 2005 and 2015. “Our current welfare system is structured to disincentivize self-improvement and the reaching of full potentials,” observes Representative Jim Jordan. “This encourages idleness—the exact opposite of what our welfare system should do. To improve the well-being of the poor, the welfare system should promote rather than penalize marriage and encourage work rather than idleness.”
- The number of individuals receiving food stamps increased by about 17.7 million between 2006 and 2016. “[T]he success of SNAP should be measured not only by how much it reduces hunger and improves nutrition, but also by how well it supports and encourages work,” says Angela Rachidi. “Employment among those who can work is the best path toward opportunity and a more prosperous society. All government safety-net programs, including the Supplemental Nutrition Assistance Program, should focus on this broader goal.”

### Section 3: General Opportunity

- Charter school enrollment increased by 1.7 million students between 2006 and 2015, but behind this data point lies significant thwarted demand. As Jeanne Allen explains: “Once the most promising public school reform available to students, charter schools have stalled. From 1993–2009, the number of charter schools grew from 10 percent–15 percent each year. In the 2015 school year, the number of charters increased by just 7 percent. In 2016, school growth dropped dramatically to 2 percent. All the while, charter school enrollment has grown steadily each year. However, that masks the real story: Demands for charter opportunities outstrip supply by at least a million students.”
- Unemployment has declined almost to where it was 10 years ago, but there’s more to the story, says Rachel Greszler. “According to the topline unemployment rate, the labor market is doing fairly well. At 4.2 percent, unemployment among individuals 25–54 years old is near its ‘natural’ rate. But the unemployment rate does not reveal the millions of people who have dropped out of the labor force, stopped looking for work, or turned to disability insurance as an unemployment or early retirement program.”
- The employment-to-population ratio for those of prime working age (25–54) fell 1.9 percentage points between 2006 and 2016. This measure captures an important facet of our political climate that the unemployment rate does not, explains Henry Olsen. The focus on the latter “might have been warranted once, but today, the official unemployment rate does not accurately depict what is happening to American workers. That is because one is counted as unemployed only if one is not employed and is actively seeking a job (what

economists call ‘labor force participation’). If things are so bad that you are not even looking for a job, the unemployment rate does not capture your despair.”

### Summary Observations

**Mind the gap.** Some of the most pressing challenges facing the United States today are those that fall outside the typical boundary lines of traditional public policy disciplines. Alarming growth in detachment from work and the opioid crisis, for example, are problems that have both economic and social dimensions, falling in the gaps between issue areas. Challenges like these call for responses that are not constrained by traditional lines of inquiry—responses that tap both policy and cultural ingenuity.

**Different indicators tell different stories; the plot is thicker than any one trend.** Historically low unemployment is good news. Not so the declines from 2006 to 2016 in the labor force participation rate and the employment-to-population ratio. This *Index* includes all three measures to represent the complexity of today’s economic and cultural situation. In education, Jeanne Allen notes a trend that similarly complicates the picture with respect to charter schools: Student enrollment in charter schools has risen consistently and significantly for the past two decades, but the growth rate in the *number* of charter schools has slowed dramatically. This supply-side stagnation has left widespread unmet demand.

**Numbers don’t tell the whole story.** Policy maneuvers can produce the appearance of more positive results than is actually the case. That’s what Katherine Bradley and Robert Rector discovered when they investigated an apparent large increase in the work participation rate under the Temporary Assistance for Needy Families (TANF) program (p. 58). Likewise, Lance Izumi is skeptical about whether the rise in graduation rates represents real academic gains (p. 72). Context and detail—the kind the commentators in this volume supply—are key.

## Policy Implications

Many policies interact to create the conditions that will either encourage or hinder the expansion of opportunity. Policy leadership is required at federal, state, and local levels of government. Policymakers should pursue the following proposals based on the trends and commentary presented in this *Index*:

- Pursue policy that promotes life, marriage, and religious liberty.
- Pursue limited government, encouraging personal responsibility and concern for neighbors.
- Promote student-centered education choice options.
- Teach and reinforce, throughout middle school and high school, sexual risk avoidance and healthy relationship skills and messages.
- Advance comprehensive welfare reform, focusing on restoring self-sufficiency through work, eliminating work disincentives, and curbing marriage penalties in social safety-net programs.
- Reduce governmental regulations that impede entrepreneurship and the growth of small businesses.
- Identify and study effective and successful strategies and approaches for expanding opportunity.

**Jennifer A. Marshall** is Vice President for the Institute for Family, Community, and Opportunity and Joseph C. and Elizabeth A. Anderlik Fellow at The Heritage Foundation.

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1. For several indicators for which annual data are not available, the intervals vary.



# Introduction

J. D. Vance

Every year, The Heritage Foundation publishes a collection of data, charts, and thoughtful contextual pieces under the heading *Index of Culture and Opportunity*. Its title is a nod to something often lost in our politics these days: that culture and opportunity are linked together, that the opportunities that exist in our society and our citizens' perceptions of those opportunities shape our shared culture, and that our culture in turn shapes the opportunities available to individuals and communities. So connected are these concepts that efforts to understand them will suffer from any artificial attempt to segregate them. This volume is admirable both for its willingness to house culture and opportunity under the same intellectual roof and for its effort to quantify and analyze both.

Opportunity is built explicitly into the American social contract. We declared independence by noting a God-given right to pursue happiness, and one of the few philosophical issues that unite both sides of our political spectrum is the idea that we should have some measure of "equality of opportunity" in our society. The very notion of an American Dream presumes that our poor and middle-class children possess the right to reach as high as their talents and work ethic allow. When Jeb Bush named his pre-presidential campaign "Right to Rise," when Hillary Clinton spoke at the Democratic Convention about how her primary job would be to "create more opportunity," and when Donald Trump ran a successful campaign on the promise of "jobs, jobs, jobs,"

each of them paid homage to that shared value. While each of them had different ideas about how to achieve more of it, the ubiquity of opportunity in our public discourse is one of the few contemporary pieces of evidence of our shared national identity.

Just as we accept that opportunity stands at the core of our national identity, however, so we all seem to be waking up to the fact that things are not quite what they used to be. When President Trump has spoken of the country as trapped in a losing game of international trade or decried the carnage on so many American streets, he has earned criticism for painting an overly pessimistic view of his own country. Yet that pessimism struck a chord with many Americans, including those who did not vote for him. The question for those concerned about the future of the country is not whether negativity is justified, but why negativity inspired so many at the polls.

There is both a quantitative and a qualitative answer to this question. The quantitative side points us in the direction of data that tell us the American Dream is in crisis. Economist Raj Chetty and his colleagues have found that in 1940, approximately 90 percent of children could expect to earn more than their parents.<sup>1</sup> Of course, this purely material metric is hardly perfect for measuring the American Dream, but it is a decent approximation. And compared to children of 1940, today's generation of young adults is not doing quite as well: Only about half of children born in the 1980s could expect to earn more than their parents.

Perhaps most worryingly, the trend line shows no real sign of moving in the other direction. It will take years before we have a full picture of the upward mobility of children born in the 1990s, but the evidence we have now suggests that this fuller portrait will bring us little comfort. For the immediate future, the American Dream is likely to remain in crisis.

The real lives behind these numbers tell a troubling tale, though much about these lives lay hidden from elite consciousness until recently. The nomination and election of Donald Trump and, to a smaller degree, the populist surge on the left that gave rise to Bernie Sanders's candidacy revealed to our power centers in New York, Washington, and San Francisco that an entire country lay hidden in plain sight. When our politics jolted many into curiosity, a veritable army of journalists descended on Ohio, Pennsylvania, West Virginia, and many other places to study what some have called "the forgotten voters."<sup>2</sup>

What they found was communities in crisis: main street businesses largely vacant and unoccupied; enormous factories with shattered glass and empty parking lots; addiction and poverty where only a generation earlier middle-class life flourished; cash-for-gold stores and women so consumed by their desire for opioids that they are willing to sell their bodies to access them; a troublingly low labor force participation rate, especially among able-bodied men; and—most of all—good people, some poor, some middle class, who feel especially uncertain about a future in which their children are unlikely to live a life better than the lives of past generations.

The story behind the story, as any economist will tell you, is partially about creative destruction and industrial decline. The areas where upward mobility is lowest—certain urban cores, broad swaths of the industrial Midwest and Southeast—are often those hit hardest by manufacturing-related job losses. In a world where a high school graduate can no longer count on meaningful, well-paying jobs, we should not be surprised that the communities that most depend on that work are struggling.

The recognition that work has changed in ways that challenge both individuals and communities is now conventional wisdom, and it has the benefit of being true.

Yet purely economic questions miss something important about our current moment. Too rigid a focus on the material permits us to divorce concerns about opportunity from those about culture. In some ways, this is understandable: The comfort zone of many elites and thus their language trends toward the mathematical and technocratic. We speak about education and workforce development, the skills gap, automation and offshoring, and trade deficits in part because these things are easier to measure. We can put a number on the time necessary to retrain a worker and the productivity gains of doing so. It is harder to measure culture and how it affects the people who occupy it, and judging by much of our recent discourse, it is harder still to talk about culture.

But talk about it we must, because the evidence that culture matters should now overwhelm any suggestion to the contrary. We know, thanks to the work of experts like Nadine Burke Harris, that childhood trauma and instability make it harder for children to concentrate at school, deal with conflict successfully, or form stable families themselves later on.<sup>3</sup> We know that two of the biggest factors driving regional differences in upward mobility are the prevalence of single-parent families and concentrated poverty, indicating that both family and neighborhood structure matter in the lives of our nation's working class. We know that declining participation in civic institutions like churches destroys social capital and eliminates pathways to the middle class in the process. We know that the expectations that children have for themselves can drive their performance on standardized testing and a host of other endeavors.

Acknowledging these correlations does not discount the importance of a vibrant economy or wise public policy, but these realities should inform our debates about policy, both its promises and its limitations. Efforts to reform and improve our schools are welcome, for instance,

but unless they account for the homes and neighborhoods of the children who learn in those schools, reformers will find themselves working in a vacuum in which real people and the real problems they face are never fully understood or fully addressed. Reform divorced from an understanding of culture is a recipe for spending money, wasting time, and doing very little good.

That is why conservatives must confront culture in all of its complexity, but to do so, we must accept that the word *culture* itself is loaded and that we bear some responsibility for this state of affairs. The charge of “blaming the victim” is sometimes unfair, but it is sometimes the consequence of the way we talk about culture.

Recognizing the importance of culture is not the same as moral condemnation. We should not glance quickly at the poor and suggest that their problems derive entirely from their own bad decisions before moving on to other matters. Rather, we should consider the very intuitive fact that the way we grow up shapes us. It molds our attitudes, our habits, and our decisions. It sets boundaries for how we perceive possibilities in our own lives.

Culture, in other words, must serve as the beginning of a conversation, not the end of one, and proper conversation about culture will

never be used as a weapon against those whom Christ described as “the least of these.” It will be a needed antidote to a simplistic political discourse that speaks often about the vulnerable even as it regularly fails to help them.

This volume is an important effort in advancing that conversation. In its pages are metrics and data about culture and opportunity. It attempts to capture the trends in our shared culture and the opportunities informed by that culture: family trends, crime, poverty, dependence, religious participation, and many others. It is easy to put a number on our GDP and trade deficit and comparably harder to do the same for culture, but it is necessary to try, and the information compiled here sheds needed light on our country’s most difficult and intractable problems.

Addressing those problems will not be easy. The problems of culture and opportunity demand smarter and better policy at all levels of government, participation of civic institutions, and energetic private-sector players, but asking the right questions is a necessary first step, and this *Index of Culture and Opportunity* helps us to do so.

**J. D. Vance** is a partner at Revolution LLC and the author of *Hillbilly Elegy: A Memoir of a Family and Culture in Crisis* (Harper, 2016).

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1. Raj Chetty, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca, and Jimmy Narang, “The Fading American Dream: Trends in Absolute Income Mobility Since 1940,” National Bureau of Economic Research *Working Paper* No. 22910, December 2016, <http://www.nber.org/papers/w22910> (accessed April 28, 2017).
  2. See, for example, Fred Barnes, “The Forgotten Voters,” *The Weekly Standard*, March 21, 2016, <http://www.weeklystandard.com/the-forgotten-voters/article/2001516> (accessed April 29, 2017).
  3. See, for example, Nadine Burke Harris, “How Childhood Trauma Affects Health Across a Lifetime,” TED, filmed September 2014, [https://www.ted.com/talks/nadine\\_burke\\_harris\\_how\\_childhood\\_trauma\\_affects\\_health\\_across\\_a\\_lifetime](https://www.ted.com/talks/nadine_burke_harris_how_childhood_trauma_affects_health_across_a_lifetime) (accessed April 28, 2017).





Section One

# Culture



# Culture Summary

- While the marriage rate ticked up slightly again between 2014 and 2015, the 10-year change (2005 to 2015) was a drop of 6.4 marriages per 1,000 unmarried women. This follows a decades-long pattern of declining marriage rates. “Marriage has long been a part of the American dream. People have an innate understanding that healthy marriages build healthy lives and families. But the declining marriage rate shows that the dream is fading,” writes Derek McCoy.
- Just under one-quarter of 12th graders reported current drug use in 2016, an increase of 13.5 percent since 2006. “Three main areas of concern are marijuana, opioids, and access to mental health/substance treatment,” writes Christian Thurstone, MD. “Since 1999, the rate of people dying from opioid overdose has quadrupled.”
- Good news on abstinence: From 2005 to 2015, the percentage of 12th graders who had ever had sex decreased by 5 percentage points. “The 10-year decline in the percentage of high school students who have had sex should be a cause for modest hope. This year’s rate is lower than at any other point in the history of this indicator going back to 1991,” explains Judy Romea.

## Culture Indicators

	RIGHT TRACK	WRONG TRACK
Marriage Rate (p. 14)		○
Divorce Rate (p. 16)	●	
Total Fertility Rate (p. 18)		○
Single-Parent Households (p. 20)		○
Teen Drug Use (p. 22)		○
Abstinence Among High Schoolers (p. 24)	●	
Abortion Rate (p. 26)	●	
Religious Attendance (p. 28)		○
Volunteering (p. 30)		○
Violent Crime Rate (p. 32)	●	

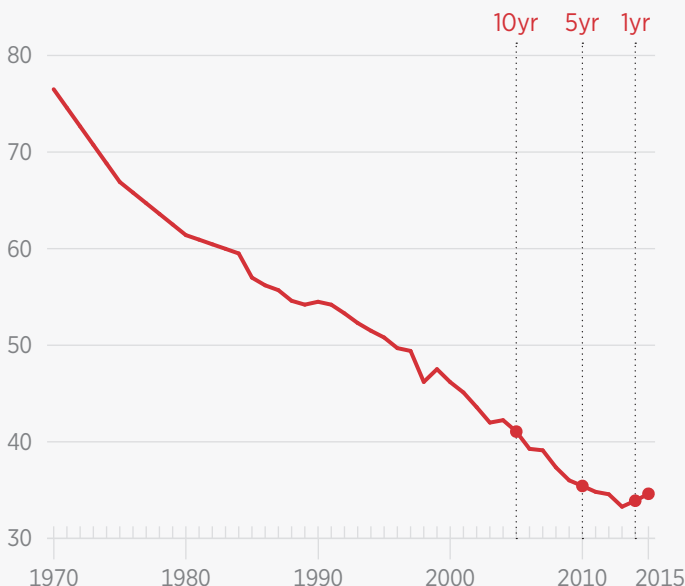
- Weekly religious attendance declined 2.1 percentage points between 2006 and 2016, continuing a gradual slide in recent decades. “The long-term decline in church attendance should trouble even those who are not personally religious,” writes John Stonestreet. As the scholarly research shows, “the benefits of regular church attendance...are virtually impossible to dispute.”

## Marriage Rate

From 2005 to 2015, the marriage rate dropped by 6.4 marriages per 1,000 unmarried women ages 15 and older.

**SOURCES:** Centers for Disease Control and Prevention, National Center for Health Statistics, and U.S. Census Bureau, Current Population Survey.

MARRIAGES PER 1,000 UNMARRIED FEMALES AGES 15 AND OLDER



# A Generation's Fading Dream of Marriage Reflects an Incomplete Truth

Rev. Derek McCoy

“How many of you are here because you want to have a thriving, healthy marriage and build a family?” That is the question my wife and I ask participants when we lead marriage retreats for young adults. In response, every participant raises a hand.

Then we ask, “How many of you are here because you eventually want to get a divorce?” Nervous laughter and awkward shuffling may fill the room, but never, in 10 years of retreats, has a participant answered “Yes” to that question.

Marriage has long been a part of the American dream. People have an innate understanding that healthy marriages build healthy lives and families. But the declining marriage rate shows that the dream is fading. As I interact

with young couples and singles across the nation, I notice that they embrace a mistaken belief that a healthy marriage is either unattainable or unnecessary. This mistruth plays into two problematic attitude trends:

- “Marriage can wait.” The median age of marriage rose from 23.2 years in 1970 to 29.5 in 2016 for men and from 20.8 years in 1970 to 27.4 in 2016 for women.<sup>1</sup> Couples delay getting married for a variety of reasons: finances, education, or simply because they “want to get myself together” before making a commitment, believing that marriage is unattainable at least for now.

- “Marriage is unnecessary.” Couples are increasingly disinterested in getting married at all, consumed by single parenting, careers, or uncertainty about additional responsibilities. “All the things I expected marriage to confer—male companionship, close family ties, a house—I already had or were within reach,” says one single.<sup>2</sup> In its place, 72 percent of Millennials think cohabitation is a good idea.<sup>3</sup>
- Healthy marriage is better for children. A married, two-parent family reduces the probability of child poverty by 82 percent.<sup>5</sup>

In other words, while the declining marriage rate reflects an almost tunnel-vision belief that “marriage isn’t working,” it is an incompletely informed belief.

Yet conspicuously absent from the current mistruth (“marriage doesn’t work anymore”) are examples of lasting, healthy marriages. Hardly ever do you hear stories of couples like Denzel and Pauletta Washington, married more than 30 years, held up as role models. And what of the startling statistics about Americans who start a family without a marriage? Data show that healthy marriages and families are one of the best solutions to a thriving society and eradicating poverty.

In relinquishing the dream of a thriving, vibrant marriage, couples miss at least two additional important realities:

- Healthy marriages and a strong family life are deterrents to poverty. Just over one in four poor families in the U.S. consist of a married couple and children. Three out of four families in poverty are led by singles or unmarried.<sup>4</sup>

The facts show that marriage is a potent incubator for stronger families, children, finances, and futures, pointing to an overwhelming opportunity for cultural leaders, policymakers, community influencers, and Americans generally to share the whole truth about marriage, including the truth about the challenges that often come with starting a family without a marriage.

Not long ago, Americans nationwide embraced the dream of building a healthy life, believing that the best strategy was to get married, have children, instill them with values, and release them to use their unique creativity to build to a better world. That dream has been clouded and is fading fast, but how might this generation shift their attitude if they were fully informed?

They might actually dream a new dream—and live it.

**Rev. Derek McCoy** is Executive Vice President of the Center for Urban Renewal and Education (CURE).

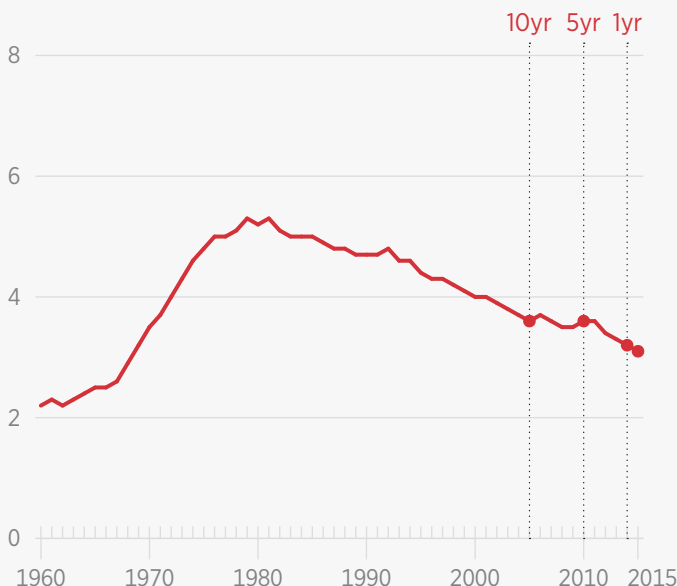
## Divorce Rate

From 2005 to 2015, the divorce rate remained relatively stable, decreasing by 0.5 divorces per 1,000 people.

**NOTE:** Data in this chart are based on divorces per 1,000 total population (the crude divorce rate). In 1996, the National Center for Health Statistics began collecting only provisional divorce rate data, based on preliminary counts of divorce certificates from states. See Indicator Sources on p. 102 for further detail.

**SOURCE:** Centers for Disease Control and Prevention, National Center for Health Statistics.

NUMBER OF DIVORCES PER 1,000  
TOTAL POPULATION



## Marriage: Neither Rocket Science nor Child's Play

Helen M. Alvaré

Divorce is not in the news today as often as it was in the past, although rates remain stubbornly high. Gone are the frequent reports of the 1990s and early 2000s about the mounting evidence of divorce's effects on children and communities. Capturing the headlines instead is the rise of practices and habits associated with a greater likelihood of divorce. Unless we understand and respond to these practices and habits, it is unlikely that we will get sufficient traction in the important work of reducing America's divorce rates and the misery often associated with divorce.

Lifelong marriage is not rocket science, but neither is it child's play. It requires patience, discipline, kindness, practical realism, commitment to the value of commitment, and

habits that reinforce these skills and attitudes. It is no wonder, therefore, that studies continually show a negative relationship between enduring marriage and such practices as cohabitation, premarital sexual relations, premarital childbearing, and pornography. It is also no wonder that young people from households without stable marriage role-modeling struggle to attain "til-death-do-us-part" marriages for themselves.

Today, the majority of Americans cohabit before marriage, even though decades of research show a generally negative correlation with higher divorce rates.<sup>1</sup> They cannot see past their own "logic" to the reality of cohabitation. "Testing" partners seems the safer path in a world of divorce. Substituting surveillance for

the will to persist in love and sacrifice, however, becomes a way of thinking, even if the couple did not start with that mindset. Cohabiting couples are less likely to pool their resources or interact with extended family. As with the tendency to marry much later, cohabitation has become both a *sign* and a *cause* of an indisposition to commit.

Serial premarital sexual partnerships also undermine the opportunity for lifelong marriage.<sup>2</sup> There is both good news and bad news here. Overall, even though fewer high school and college students report nonmarital sexual activity,<sup>3</sup> Americans today have more prior partners than in the past.<sup>4</sup> Vanishingly few enter marriage with no prior sexual partners (5 percent) or only their future spouse (22 percent).<sup>5</sup> Yet rates of divorce are lowest for those with no or just one prior sexual partner.

Moreover, according to the U.S. Census Bureau, Americans are also marrying later (the median age is over 27 for women and nearly 30 for men), increasing the risk of nonmarital sexual partnerships and divorce, because delaying marrying until the early 30s is associated with a higher risk of marital breakup. In fact, for each year beyond 32, the odds of divorce increase by 5 percent per year on average. More Americans are bumping up against or breaking through this 30-something marriage age ceiling.<sup>6</sup>

Pornography is also increasingly associated with relationship troubles, including greater divorce risks—interestingly, especially if married women watch it.<sup>7</sup> Habits begin early. Young children increasingly access pornography by accident or on purpose. One of the most popular hard-core porn sites today reports 2016 traffic

at a rate of 64 million visits *per day*.<sup>8</sup> A 2006 study showed that 34 percent of people between 18 and 49 viewed porn online, and 84 percent acknowledge watching pornographic films.<sup>9</sup>

In the seemingly endless genre of college campus “hookup” books, young women report being asked to participate in more and more degrading sex based on the pornography habits of male students. Some seek to “measure up” to porn stars. They report that these early experiences color their later relationships: Sex can seem unappealing, and the ability of couples to talk with one another or to risk opening their hearts to a potential spouse can be negatively affected.<sup>10</sup>

We are racking up decades and generations of practices associated with the increased risk of divorce. Intergenerational and “grey” divorce rates (over 50 and over 65, respectively) are a growing fact of life. Despite occasional dissenters who insist that private sexual choices leave no wake, the empirical data point overwhelmingly in the opposite direction. Research also points to divorce as a source of female poverty and troubling economic and racial gaps.<sup>11</sup>

On the other hand, we know a lot more today about how divorce begins in a marriage and the tools that might curb it.<sup>12</sup> We are beginning to collect helpful information about which marriage-strengthening programs work or don’t work and why.<sup>13</sup> It is time again to incorporate this vast trove of knowledge directly into marriage education, political speech, public and private programs, and popular culture.

**Helen M. Alvaré** is a Professor of Law at the Antonin Scalia Law School at George Mason University.

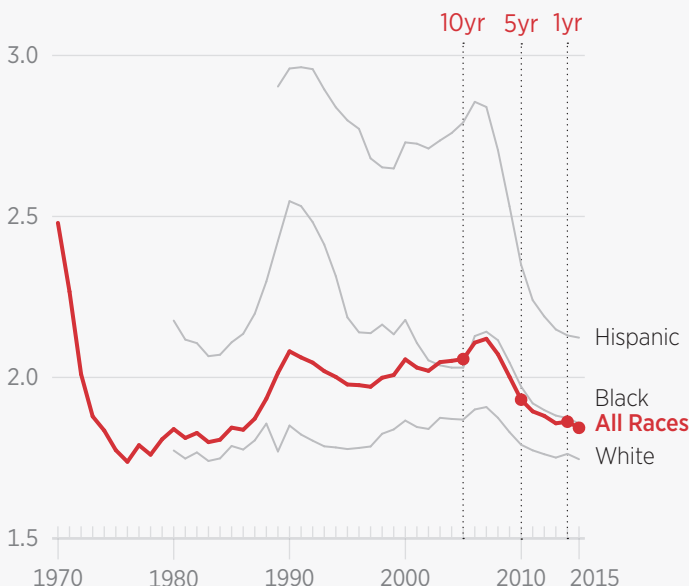
## Total Fertility Rate

From 2005 to 2015, the total fertility rate declined by 0.21 births per woman.

**NOTES:** The total fertility rate is the average expected number of children a woman would have during her childbearing years. Since 1989, Hispanics have been categorized separately from whites and blacks.

**SOURCE:** Centers for Disease Control and Prevention, National Center for Health Statistics, *National Vital Statistics Report*.

### BIRTHS PER WOMAN



## Fading Fertility, Ready or Not

Jennifer Lahl

It is no news that overall fertility rates in America have been declining over the past decade. Part of this decline has to do with both men and women waiting until later to marry, and couples waiting later to begin building their families, than in the past.<sup>1</sup> In addition, over several generations, more women have been pursuing higher education and graduate degrees and spending a large portion of their most fertile years building their careers.<sup>2</sup>

Between celebrities having children well into their 40s and companies adding “benefits” like egg-freezing technologies, women are lured into the belief that they can have children whenever they are finally ready. However, the biological clock is still alive and ticking when it comes to fertility.

In 2001, the American Society for Reproductive Medicine (ASRM) launched an

educational campaign titled “Protect Your Fertility” to inform women of these dangers.<sup>3</sup> The campaign grew out of the ASRM’s increasing awareness of the problems associated with waiting too long to begin having children and a desire to give women the facts about what happens when they postpone pregnancy and childbirth.

The truth is that for both mother and child, pregnancy is better earlier rather than later. Assisted reproductive technology and egg freezing are not magic pills to take when you are ready for a baby. Sadly, some feminist groups criticized the initiative, calling it a “scare campaign” to convince women to “hurry up and have kids.”<sup>4</sup> This is the same feminism that misled Anne Taylor Fleming, author of *Motherhood Deferred*, to describe her own feeling of empowerment thusly:



Armed with my contraceptives and my fledgling feminism...with our birth control pills and the exhortations of the feminist foremothers to urge us on, what could stop us? We were the golden girls of the brave new world, ready, willing, and able to lay our contraceptively endowed bodies across the chasm between the feminine mystique and the world the feminists envisioned.<sup>5</sup>

However, this empowerment eventually left Fleming on the “baby chase.”<sup>6</sup> What do such baby chases entail, and what are the risks and harms?

First, for the fertile woman seeking to postpone childbirth, it includes the latest scheme called egg freezing, but banking your frozen eggs does not erase the biological reality of maternal age. An ASRM report “states that live birth rates declined *consistently* with maternal age,” regardless of the method used to freeze eggs.<sup>7</sup> Even if, under optimal conditions, we can freeze the eggs of a 30-year-old woman and give her a 13 percent chance of an implantation in her 40s, there is still a much higher risk of maternal morbidity and stillbirth.

With advancing maternal age, in vitro fertilization (IVF) is almost always required to achieve a pregnancy, and IVF comes with its own inherent risks and failures.<sup>8</sup> The majority of all IVF cycles fail, meaning that a live birth is almost never achieved. Fertility drugs carry a whole host of risks to women’s short-term and long-term health.<sup>9</sup>

A pregnancy for a woman in her 40s has a rate of infant mortality second only to that

of teen pregnancies.<sup>10</sup> One study showed that “more than one fifth of all pregnancies in 35-year-old women resulted in fetal loss; for women at 42 years of age, more than half of the intended pregnancies (54.5 percent) resulted in fetal loss.”<sup>11</sup> In short, “there is an increasing risk of fetal loss with increasing maternal age in women aged more than 30 years. Fetal loss is high in women in their late 30s or older, irrespective of reproductive history.”<sup>12</sup>

Moreover, a woman who postpones pregnancy into her 40s may need the assistance of eggs from a young, healthy, fertile woman and/or the womb of a healthy woman, each of whom are subject to health risks. Also, as IVF technologies are still fairly new, we are only now seeing that the children born out of these technologies are themselves at risk for certain types of medical problems.<sup>13</sup>

So what does all of this mean for declining fertility rates in the U.S.? It means that we need to do a much better job of educating people on the limitations of human fertility. These limits need to be discussed in light of the new novel “solutions” that lure people into thinking that we can defer motherhood to fit our own timeline. It also means that we need to stop practices that may bring harm to others: the children born from high-tech pregnancies as well as the women who are exploited for their healthy reproductive capacities.

**Jennifer Lahl** is Founder and President of the Center for Bioethics and Culture Network.

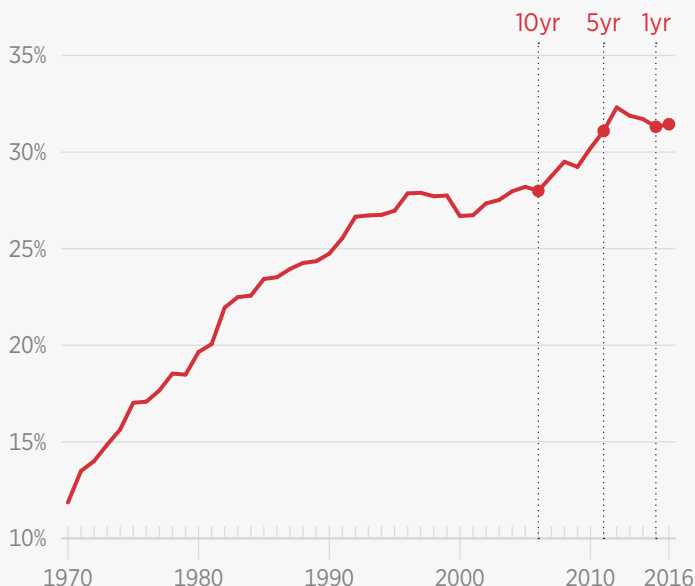
## Single-Parent Households

From 2006 to 2016, the percentage of children living in single-parent households increased by 3.4 percentage points.

**NOTE:** For methodology on estimating children living in single-parent households, please see p. 102.

**SOURCE:** U.S. Census Bureau, Current Population Survey.

PERCENTAGE OF CHILDREN LIVING IN SINGLE-PARENT HOUSEHOLDS



## Playing Catch with Pop

William Mattox

Comedian Chris Rock did a much-celebrated HBO *Real Sports* segment several years ago that poked good-natured fun at many of baseball's quirks to help explain the game's sagging popularity among black youth. Echoing the complaints of many critics, Rock said that baseball is too slow, too bland, and too wedded to its storied past to appeal to today's hip-hop generation.

As humor, Rock's rant touched all the bases, but as sociology, it failed to account for the most significant reason for declining participation in youth baseball: father absence. In America today, many boys—whether black or white—do not play baseball because they have no father to teach them the game.

"We are looking at a generation who didn't play catch with their dads," observes University of Nebraska researcher David Ogden. "Kids

are just not being socialized into the game." His 15-year study of more than 10,000 youth baseball players shows that boys growing up in fatherless homes are less likely to play baseball and less apt to succeed at it than those that have a dad at home who can help them learn the finer points of the game.<sup>1</sup>

Ogden reports that 95 percent of college baseball players were raised in homes with both biological parents. A similar study by researchers from Brigham Young University and the Austin Institute for the Study of Family and Culture found that a disproportionate number of major-league ballplayers were raised in an intact family.<sup>2</sup> Importantly, the relationship between baseball participation and father presence proves to be statistically significant even after controlling for all sorts of socioeconomic factors.<sup>3</sup>

In the grand scheme of things, baseball participation rates are a fairly trivial concern, but these studies merit greater public attention because they help to illustrate just how far-reaching the effects of father absence are. Put another way, father absence does not just affect concerns like household income, student attainment, labor force participation, early sexual activity, substance abuse, and violent crime. It also affects a wide array of less-critical quality-of-life concerns—all the way down to the games children play (or don't play).

Moreover, these studies call our attention to the role of father absence in the social struggles that we face as we try to make America a place of opportunity for all. Daniel Patrick Moynihan correctly predicted back in 1965 that if fatherlessness continued to rise in America, many of the daunting challenges that then affected single-mother households in the black community would come to haunt other communities as well.

Sadly, a reversal in these trends has yet to occur. As the accompanying chart indicates, the percentage of U.S. children raised in a single-parent household ticked up again last year, and the 10-year period ending in 2016 saw this number rise to nearly a third of all children. Two things need to be said about this data point and the research documenting its adverse effects.

- Social science research findings are not determinative. Just because a child comes from a single-parent home does not mean that his or her prospects in life are somehow doomed. The two most historically

significant baseball players of the 20th century—Babe Ruth and Jackie Robinson—came from broken homes, and many other children who have grown up in single-parent households have overcome the challenges associated with parental absence.

- We do the children of single-parent families no favor by pretending that all household forms are equally likely to facilitate human flourishing. Children know better. At some level, they understand that life is invariably harder when one parent is missing from the home.

Children long for stability. They relish predictability. And they yearn for interactivity with their parents. A number of studies have shown that routine family bonding activities like reading bedtime stories and eating meals together have a profound effect on children's educational development and psychological well-being. This yearning for parent-child interactivity no doubt helps to explain why the final scene in the movie *Field of Dreams* strikes such a powerful chord with many Americans. Apparently, there is something deeply satisfying about playing catch with one's father.

Let's hope more and more children get to experience that satisfaction soon.

**William Mattox** is Director of the J. Stanley Marshall Center for Educational Options at the James Madison Institute.

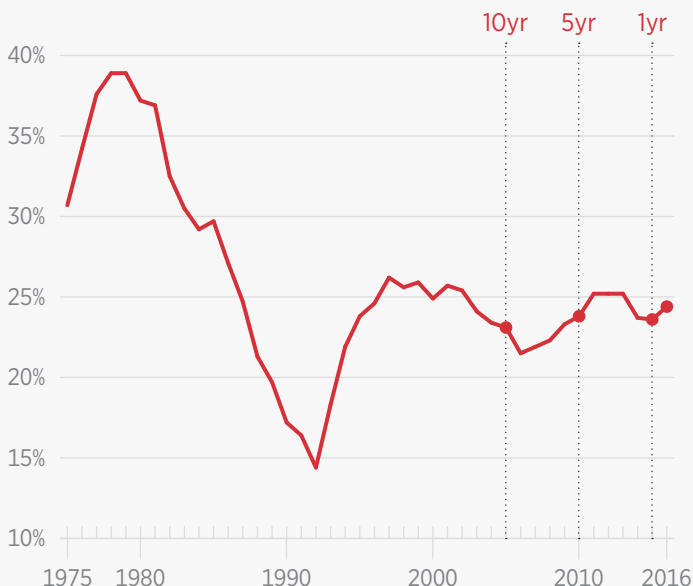
## Teen Drug Use

From 2006 to 2016, the percentage of 12th graders reporting current drug use increased by 2.9 percentage points.

\* Illicit drug use refers to the use of marijuana, LSD and other hallucinogens, cocaine and crack cocaine, heroin, or any use of narcotics without a doctor's prescription, including amphetamines, sedatives (barbiturates), or tranquilizers.

SOURCE: Monitoring the Future.

PERCENTAGE OF 12TH GRADERS WHO USED ILLICIT DRUGS\* IN PAST MONTH



# A Precious Natural Resource: The Developing Adolescent Brain

Christian Thurstone, MD

Americans should care about teen substance use because the developing brain is one of our nation's most precious natural resources. We need our brains to create, innovate, and solve our country's problems.

The brain goes through crucial changes in adolescence.<sup>1</sup> Connections that are no longer needed are pruned. Fat cells, called myelin, develop around the neurons to provide insulation. The end result is to make the brain more efficient. Efficient brains, in turn, create our country's future.

Unfortunately, adolescent substance exposure may interfere with brain development.<sup>2</sup> Brains that are exposed to alcohol, marijuana, opioids, and tobacco during adolescence are different from brains that are not exposed to

these substances.<sup>3</sup> They look different on brain scans, and they function differently as well. For these reasons, our country has an interest in preventing teen substance use and promoting healthy brain development.

In the area of teen substance use, we have cause for both celebration and concern. We celebrate decreases in the prevalence of teen drinking.<sup>4</sup> At first glance, we might also celebrate decreases in teen cigarette smoking. However, if we include nicotine vaping, teens likely use more nicotine now than a decade ago.<sup>5</sup> This increase is not surprising, given the way these products target youth with, among other things, sweet flavors such as chocolate, cherry, and vanilla.

Three main areas of concern are marijuana, opioids, and access to mental health/substance treatment.

- **Marijuana.** Among high school seniors, 6 percent use marijuana daily, and perceived harmfulness is at its lowest point ever with only 30 percent of high school seniors reporting great harm with regular use.<sup>6</sup> Historically, perceived harmfulness is an important predictor of future use. Most striking is the legalization and commercialization of marijuana. Marijuana commercialization has led to cartoon advertising, brightly colored packaging, and sweetly flavored edibles (e.g., candy bars and sodas), all of which clearly target youth. Profits from selling these products can then be used to lobby and impede common-sense prevention such as plain packaging, limitations on potency, and restrictions on store hours.
- **Opioids.** Since 1999, the rate of people dying from opioid overdose has quadrupled.<sup>7</sup> Adolescents have not been spared from the opioid overdose epidemic. From 1999–2013, drug overdose deaths among young people 12–25 years old increased from 3.1 to 7.3 deaths per 100,000.<sup>8</sup> In 2015, 1.1 percent of all young people 12–17 years old, or 276,000 teens, used a prescription pain pill in the preceding month.<sup>9</sup> Even when

opioids do not lead to addiction or overdose, there is concern about their potential impact on the developing brain. For instance, animal models show that opioid exposure during adolescence promotes premature myelination of neurons.<sup>10</sup> In other words, the precise sequencing of the brain development process is altered in potentially crucial ways.

- **Access to substance treatment.** Only 6 percent of adolescents with a substance problem access treatment.<sup>11</sup> This treatment gap would never be tolerated for other conditions such as cancer, diabetes, and heart disease. Yet it has existed for years.

Our country's future depends on healthy brain development. Adolescent exposure to substances endangers our future. In the 1970s, scientists discovered the ill effects of lead on the developing nervous system.<sup>12</sup> Prevention efforts led to dramatic declines in the proportion of youth with toxic lead levels.<sup>13</sup> Similar efforts are needed today to safeguard our youth—and our future—from drug and alcohol exposure.

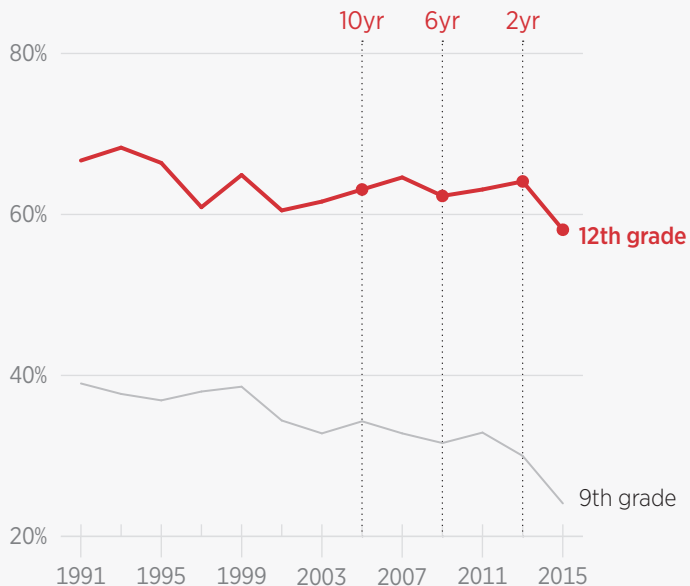
**Christian Thurstone, MD,** is an Associate Professor at Denver Health and Hospital Authority/University of Colorado.

## Abstinence Among High Schoolers

From 2005 to 2015, the percentage of 12th grade students who had ever had sex decreased by 5.0 percentage points.

**SOURCE:** Centers for Disease Control and Prevention, National Youth Risk Behavior Survey.

PERCENTAGE OF 12TH GRADE STUDENTS WHO EVER HAD SEX



## The Future of Sexual Integrity: Cautious Hope Amid New Challenges

Judy Romea

The 10-year decline in the percentage of high school students who have had sex should be a cause for modest hope. This year's rate is lower than at any other point in the history of this indicator going back to 1991. Studies indicate that the younger a person is at the time of his or her first sexual encounter, the higher the likelihood is that he or she will have a greater number of sexual partners over time.<sup>1</sup> A greater number of sexual partners is negatively correlated with future marital stability,<sup>2</sup> emotional health,<sup>3</sup> and other life outcomes. That fewer teens are having sex is therefore an encouraging trend but one that should be considered within the context of a culture in which the ideology of the sexual revolution still prevails.

Perhaps nowhere else is the legacy of the sexual revolution felt more pervasively than on our university campuses, where uncommitted sexual encounters ("hookups") are commonplace. Various studies suggest that somewhere between 60 percent and 80 percent of North American college students have engaged in a hookup.<sup>4</sup> Yet several of these students report negative emotional experiences afterward, with around one-fourth reporting feelings of loss of respect and one-fifth reporting emotional difficulties.<sup>5</sup>

The past two decades have brought additional challenges for building a culture of sexual integrity. Recent technological advancements have made possible instant access to vast amounts of pornographic material as

well as the rapid sharing of private, sexually explicit content. While few statistics regarding adolescent exposure to pornography are available, a survey conducted in 2005 estimated that approximately 42 percent of teens ages 10 to 17 had been exposed to Internet porn that year. Two-thirds of these teens reported their exposure as unwanted<sup>6</sup>—the result, perhaps, of the aggressive marketing practices of the porn industry.

“Sexting” has also become an increasingly common practice among teens. One study estimates that approximately 10 percent of youth ages 10 to 17 have appeared in, created, or sent sexually suggestive photos or videos.<sup>7</sup> In sexting, images are less prevalent than sexually suggestive messages, which, according to one online survey, nearly 39 percent and 48 percent of teens ages 13–19 had admitted to sending and receiving, respectively.<sup>8</sup> Many who receive pornographic photos through sexting share them nonconsensually with others, contributing to the “revenge porn” phenomenon, an insidious clash of the sexting and porn worlds.

What, then, can we do to rebuild a culture of sexual integrity?

*First*, we must continue to foster rational, civil engagement regarding sexual ethics within the academy, among educational and medical experts, between policymakers, and—especially—within families. Recent controversies

might lead us to believe that ours is a culture so heavily oppressed by political correctness, that it is neither possible nor worthwhile to promote sexual integrity in the public square. However, we owe it to the next generation to present thoughtful public arguments in favor of a sexual ethic that frees them to be better future lovers, spouses, and parents.

*Second*, we must work to engage the “storytelling” industries: film, marketing, and journalism, all of which have a profound influence on social and political opinion. Efforts to promote sexual integrity have long been the purview of traditional religious, academic, or educational professionals, with limited engagement of artistic storytellers. The effectiveness of religious ministries or educational work will only be enhanced if more people are exposed to stories with clear-eyed portrayals of the difficulties and rewards of self-sacrificing love.

Whether the sexual revolution will maintain its grip on the next generation depends on our willingness to witness to the truth that a flourishing civil society is one built on strong marriages and happy families and that those in turn are built on personal virtue and an unwavering commitment to sexual integrity.

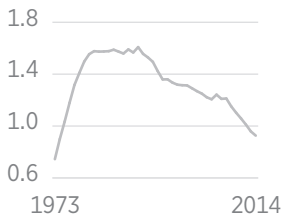
**Judy Romea** is Associate Director of the Zephyr Institute in Palo Alto, California.



## Abortion Rate

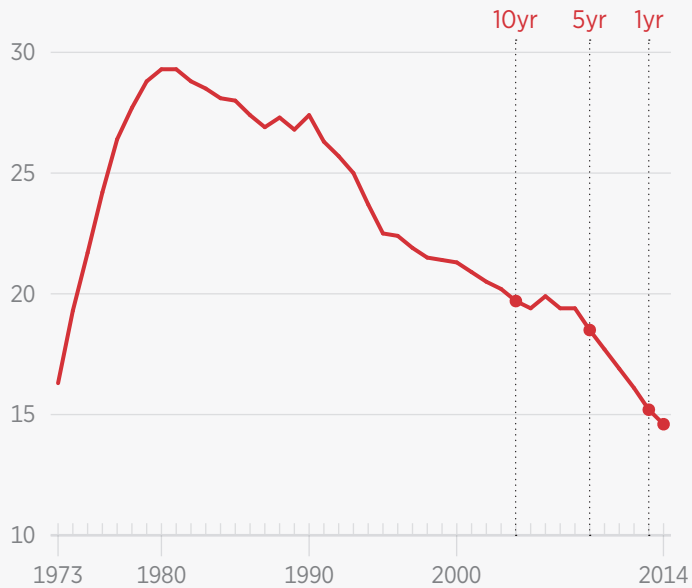
From 2004 to 2014, the abortion rate declined by 5 abortions per 1,000 women ages 15 to 44.

### TOTAL NUMBER OF ABORTIONS, IN MILLIONS



**SOURCE:** Alan Guttmacher Institute.

### ABORTIONS PER 1,000 WOMEN AGES 15–44



## Why Life Is Winning

Jeanne Mancini

The 2017 March for Life marked a historic moment when, for the first time since its inception in 1974, the Vice President of the United States of America attended and addressed the participants. During his remarks, Vice President Mike Pence stated, “Life is winning again in America.”

The March for Life is the world’s largest annual peaceful protest against abortion, drawing huge crowds of people from across the country and even around the world to Washington, D.C., every January to mark the anniversary of the tragic *Roe v. Wade* decision. As President of the March for Life, I have the unique opportunity every year to walk out on stage a moment before the rally program begins and gaze at a sea of youthful, smiling faces. The crowd keeps going and going, farther than I can see. Marchers carry signs with positive, optimistic messages:

“Peace begins in the womb” or “I am the pro-life generation.” The crowd is full of young adults, teenagers and children; they are happy and hopeful and—in their words—plan to “abolish abortion.” This moment always takes my breath away and leaves me with a profound sense of hope.

Seeing the young people at the March for Life is definitely a glimpse of victory for the cause of life. I am not the only person to be affected by such a sight. A few years ago, Nancy Keenan, then President of NARAL Pro-Choice America, the organization that helped to legalize abortion nationwide, was also deeply moved by the witness of the young marchers. *Newsweek* quoted her at the time as saying, “I just thought, my gosh, they are so young. There are so many of them, and they are so young.”<sup>1</sup> She resigned her position shortly thereafter,



stating that they needed to do a better job of marketing to a younger generation.<sup>2</sup>

But more than crowds at the March for Life shows that life is winning. One such sign is the increase in pro-life legislation at the state level. Since 2010, hundreds of laws have been enacted incrementally limiting abortion in various states. These laws range from parental consent and notification; to prohibiting certain late term abortion procedures; to providing informed consent to mothers; to requiring only physicians to perform abortions, and many more. Such incremental pro-life laws typically enjoy broad popular support.<sup>3</sup>

Consider another indicator that public opinion is moving in the direction of life. A recent poll revealed that eight out of 10 Americans would limit abortion to—at most—the first three months of pregnancy.<sup>4</sup> Most Americans (six out of 10) believe that abortion is morally wrong, and the majority of Americans (61 percent) do not support taxpayer funding for abortion.<sup>5</sup>

Many factors influence public opinion on the topic of life, including the developing ultrasonography technology that provides a “window” into the womb at a very early stage of life. In 2013, before the 40th March for Life marking the solemn anniversary of 40 tragic years of *Roe v. Wade*, Cardinal Timothy Dolan, the Archbishop of New York, dubbed the millennial generation the “ultrasound generation” because of the role of such technology in influencing their views on unborn children. Ultrasound images make it difficult to deny that an unborn baby is a human being, not a lifeless

mass of tissue. Placards depicting ultrasounds and articulating other science-based and medical-based pro-life arguments are some of the most popular at the March for Life.

Life is also winning because abortion-providing facilities continue to decrease. In 1992, the number of facilities in the U.S. was 2,380 nationwide. In 2014, the number had fallen to 1,671.<sup>6</sup> Conversely, pregnancy care centers continue to grow and currently number over 2,000.<sup>7</sup> Pregnancy centers are staffed primarily by volunteers and, unlike abortion clinics, are not financially profitable. They seek to help women facing an unexpected pregnancy, offering genuine alternatives to abortion.

These factors are contributing to the most important data point of all: lives being saved. The abortion rate continues to decline as the accompanying chart shows. Similarly, the actual number of abortions continues to decrease gradually every year.

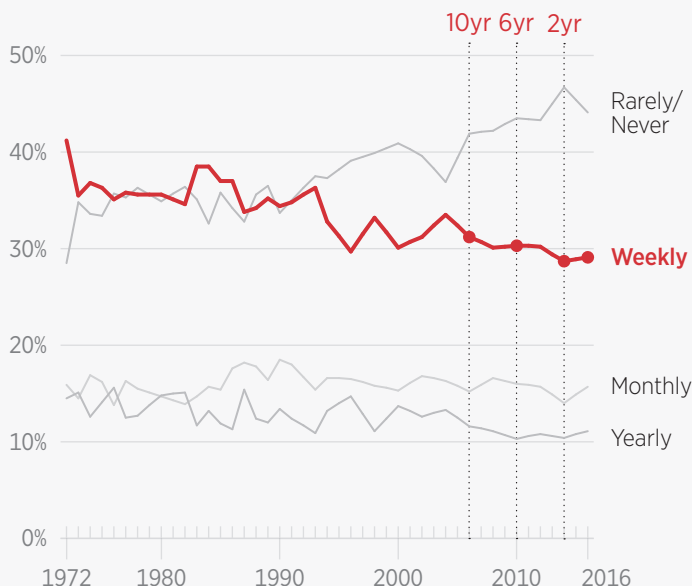
There are many signs that life is indeed winning in the United States, and this is cause for celebration. At the same time, acknowledging that each abortion takes the life of one and wounds another and that any abortion is one too many, we undoubtedly have much more work ahead of us. So we persevere, continuing to build a culture of life one step at a time in the great March for Life. That march has drawn us together in Washington, D.C., for 44 years. We will continue to march until abortion has become unthinkable in the United States.

**Jeanne Mancini** is President of the March for Life Education and Defense Fund.

## Religious Attendance

From 2006 to 2016, the percentage of Americans attending religious services weekly declined by 2.1 percentage points.

PERCENTAGE ATTENDING RELIGIOUS SERVICES



SOURCE: General Social Survey.

## How Churchgoing Builds Community

John Stonestreet

The long-term decline in church attendance should trouble even those who are not personally religious. At this point, the benefits of regular church attendance (or any other kind of religious observance), both societal and personal, are virtually impossible to dispute.

For starters, it can literally add years to your life—two to three, to be exact. Though no one knows exactly why this is the case, it is well documented.<sup>1</sup> At least part of the reason is that it promotes healthier lifestyles. On average, regular churchgoers drink, smoke, and use recreational drugs less than non-churchgoers do. They are also less likely to engage in sexual promiscuity.

That is what churchgoers don't do. As important, if not more important, is what they do. A few years ago, Stanford anthropologist T. M. Luhrmann, the author of *When God Talks*

*Back*,<sup>2</sup> told a story about a Bible study she attended while researching Evangelicals (specifically, members of Vineyard churches). When a member of the study tearfully told the group that she lacked \$1,500 for a necessary dental procedure, Luhrmann was amazed that the group paid for the procedure anonymously.<sup>3</sup>

Luhrmann may have been amazed, but I suspect that regular churchgoers are not. One of the characteristics of regular churchgoing is that it increases social ties and strengthens already existing ones. In other words, churchgoing creates communities that become the means by which people take care of another, as happened in the Bible study described by Luhrmann.

Then there is the effect of churchgoing on children. In his book *Our Kids: The American Dream in Crisis*, sociologist Robert Putnam

writes, “Compared to their unchurched peers, youth who are involved in a religious organization take tougher courses, get higher grades and test scores, and are less likely to drop out of high school.”<sup>4</sup> They also “have better relations with their parents and other adults, have more friendships with high-performing peers, are more involved in sports and other extracurricular activities.”<sup>5</sup> In fact, family churchgoing is so beneficial to academic performance that “a child whose parents attend church regularly is 40 to 50 percent more likely to go on to college than a matched child of nonattenders.”<sup>6</sup>

Moreover, this is true *regardless* of socioeconomic status. The problem is that regular church attendance is increasingly tied to socioeconomic status. According to Putnam, while “weekly church attendance” among college-educated families since the late 1970s has remained more or less the same, it has dropped by almost a third among those with a high school diploma or less. The result is “a substantial class gap that did not exist” 50 years ago.<sup>7</sup> It is yet another way that poorer children are falling behind their more affluent counterparts.

Churchgoing benefits those outside of the church as well. A recent study by Brian and Melissa Grim of Georgetown University and the Newseum Institute, respectively, found that the “value of the services provided by religious organizations and the impact religion has on a number of important American businesses” totals \$1.2 trillion, roughly equivalent to the GDP of Australia.<sup>8</sup>

Thus, regular church attendance and religious observance are good both for individuals and for society as a whole. Unfortunately, this suggests that the opposite is also true: Fewer people going to church is not good news either for individuals or for their communities.

In a sad irony, this decline is most visible in vulnerable communities of the sort described by Charles Murray in his 2012 book *Coming Apart*.<sup>9</sup> In the poorer, less-educated communities that he calls “Fishtown,” what Murray calls the “religiously disengaged” have become the majority. While the label “religiously disengaged” does not mean that they are not morally upright—many of them are—it does mean that as a group, they do not generate the same level of social capital (i.e., social relationships that produce benefits) that the churchgoing population generates.<sup>10</sup>

Thus, whether they realize it or not, those who are vulnerable and whose personal “margin for error” is already very thin are making their already precarious situation even more precarious by not attending church. If the goal of a good society is to produce people who can take advantage of opportunities for personal and familial advancement, then the decline in church attendance, which, as Murray notes, is most concentrated in poorer communities, will only make things worse.

**John Stonestreet** is President of the Colson Center for Christian Worldview and co-host of *BreakPoint*, a daily national commentary on faith and culture.

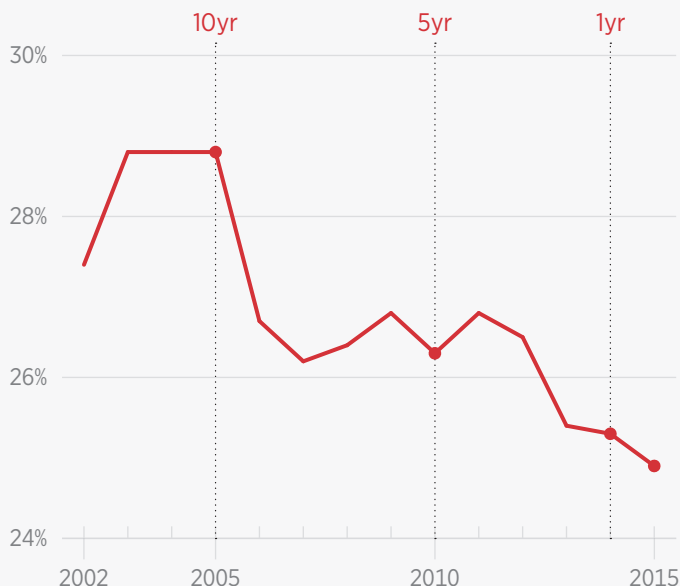
## Volunteering

From 2005 to 2015, the percentage of adults who volunteered declined by 3.9 percentage points.

**NOTE:** Figures are based on an annual survey of volunteering conducted in the month of September.

**SOURCE:** U.S. Department of Labor, Bureau of Labor Statistics.

PERCENTAGE OF ADULTS VOLUNTEERING



## Crowding Out Compassion

James Whitford

Jon stepped into my office with a confident stride that fits his tall, lanky, middle-aged frame. Men his size often intimidate, but the ease that accompanied him brought a peace into the room. He held a cup of coffee, and I'm not sure why, but the steadiness of his hand caught my attention more than anything else.

A year ago, Jon would have tremored. A year ago, he was a different man. Now, weeks away from graduating from our yearlong recovery and work-ready program, that homeless man I first met seemed to have been replaced with the one God had always intended. His visit that day was not to further process the abuse he had suffered as a child or the murder he had witnessed when he was 11 or to discuss where he was in his addiction recovery process. He just wanted to touch base, say hello, and see how I was doing.

In our casual connection that day, Jon shared with me what had helped him the most. "It wasn't the classes you sent me through," he said. "It wasn't the computer literacy certification, the physical wellness, or the job training. It's my mentor that's made the biggest difference for me."

Like every other student in our program, Jon was connected to a mentor committed to building a relationship over 40 weeks. This business executive has given an hour of his time every week to connect with, advise, and be a friend to Jon. A once chronically homeless addict is now a self-sufficient full-time employee, and he attributes his success mostly to a volunteer.

Volunteerism has been core to Watered Gardens Mission from its fledgling start 17 years ago. For the first 10 years, the mission grew exclusively by volunteerism. Today, volunteers

fill more than 700 shifts every month, still providing the lifeblood of effort for the largest privately funded poverty relief work in our city. It changed Jon's life, and he is just one among countless others.

So why is volunteerism on the decline? One might think the most charitable nation on Earth is losing compassion, that primary driving force to volunteer. If so, we had better understand the word. From its Latin roots—*cum passus*, or “to suffer with”—compassion is the visceral response that compels one to extend a portion of his life to help another who is in need. In fact, the Greek form found throughout New Testament Scripture means literally “from the bowel.”

That empathetic ache of the soul that drove Christ to act is the same force that compels millions of volunteers in America every day to extend a portion of their abundant lives to aid lives that are less abundant. Compassion is the instinctive response to another's suffering and serves to fuel true charity.

Because we are godly image-bearers, the capacity for compassion is ever-present in humanity, but it is evoked from dormancy only in response to the awareness of another's plight. Simply put, if we are not aware, we will not care, and if we don't care, we are certainly less likely to volunteer.

Whether intentional or inadvertent, this is the effect of the efforts of central planners, who aim to socially engineer success for all through wealth redistribution but instead obstruct the natural formation of relationships between those who have and those who don't have. Where volunteerism is a step toward right solidarity with our struggling fellow man, a welfare state that can only subsidize physical need creates dependence on one hand and paternalism on the other. The citizens of such a divided society, in which subsidiarity is grossly trespassed, become less aware of neighbors in need and much less likely to volunteer help: When we are not aware, we will not care.

- When a single mother receives welfare benefits that exceed \$12 per hour, she

is less likely to show up at our Methodist church's dress-for-interview clothing ministry, and so are the volunteers who run it.

- When a homeless man receives a HUD voucher for a full year of government-funded housing with all utilities paid, he will not be in the mission's learning center for GED tutoring, and neither will the volunteers who used to run it.
- When your elderly next-door neighbor has a cupboard full of government-subsidized food, you are certainly less likely to volunteer preparing him a meal.

America is not losing compassion. It is just being crowded out.

Recent research that argues against a crowd-out condition fails to control for the disenfranchising effect of regulatory requirements and not-for-profits that masquerade as true charities but spend more time at state capitols lobbying for funds than they do at churches and civic groups recruiting for volunteers.

Finally, most researchers have not stood where I do to experience it firsthand. For nearly two decades, I have witnessed crowd-out clearly tied to government entitlements.

Jon was offered quite an entitlement package: HUD housing, early SSI disability, food stamps. He was enticed to settle into a workless and dependent life. He admits that turning that down for a life of work and self-reliance instead was one of the hardest things he has ever done.

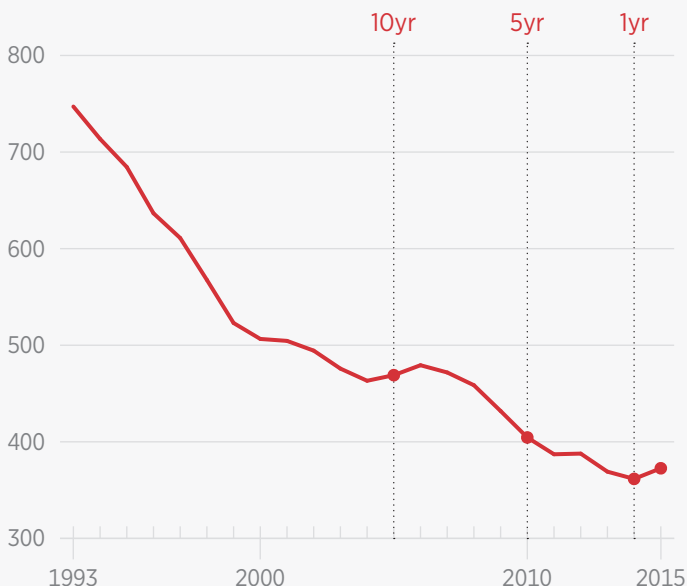
Had Jon succumbed, he would never have met or built a relationship with that compassionate volunteer who encouraged him on to success—just one volunteer in a cause-driven army of compassionate soldiers, all willing to serve well at their own expense. We would be wise not to crowd them out.

**James Whitford** is Cofounder and Executive Director of Watered Gardens Gospel Rescue Mission and the True Charity Initiative.

## Violent Crime Rate

From 2005 to 2015, the violent crime rate declined by 96.4 crimes per 100,000 people.

NUMBER OF VIOLENT CRIMES PER 100,000 PEOPLE



**SOURCE:** Federal Bureau of Investigation.

## Restoring Hope for Ex-Prisoners: The Key to Reducing Crime

Jon D. Ponder

About 2 million people are incarcerated today in the United States<sup>1</sup>—more people per capita than in any other nation except the Seychelles.<sup>2</sup> Two-thirds of these individuals have been arrested for violent crimes.<sup>3</sup> National statistics on recidivism show that over 70 percent of violent offenders end up rearrested.<sup>4</sup> There are high costs associated with reoffending and reincarceration, as the average cost to house an inmate is over \$30,000 a year.<sup>5</sup>

Much more serious are the effects of incarceration on individual persons. The very habits and behaviors that are nurtured and developed inside of correctional facilities are the exact opposite of what a successful lifestyle in mainstream society should mirror. Incarceration is not achieving rehabilitation. Without

addressing the underlying causes of criminal activity—like poverty, substance abuse, and unhealthy relationships—as they affect individual lives, we cannot make a lasting impact on crime rates or recidivism. Research on predicting recidivism shows mixed success, but one truth appears clearly: The best programs treat all people looking for a second chance with respect.

That is our mission at Hope for Prisoners.

Hope for Prisoners is a small nonprofit that is making an enormous impact in Las Vegas, Nevada. As an organization that provides comprehensive reentry services for adults returning home after incarceration, we have had the privilege of serving more than 1,700 clients since our inception almost seven years ago.

Hope for Prisoners was birthed out of the many years of my own experience in and out of the penal system. Knowing firsthand the many challenges that ex-offenders face when coming home to a community that has branded them “undesirable,” my God-given purpose and passion is to help other men and women navigate the journey to successful reintegration. Our goal is to reduce recidivism by providing life skills and leadership training, long-term mentoring, and ongoing support. In doing this, we are able to help reignite hope that there are opportunities for each of them not just to get a job, but to live a successful and productive life with healthy relationships at home, in the workplace, and with the community.

The unique methodology of Hope for Prisoners involves our entire community coming together to support our returning citizens. We have built working relationships with our local law enforcement, judicial systems, higher education providers, and the faith-based community. Our partnerships with our local parole and probation officers, specialty courts, universities, churches, and the Las Vegas Metropolitan Police Department (LVMPD) have allowed us to build a successful model with layers of assistance and accountability for each of our clients. Law enforcement and probation need to be part of the solution for reentry.

We are unique in that LVMPD volunteer officers provide training and mentoring to our clients. Repairing the breach in trust between

the community and police takes place during our process as both sides are given the opportunity to see their common ground and gain a mutual respect. “We came to the realization that we cannot arrest our way out of a crime problem,” says LVMPD Undersheriff Kevin McMahon, who has been instrumental in developing the relationship. “Police partnerships matter...and leadership in trying times matters more.”

HOPE was formally evaluated in 2016 by the Center for Crime and Justice Policy, which found that only 6.3 percent of the 522 program participants were reincarcerated (for new offenses or technical violations) over a two-year follow-up period.<sup>6</sup> Our program has helped people with violent pasts to live transformed lives. The overall rate of job placement is 65 percent for men and 60 percent for women.

We are all affected by crime. There are people returning home from incarceration every day with or without support and opportunities to succeed. A continued decline of violent crime rates depends on their coming home with the support they need to remain productive and contributing members of society. After decades of catastrophic criminal justice efforts, we are working to make a lasting impact—one transformed life at a time.

**Jon D. Ponder** is CEO of Hope for Prisoners, based in Las Vegas, Nevada.



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## The Future of Sexual Integrity: Cautious Hope Amid New Challenges

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Section Two

# Poverty & Dependence





# Poverty & Dependence Summary

- The labor force participation rate (LFPR) for adults ages 25 to 54—those at prime working ages—fell by 1.6 percentage points between 2006 and 2016. “For the better part of the past two decades, America’s LFPR has been heading mainly in the wrong direction. Worrisome in and of itself, the decline in LFPRs also reflects and further exacerbates a multiplicity of additional social ills,” writes Nick Eberstadt.
- The percentage of individuals who live in poverty (excluding welfare benefits) increased just under 1 percentage point (0.9) between 2005 and 2015. “Our current welfare system is structured to disincentivize self-improvement and the reaching of full potentials,” observes Representative Jim Jordan. “This encourages idleness—the exact opposite of what our welfare system should do. To improve the well-being of the poor, the welfare system should promote rather than penalize marriage and encourage work rather than idleness.”

## Poverty & Dependence Indicators

	RIGHT TRACK	WRONG TRACK
Labor Force Participation Rate (p. 44)		○
Unwed Birth Rate (p. 46)		○
Self-Sufficiency (p. 48)		○
Total Welfare Spending (p. 50)		○
Subsidized Housing Participation (p. 52)		○
Food Stamp Participation (p. 54)		○
TANF Participation (p. 56)	●	
TANF Work Participation Rate (p. 58)		○

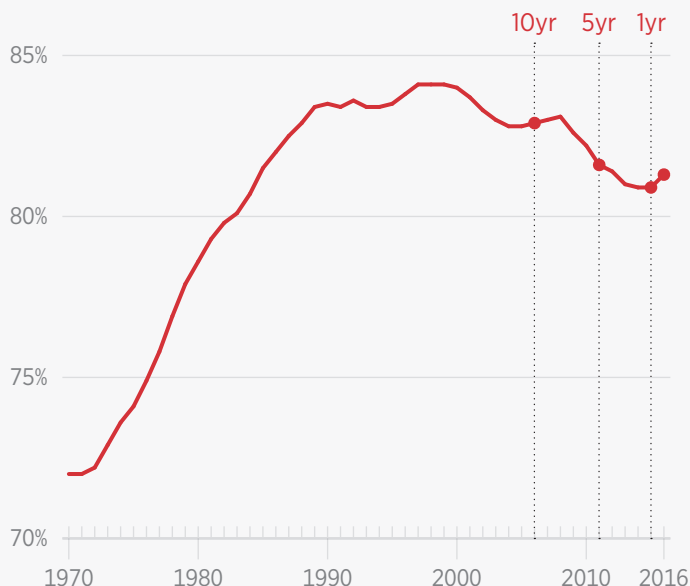
- The number of individuals receiving food stamps increased by about 17.7 million between 2006 and 2016. “[T]he success of SNAP should be measured not only by how much it reduces hunger and improves nutrition, but also by how well it supports and encourages work,” says Angela Rachidi. “Employment among those who can work is the best path toward opportunity and a more prosperous society. All government safety-net programs, including the Supplemental Nutrition Assistance Program, should focus on this broader goal.”

## Labor Force Participation Rate

From 2006 to 2016, the labor force participation rate for adults ages 25 to 54 fell by 1.6 percentage points.

**SOURCES:** U.S. Census Bureau, Current Population Survey, and U.S. Department of Labor, Bureau of Labor Statistics.

PERCENTAGE OF ADULTS AGES 25–54 WORKING OR SEARCHING FOR WORK



## Out of the Workforce

Nicholas Eberstadt

The labor force participation rate (LFPR) is a critical indicator for gauging both the health of our economy and the overall well-being of our society and families. This index tracks the proportion of people in any specified population who are in the workforce: that is, those who are engaged in paid labor plus those who are looking for work.<sup>1</sup>

A rising LFPR signifies a more economically active population with more would-be workers and thus typically also a more broadly generated flow of work income. Conversely, a declining LFPR means that a larger share of the population is out of the labor force altogether and thus dependent for support on other resources.

For the better part of the past two decades, America's LFPR has been heading mainly in the wrong direction. Worrisome in and of itself, the decline in LFPRs also reflects and further exacerbates a multiplicity of additional social ills.

Since America is a nation characterized by constant and often dramatic demographic change, it is essential to use “apples-to-apples” comparisons in assessing trends in the LFPR.<sup>2</sup> A key apples-to-apples population for such comparisons is the cohort aged 25–54, commonly known as the prime-working-age population. It should be self-evident why this group matters so much: It comprises the backbone of the workforce; it is the group in which, because of health and life-cycle considerations, labor force participation tends to be highest; and it is the group that is arguably most central to family formation and the raising of children.

Unfortunately, according to the national employment information collected by the U.S. Bureau of Labor Statistics (BLS), LFPR trends for America's prime-working-age population have been gradually worsening for quite some time.

The BLS reports that the LFPR for prime-working-age Americans hit its all-time high in the late 1990s, with annual averages of 84.1 percent for 1997–1999. In 2016, by contrast, it averaged 81.3 percent: in other words, nearly 3 percentage points lower than in 1997. The 2016 reading was 1.6 percentage points lower than a decade earlier in 2006. Perhaps even more remarkably, it was 0.6 point lower in 2016 than in 2011, in the immediate grim aftermath of the Great Recession. The reading for prime-age LFPR did rise somewhat (0.4 point) between 2015 and 2016; even so, the 2016 reading remained lower than it had been 30 years earlier in 1986.

If America today maintained the same prime-working-age LFPR it achieved two decades ago, nearly 5 million more men and women 25–54 years of age would be in the workforce. The implications for economic growth, family incomes, and the vibrancy of our communities would be significant.

So why are LFPR trends set on such a bad long-term course? In arithmetic terms, the answer is simple: The LFPR for prime-age males has been in ominous long-term decline since the mid-1960s.<sup>3</sup> The collapse of work for men has taken on shocking dimensions: The employment-to-population ratio or “work rate” for prime age men is slightly lower today (2016) than it was in 1940 at the tail end of the Great Depression.

While “globalization” and structural changes in the economy no doubt have played some role, we should note that the decline in prime male LFPRs has been more dramatic in the U.S. than in most other rich Western societies affected by those same global economic forces. America’s uniquely huge “criminal class,” as some have called it, is surely part of the explanation as well: Today, an estimated 20 million men and women (overwhelmingly men) who are not behind bars have a felony conviction in their past.<sup>4</sup> Also at play may be America’s various government disability benefit programs, which may inadvertently incentivize some working-age adults to subsist on these support programs instead of remaining in the workforce.<sup>5</sup>

Labor force participation rates for prime-age women are now following the same grim downward course that their prime male counterparts embarked upon several decades earlier. This is not because more women are having children; fertility levels in the U.S. have declined slightly over the past decade. The great postwar entry of women into the paid labor economy, however, was sufficiently powerful to compensate for this decline and continued to lift overall prime-age LFPRs through the 1970s, ’80s, and ’90s.

Then, in the late 1990s, the prime-age-female LFPR commenced its own troubling decline, a drop that has continued unabated for nearly 20 years. Today, the prime-age-female LFPR is back down to its level in the late 1980s, which means that social progress in this important sphere has been set back by about a generation.

The long-term decline in America’s prime-working-age LFPR has several important implications. First, it demonstrates that America is nowhere close to “full employment,” regardless of what the “unemployment rate” may suggest. The unemployment rate is an increasingly misleading metric of labor market conditions because it does not take account of those who have left the labor force altogether—and today, there are three prime-age men neither working nor looking for work for each prime-age man who is technically “unemployed.” Second, the American economy has been underperforming for a very long time, not only during the Obama era, but throughout the George W. Bush era as well.

The declining prime-age labor force participation rate has far-reaching consequences for our nation—virtually all of them bad. It leads to slower growth, wider income and wealth gaps, higher welfare dependence and government budget deficits, greater pressure on fragile families, and reduced social mobility. It is imperative that citizens and elected representatives focus on the bane of declining labor force participation and commit to turning this indicator around.

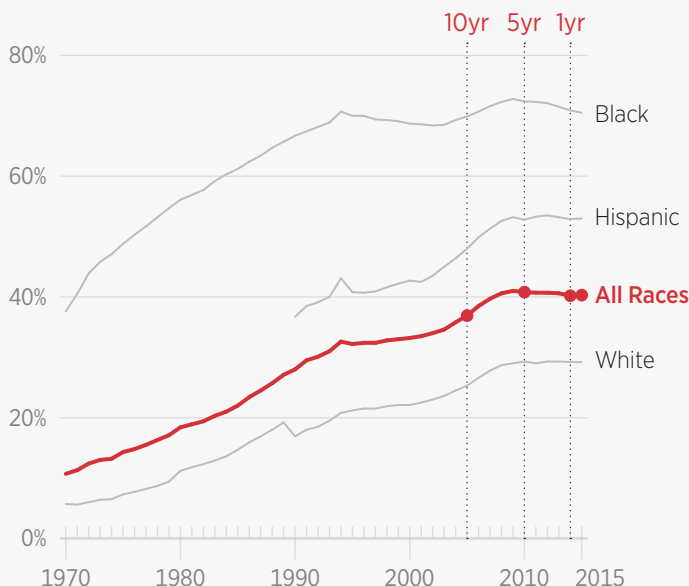
**Nicholas Eberstadt** holds the Henry Wendt Chair in Political Economy at the American Enterprise Institute (AEI).

## Unwed Birth Rate

From 2005 to 2015, the percentage of children born outside of marriage grew by 3.4 percentage points.

**SOURCES:** Centers for Disease Control and Prevention, National Center for Health Statistics, and Child Trends.

PERCENTAGE OF BIRTHS TO UNMARRIED WOMEN AGES 15 AND OLDER, BY RACE



## Mom and Dad: Better Opportunity Together

Katrina Trinko

“My young childhood and adolescence (maybe my whole life) was wrapped up in searching for substitute father figures: uncles, neighbors, teachers, professors, priests, even God.” Those are the words of Michael Brendan Dougherty, a columnist who chronicled his experience of being raised by a single mother in a 2012 essay for *The American Conservative*.<sup>1</sup>

Dougherty’s words highlight why it is such a tragedy that the rate of unwed births is rising, not falling. Between 2005 and 2015, the share of babies born to unmarried mothers rose by 3.4 percentage points. Four out of 10 babies born in 2015 were to unmarried mothers—a huge increase from 1970, when only one out of every 10 babies born was to an unmarried mother.

Every parent who chooses life in adverse circumstances should be commended. Many single moms and dads, whether due to later circumstances or a surprise pregnancy, have nobly risen to the task and done an amazing job of raising their children, but we also need to acknowledge, as decades of research has shown, that the ideal situation for any child is growing up with the mother and father who brought that child into the world.<sup>2</sup>

While some unmarried women who have children may have partners, the reality is that cohabitation is not the same as marriage: For one thing, it is less likely that the parents will stay together for the long haul.<sup>3</sup> Furthermore, there are also risks for the children: “Children living with their cohabiting parents are more

than four times more likely to be sexually, physically, or emotionally abused than their peers living in a home headed by their married parents,” wrote marriage researcher W. Bradford Wilcox of the findings of a federal study in a 2011 piece for *Public Discourse*.<sup>4</sup>

Then there are the economic consequences for both mothers and children. To put it frankly, single-parent households experience less opportunity. For example, in a 2014 study, researchers at Harvard and the University of California–Berkeley found that “[economic] mobility is significantly lower in areas with weaker family structures, as measured e.g. by the fraction of single parents.”<sup>5</sup>

Sheryl Sandberg, Facebook executive and author of *Lean In*,<sup>6</sup> a book that pushed women to pursue ambitious career objectives, last year acknowledged the struggles faced by single mothers in the workplace. “I did not really get

how hard it is to succeed at work when you are overwhelmed at home,” Sandberg, who lost her husband in 2015, wrote in a Facebook post.<sup>7</sup> That is another tragic result of single parenthood: that both parent and children could be held back from their full potential because of the struggles that accompany their familial structure.

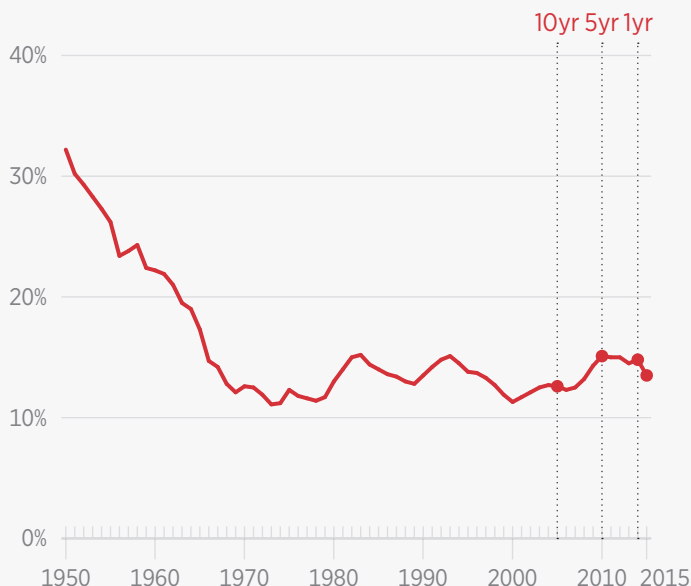
For better or worse, we are all shaped by the culture we live in, and a more honest culture-wide perspective on the challenges and downsides of single parenting could help us move in a different direction: one that encourages marriage as a way to help both parents and children flourish more.

**Katrina Trinko** is Managing Editor of The Daily Signal and a member of the *USA Today* Board of Contributors.

## Self-Sufficiency

From 2005 to 2015, the percentage of individuals living in poverty (excluding welfare benefits) increased by 0.9 percentage point.

PERCENTAGE OF INDIVIDUALS WHO LIVE IN POVERTY (EXCLUDING WELFARE BENEFITS)



**SOURCES:** U.S. Census Bureau, Current Population Survey, and U.S. Department of Health and Human Services.

# It's Time to Fix Our Welfare System

The Honorable Jim Jordan

**A**cross this country, too many Americans feel that their government has forgotten them. Instead of fighting for their needs, their representatives give special deals to special interests, and everyday citizens are left to foot the bill.

The House Freedom Caucus was formed to remember those forgotten Americans and fight for them. We must do this by simplifying the tax code so that connected businesses don't get special carve-outs. We must also do this by reforming our welfare system so that taxpayers receive the return on investment that they deserve—and so that we partner compassionately with those in need and help them to rise out of poverty.

Our current welfare system is structured to disincentivize self-improvement and the reaching of full potentials. If a couple gets

married, they are penalized and lose benefits. In addition, most welfare programs provide able-bodied individuals with benefits without requiring the recipient either to hold a job or to search or prepare for work. This encourages idleness—the exact opposite of what our welfare system should do.

To improve the well-being of the poor, the welfare system should promote rather than penalize marriage and encourage work rather than idleness. That's why I have worked with Senator Mike Lee of Utah and Congressman Mark Meadows of North Carolina to introduce the Welfare Reform and Upward Mobility Act.<sup>1</sup> This bill would fix the incentive structure for the federal food stamp program, the Supplemental Nutrition Assistance Program (SNAP).

Under our bill, able-bodied adults without dependents (ABAWDs) would be required to

get a part-time or full-time job, be in school, be in job training, or be actively looking for a job in order to receive SNAP benefits. Far from punishing those who need help, this requirement would partner with unemployed or underemployed individuals to make sure that they are getting the education or training they need in order to compete in today's marketplace. For those applying for work, professionals would supervise their search to make sure that it ended in employment instead of a string of demoralizing rejection letters.

These reforms are modeled on similar reforms in the state of Maine and on the bipartisan 1996 welfare reform act. Both successfully helped Americans to escape the cycle of poverty and pursue their American dream. Both helped the downtrodden to look up and see their potential, reach for it, and successfully seize it.

This is both a compassionate way to help people out of poverty and responsible answer to our current fiscal troubles. With \$20 trillion in debt, our country cannot afford to sit idly by and be content with the status quo. We need to find smart solutions to problems of government spending and entitlement insolvency. When we do that, we will be taking major steps toward remembering the needs of those ordinary Americans who sent us to Washington to represent them in the first place.

**The Honorable Jim Jordan** represents Ohio's Fourth District in the U.S. House of Representatives.

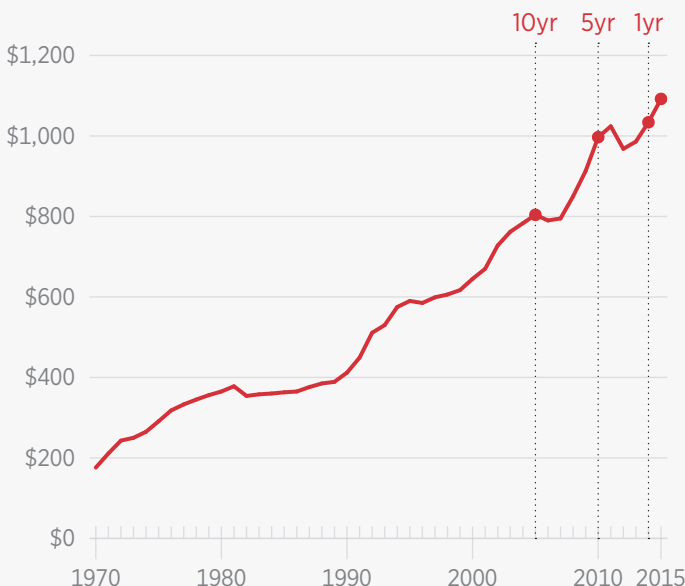
## Total Welfare Spending

From 2005 to 2015, the combined cost of federal and state welfare spending increased by \$288 billion in 2015 dollars.

**NOTE:** Total means-tested welfare spending includes over 80 government programs providing cash, food, housing, medical care, and targeted social services for poor and low-income Americans. Social Security, Medicare, Unemployment Insurance, and Veterans benefits are not included.

**SOURCE:** Heritage Foundation research and data from the Office of Management and Budget.

FEDERAL AND STATE WELFARE SPENDING  
IN BILLIONS OF 2015 DOLLARS



# Human Nature in a State of Welfare

Cal Thomas

When my wife and I visited Singapore a few years ago, I asked our cab driver about the unemployment rate. “Under 2 percent,” he said.

Astonished, I asked why the rate was so low. “We don’t have any welfare here,” he responded. “If you are able-bodied and don’t work, the government doesn’t send you a check.”

Singapore appears to be practicing what Paul the Apostle said: “Those unwilling to work will not get to eat.”<sup>1</sup> To the Western ear, this can sound harsh, but it gets to the heart of human nature. The threat of an empty stomach is a great motivator for people who are able to work to find work.

Proponents of perpetually increasing the welfare state ignore human nature. Welfare programs offering handouts have multiplied over the past half-century. Government

spending on dozens of programs for poor and low-income Americans now totals more than \$1 trillion per year.

Just how debilitating welfare can be in eroding human initiative was told in a 2008 story by the U.K. *Daily Mail*.<sup>2</sup> The newspaper reported on a study showing that the benefits system has created a “why bother” economy that has left thousands with no motivation to work. The *Mail* reported on 10 members of the same family living in a council house (paid for by the government), none of whom had ever worked. The newspaper has reported on other families who feel insulted when someone suggests they should find jobs. It is the ultimate poison that has produced an entitlement mentality.

In Washington, D.C., within sight of the U.S. Capitol, one sees dozens of apparently able-bodied men standing on street corners asking



for handouts. Panhandlers used to carry signs that read “Will work for food,” but they seem to have discovered that they can make more tax-free money by not offering to work.

Just as handouts with no expectation of personal responsibility rob individuals of their dignity, so too does welfare rob them of motivation. America has always been about inspiration, followed by motivation, followed by perspiration as a formula for improving any life. Now that proven formula has been transformed into envy, greed, and entitlement. Liberal politicians have made hay by telling people that they should envy what other people make because they are entitled to the money earned by “the rich” rather than by suggesting ways they might become if not rich, then at least self-supporting. Again, for many, human nature would rather get a check from the government without working for it than earn a check from a job.

When President Bill Clinton and Speaker Newt Gingrich worked out a welfare reform

bill 20 years ago, the Left screamed that people would starve and be thrown into the streets where they would die. In fact, when many of those on welfare discovered that the gravy train would not be stopping at their mailbox anymore, they managed to find work.

The greatest weapon against poverty is not welfare. Rather, it is the establishment of strong families with a father and mother living under the same roof, raising their children together and allowing those children to have a choice in where to attend school. Efforts like these—not endlessly increasing government welfare spending—will improve the welfare of virtually any person.

Sociologists have shown that this works, and history proves that it does. Ask the Singapore cab driver.

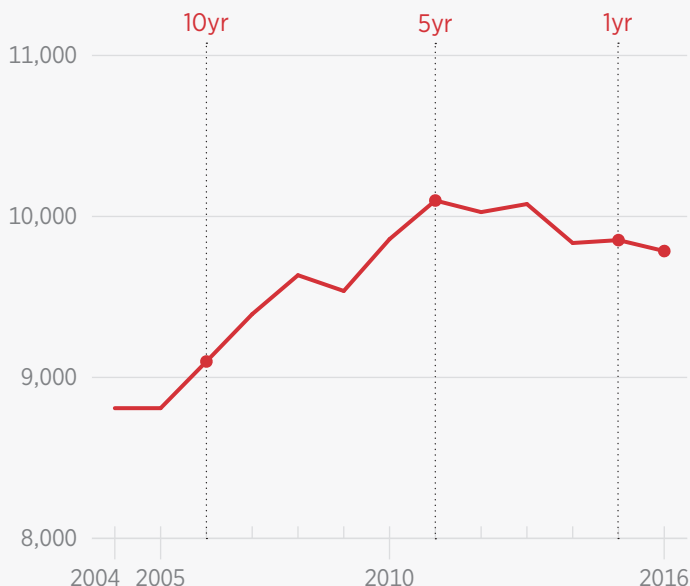
**Cal Thomas** is a nationally syndicated columnist.

## Subsidized Housing Participation

From 2006 to 2016, the number of people living in subsidized housing increased by about 686,000.

**SOURCE:** U.S. Department of Housing and Urban Development.

TOTAL INDIVIDUALS LIVING IN SUBSIDIZED HOUSING, IN THOUSANDS



# How Housing Assistance Leads to Long-Term Dependence—and How to Fix It

Howard Husock

It hardly seems right, superficially, to express concern about federal programs designed to make housing more affordable for those with low incomes. No one wants to consign anyone to life on the street or in substandard conditions or to face a tradeoff between paying rent and other vital expenses. In the context of the wide array of programs to help the poor, however, housing assistance—whether in the form of housing choice vouchers, public housing, or otherwise subsidized rental units—stands out in ways that should worry those who are concerned about social programs fostering long-term dependence rather than upward mobility.

It is important to know that housing assistance, in contrast to Medicaid or food stamps, is not an entitlement for which income alone

qualifies. The number of public housing units and housing vouchers available overall is limited (1.07 million and 2.47 million, respectively).<sup>1</sup> The prospect of an open-ended guarantee of low rent, capped at 30 percent of income, averaging \$332 per month,<sup>2</sup> draws a long waiting list—and, significantly, leads those who are lucky enough to get such housing to remain in it for long periods. Cash welfare—officially, Temporary Assistance for Needy Families (TANF)—may be capped at five years, but no such limit applies to housing assistance.

The results are dispiriting. Department of Housing and Urban Development data from 2016, based on the 2010 census, show that holders of housing vouchers have received assistance for an average of 9.1 years, while the

average public housing resident has lived in such a unit for 10 years. These figures are increasing; in 2009, the average public housing resident had lived in such a unit for six years, while the average voucher holder had had such support for 7.5 years.<sup>3</sup>

It is also important to note the demography of program participants. Apart from the elderly and disabled, the largest single group in subsidized housing is single parents with children. In effect, subsidized housing offers a way for low-income single parents to form and maintain independent households, an incentive that overlooks the fact that children in such households face bleak prospects. A significant number of such households are African-American (43 percent of public housing residents, 48 percent of voucher holders) and Hispanic (23 percent of public housing residents, 17 percent of voucher holders).<sup>4</sup> Public housing programs contribute to trapping people in poverty and, often, physical isolation.

Nor do the programs offer incentives for upward mobility. Because rent is fixed at 30 percent of income, increasing one's income either by earning more or by marrying another wage earner would lead to a rent increase. It should therefore come as no surprise that 15 percent of public housing residents and 20 percent of voucher holders are classified as "overhoused," meaning that their apartments have empty bedrooms.<sup>5</sup> In contrast to those who are paying market rents, subsidized tenants can stay put after their children have left rather than taking steps to save money by "downsizing." The losers are those on waiting lists for the very same units.

All of this is in sharp contrast to the positive incentive structure provided by the private

housing market. When one pays for one's own housing, one has an incentive to scrimp and save, earn more, and combine incomes with a spouse in order to move up to a larger unit in a better neighborhood. Subsidized housing turns this virtuous pattern on its head, rewarding those who make no effort to earn more. Indeed, subsidized housing—especially newly built subsidized apartments, often underwritten by elaborate financing structures based in the low-income housing tax credit program—actually undermine the private housing market and its incentives for upward mobility.

Small landlords in poorer communities historically have relied on rental income as an element of their own process of self-improvement. Such owner-occupied, privately owned lower-income housing makes for social order in poor neighborhoods. Competition from subsidized new rental housing undermines this model and leads to housing without a strong community structure, with public housing, disproportionately rife with crime, being the most notorious example.

The advent of public housing in the 1930s and the many generations of efforts to elaborate on and "fix" it were essentially misguided. Contrary to the basic assumptions of housing reformers, the private market has proved more than capable of providing a wide array of housing types that are affordable for many income levels—and could do even better for those of lower incomes absent overly restrictive zoning and other regulatory impediments.

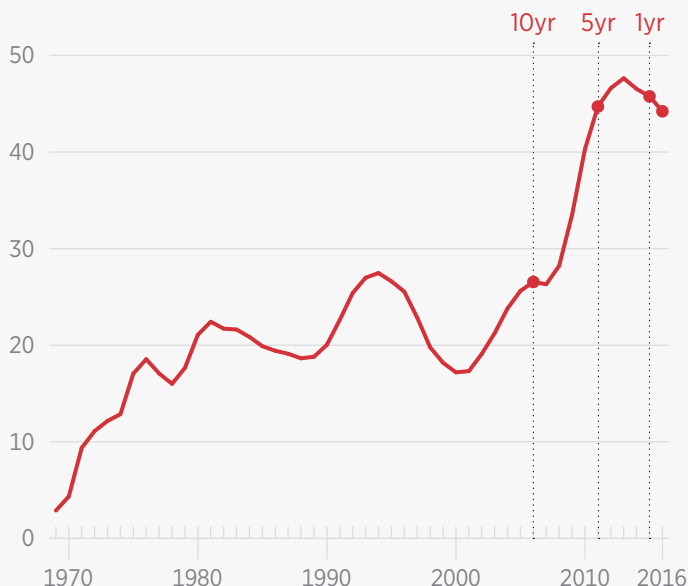
**Howard Husock** is Vice President for Research and Publications at the Manhattan Institute, where he is also Director of the Institute's Social Entrepreneurship Initiative.

## Food Stamp Participation

From 2006 to 2016, food stamp participation grew by about 17.7 million people.

**SOURCE:** U.S. Department of Agriculture, Food and Nutrition Service.

NUMBER OF INDIVIDUALS RECEIVING FOOD STAMPS, IN MILLIONS



## SNAP, Work, and Opportunity

Angela K. Rachidi

The rise in the number of Supplemental Nutrition Assistance Program (SNAP)<sup>1</sup> recipients over the past five decades is dramatic, more than doubling since the 1980s and increasing 66 percent in the past 10 years alone. Perhaps encouraging is a reversal of this long-term trend since 2013, suggesting that fewer Americans are relying on food assistance from the government as the economy improves. Absent changes, can we expect SNAP caseloads to return to levels of the past? Most likely, the answer is no.

The reasons to expect relatively high SNAP caseloads for the foreseeable future can be attributed to two factors: the broader retreat from work by men and women in America and the inability of SNAP and other safety-net programs to counteract these declines. Unless reforms are made that lead to increased

employment among adults in this nation, SNAP caseloads will remain high by historical standards.

The share of people not engaged at all in the labor market (and therefore not counted in the unemployment rate) remains above levels prior to the recession and reflects a longer-term declining trend. According to data from the Bureau of Labor Statistics, the labor force participation rate among prime-age men and women (25–54 years old) has declined three percentage points since 2000, accounting for millions fewer people working.<sup>2</sup> Add to that an aging population less likely to work, and American households are turning increasingly to government programs such as SNAP to sustain themselves.

This retreat from work is evident in SNAP as well. Among adult SNAP recipients,

approximately 64 percent are not elderly or disabled, suggesting that they are capable of work but lacking employment.<sup>3</sup> According to data from the U.S. Department of Agriculture, approximately 35 percent of SNAP households with children and a work-able adult have no earned income. Among nonelderly, able-bodied adults without children, some 75 percent have no earnings.<sup>4</sup>

Americans should pay attention to these trends because they reflect government's ability to increase economic opportunity for low-income households, not just reduce hunger and malnutrition by providing resources to purchase food. Research shows that SNAP has many health benefits for low-income families,<sup>5</sup> but when government programs replace rather than support employment, they do a disservice both to their participants and to the broader society.

In my experience working with SNAP recipients in New York City, they were grateful for assistance at a difficult time, but many expressed a desire for a job rather than a

government handout. The long-term trend in SNAP raises concerns that it might be doing little to help these participants reach their ultimate goal of employment.

Although recent declines in SNAP receipt offer encouragement, longer-term trends still present some challenges. Policymakers and program administrators must recognize that employment also contributes to the health and well-being of families, and SNAP plays an important role. From this perspective, the success of SNAP should be measured not only by how much it reduces hunger and improves nutrition, but also by how well it supports and encourages work.

Employment among those who can work is the best path toward opportunity and a more prosperous society. All government safety-net programs, including the Supplemental Nutrition Assistance Program, should focus on this broader goal.

**Angela K. Rachidi** is Research Fellow in Poverty Studies at the American Enterprise Institute (AEI).

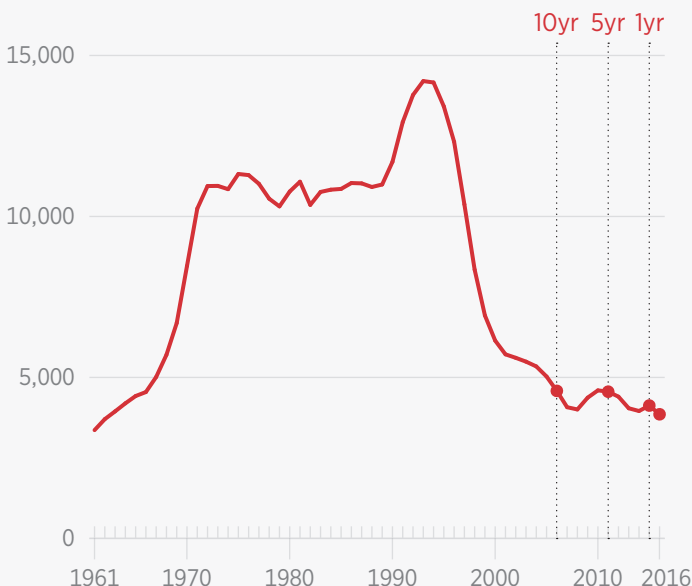
## TANF Participation

From 2006 to 2016, the number of individuals receiving aid from the Temporary Assistance for Needy Families (TANF) program decreased by about 727,000.

**NOTE:** Prior to 1996, TANF was known as Aid to Families with Dependent Children (AFDC).

**SOURCES:** U.S. House Committee on Ways and Means, *Green Book 2012*, and U.S. Department of Health and Human Services.

NUMBER OF INDIVIDUALS RECEIVING CASH ASSISTANCE FROM TANF/AFDC, IN THOUSANDS



# How Work Overcomes the Welfare Trap

Nic Horton

A key ingredient of any welfare program is work. Without work requirements in place for nondisabled, nonelderly enrollees, any welfare program naturally operates as a welfare trap. Staying in such welfare programs, languishing in dependence, enrollees miss an incalculable amount of opportunity to improve their lives.

This is the cruelty of welfare, and it is why conservatives care so deeply about rescuing as many individuals from it as possible. It is also why work requirements, combined with time limits, are so important. Individuals cannot escape poverty without work; they cannot live the American Dream without work. Trapping individuals in a welfare program that discourages work robs them of the chance for a better life.

As part of the great welfare reform of the 1990s, Congress transformed what was then

one of the nation's largest welfare programs. That effort, embodied in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, aimed to refocus the decades-old Aid to Families with Dependent Children (AFDC) cash assistance program. Under its new name, the Temporary Assistance for Needy Families (TANF) program was given new goals: Keep families together, reduce out-of-wedlock pregnancies, encourage the formation of two-parent families, and reduce dependence. One of the primary ways TANF seeks to accomplish all of these goals is by promoting work: transforming welfare from a way of life into a temporary safety net or trampoline back into independence.

Congress gave states quite a bit of leeway when it comes to defining what counts as work under TANF. As a result, work requirements

standards—and even those who are considered to be “work eligible”—vary greatly by state. In general, however, single-parent families with a child under the age of six are required to work, search for work, or participate in work training for 20 hours per week within two years of joining TANF. Other families with work-eligible adults must participate in these work-related activities for 30 hours per week.

TANF also instituted lifetime limits (five years) for beneficiaries. These limits, combined with work requirements, have helped to accomplish TANF’s stated goal that welfare does not become a way of life but instead serves as a temporary safety net.

The results were remarkable. In 1995, just a year before welfare reform was passed, more than 13.4 million individuals were dependent on cash assistance through AFDC. After the program was transformed and reoriented toward reducing dependence, enrollment began to plummet.

- By 1998, enrollment had dropped to just over 8.3 million;
- In 2006, just 10 years after welfare reform was signed into law, enrollment had dropped to 4.6 million; and
- In 2016, as the country celebrated the 20th anniversary of the historic welfare

overhaul, enrollment sat at just 3.9 million individuals, roughly 727,000 fewer than had been enrolled just 10 years earlier. This represents a staggering 71 percent drop in TANF dependence since the year before welfare reform, reaching levels unseen since 1962.

Unlike pre-reform recipients, individuals who enroll in the TANF program today know that their time is limited. They know, in most cases, that they are expected to work and that dependence on cash assistance is not a lifestyle they can maintain over the long term. This is good news for their well-being, because research has shown that the less time individuals spend on welfare, the quicker they will go back to work.<sup>1</sup> And when they do, their incomes will more than double on average, more than offsetting lost welfare benefits and leaving them better off than they were before.

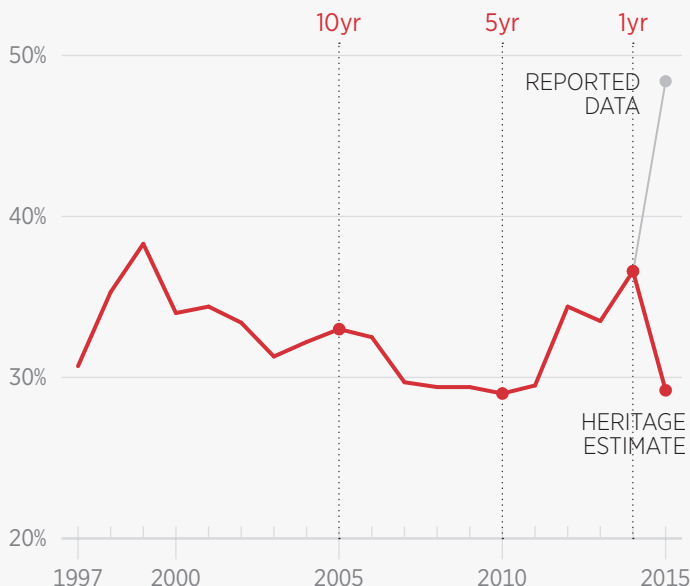
As enrollment in other welfare programs like food stamps and Medicaid—programs in which work requirements and time limits are largely absent—continues to soar, the decline in TANF enrollment should serve as a blueprint for policymakers who are serious about reducing dependence.

**Nic Horton** is a Senior Research Fellow at the Foundation for Government Accountability.

## TANF Work Participation Rate

From 2005 to 2015, the work participation rate for work-eligible households receiving aid from the Temporary Assistance for Needy Families (TANF) program decreased by 3.8 percentage points, based on Heritage estimate.

PERCENTAGE OF WORK-ELIGIBLE TANF HOUSEHOLDS ENGAGING IN WORK ACTIVITY



**NOTE:** Estimate excludes households in about 12 states receiving token payments, discussed on following page.

**SOURCES:** U.S. Department of Health and Human Services, Administration for Children and Families; and Heritage Foundation calculations.

# Needed in Federal Welfare Programs: Work, Work, and More Work

Katherine Bradley and Robert Rector

Last year marked the 20th anniversary of welfare reform, the Temporary Assistance for Needy Families (TANF) program. This law was historic because for the first time in modern history, a social welfare program was reformed so that it would actually help recipients move up the economic ladder. Its goal was not only to provide fiscal assistance, but also to help people find jobs and gain skills to increase their long-term employability. Within 10 years of reform, TANF helped more than 2.7 million families to move into jobs and toward self-sufficiency.<sup>1</sup> No other social welfare reform has seen this kind of success.

Over the years, the original work requirement embedded in TANF has been eroded. States have found loopholes and claim credit for placing people in jobs when all they have really done is game the system. Regulations during the Obama Administration shrank the work requirement by allowing states to receive credit for work simply by spending more of their own state dollars on social services. They also allow states to claim credit for efforts by nonprofits and other groups to aid the poor.<sup>2</sup>

Furthermore, the Obama Administration sought in effect to eliminate the work requirement by allowing states a waiver if they had



an “alternative” plan to promote work and job preparation. By using multiple loopholes, states have artificially inflated their work rates, which explains recent gains in the work rate.

In the typical state, nearly half of the work-eligible TANF caseload is completely idle. Another 39 percent is employed; however, this employment is generally not the result of positive efforts by state welfare agencies to reduce dependence and promote work. Instead, most states have simply expanded program eligibility to allow families with part-time or low-wage employment to receive partial TANF benefits. In most cases, the state welfare agency has done little or nothing to prompt this employment.

Finally, 13 percent of work-eligible TANF recipients are engaged in “work activation” to generate future employment. This includes training, job preparation, community service, and monitored job search. Work activation should be the core TANF operation, but in most states, it is rare.

Even worse, states have proven adept at creating statistical gimmicks to create the false impression that they are aggressively promoting work. For example, in 2015, California created a new policy offering a token TANF payment of \$10 per month to 175,000 low-income families, nearly all of whom were already employed.<sup>3</sup> The addition of these token payment families to the California TANF rolls caused the state’s TANF “work participation rate” to nearly double between 2014 and 2015.

The surge in “work” in California was so large that it raised the national work participation figures for 2015 shown in the accompanying chart. An estimated 11 more states also use token payment schemes to game the system and manipulate their apparent TANF work rates.<sup>4</sup> If the misleading data from these states

are removed, the actual national TANF work participation rate in 2015 (shown in the chart) falls from 48 percent to around 29 percent.<sup>5</sup>

It is clear that states are doing the bare minimum to engage able-bodied adults in finding employment. This is a far cry from the initial reaction states had to the new TANF law in 1996. At first, they stepped up to the plate and met the challenge by turning social workers into job-assistance managers. They found employers in their states and contracted with them to provide skill-training and employment opportunities. They also contracted with well-respected nonprofit entities, such as the Salvation Army, to help find jobs for their able-bodied beneficiaries, including those with mild disabilities.

It is time to right this ship and correct its course. Any TANF reauthorization should close the loopholes in the work requirement, rescind the Obama-era antiwork provisions, and put stronger work requirements in place requiring nearly all able-bodied adults to perform at least some kind of work or job-preparation activity.

Further, the example of the TANF work requirement should be expanded and replicated throughout the federal welfare system, which now extends to over 80 other means-tested programs. Their goals should not simply be to provide some kind of temporary aid, such as food stamps, but rather to help individuals and families move toward economic freedom and employment.

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**Robert Rector** is a Senior Research Fellow in the Institute for Family, Community, and Opportunity at The Heritage Foundation.

# Section Two Endnotes

## Out of the Workforce

Nicholas Eberstadt

1. More precisely, the LFPR is estimated for the *civilian non-institutional* population rather than the total population. Thus, it excludes persons in the armed services as well as persons behind bars, in nursing homes, etc.
2. It would be misleading, for example, to compare the LFPR for the 16+ population in the early postwar era with today's: Not only is a much larger share of today's youth population out of the workforce due to the expansion of higher education, but the fraction of the adult population comprised of people of traditional retirement ages (65 years and older) is also considerably larger than in earlier decades. All other things being equal, we would therefore expect educational expansion and population aging to reduce the measured LFPR for the 16+ population.
3. This problem is examined in detail in the author's recent study *Men Without Work: America's Invisible Crisis* (West Conshohocken, PA: Templeton Press, 2016).
4. Ibid., pp. 129–148.
5. Ibid., pp. 110–128.

## Mom and Dad: Better Opportunity Together

Katrina Trinko

1. Michael Brendan Dougherty, "This Child's View of Single-Motherhood," *The American Conservative*, July 17, 2012, <http://www.theamericanconservative.com/2012/07/17/this-childs-view-of-single-motherhood> (accessed May 7, 2017).
2. For further research, see Ron Haskins and Isabel V. Sawhill, "The Decline of the American Family: Can Anything Be Done to Stop the Damage?" *The Annals of the American Academy of Political and Social Science*, Vol. 667, No.1 (September 2016), pp. 8–34; "Marriage and Child Wellbeing," *The Future of Children*, Vol. 15, No. 2 (Autumn 2005); and "Marriage and Child Wellbeing Revisited," *The Future of Children*, Vol. 25, No. 2 (Fall 2015).
3. Sara McLanahan and Christopher Jencks, "Was Moynihan Right? What Happens to Children of Unwed Mothers," *Education Next*, Vol. 15, No. 2 (Spring 2015), pp. 14–20, [http://educationnext.org/files/ednext\\_XV\\_2\\_mclanahan.pdf](http://educationnext.org/files/ednext_XV_2_mclanahan.pdf) (accessed May 7, 2017).
4. W. Bradford Wilcox, "Suffer the Little Children: Cohabitation and the Abuse of America's Children," Witherspoon Institute *Public Discourse*, April 22, 2011, <http://www.thepublicdiscourse.com/2011/04/3181/> (accessed April 17, 2017).
5. Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez, "Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States," National Bureau of Economic Research *Working Paper* No. 19843, January 2014, p. 4, <http://www.nber.org/papers/w19843.pdf> (accessed May 7, 2017).
6. Sheryl Sandberg, *Lean In: Women, Work, and the Will to Lead* (New York: Knopf, 2013).
7. Sheryl Sandberg, "Mother's Day Facebook Post," May 6, 2016, <https://www.facebook.com/sheryl/posts/10156819553860177> (accessed April 17, 2017).

## It's Time to Fix Our Welfare System

The Honorable Jim Jordan

1. H.R. 530 and S. 3047, 114th Cong., <https://www.govtrack.us/congress/bills/114/hr5360> (accessed April 29, 2017).

## Human Nature in a State of Welfare

Cal Thomas

1. 2 Thessalonians 3:10 (New Living Translation).
2. Benedict Brogan, "Raised on Welfare, the 'Why Bother?' Generation that Doesn't Want to Work," *Daily Mail*, last updated April 21, 2008, <http://www.dailymail.co.uk/news/article-560939/Raised-welfare-Why-Bother-generation-doesnt-want-work.html> (accessed April 19, 2017).

## How Housing Assistance Leads to Long-Term Dependence—and How to Fix It

Howard Husock

1. U.S. Department of Housing and Urban Development, Office of Policy Development and Research, “Assisted Housing: National and Local, Picture of Subsidized Households,” 2016, <https://www.huduser.gov/portal/datasets/assths.html> (accessed May 7, 2017).
2. Ibid.
3. Ibid.
4. Ibid.
5. Ibid.

## SNAP, Work, and Opportunity

Angela K. Rachidi

1. Formerly the Food Stamp Program.
2. Federal Reserve Bank of St. Louis, “Civilian Labor Force Participation Rate: 25 to 54 years,” April 7, 2017, updated May 5, 2017, <https://fred.stlouisfed.org/series/LNU01300060> (accessed May 7, 2017). See also Nicholas Eberstadt, “Out of the Workforce,” *supra*.
3. Kelsey Farson Gray, Sarah Fisher, and Sarah Lauffe, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2015*, U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Supplemental Nutrition Assistance Program Report No. SNAP-16-CHAR, November 2016, p. 61, Table A.23, <https://www.fns.usda.gov/snap/characteristics-supplemental-nutrition-assistance-households-fiscal-year-2015> (accessed May 7, 2017).
4. Ibid, p. 55, Table A.17.
5. See, for example, *SNAP Matters: How Food Stamps Affect Health and Well-Being*, ed. Judith Bartfeld, Craig Gundersen, Timothy M. Smeeding, and James P. Ziliak (Stanford, CA: Stanford University Press, 2016).

## How Work Overcomes the Welfare Trap

Nic Horton

1. See, for example, Jonathan Ingram and Nic Horton, “The Power of Work: How Kansas’ Welfare Reform Is Lifting Americans Out of Poverty,” Foundation for Government Accountability, February 16, 2016, <https://thefga.org/wp-content/uploads/2016/02/PowerOfWork-KansasWelfareReform.pdf> (accessed April 29, 2017).

## Needed in Federal Welfare Programs: Work, Work, and More Work

Katherine Bradley and Robert Rector

1. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, TANF Caseload Data from 1996 to 2007, <https://www.acf.hhs.gov/ofa/programs/tanf/data-reports> (accessed April 17, 2017).
2. Grant Collins, Senior Vice President, ResCare Workforce Services, testimony in hearing, *State TANF Spending and Its Impact on Work Requirements*, Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, 112th Cong., 2nd Sess., May 17, 2012, [http://waysandmeans.house.gov/UploadedFiles/Grant\\_Collins\\_Testimony\\_watermark.pdf](http://waysandmeans.house.gov/UploadedFiles/Grant_Collins_Testimony_watermark.pdf) (accessed May 31, 2017).
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4. Ibid., p. 5.
5. The official TANF work rate measures the share of TANF families with a work-eligible adult that engage in approved activities on average for at least 30 hours per week.



Section Three

# General Opportunity



# General Opportunity Summary

- Charter school enrollment increased by 1.7 million students between 2006 and 2015, but behind this data point lies significant thwarted demand. As Jeanne Allen explains: “Once the most promising public school reform available to students, charter schools have stalled. From 1993–2009, the number of charter schools grew from 10 percent–15 percent each year. In the 2015 school year, the number of charters increased by just 7 percent. In 2016, school growth dropped dramatically to 2 percent. All the while, charter school enrollment has grown steadily each year. However, that masks the real story: Demands for charter opportunities outstrip supply by at least a million students.”
- Unemployment has declined almost to where it was 10 years ago, but there’s more to the story, says Rachel Greszler. “According to the topline unemployment rate, the labor market is doing fairly well. At 4.2 percent, unemployment among individuals 25–54 years old is near its ‘natural’ rate. But the unemployment rate does not reveal the millions of people who have dropped out of the labor force, stopped looking for work, or turned to disability insurance as an unemployment or early retirement program.”
- The employment-to-population ratio for those of prime working age (25–54) fell 1.9 percentage points between 2006 and 2016. This measure captures an important facet of our political climate that the

## General Opportunity Indicators

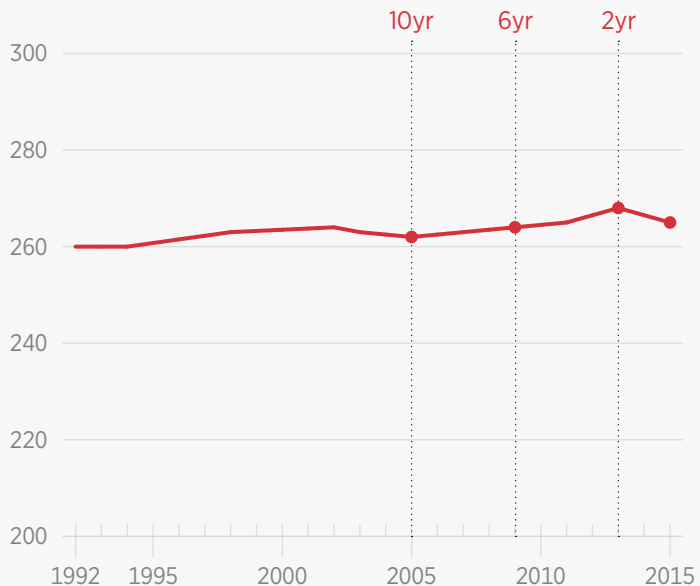
	RIGHT TRACK	WRONG TRACK
Reading Proficiency (p. 66)	●	
Charter School Enrollment (p. 68)	●	
Private School Choice Participation (p. 70)	●	
High School Graduation Rate (p. 72)	●	
Student Loan Debt (p. 74)		○
Employment-Population Ratio (p. 76)		○
Unemployment Rate (p. 78)		○
Job Openings Rate (p. 80)	●	
Job Hires Rate (p. 81)		○
Money Taxed Away by Federal Government (p. 82)		○
Start-Up Job Share (p. 84)		○
Major Federal Regulations (p. 86)		○
Economic Freedom (p. 88)		○

unemployment rate does not, explains Henry Olsen. The focus on the latter “might have been warranted once, but today, the official unemployment rate does not accurately depict what is happening to American workers. That is because one is counted as unemployed only if one is not employed and is actively seeking a job (what economists call ‘labor force participation’). If things are so bad that you are not even looking for a job, the unemployment rate does not capture your despair.”

## Reading Proficiency

From 2005 to 2015, the reading proficiency rate for 8th-grade students remained nearly unchanged, increasing by 3 points on a 500-point scale.

READING PROFICIENCY FOR 8TH GRADERS



**SOURCE:** National Assessment of Educational Progress (NAEP).

# Reading Is Fundamental to American Liberty

Gerard Robinson

“Reading is fundamental” was a popular slogan when I was an elementary student in Los Angeles during the 1970s. Today, parents, teachers, and tutors stress the importance of literacy to public, private, home, and virtual school students. Reading is not only still fundamental; it is even more profoundly so than it was 40 years ago. Why? Our knowledge economy, economic self-sufficiency, and military soundness require a highly literate population.

To comprehend just how important reading is to American liberty, it is worth a look backward to see what our founding generation believed about literacy. The Founders’ decision to dissolve their bonds with England was a declaration for the liberty to learn as much as it was a declaration of political independence

in 1776. Liberty is hollow without literacy. This is why education was so important. In fact, five legislatures—Pennsylvania (1776), North Carolina (1776), Georgia (1777), Massachusetts (1780), and New Hampshire (1784)—included education clauses in their constitutions before delegates to the Constitutional Convention approved a federal constitution in 1787.<sup>1</sup>

John Adams etched into the Massachusetts Constitution of 1780 that one advantage of education is “the preservation of [the people’s] rights and liberties.”<sup>2</sup> At the same time, Abigail Adams in a letter dated August 14, 1776, reminded her husband John that “If we mean to have Heroes, Statesmen, and Philosophers, we should be learned women.”<sup>3</sup> The enslaved Africans of colonial America believed reading was



fundamental to freedom. Many of them learned to read in secret, with assistance from educated whites or blacks, or through makeshift schools.

Today, 241 years after our Declaration, we find ourselves living in a nation divided: people with higher-order reading skills and those without them. Unfortunately, too many adults and children live in the second category. This in no way means that people with low or no reading skills are doomed to failure. American history is replete with examples to the contrary. Nevertheless, reading matters. It affects a person's earning potential, marriage prospects, housing options, and choice of school. Not surprisingly, parents matter to the education of children,<sup>4</sup> and as goes the literacy of the individual and the family, so goes the well-being of a nation.

So how are our students doing in reading? According to 2015 National Assessment of Educational Progress (NAEP)—referred to as “The Nation’s Report Card”—there is much room for growth. Only 36 percent of fourth graders and 34 percent of eighth graders scored proficient or better in reading. Results for subgroups are worse. Scores remained the same or dropped for white students; less than 20 percent of black fourth and eighth graders scored at or above proficient; reading scores rose for Hispanic fourth graders but dropped for eighth graders; and the reading scores for Asians, our nation’s top performers, rose only slightly for fourth graders and remained stable for eighth graders.<sup>5</sup>

If our elementary and middle school students are doing poorly, what does NAEP tell us about our high school students? Researchers compared NAEP and international reading achievement data for members of the Class of 2015 in the U.S. and 33 Organization for Economic Cooperation and Development (OECD) countries.<sup>6</sup> Only 33.5 percent of U.S. high school graduates scored proficient in reading. Massachusetts had the top U.S. proficiency score at 46.1 percent, while Louisiana, New Mexico, and Mississippi hovered at the bottom with 21 percent–22 percent. Overall, the U.S. ranked 18th among OECD nations; our students’ reading proficiency is higher than

peers in Luxembourg, Italy, and Hungary but lags behind peers in Japan, Canada, and Israel.

Why are our reading proficiency scores so low? It is not because of money. Although money matters in education, federal spending on K–12 schools increased between 1970 and 2015, dramatically so during the 1990s, but NAEP reading scores remained relatively flat, as the accompanying graph shows.<sup>7</sup>

Are students from poor or less-educated families the culprits? Scholars compared reading scores of American students living in a household where one parent has a college degree—“high level” education—to similarly situated students in OECD nations. They relied on the percentage of students that scored at or above proficiency level in reading—a higher threshold than just proficiency. They found that in Poland, 62.6 percent of students reached the higher reading threshold compared to only 41.6 percent of American students. Put another way, 58.4 percent of our students from “high level” education homes did not score at or above proficiency. Overall, we ranked 22nd among OECD nations—behind Luxembourg and Hungary, two nations we beat when *all* students were included in the pool for achieving a lower-level reading threshold. We fared no better in math or science.<sup>8</sup>

Reading is fundamental to maintaining our nation’s economic self-sufficiency and military soundness. We need more literate people to compete successfully in the knowledge economy. Nearly 75 percent of Americans aged 17 to 24 do not qualify for our military because they did not complete high school, have a criminal record, or have health challenges.<sup>9</sup> Even for high school graduates who took the Armed Services Vocational Aptitude Battery examination between 2004 and 2009, one in five failed to meet minimum academic requirements for enlistment in the Army.<sup>10</sup>

These results are not a recipe for protecting American liberty. Making reading *really* fundamental is.

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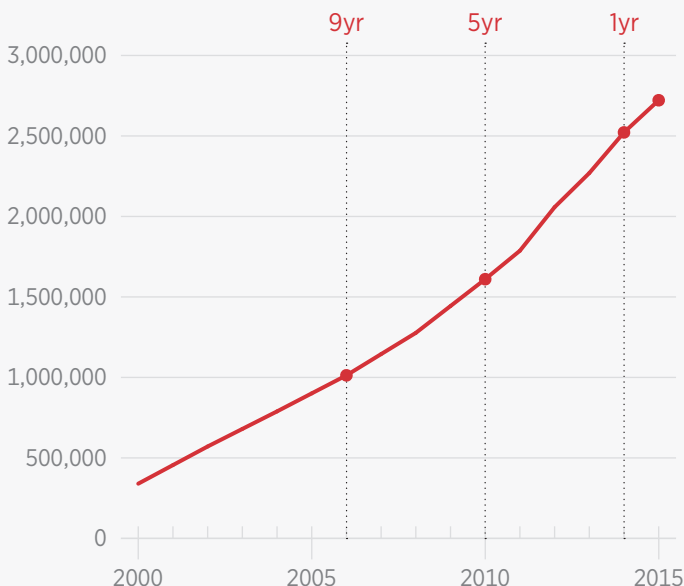
## Charter School Enrollment

From 2006 to 2015, charter school enrollment increased by 1.7 million students.

**NOTE:** A charter school is publicly funded but independently operated.

**SOURCE:** U.S. Department of Education, National Center for Education Statistics.

NUMBER OF STUDENTS ENROLLED IN CHARTER SCHOOLS



# Understanding Charter School Growth

Jeanne Allen

Once the most promising public school reform available to students, charter schools have stalled. From 1993–2009, the number of charter schools grew from 10 percent–15 percent each year.<sup>1</sup> In the 2015 school year, the number of charters increased by just 7 percent. In 2016, school growth dropped dramatically to 2 percent.<sup>2</sup> All the while, charter school enrollment has grown steadily each year. However, that masks the real story: Demands for charter opportunities outstrip supply by at least a million students.<sup>3</sup>

What happened? Charters were called the “grassroots revolt” by *Time* in 1994, as well as the most bipartisan education effort by *Education Week*, and were applauded by both Republican and Democratic Presidents and lawmakers.<sup>4</sup> Advocates seized on changes in state capitals that were ripe for education reform

(not unlike today). They saw an opportunity to provide students who were not well served by their traditional schools with choices of new, independent public schools or public schools made more competitive by charters. Early on, Arizona, California, Colorado, Michigan, and Minnesota set the bar, enacting strong laws providing for a wide variety of new ecosystems of schools and approvals free from traditional education structures. Many other states followed.

All but one of the 13 strongest charter laws were passed between 1991 and 1999 and account for almost 60 percent of all schools open today. Then came the age of political expediency and bad policy decisions. Between 2000 and 2015, only nine states enacted charter laws, accounting for only 233 schools.<sup>5</sup> These laws either have stringent caps on the number of

charter schools, provide inequitable funding, leave oversight in the hands of school districts, or discourage applications by making the process so onerous.

If declining school growth is a result of poor policymaking, why the steady increase in numbers of students served? There are three reasons.

- Most states afford successful charter management organizations (CMOs) preferred status, allowing them to replicate or expand without major roadblocks. When CMOs grow, the number of schools may stay constant.
- It is ironic, given chartering's intent to create new, diverse schools, that student enrollment exceeds school growth. Today, states favor expanding "proven actors" over new entrants, though the "proven actors" also were once unproven.
- Demands for test-based accountability drive bureaucratic renewals that often unfairly penalize small and independent schools. CMOs have central offices that are better able to keep up with the

regulatory fever that is killing rank-and-file charter schools. These demands create what has been called "management recentralization," which some wrongly believe is the necessary extension of the "frontier era" of charter schooling with more centralized "planning and coordination."<sup>6</sup>

Preference for replication over innovation, combined with increasing oversight, squashes the healthy grassroots start-up activity that once dominated the charter school movement. The once-prominent voices of independent parents or citizens with unique ideas about the kinds of schools they want are now largely ignored.

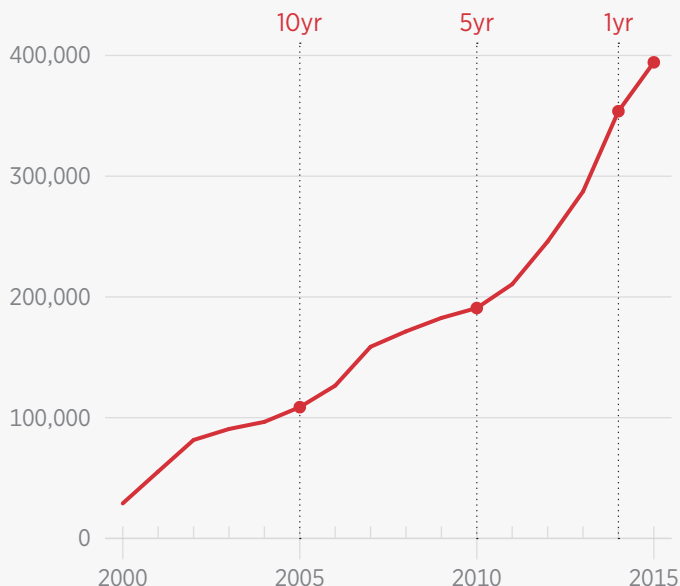
"This should be the reverse for a movement aimed at decentralizing public education," as researchers Luis Huerta and Andrew Zuckerman argued in a 2009 journal article.<sup>7</sup> With limited opportunities for all too many Americans, steady charter enrollment growth is not enough. There must be an ever-growing supply of new schools constantly challenging the status quo.

**Jeanne Allen** is Founder and CEO of the Center for Education Reform.

## Private School Choice Participation

From 2005 to 2015, the number of students enrolled in private school choice programs increased by 285,606.

NUMBER OF STUDENTS ENROLLED IN PRIVATE SCHOOL CHOICE PROGRAMS



**SOURCE:** Alliance for School Choice *Yearbook*, 2015–2016.

## Future of School Choice Looks Bright Thanks to Minority Support

Israel Ortega

The interaction of two trend lines suggests that support for school choice will only grow in years to come. The first is our increasingly ethnically and racially diverse population. In the span of three decades, the share of the non-white population has grown exponentially, and according to demographers, the U.S. is well on its way to becoming a minority-majority population by mid-century.<sup>1</sup>

The second is that support for school choice among minority Americans is growing.<sup>2</sup> This is significant because according to the Pew Research Center, nearly one-quarter of all students enrolled in our public schools are Latino.<sup>3</sup> In some of our biggest public school districts, minority Americans make up the majority of the school body's population.

Equally important is that much of the growth we are seeing is a result not of increased immigration to the U.S., but of higher birth rates among Latinos. The Pew Research Center has observed that most of the growth in the Latino population in recent years was due to births, not immigration.<sup>4</sup> This explains why one-quarter of all kindergarten students are Latino.<sup>5</sup>

Unfortunately, there is ample evidence to suggest that many of these same students are not well served by our public school system. Ineffective educators, violence, and a lack of high academic standards are contributing to the increased demand for greater choice among minority families.

According to a recent poll conducted by the left-leaning Beck Research polling company,

three-quarters of all Latinos polled support school choice.<sup>6</sup> The same poll found that support for school choice among African Americans is also high at around 72 percent.<sup>7</sup> Even though school choice is typically seen as a Republican issue, the same poll also found that a slight majority of Democrats (55 percent) support school choice, suggesting that educational freedom is quickly becoming a bipartisan issue.

Besides polling, there is other evidence that minority families are favorably disposed toward school choice. One way we can see this is in the growing number of minority students enrolling in public charter schools and private school choice programs. According to the National Alliance for Public Charter Schools, “Hispanic students comprise roughly 30 percent of charter school enrollment across the country, compared to 25 percent representation in traditional public schools.”<sup>8</sup>

Moreover, a number of empirical studies suggest that Hispanic students are better served in public charter schools than in traditional public schools.<sup>9</sup> For instance, one study found that charter schools serving a sizable Hispanic student body and English learners (ELs) are better positioned to service these communities because they are allowed to provide extended learning time while accelerating

the pace at which EL students are able to engage with grade-level content.<sup>10</sup> Other studies are also finding that charter schools have a higher rate of success in sending Hispanic students to higher education institutions.<sup>11</sup>

Not surprisingly, most minority and Latino families polled say that they are satisfied with their children’s new school setting, yet opponents of school choice persist. Powerful interest groups like the National Education Association and the American Federation of Teachers are stepping up their efforts to curtail, slow, and ultimately defeat increased school choice—even if it means preventing low-income minority students from accessing high-quality schools.

The key for supporters of school choice is whether minority families will harness their support for educational freedom to shaping education public policy and calling on lawmakers to increase educational options. On this, the jury is out, but if minority families continue to grow and express support for educational freedom, the future looks bright for the broader school choice movement.

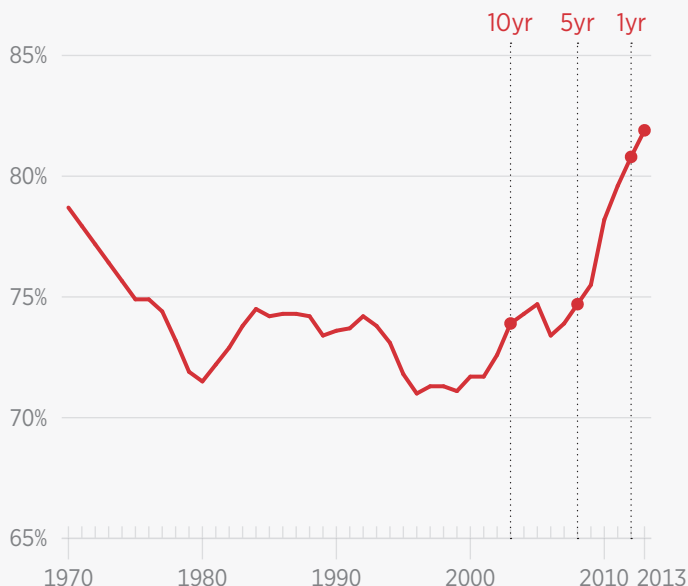
**Israel Ortega** is a freelance reporter who contributes to a number of publications including *Forbes*, the *Washington Examiner*, and *The 74*.

## High School Graduation Rate

From 2003 to 2013, the percentage of public high school students who graduated on time (i.e., four years after starting 9th grade) increased by 8 percentage points.

**SOURCE:** U.S. Department of Education, National Center for Education Statistics.

PERCENTAGE OF PUBLIC SCHOOL STUDENTS RECEIVING HIGH SCHOOL DIPLOMA FOUR YEARS AFTER STARTING 9TH GRADE



## Fake Achievement: The Rising High School Graduation Rate

Lance Izumi

Over the past several years, the U.S. high school graduation rate has climbed significantly. That increase, however, is not necessarily due to better performance by our nation's public schools or to higher achievement by our students. Rather, across America, states and local school districts are lowering the bar for earning a high school diploma, which—lo and behold—raises the graduation rate.

According to the latest data, an all-time high of more than eight out of 10 U.S. high school students graduated four years after starting the ninth grade. Yet that rate is deceiving. States have been lowering their bars for graduation for years.

Back in 2003, for example, New York reduced the testing requirements for high school

students to graduate, and state officials have continued to ease up on the pedal in subsequent years. Recent decisions by New York's Board of Regents made it possible for students to graduate even though they had not passed all five of the required Regents exams.<sup>1</sup> *The New York Times* observed that the resulting increase in the graduation rate “made it hard to know whether schools were doing better or students were simply clearing a lower bar.”<sup>2</sup>

In California, Governor Jerry Brown and state lawmakers eliminated the state high school exit exam requirement, and presto! More students graduated. In the Los Angeles Unified School District alone, 1,400 high school seniors in the class of 2015 had failed to pass the exam, but when the requirement

was removed, they received their diplomas and the district's graduation rate rose by four percentage points.<sup>3</sup> The Los Angeles school board also reduced the graduation requirement that students pass college-prep courses with a C grade, allowing them to pass with a D instead.<sup>4</sup>

In Tennessee, the State Department of Education reported that a third of Tennessee students are receiving diplomas without meeting the state's graduation requirements. State Board of Education member Wendy Tucker observed, "The requirements don't mean much if kids don't have to meet them."<sup>5</sup>

Twenty-one states offer so-called alternative diplomas that have less rigorous requirements than a regular diploma but are still counted in graduation rates.<sup>6</sup>

Many states also exclude large numbers of dropout students from their graduation rates. Texas, which boasted a 2013 graduation rate of 88 percent, excluded 50,000 students who supposedly left regular public schools for

homeschooling, private schools, or other states or countries. However, little documentation is required to place a student in the "leaver" category, which disguises significant numbers of dropouts as leavers for other forms of schooling or destinations.<sup>7</sup> California State University, Sacramento, dropout expert Julian Vasquez Heilig says that practices in Texas render the state's graduation rate "bogus."<sup>8</sup>

All of these different shortcuts, dodges, and ruses combine to make the latest "record" graduation rate one of the most laughable statistics in education. As Julian Vasquez Heilig concludes, "The only people who believe it's [over] 80 percent are probably the politicians who are telling us that. And maybe they don't even believe it."<sup>9</sup>

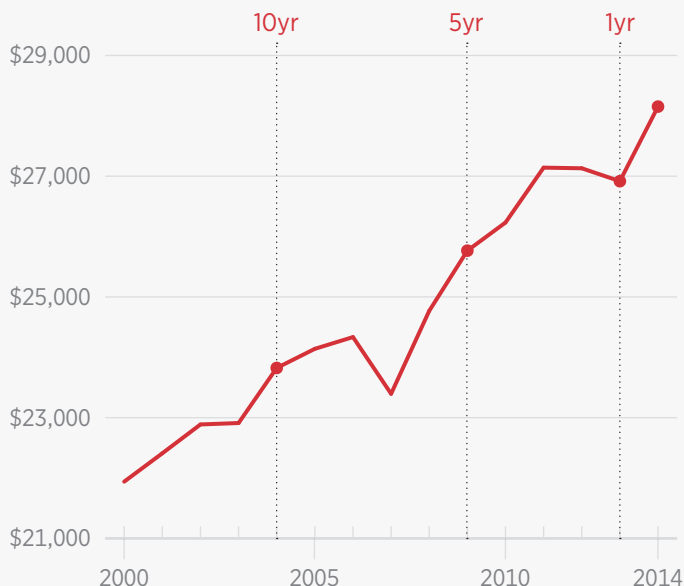
**Lance Izumi** is Koret Senior Fellow in Education Studies and Senior Director of the Center for Education at the Pacific Research Institute.



## Student Loan Debt

From 2004 to 2014, the average student loan debt held by each year's graduates with loans increased by \$4,329. Average student loan debt now stands at \$28,153 in 2015 dollars.

AVERAGE STUDENT DEBT PER BORROWER GRADUATE, FOUR-YEAR COLLEGES AND UNIVERSITIES, IN 2015 DOLLARS



**SOURCE:** The College Board, *Trends in Higher Education*.

# High Student Loan Debt Threatens Upward Mobility

Mary Clare Amselem

Parents across the United States tell their children that if they graduate from high school, go to college, and get a job, they can achieve upward mobility and embrace the American Dream. Unfortunately, however, high college costs exacerbated by overgenerous federal lending policies have encouraged more students to take on high levels of student loan debt. As a result, graduates too often leave college unprepared to pursue their career and life goals and are saddled with a debt burden that limits their upward mobility.

There was a time when a small amount of savings and a part-time job could get students through college with little or no debt. Today, more students than ever are turning to federal loans to finance their college education.

The federal government now originates and services about 90 percent of all student loans,<sup>1</sup> but this federal largesse has done little to address college affordability. In 2014–2015, the average public and private debt held by students was \$28,153 (in 2015 dollars), compared to \$21,940 in 2000–2001. Increases in borrowing over the past two decades have dwarfed increases in student enrollment. From 1990 to 2012, for example, college enrollment increased 62 percent, but the volume of loan borrowing increased 352 percent—a more than fourfold increase.<sup>2</sup> Put differently, in 1990, students borrowed \$2,485 per year to attend college; by 2012, borrowing had nearly tripled to \$6,928 annually.<sup>3</sup>

This weighty increase in student loan debt presents problems for both students and



taxpayers. A recent survey found that 56 percent of young people put off milestones such as getting married or buying a home because of student loan debt.<sup>4</sup> Purdue University President Mitch Daniels has even argued that high student loan debt discourages entrepreneurship, which could have a significant effect on our nation's economy in the future.<sup>5</sup>

By the same token, taxpayers increasingly bear the consequences of high student loan debt. In 2016, 43 percent of students with federal student loans, which amounts to about 9.3 million borrowers, were in default, in delinquency, or had postponed payments.<sup>6</sup> With the federal government now originating almost all student loans, taxpayers are left with the bill when students cannot pay off their debts.

Moreover, the current rate of increase in college tuition does not indicate that there is any relief in sight for taxpayers or students. Each year, more graduate students participate in the Grad PLUS loan program, which allows for borrowing up to the full cost of attendance. Similarly, parents of undergraduate students can take out a loan to finance their child's education under the Parent PLUS loan program, an option typically pursued after a student has already borrowed the maximum amount available through the Stafford loan program. As borrowing increases through federal programs—and as debt builds—some policymakers propose to extend loan forgiveness, which transfers this debt from individuals or families to the American taxpayers, most of whom do not hold bachelor's degrees themselves. The Government Accountability Office recently projected that loan forgiveness programs will cost taxpayers \$108 billion over the next 10 years.<sup>7</sup>

Recent research suggests that federal involvement may be doing more harm than good. Economists at the Mercatus Center and the Federal Reserve Bank of New York have found a connection between federal student aid and increases in college tuition.<sup>8</sup> Such research adds support to the Bennett Hypothesis, which posits that greater access to federal student aid encourages colleges and universities to raise their tuition prices. As more Americans than ever before pursue higher education as a means of upward mobility, policymakers must review whether current policies are helping students to afford a college education or making tuition more expensive for all.

The current trend of increasing student loan debt should concern all Americans. As students turn to the higher education system for more opportunities, this investment comes with significant financial burdens for both students and taxpayers. In order to capitalize on the potential of American higher education, not only must students graduate with manageable debt loads, but they should leave college prepared to pursue their career and life goals. But with fewer students paying off their debt and more financial responsibility being shifted to the taxpayers, higher education's ability to jump-start economic mobility is limited.

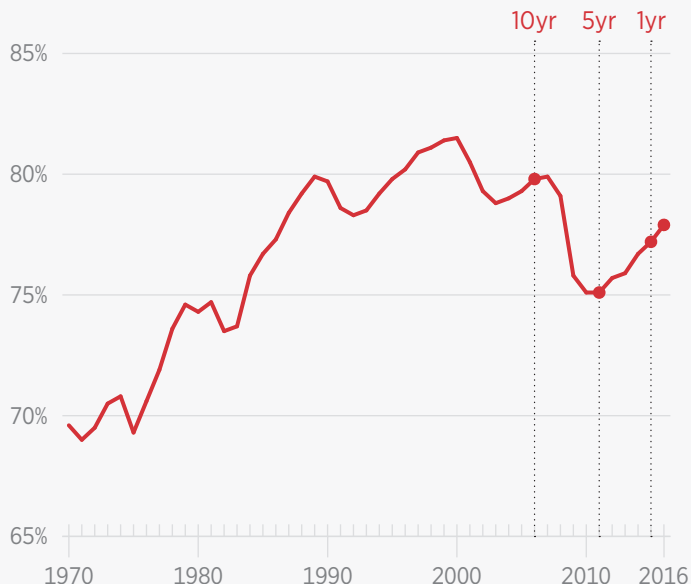
**Mary Clare Amselem** is a Policy Analyst in the Center for Education Policy, of the Institute for Family, Community, and Opportunity, at The Heritage Foundation.

## Employment-to-Population Ratio

From 2006 to 2016, the employment-to-population ratio for civilians ages 25 to 54 fell 1.9 percentage points.

**SOURCES:** U.S. Census Bureau, Current Population Survey, and U.S. Department of Labor, Bureau of Labor Statistics.

PERCENTAGE OF CIVILIANS AGES 25-54 WHO ARE WORKING



# What the Employment-to-Population Ratio Has to Do with Today's Pessimism About Politics

Henry Olsen

Most people, including journalists and policymakers, focus on the Labor Department's official unemployment rate when assessing the health of job markets in America. This might have been warranted once, but today, the official unemployment rate does not accurately depict what is happening to American workers. That is because one is counted as unemployed only if one is not employed and is actively seeking a job (what economists call "labor force participation"). If things are so bad that you are not even looking for a job, the unemployment rate does not capture your despair.

Another measure does capture all potential workers regardless of their interest in working:

the employment-to-population ratio (EPR for short). This is exactly what it is: a ratio of all people who say they have a job divided by the total number of people who could be working. Nonemployed people are captured by this statistic regardless of the reason why they do not hold a job. This measure therefore truly describes the state of the American labor market.

Because America is growing older as the large baby-boom generation ages, the EPR for the country will decline simply because more Americans have reached retirement age. Economists therefore like to focus on the EPR for people who are old enough that they have largely left school but young enough that

they are unlikely to have retired. This group is known as the “prime working age” and covers people between 25 and 54 years old.

The data in the accompanying chart show the EPR over time for prime-working-age Americans over the past 46 years. It contains some short-term good news, but more important is the long-term bad news. This longer-term bad news helps to explain why so many Americans, especially native-born Americans without college degrees, are so angry about the state of the American economy.

The prime-age EPR peaked in 2000 when 81.5 percent of Americans between the ages of 25 and 54 held jobs. This capped an amazing two decades of employment growth in the United States. In 1982, at the depth of the recession of the early Reagan era, 88.4 million Americans were between ages 24 and 54, and the prime-age EPR stood at 73.5 percent. By 2000, the much higher prime-age EPR also applied to a much larger group: 120.7 million people. The math is straightforward: Between 1982 and 2000, America created 33.4 million new jobs for prime-age workers—more new jobs than there were people of any age in Canada at the time.

Since then, however, things have gotten much worse. The short-term good news is that the prime-age EPR has increased since the depths of the Great Recession in 2011. Back then, it was 75.1 percent; today, it is up to 77.9 percent. Americans are slowly coming back to work.

However, this short-term rise masks a 16-year decline. The prime-age EPR declined

during the Bush presidency from the 81.5 percent he inherited to 79.9 percent in 2007, the year before the financial crash. Moreover, the number of Americans in prime-working years had risen to 125.7 million. A smaller employment rate applied to a larger group meant that there were about 2 million fewer Americans ages 25–54 working in 2007 than there would have been if the 2000 prime-age EPR had been regained.

The continued decline in the rate means that this “jobs gap” has grown. Baby-boomer aging coupled with reduced illegal immigration means that the number of 25-year-old to 54-year-old Americans is roughly unchanged from 2007 at 125.8 million. If the prime-age EPR were still at its 2000 high, nearly 4.5 million more Americans would have been working in 2016 than actually were. Imagine an America where 4.5 million more Americans in the prime of their lives were able to find the jobs they want.

If you can imagine that, you can imagine an America as buoyantly optimistic about itself and its role in the world as the America of 2000. You can also imagine an America where politics is less combustible and people are happier and more fulfilled. Close the jobs gap, and you start to make progress on reversing the anxiety and negativity that are rapidly infesting all of American public life.

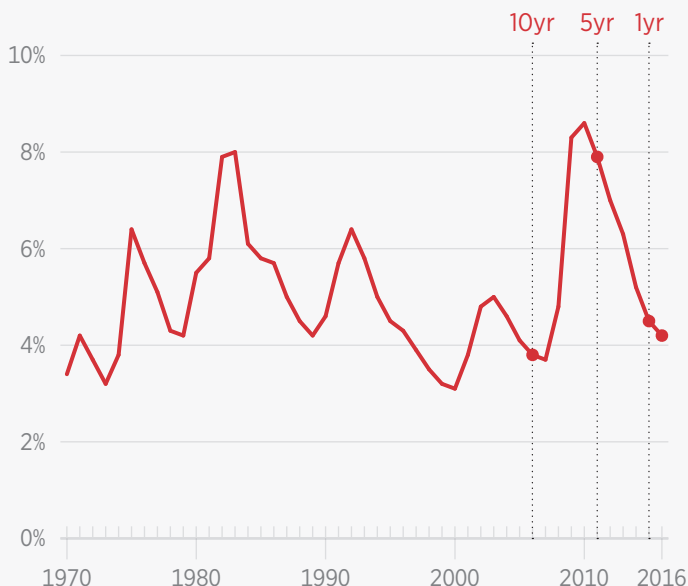
**Henry Olsen** is a Senior Fellow at the Ethics and Public Policy Center and author of *The Working Class Republican: Ronald Reagan and the Return of Blue-Collar Conservatism* (HarperCollins, 2017).

## Unemployment Rate

The unemployment rate for civilians ages 25 to 54 rose by 0.4 percentage point from 2006 to 2016.

**SOURCES:** U.S. Census Bureau, Current Population Survey, and U.S. Department of Labor, Bureau of Labor Statistics.

PERCENTAGE OF UNEMPLOYED CIVILIANS AGES 25–54



# Why the New “Natural” Rate of Unemployment Should Not Become the New Normal

Rachel Greszler

According to the topline unemployment rate, the labor market is doing fairly well. At 4.2 percent, unemployment among individuals 25–54 years old is near its “natural” rate.<sup>1</sup> But the unemployment rate does not reveal the millions of people who have dropped out of the labor force, stopped looking for work, or turned to disability insurance as an unemployment or early retirement program.

Consequently, the labor force participation rate (LFPR)—at only 62.8 percent—is 3.4 percentage points lower than it was 10 years ago,<sup>2</sup> and 2.2 million more 25-year-olds to 54-year-olds are not participating in the labor force.<sup>3</sup> According to the Congressional Budget Office

(CBO), if unemployment were at its natural level and labor force participation were at its full potential, there would have been 2.2 million more workers in the first quarter of 2016.

Demographic changes such as the aging and retirement of the baby boomers affect the LFPR, but studies by The Heritage Foundation and the Federal Reserve Bank of Chicago have found that demographic changes accounted for only about one-quarter of the recent decline in labor force participation.<sup>4</sup> The remainder stems largely from subpar economic conditions and government policies that together have made it harder to find desirable employment and easier to substitute government benefits for employment.

Although there has been no rise in disability or illness, separate economic studies published by the Manhattan Institute and The Heritage Foundation have found that rising disability insurance claims accounted for about one-third of the decline in labor force participation following the recent recession.<sup>5</sup> New and more generous government benefits (such as Obamacare subsidies) have made it easier for people to receive the income and resources they need with less work or even no work at all. Moreover, these benefits result in higher marginal taxes that discourage the already employed from working and earning more.

The CBO has cautioned that higher government debt and higher marginal tax rates (which the CBO projects will increase by 10 percent over the next 30 years) will reduce labor force participation rates and incomes.<sup>6</sup> However, the employment situation is not all gloom and doom.

Important gains continue for women, and increasing levels of education and growth in sharing-economy jobs offer hope for the future. Women are now more likely than men to obtain a college degree and increasingly likely to have careers as opposed to just jobs, and their earnings (adjusted for factors such as education, occupation, and experience) are near parity with men's.<sup>7</sup>

In addition, while the rise in numbers of young people attending school stems largely from lackluster employment prospects, a more educated workforce leads to higher earnings and economic output.

Finally, although efforts to thwart the growth in sharing-economy jobs (such as Uber and Airbnb) threaten their potential, these jobs provide huge opportunities to meet workers' demands for flexible work and additional income.<sup>8</sup>

Despite great potential, government policies—including rising deficits and debt, regulations that impede employment opportunities and earnings growth, increased welfare and transfer benefits that make it easier not to work, and rising marginal tax rates—are holding back employment. A vibrant labor market is a key component of social and economic well-being, and the government should seek to implement policies that promote work opportunities and full employment.

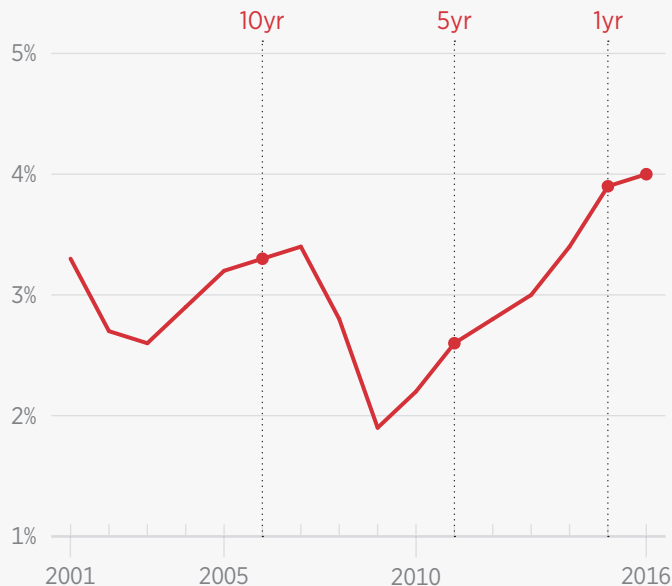
**Rachel Greszler** is Research Fellow in Economics, Budget, and Entitlements in the Thomas A. Roe Institute for Economic Policy Studies, of the Institute for Economic Freedom, at The Heritage Foundation.

## Job Openings Rate

From 2006 to 2016, the job openings rate increased by 0.7 percentage point.

**SOURCE:** U.S. Department of Labor, Bureau of Labor Statistics, Job Openings and Labor Turnover Survey.

MONTHLY JOB OPENINGS/VACANCIES AS A PERCENTAGE OF ALL PRIVATE-SECTOR JOBS AND JOB OPENINGS



## A Mixed National Jobs Picture

Greg R. Lawson

Key job metrics over the past decade paint a mixed national jobs picture. On one hand, the number of job openings over that time shows a positive path and indicates relative optimism in the economy. On the other hand, the actual hiring rate fell, which suggests that not all is well in the labor market. Taken together, this shows the need to continue improving the environment for economic opportunities that can help all Americans.

Given the “Great Recession” of 2007–2009, it is heartening to see that the overall job-opening rate has managed to achieve a positive direction. According to the U.S. Department of Labor Jobs Openings and Labor Turnover Survey (JOLTS), the number of job openings grew by 0.7 percentage point between 2006 and 2016.<sup>1</sup> This set of data is critical to understanding how many job opportunities exist

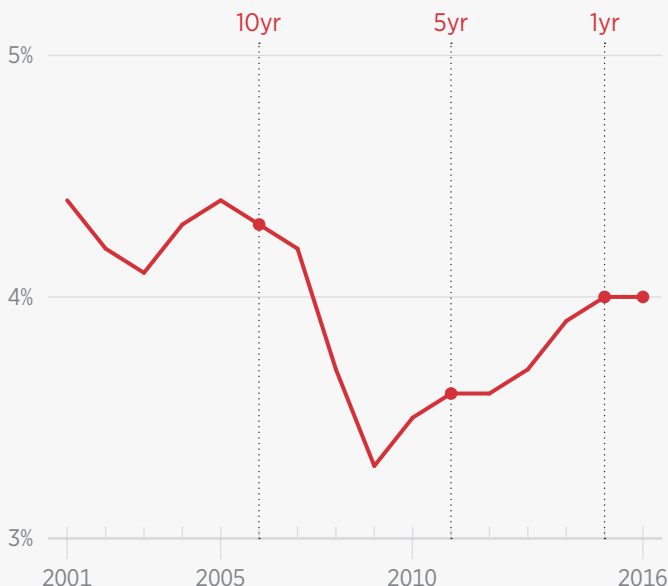
in the economy. The higher this number and growth rate, the greater the chances an individual looking for work will be able to find it.

Yet the JOLTS data also show that actual hiring rates declined over the same 10 years by 0.3 percent.<sup>2</sup> One clear implication of this divergence is that there remains a significant challenge within the overall labor force. According to the Bureau of Labor Statistics (BLS), in January 2006, the labor force participation rate (LFPR) in the United States was a reasonably healthy 82.6 percent for the cohort aged 25–54 (the prime-working age population).<sup>3</sup> Yet by December 2016, it was only 81.4 percent and had remained mired at or below 81 percent since the end of 2011.<sup>4</sup> This echoes the disturbing findings in the work of Nicholas Eberstadt and Charles Murray, which detail a long-term trend of lower work rates for middle-age men over the past half-century.<sup>5</sup>

## Job Hires Rate

From 2006 to 2016, the job hires rate decreased by 0.3 percentage point.

MONTHLY NEW HIRES AS A PERCENTAGE OF ALL JOBS



**SOURCE:** U.S. Department of Labor, Bureau of Labor Statistics, Job Openings and Labor Turnover Survey.

This means that there are fewer prospective workers seeking work. While demographic trends in the U.S. can explain a portion of this decline, this is unlikely to be a fully sufficient explanation. For example, the growth of government-funded health care through Medicaid expansion in many states has been shown to reduce the incentives of low-income Americans to seek work.<sup>6</sup>

Another factor is the large number of Americans receiving payments from Social Security's Disability Insurance Fund. In 2016, there were nearly 2 million more Americans than there were in 2006.<sup>7</sup> Once individuals are on disability, it is often difficult to encourage them to seek gainful employment again or keep them attached to the labor force.<sup>8</sup>

Additionally, drug use and addiction issues make it difficult for many employers to find workers that can pass screenings.<sup>9</sup> This is echoed in findings from some diagnostic information services companies.<sup>10</sup> This is an especially tragic problem in Ohio, which led the nation in opiate overdose fatalities in 2014 with over 2,100.<sup>11</sup>

Finally, the "skills gap" theory assumes that employers are dissatisfied with the skill level of prospective employees and cannot find adequate talent to fill their openings. However, there is a lot of pushback on this theory given that the obvious consequence of such a gap should be rapidly growing wages as employers seek to procure the best talent. Despite a recent upward trend, the fact that a dramatic increase in wages has largely not happened since the end of the Great Recession raises questions about the applicability of this theory.<sup>12</sup>

Years after the Great Recession, significant problems remain when it comes to connecting a broad swath of prospective workers to open jobs. Tackling the hard tasks of reforming Medicaid, better monitoring Social Security Disability payments, and getting treatment for those suffering the scourge of addiction will prove to be indispensable in fixing this state of affairs.

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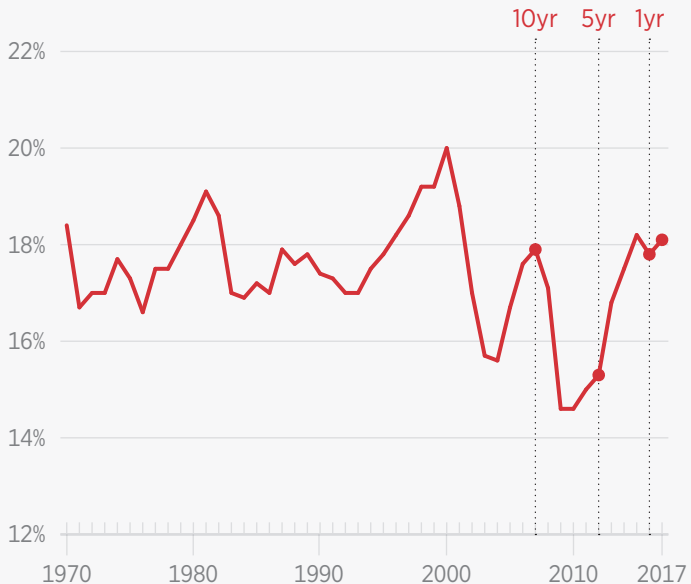
## Money Taxed Away by Federal Government

From 2007 to 2017, the percentage of GDP taken by the federal government has increased by 0.2 percentage point.

**NOTES:** GDP is the total value of all goods and services. Figure for 2017 is an OMB estimate.

**SOURCE:** Office of Management and Budget, *FY 2018 Budget of the U.S. Government*.

PERCENTAGE OF GDP TAXED AWAY  
BY FEDERAL GOVERNMENT



## Where Do All the Tax Dollars Go?

Adam N. Michel

The federal government spends and taxes too much. Consuming over 18 percent of gross domestic product (GDP), the money the federal government taxes out of the economy each year is not enough to account for its spending. Moreover, our old and outdated tax system holds back the economy. It is estimated that if the tax code were updated, the economy could grow to be more than 10 percent larger than it otherwise would be.<sup>1</sup>

To understand the tax system and the need for reform, it is essential to understand where most of our tax dollars go, what they fund, and what they don't fund. In 2016, the federal government collected \$3.3 trillion of Americans' money, yet the deficit was a staggering \$587 billion according to the Congressional Budget Office.<sup>2</sup>

Government deficits are driven by too much spending, not by too little taxation. The CBO

projects that in the next 10 years, tax revenues will continue to grow above the historical average. Even with increases in revenues, government deficits are projected to grow larger each year. The largest drivers of federal deficits and debt are the health entitlements—Medicare, Medicaid, and Obamacare—and Social Security. These programs and interest on the debt are set to consume every dollar of collected taxes in just over 20 years.

Social Security is the single largest federal program, accounting for roughly 25 percent of all federal spending. It is already paying out more than it takes in, and the program's trustees project that benefits will need to be cut as much as 21 percent if nothing is done before 2034.<sup>3</sup> Currently consuming 28 percent of the budget, federal health programs such as Medicare, Medicaid, and Obamacare subsidies



are projected to keep growing at an unsustainable rate as health spending grows faster than the economy.

Large deficits and growing debt are not cheap. Over the coming decade, U.S. debt held by the public is projected to swell to as high as 89 percent of GDP.<sup>4</sup> As the debt increases, so does the cost of the interest we must pay to those who hold the debt—money that cannot be used for other priorities. In addition, the current tax system impedes economic growth. Not only are tax rates too high, but the design of the U.S. income tax makes investment more costly, stunting business activity, job creation, and wage growth.

The chief tax impediment to economic growth is America's unusually high corporate income tax rate, topping out at one of the world's highest rates: almost 40 percent.<sup>5</sup> The corporate income tax is poorly designed and harms U.S. workers, investors, and the economy as a whole. Because the corporate income tax is ultimately borne by individuals (and mostly by workers), any tax reform plan should at least drive the rate as low as possible—if not get rid of it completely.<sup>6</sup>

In recent years, America has been losing the global competition for businesses. Prominent American firms like Burger King and Anheuser-Busch have moved parts of their businesses

overseas to escape high U.S. taxes.<sup>7</sup> Lowering the corporate income tax rate and other important business tax reforms would reverse the tide of corporations leaving the U.S., increase domestic investment, and ensure a more stable tax base.

In addition to business tax reform, there are many other important ways to update the tax code. True reform should allow American families to keep more of the money they earn instead of sending it to Washington. This should be done by applying simple and transparent low rates on a broad base that eliminates the double taxation of investment.

Putting the federal budget back on a sustainable path requires both tax and spending reforms. Pro-growth tax reforms can unleash private investment, encourage job creation, and fuel economic growth. To make these necessary tax reforms sustainable in the long run, Congress must rethink how it spends the American people's money. Addressing the main drivers of current and future government debt is essential if we are to keep taxes low both now and in the future.

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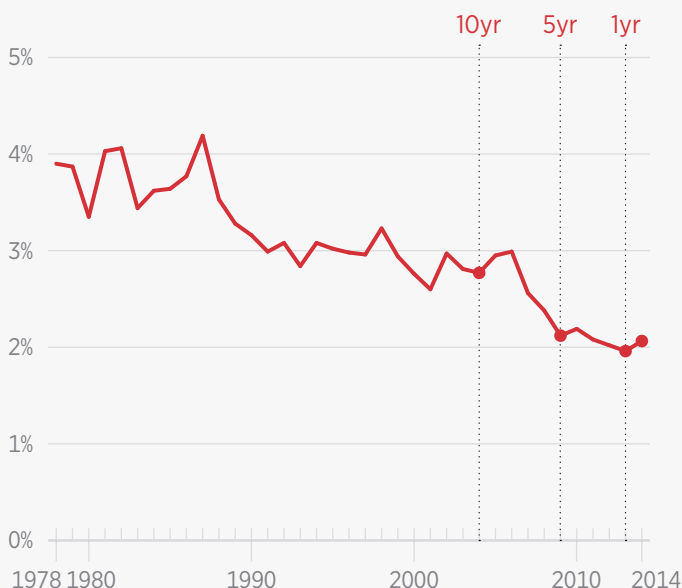
## Start-Up Job Share

From 2004 to 2014, the percentage of Americans working at start-up companies dropped 0.7 percentage point, from 2.8 percent to 2.1 percent.

**NOTE:** A start-up is defined as a firm that is less than one year old.

**SOURCES:** U.S. Census Bureau, Business Dynamics Statistics, and Heritage Foundation calculations.

START-UP JOBS AS A PERCENTAGE OF TOTAL PRIVATE-SECTOR EMPLOYMENT



## Can America Regain Its Entrepreneurial Mojo?

Karen Kerrigan

Entrepreneurship and new business creation are critical to a dynamic and growing economy. Healthy startup activity yields exciting innovations, new choices in the marketplace, and employment opportunities for Americans. Communities, families, and other local businesses are uplifted by startups that successfully scale to mid-size and large firms.

Nevertheless, startup activity in the U.S. is struggling, which means that the positive activity generated by these firms is simply not happening. While the drop in startups has been occurring for some time, the past decade has been hit by poor to weak economic conditions and a long stretch of policy uncertainty from Washington. The combination has not fostered the confidence or climate

needed to restore high levels of entrepreneurial risk-taking.

According to various measures of entrepreneurship and business activity, the U.S. has suffered a dramatic decline in both entrepreneurship and the number of firms over the past near-decade. According to an October 2016 “Gap Analysis” by my organization, the Small Business and Entrepreneurship Council, the U.S. economy is “missing” 3.7 million firms and startups based on a combination of the most often cited self-employed and employer firm data.<sup>1</sup>

Obviously, the lack of these startups—or businesses never created—is devastating for our economy. Fewer startups mean fewer job opportunities. A diminished pool of startups

means there are fewer businesses with growth potential that can scale to create quality jobs for local communities and our nation. Because the lion's share of innovation comes from startups and small firms, America's innovative capacity and competitiveness also suffer.

Policies that encourage greater economic growth and capital formation will help to create the positive conditions that are needed to strengthen confidence and therefore more risk-taking by individuals, but are policies alone enough? Is America's entrepreneurial culture in an irreversible state of decline?

Entrepreneurship has long been viewed as part of America's DNA and embedded in our culture, but how young students view the idea of starting a business should also be monitored more closely. The 2016 Gallup–HOPE Index, which “quantifies the energy of America's youth,” finds a declining interest in the number of young students who say they want to start their own businesses.<sup>2</sup> On top of this, startups owned by millennials have reached a 24-year low for those 30 years old and younger, according to a report by the Federal Reserve: 3.4 percent of people 30 years of age and under owned a business in 2013 versus 10.6 percent in 1989.<sup>3</sup>

Thankfully, there is some positive news from the Gallup–HOPE Index. Young students from lower-income families were much more likely to say they want to start a business. Our educational system needs to support these

students who express such bold aspirations. Successful entrepreneurs and mentors can help to design modern and specialized programs to enhance these students' knowledge and enable their dreams. In general, our educational institutions need to play a role in exposing young people to business ownership and providing them with the skills and experiences for successful entrepreneurship.

Other nations have worked hard to embed America's culture and best practices for developing ecosystems that encourage and support entrepreneurship. Many now outpace the U.S. in startup activity. Scores of emerging economies that I have visited to provide training and policy solutions have made entrepreneurship a national priority, and it is paying off. Yet our elected officials do not seem to recognize the severity of our problem.

America is strong when our startup activity is strong. Quality job growth, innovation, the opportunity for financial success, and strong economic growth all depend on entrepreneurship. Rebuilding America's entrepreneurial spirit will require institutional, political, policy, and personal support. We can easily get our entrepreneurial mojo back. We just need the commitment of leaders across this nation to make it happen.

**Karen Kerrigan** is President and CEO of the Small Business and Entrepreneurship Council.

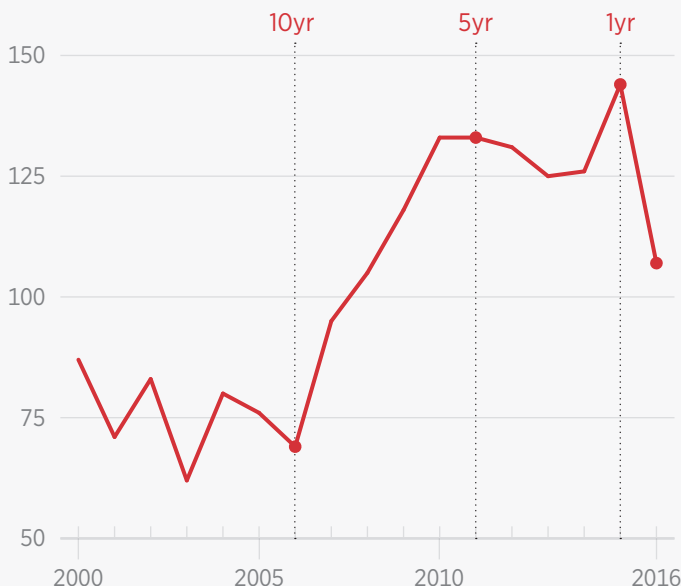
## Economically Significant Federal Regulations

The number of new economically significant federal regulations pending each year rose by 38 regulations from 2006 to 2016.

**NOTE:** Figures are for fall period except for 2012, which is for spring/fall.

**SOURCES:** The Heritage Foundation, "Red Tape Rising," and Office of Management and Budget.

ANNUAL NUMBER OF PLANNED REGULATIONS EXPECTED TO COST \$100 MILLION OR MORE



## Sabina Loving's Taxing Fight for Economic Liberty

Nick Sibilla

Ever since she was a little girl, Sabina Loving wanted to run her own business. A native of Chicago with a passion for helping people with their taxes, Sabina worked as an accountant for over a decade, earned her master's degree, and became a member of the American Institute of Professional Bookkeepers. Finally, in 2010, she was able to fulfill her lifelong dream when she established her own business, Loving Tax Services, in an impoverished neighborhood on the South Side of Chicago.

Just one year after Sabina opened her business, however, it was in jeopardy. In 2011, without any proper authorization from Congress, the Internal Revenue Service announced that it was implementing a new, national licensing scheme for tax preparers. Tax preparers

would have to pass an exam, pay licensing fees, and complete at least 15 hours of "continuing education" each year in order to renew their registrations. In addition, the new regulations barred Sabina from supervising additional unlicensed tax preparers, thereby preventing Loving Tax Services from growing.

To comply with the new requirements, preparers would have to pay hundreds of dollars in extra costs and fees every year. In turn, Sabina and other tax preparers would be forced to pass on those costs to their customers. Since many tax preparers are seasonal, higher costs from those government mandates would be devastating, driving them out of the market. Sabina was just one of roughly 350,000 independent tax preparers who could

have had their businesses destroyed by this IRS power grab.

Although the IRS portrayed the new restrictions as a way to protect consumers, the licensing scheme was riddled with carve-outs and loopholes that benefited powerful industry insiders. Attorneys, certified public accountants (CPAs), and several types of “enrolled agents” were completely exempt from the new license and its requirements. Moreover, after heavy lobbying by trade groups like the American Institute of CPAs, tax preparers who were supervised by attorneys, CPAs, or enrolled agents at either a law firm or a CPA firm were also exempt from the regulations.

Faced with the prospect of fewer competitors, two of America’s largest tax preparers, H&R Block and Jackson Hewitt, backed the new requirements.<sup>1</sup> So did Intuit, the makers of TurboTax, which was exempt from the licensing regulations. In fact, a former H&R Block CEO was even responsible for drafting the IRS’s licensing regime.<sup>2</sup>

Determined to vindicate her right to earn an honest living, Sabina partnered with the Institute for Justice (IJ) and sued the IRS.<sup>3</sup> Incredibly, the agency had claimed that its licensing rules were authorized pursuant to an 1884 law signed by President Chester A. Arthur that regulated compensation for dead horses belonging to Civil War veterans. After a taxing fight, Loving and the IJ prevailed. In 2014, the D.C. Circuit Court of Appeals ruled that the IRS had no authority to license tax preparers.<sup>4</sup> With the threat of licensing no longer over her head, Sabina could continue her business and help her community thrive. In 2015, she even testified before Congress on the importance of securing economic liberty.<sup>5</sup>

But burdensome regulations go far beyond the IRS and have proliferated rapidly. During the 1950s, about 5 percent of Americans needed a government-issued license to work, and government-mandated licensing was limited to a handful of trades such as medicine and the law. By 2013, over one-fourth of the nation’s workforce was either licensed or certified.<sup>6</sup> By comparison, that figure is well above the number of workers who earn at or below minimum wage or who are represented by a union.<sup>7</sup>

Many licensing schemes are completely irrational. Hair braiders, shampooers, fortune tellers, florists, tree trimmers, teeth whiteners, and interior designers are all licensed in at least one state. A 2012 IJ report found that in many states, barbers, cosmetologists, and construction contractors must complete far more training for their licenses than is required for emergency medical technicians who literally hold people’s lives in their hands.<sup>8</sup>

Collectively, that red tape imposes substantial costs on the economy. The Brookings Institution reports that licensure can increase costs for consumers by anywhere from 5 percent to 33 percent.<sup>9</sup> According to The Heritage Foundation, licensing raises prices for the average American household by more than \$1,000 each year.<sup>10</sup>

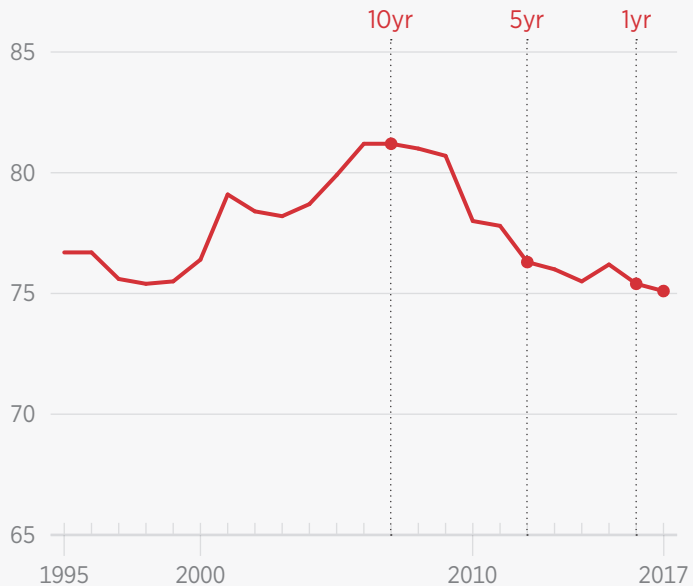
Sabina fought hard to secure her right to economic liberty. If policymakers truly want to expand economic opportunity for all Americans, curbing onerous and needless licensing laws would be a great place to start.

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## Economic Freedom

The overall U.S. score in the *Index of Economic Freedom* fell by 6.1 points from 2007 to 2017.

U.S. OVERALL SCORE FROM THE HERITAGE FOUNDATION'S INDEX OF ECONOMIC FREEDOM



**SOURCE:** The Heritage Foundation and Wall Street Journal, 2017 *Index of Economic Freedom*.

## Freedom From or Freedom For?

Andreas Widmer

The United States continues to decline in economic freedom as defined by The Heritage Foundation's annual *Index of Economic Freedom*,<sup>1</sup> even as the world as a whole improves ever so slightly. How can it be that the “leader of the free world” is no longer leading in freedom? Perhaps because policymakers have lost sight of how to encourage and incentivize the kind of economic activity that best contributes to both prosperity and human freedom.

The decline of small and medium-sized corporations (SMEs) tells the tale. SMEs are the engines of any economy. They account for 99.7 percent of our total number of companies.<sup>2</sup> Since 1990, big business has eliminated 4 million jobs, but small businesses have added 8 million.<sup>3</sup> More than 50 percent of the working population (120 million individuals) works in small businesses.<sup>4</sup> SMEs are responsible for 46

percent of our GDP<sup>5</sup> and produce 16 times as many patents per employee as large patenting firms produce.<sup>6</sup>

Unfortunately, when government imposes hundreds of new regulations each year, SMEs disproportionately take the “hit.” Whereas large corporations can readily absorb the costs of new regulation (and indeed often welcome unnecessary regulations as barriers to competition), SMEs cannot. Thus, the prudence and justice of regulatory action must be measured against the obstacles to entry that it creates for young people or innovators just starting in the field.

Our policy of subsidizing the “too big to fail” economic giants has had a depressive effect on the SMEs that are the engines of prosperity. In the immediate aftermath of the 2008 economic crash, the SMEs’ death rate outnumbered

their birth rate for the first time in our history.<sup>7</sup> Nearly a decade later, their recovery is only marginal.<sup>8</sup>

To take a simpler example, the mere act of paying one's taxes has become so complicated that "Mom-and-Pop" companies that used to do their own taxes now routinely hire CPAs rather than risk the costly fines that result from running afoul of multiple minor regulations. That is the sort of policy that eats away at margins, forces many enterprises to fold, and prevents countless others from entering the market in the first place.

If freedom consisted in being protected by regulation from anything that might go wrong, we might be on the right path, but if we measure our freedom by how easily the young, the poor, and the innovative can participate in and enter the economy, then the path we are on appears to be a dead end.

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## Fake Achievement: The Rising High School Graduation Rate

Lance Izumi

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## High Student Loan Debt Threatens Upward Mobility

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Rachel Greszler

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## Freedom From or Freedom For?

Andreas Widmer

1. “Economic freedom is the fundamental right of every human to control his or her own labor and property. In an economically free society, individuals are free to work, produce, consume, and invest in any way they please. In economically free societies, governments allow labor, capital, and goods to move freely, and refrain from coercion or constraint of liberty beyond the extent necessary to protect and maintain liberty itself.” See The Heritage Foundation, “About the Index,” *2017 Index of Economic Freedom*, <http://www.heritage.org/index/about> (accessed April 17, 2017).

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# Supplementary Statistical Analysis

Jamie Bryan Hall

For each indicator, the latest figure and its one-year, five-year, and 10-year changes are easy to understand in terms of raw data, but we need supplementary statistical analysis to determine whether its observed trend may be merely random variation in the data.

To determine the appropriate regression model to use for each indicator, we must identify which indicators are trend stationary and which are possibly nonstationary. A trend-stationary indicator shows random movement around a trend line with a tendency to return to that trend line over time, while a nonstationary indicator follows a random walk (possibly with drift).<sup>1</sup> We first calculate the augmented Dickey-Fuller test statistic under the null hypothesis that the indicator follows a random walk with drift. For p-values less than 0.1 (i.e., when there is less than 10 percent chance that as extreme a value of the test statistic would be observed if the null hypothesis were true), we reject the null hypothesis and deem the indicator to be trend stationary. Of the 31 indicators, 16 are trend stationary and 15 are possibly nonstationary.

While we use the full series of available data for each indicator, the *Index* highlights

recent trends. We allow older data to lose statistical influence gradually over time by calculating geometrically decaying importance weights with a common ratio of 0.8. For example, data from 10 years prior to the latest year will receive a weight of  $0.8^{10} \approx 0.134$  times the weight of the data from the latest year. This choice of common ratio means that average age of the data used, weighted by its importance in the regression model, is about five years prior to the latest year, the same weighted average age as if we had used equally weighted data from the latest and 10 previous years but with far less sensitivity to the behavior of the indicator five–10 years prior to the latest year.<sup>2</sup>

For each trend-stationary indicator, we then regress the data against time, allowing for the possibility that the deviations from the trend line depend on those from the previous period and may not be normally distributed. This is accomplished by estimating an ARIMA (1, 0, 0) model<sup>3</sup> with robust standard errors using our importance weights. For each regression, we report the p-value of the test statistic for the trend parameter under the null

1. The quintessential example of a nonstationary time series is the number of “heads” minus the number of “tails” in a series of coin tosses. Someone who, following several consecutive heads, states that he or she is “due” for tails on the next toss is implicitly and incorrectly assuming that the series is stationary.
2. We examined the sensitivity of the regression model results to the choice of common ratio in the range from 0.7 to 0.9 and found that it has little effect on the statistical significance of most of the estimated trend parameters.
3. An ARIMA (p, d, q) model represents autoregressive integrated moving average with parameters p, d, and q and is the primary class of model used in time series analysis. The model may be extended in a variety of ways, and an explanation of the methods used to select an appropriate model structure is beyond the scope of this book.

hypothesis of a zero trend. Eight of 16 indicators have a p-value less than 0.1, indicating a non-zero trend.

For each nonstationary indicator, we estimate a regression model of the year-to-year change in the available data, allowing for the possibility that the errors depend on those from the previous period and may not be normally distributed. This is accomplished by estimating an ARIMA (0, 1, 1) model with robust standard errors using our importance weights. For these regressions, we report the p-value of the test statistic for the constant parameter under the null hypothesis of a zero constant. With p-values less than 0.1, eight of

15 indicators show a non-zero constant parameter, which is analogous to a non-zero trend parameter for a trend-stationary indicator.

Overall, 16 of 31 indicators in the *Index* show a statistically significant trend, nine of which are on the right track and seven of which are on the wrong track, while 15 currently show no clear statistically significant trend. The comprehensive table on pp. 100 and 101 reports these results, which we calculated using the statistical software package Stata 13.

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## Culture and Opportunity Indicators, Master Table (Page 1 of 2)

INDICATOR	LATEST AVAILABLE DATA		RECENT CHANGE			STATISTICAL ANALYSIS OF TREND*	
	Year	Figure	1-Year	5-Year	10-Year	Parameter	p-value
<b>CULTURE</b>							
Marriage Rate, Marriages per 1,000 Unmarried Females Ages 15 and Older	2015	34.6	0.7	-0.8	-6.4	0.9	0.338
Divorce Rate, Number of Divorces per 1,000 Total Population	2015	3.1	-0.1	-0.5	-0.5	-0.1	0.000
Total Fertility Rate, Births per Woman	2015	1.84	-0.02	-0.09	-0.21	-0.02	0.004
Single-Parent Households, Percentage of Children Living in Single-Parent Households	2016	31.4	0.1	0.3	3.4	0.2	0.000
Teen Drug Use, Percentage of 12th-graders Who Used Illicit Drugs in Past Month	2016	24.4	0.8	-0.8	2.9	0.1	0.733
Abstinence Among High Schoolers, Percentage of High Schoolers Who Ever Had Sex	2015	58.1	(2-Year) -6.0	(6-Year) -4.2	-5.0	-0.7	0.000
Abortion Rate, Abortions per 1,000 Women Ages 15-44	2014	14.6	-0.6	-3.9	-5.1	-0.6	0.000
Religious Attendance, Percentage Attending Religious Services Weekly	2016	29.1	(2-Year) 0.4	(6-Year) -1.2	-2.1	-0.2	0.000
Volunteering, Percentage of Adults Volunteering	2015	24.9	-0.4	-1.4	-3.9	-0.3	0.000
Violent Crime Rate, Number of Crimes per 100,000 People	2015	372.6	11.0	-31.9	-96.4	-9.9	0.000
Labor Force Participation Rate, Percentage of Adults Ages 25-54 Working or Searching for Work	2016	81.3	0.4	-0.3	-1.6	-0.1	0.359
Unwed Birth Rate, Percentage of Births to Unmarried Women	2015	40.3	0.1	-0.5	3.4	-0.4	0.000
Self-Sufficiency, Percentage of Individuals Who Live in Poverty (Excluding Welfare Benefits)	2015	13.5	-1.3	-1.6	0.9	-0.1	0.675
Total Welfare Spending, Federal and State Welfare Spending, in Billions of 2015 Dollars	2015	1,092	58	95	288	36	0.008
Subsidized Housing Participation, Number of Individuals Living in Subsidized Housing, in Thousands	2016	9,785	-68	-314	686	33	0.343
Food Stamp Participation, Number of Individuals Receiving Food Stamps, in Millions	2016	44.2	-1.5	-0.5	17.7	0.3	0.731
TANF Participation, Number of Individuals Receiving Cash Assistance from TANF/AFDC, in Thousands	2016	3,855	-271	-702	-727	-170	0.132
TANF Work Participation Rate, Percentage of Work-Eligible Adult TANF Recipients Engaging in Work Activity	2015**	29.2	-7.4	0.2	-3.8	0.0	0.831
<b>POVERTY AND DEPENDENCE</b>							

\* The statistical procedures used to develop the model for each indicator and test for the significance of its trend are explained on pp. 97-98.

\*\* Calculations based on Heritage estimates.

# Culture and Opportunity Indicators, Master Table (Page 2 of 2)

INDICATOR	LATEST AVAILABLE DATA		RECENT CHANGE			STATISTICAL ANALYSIS OF TREND*	
	Year	Figure	1-Year	5-Year	10-Year	Parameter	p-value
Reading Proficiency, Reading Proficiency for 8th Grade Students on a 500-Point Scale	2015	265	(2-Year) -3	(6-Year) 1	3	0	0.014
Charter School Enrollment, Number of Students Enrolled in Charter Schools	2015	2,721,786	199,764	1,111,501	(9-Year) 1,708,880	196,023	0.000
Private School-Choice Participation, Number of Students Enrolled in Private School-Choice Programs	2015	394,311	40,501	203,500	285,606	31,948	0.001
High School Graduation Rate, Percentage of Public School Students Receiving High School Diploma Four Years After Starting 9th Grade	2013	81.9	1.1	7.2	8.0	1.0	0.000
Student Loan Debt, Average Student Debt per Borrower Graduate, Four-Year Colleges and Universities, in 2015 Dollars	2015	28,153	1,236	2,387	4,329	446	0.000
Employment-Population Ratio, Percentage of Civilians Ages 25-54 Who Are Working	2016	77.9	0.7	2.8	-1.9	0.3	0.412
Unemployment Rate, Percentage of Unemployed Civilians Ages 25-54	2016	4.2	-0.3	-3.7	0.4	-0.4	0.043
Job Openings Rate, Monthly Private-Sector Job Openings/Vacancies as a Percentage of All Private-Sector Jobs	2016	4.0	0.1	1.4	0.7	0.2	0.135
Job Hires Rate, Monthly Private-Sector New Hires as a Percentage of All Private-Sector Jobs	2016	4.0	0.0	0.4	-0.3	0.0	0.533
Money Taxed Away by Federal Government, Percentage of GDP Taken by Federal Taxes	2017**	18.1	0.3	2.8	0.2	0.2	0.100
Start-Up Job Share, Start-Up Jobs as a Percentage of Total Private-Sector Employment	2014	2.1	0.1	0.0	-0.7	0.0	0.317
Major Federal Regulations, Annual Number of Planned Regulations Expected to Cost \$100 Million or More	2016	107	-37	-26	38	0.0	0.917
Economic Freedom, U.S. Overall Score from the Heritage Foundation's <i>Index of Economic Freedom</i>	2017	75.1	-0.3	-1.2	-6.1	-0.4	0.069

## GENERAL OPPORTUNITY

\* The statistical procedures used to develop the model for each indicator and test for the significance of its trend are explained on pp. 97-98.

\*\* Forecast.

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**NOTE:** Data for each indicator are drawn from publicly available sources. Each indicator used the most recently available data as of March 2017. Wherever possible, the *Index* uses annually updated data. The change over a period of years is reported for each of the indicators. For most indicators, this report includes 10-year, five-year, and one-year changes. The only exceptions are those for which annual data are not available, and those exceptions are noted on their charts. For three indicators—the percentage that attends religious services weekly, the percentage of sexually experienced 12th-graders, and reading proficiency of 8th-grade students—only biannual data were available. One indicator—charter school enrollment—transitioned from biannual to annual frequency in 2010. Indicators included in this report are illustrative and not a direct or exhaustive measure of culture and opportunity.

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