

# Fixing America's baby bust <sup>[1]</sup>

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## AVAILABILITY

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## EXCERPTS

A little while back, I suggested that the U.S. should help the millennial generation make the transition out of youthful poverty by forgiving some of their mountainous student debt. One positive effect of that bailout, I argued, would be to boost American fertility rates, which have fallen since 2007. I think that the difficulty of raising a family in the U.S. is a problem that needs a more comprehensive solution.

In general, having a fertility rate of around 2.1 is optimal. That's because 2.1 children per woman is the level where a population sustains itself. The closer you get to replacement fertility, the less you have to worry about either a population explosion or a collapse. Right now, most developed countries are dealing with the latter problem, a development that threatens their pension systems and raises the number of dependents that each worker has to support.

The U.S., until recently, bucked this trend, for two main reasons. The first is that we had very high fertility rates among Hispanic immigrants. The second is that we had very high teen pregnancy for a rich country. Both of these factors are now disappearing -- fertility has plummeted among Hispanics, and teen pregnancy is way down. So now we seem to be facing the same aging issue that is bedeviling the rest of the developed world. It's worth noting that, since the 2007-09 recession, the fertility rates of rich countries such as France, Germany, Japan and the U.K. have actually risen, while that of the U.S. has fallen by more than 11 percent.

What can we do about it?

Most policies that try to raise fertility fail. Exhorting people to have more children has little effect, and paying them doesn't seem to do much better. These policies also smack of government interference in people's personal lives, which Americans are not alone in despising.

But a few rich countries have managed to buck the trend, and have achieved fertility rates that are very close to replacement level. The most important of these countries is France. According to the World Bank, French fertility rates are now at 2.01, compared with 1.88 for the U.S.

What is France's secret sauce? It helps to think about the reasons that it's so hard to raise a family in a developed country. Raising a kid costs huge amounts of money. First of all, you probably have to get a bigger house. Food and transportation are big expenses. Health care, including extras like braces, takes a big bite. And then there's college, which is becoming out of reach for more and more families.

But the biggest cost of raising a child may simply be time. Time that you spend taking care of the kids is time that you don't spend at work earning money. In the ideal situation, both parents would have flexible work situations, and both would take time off to share child-care duties. Unfortunately, most of us don't live that dream. Many have rigid work schedules, and often put in many extra hours at home or at the office -- Americans work longer hours than almost anyone in the developed world. And many are single parents. What that means is that a lot of American parents are forced to make an all-or-nothing choice between the workplace and child care.

The demanding U.S. workplace may also be preventing women from fully joining the workforce. French women don't just have more babies than American women, they also are more likely to get a job. The U.S., which was a leader in female labor force participation in the 1990s, has fallen behind. These days, even Japanese women are more likely to work than their American counterparts.

France, by helping parents with the costs of child rearing, may be reaping the benefit both in higher fertility and in increased female labor force participation. In a 2012 white paper, Marie-Laure des Brosses, president of Make Mothers Matter France, explains the situation. Huffington Post writer Emily Peck summarizes the paper's findings:

The French government has just been much more aggressive about enacting policies that help families and support women who want to have children and keep working. And the policies work. Not only do a huge majority of French women work, France also has the second-highest birth rate in Europe, after Ireland...Nearly one-third of the gap between the U.S. and the other countries, when it comes to the percentage of women who work, can be traced to the United States' pitiful work-family policies.

For one thing, French parents get paid parental leave from work. The amount of paid leave actually increases as you have more children. The law gives women more leave than men (defying France's stereotype as a gender-neutral country), but paternal leave is substantial as well.

The U.S., in contrast, has no paid parental leave, only unpaid.

France also has abundant child care. The government has sponsored a large number of options for child-care services, including public day care, subsidized private day care, part-time nannies and company day care. In the U.S., in contrast, child-care services are very sporadic.

Real pro-family policies will raise both the fertility rate and the female labor force participation rate. President Barack Obama's plan, which he sketched out in his recent State of the Union address, is a start. But to really make life easier for American families, we might want to look to the French model.

**Region:** United States <sup>[3]</sup>

**Tags:** subsidy <sup>[4]</sup>

affordability <sup>[5]</sup>

mother's labour force participation <sup>[6]</sup>

maternity and paternal leave <sup>[7]</sup>

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