



Misleading Pessimism on U.S. Births

Recently released provisional data on births for 2017 has led to a plethora of negative commentary regarding the state of fertility in America. Comprehensive analysis, however, reveals that this abundance of adverse observations is misleading because it overlooks several important issues.

- The general fertility rate (number of live births per 1000 women 15-44 years old) is being depressed due to a sharp decline in the number of births to teenage girls (see Chart 1). The proportion of total births represented by teenage girls, which peaked in 1975 at 20%, has declined to less than 5% as of 2016 (see Chart 2). Considering the wealth of information that there are many negative consequences for children born to children, our opinion is that this is a positive development.
- The sharp decline in total births (see Chart 3) largely disappears if the calculation is restricted to women 20 years old and over (see Chart 4). A comparison of the general fertility rate for women aged 20-44 to the general fertility rate as published by the National Center for Health Statistics (NCHS) further illustrates the divergence (see Chart 5). The two were very similar in the 1980s and 1990s because the birth rate for teenage girls was very close to the general fertility rate for all women.
- We are troubled by the 2017 decline in the total general fertility rate but further analysis cannot yet be done as NCHS has yet to release age-specific birth rates for 2017.

As elaborated below, we remain optimistic regarding the outlook for the number of births in America:

- Most of the drag from declining births for teenagers is behind us.
- The number of women of childbearing age continues to expand.
- The most significant positive is that birth rates for women aged 30-34, 35-39 and 40-44 are increasing with recent readings nearly approaching levels recorded during the baby boom. It also helps that an increasing share of the growth in the number of women of childbearing age will occur in those age groups.
- As reflected in rising birth rates for older women that has already occurred, the Human Fertility Database reveals that completed cohort fertility is now above replacement and cohort childlessness is declining.

It is important to note that this is not the first time that the total fertility rate has remained below replacement. It was below from 1972 to 1988 and then recovered. We expect that pattern to be repeated in the coming years.

Chart 1

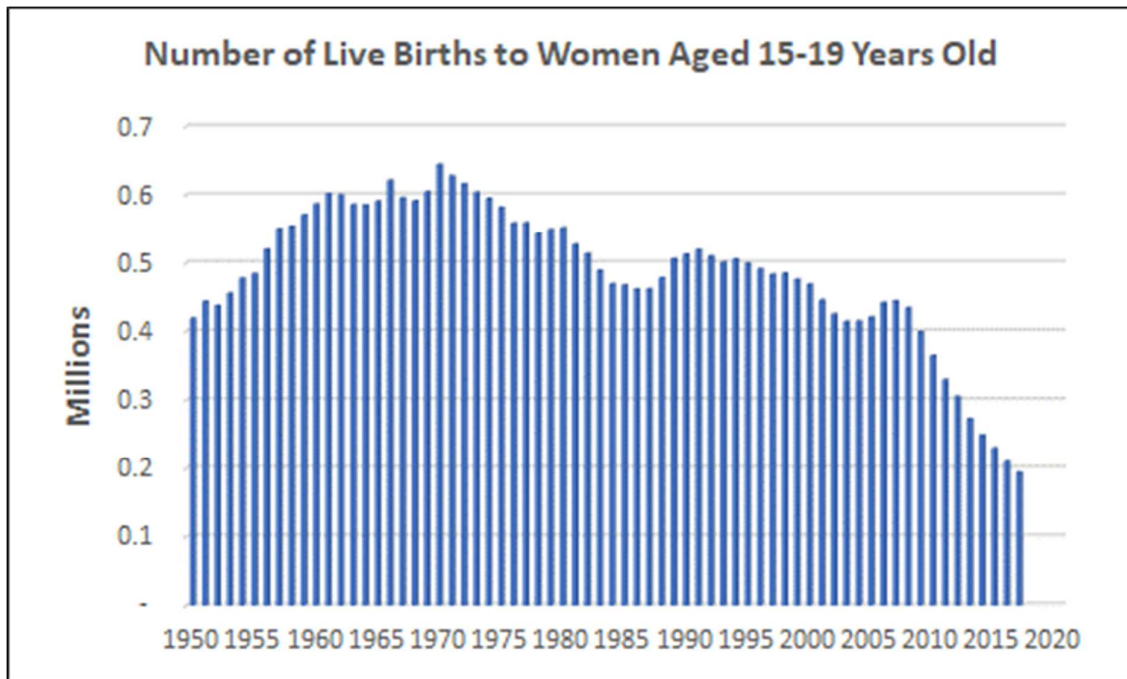


Chart 2

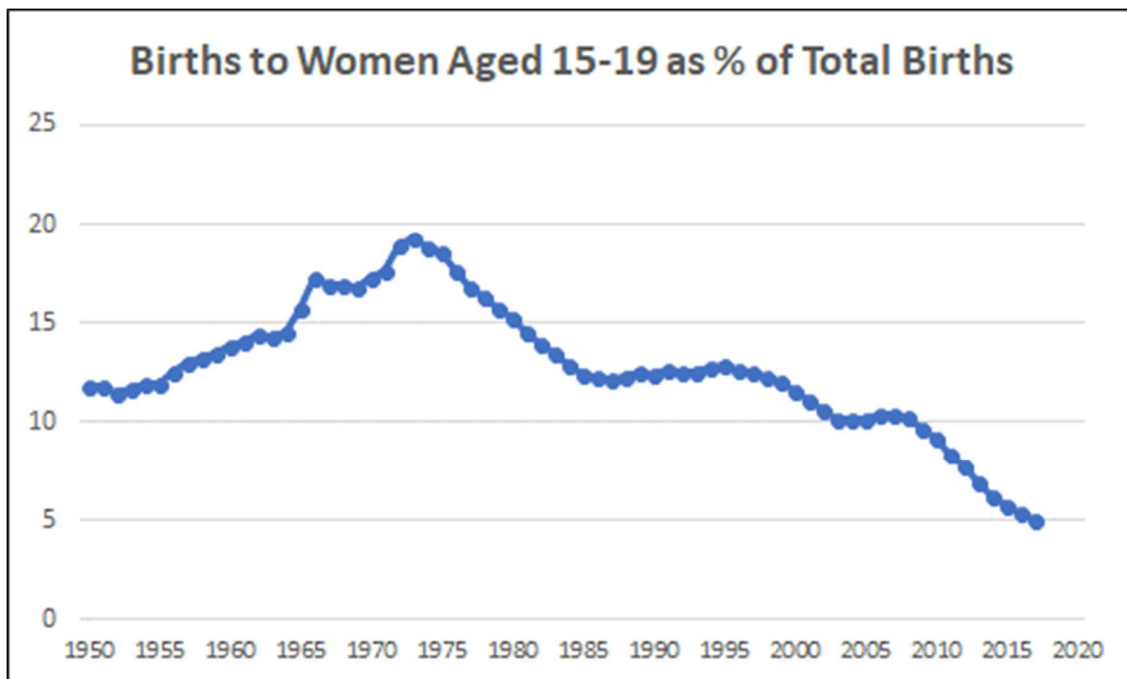


Chart 3

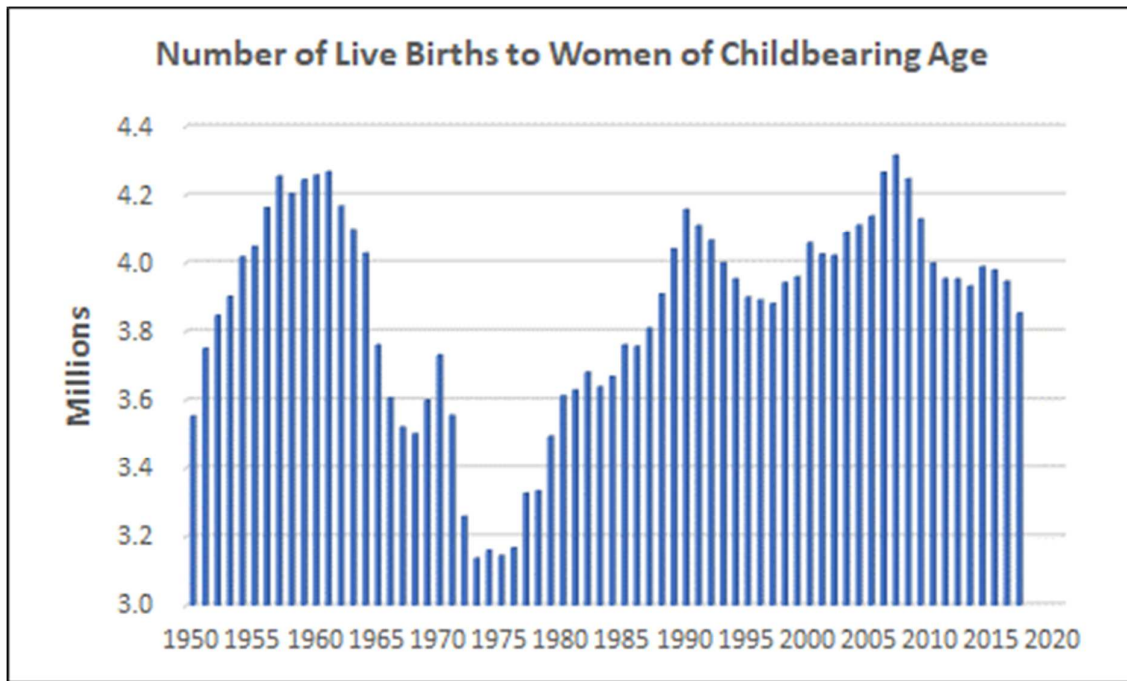


Chart 4

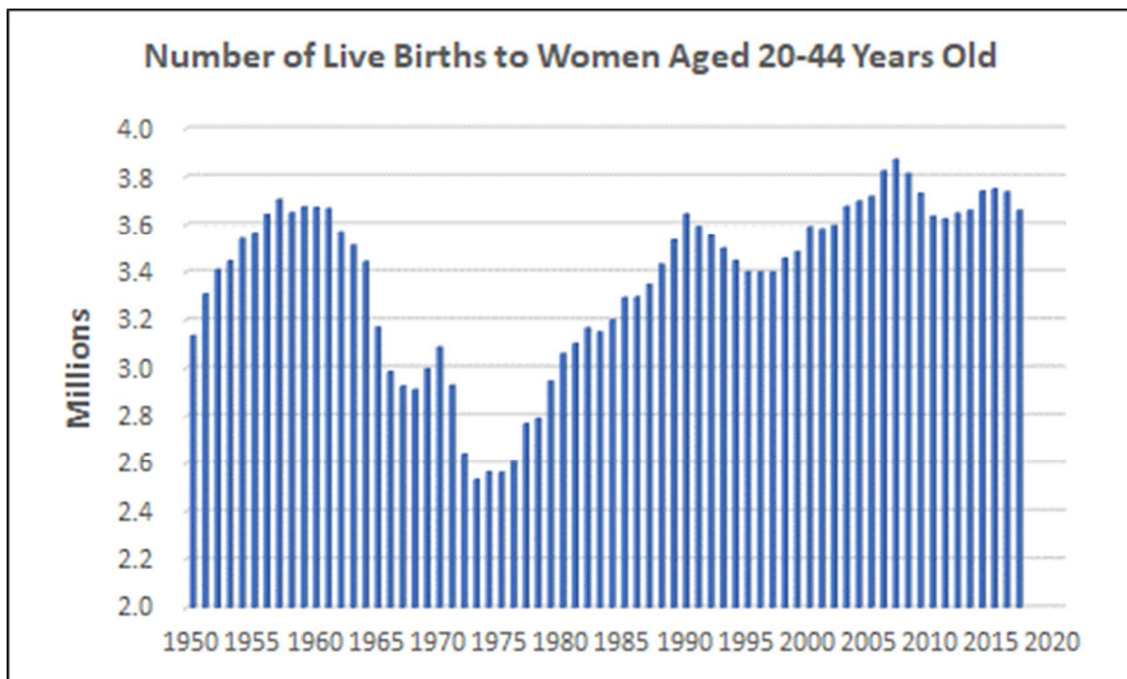
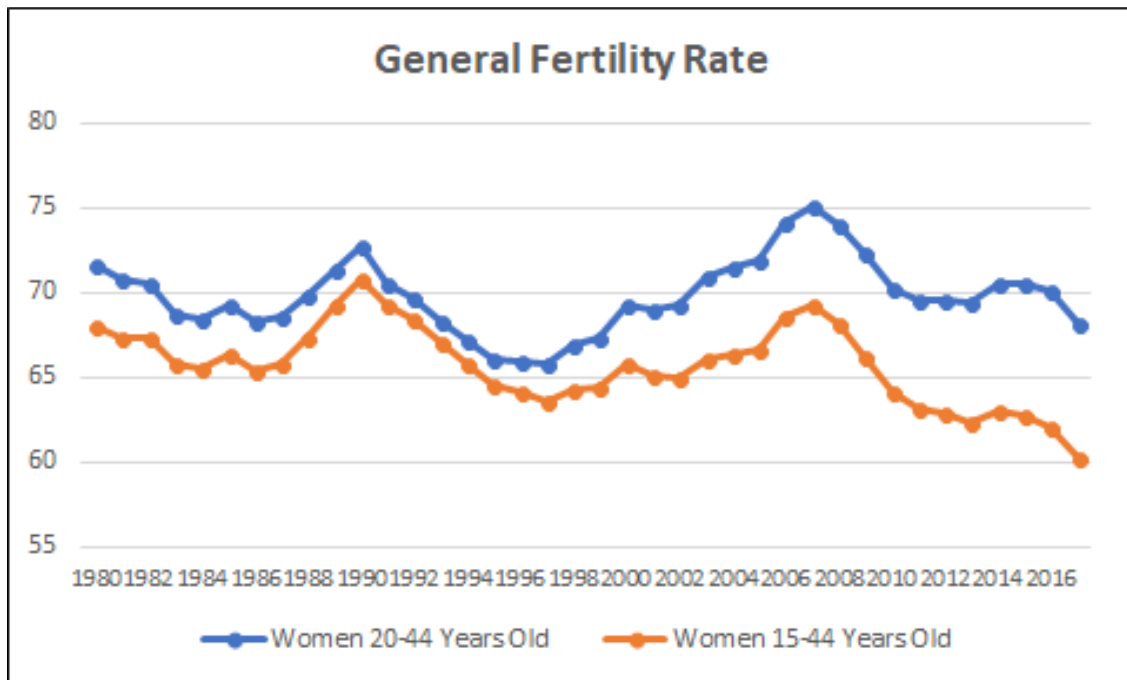


Chart 5



The Outlook for Births

We remain optimistic regarding the outlook for the number of births in America:

- Most of the drag from declining births for teenagers is behind us. We do hope for further declines in their birth rate but the negative impact on total births can be expected to be much smaller than it was.
- The number of women of childbearing age continues to grow with the prospect that growth will soon accelerate (see Chart 6). Of course, an increase in the number of women of childbearing age is neither a sufficient nor a necessary condition to be positive regarding births. The number of women of childbearing age registered very large increases in the 1960s and 1970s but the impact on the number of births was largely offset by declining birth rates.
- The much more significant positive is that birth rates for women aged 30-34, 35-39 and 40-44 as detailed below are increasing with recent readings nearly approaching levels recorded during the baby boom. It also helps that an increasing share of the growth in the number of women of childbearing age will occur in those age groups.

It is also important to note that this is not the first time that the United States has experienced a Total Fertility rate that is below replacement (see Chart 7). It was below replacement (2.1 children per woman) for part of the 1970s and all of the 1980s before it recovered.

Last but certainly not least is recognition of how the total fertility rate is defined – it is the number of children who would be born per woman if she were to pass through the childbearing years bearing children according to the current schedule of age-specific birth rates. In other words, if a woman turning 15 years of age today were to experience current age-specific birth rates during her reproductive years, this is how many births she could be expected to have. It does not measure how many children will actually be born because future birth rates are likely to differ from those currently.

The truly accurate measure of total fertility is completed cohort fertility (see Chart 8). The x-axis is the year of birth. For example, women who were born in 1935 had 3.214 births in total. Completed cohort fertility dipped somewhat below replacement for women born during the baby boom but then began to recover for women born afterwards (Generation X). It is now above replacement reflecting the increase in birth rates for older women.

Yet another reason to be optimistic longer term is that the percent cohort childless is declining (see Chart 9). As was true for completed cohort fertility, the percent childless increased for women born during the baby boom and has since receded.

Chart 6

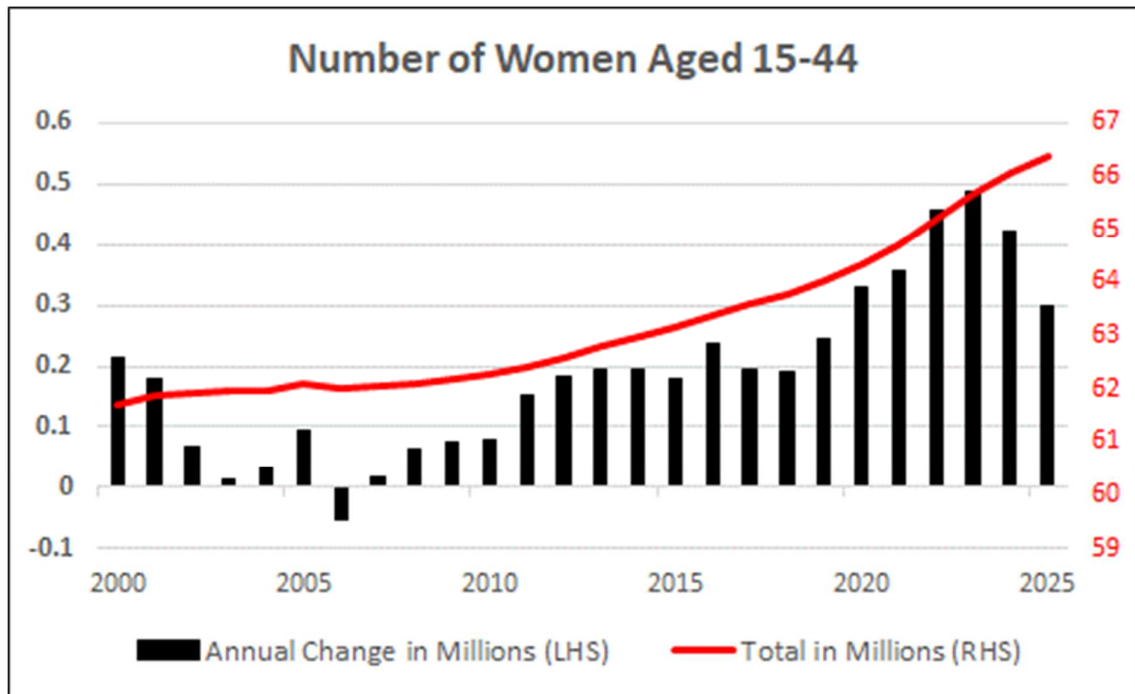


Chart 7

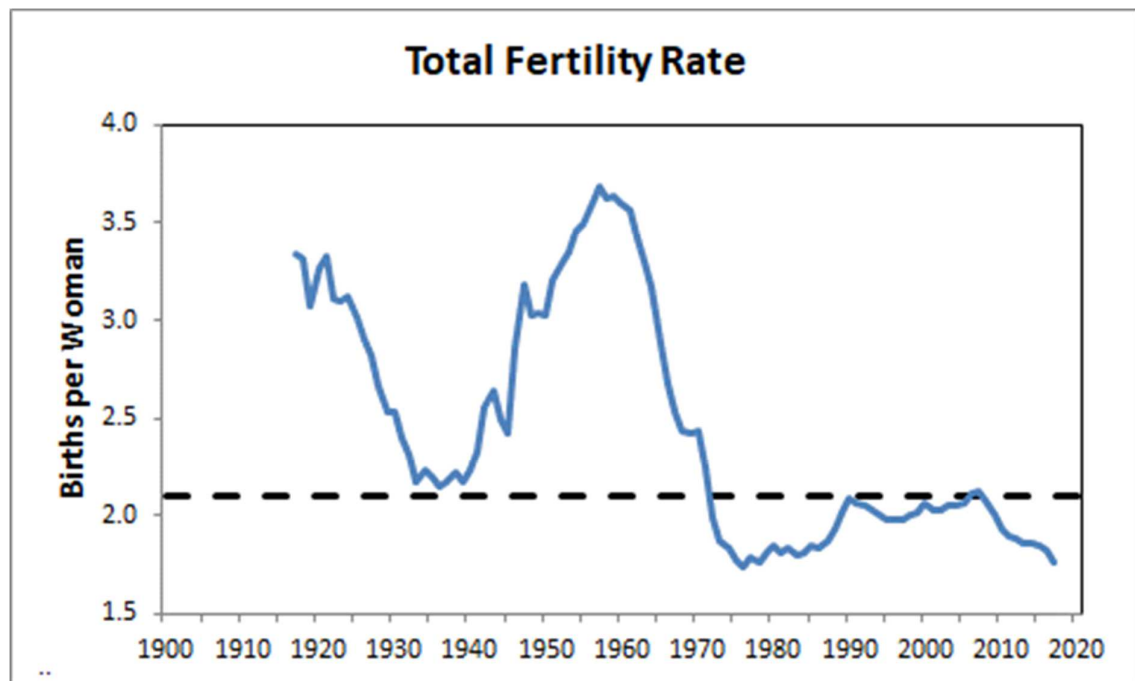


Chart 8

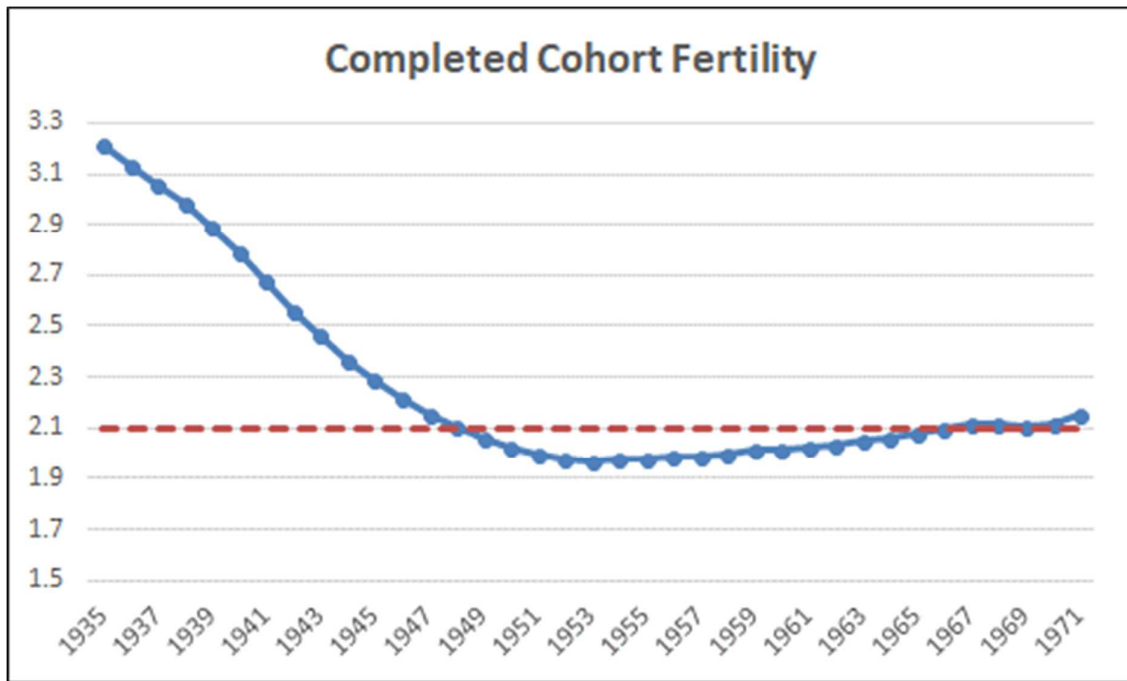
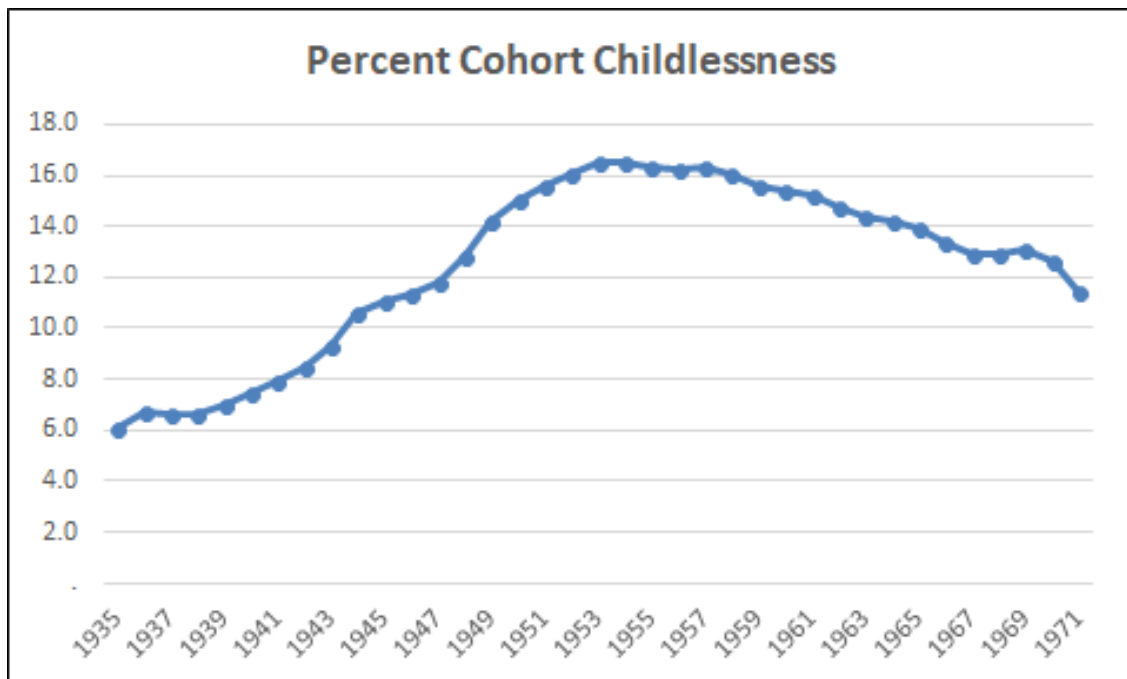


Chart 9



Birth Rates by Age of Mother

Charts 10 through 17 display birth rates for the years 1940 to 2016 by age of mother as published by the National Center for Health Statistics. As previously discussed, there have been significant declines in birth rates for women under the age of 20 – both for women aged 10-14 years old (see Chart 10) and for women aged 15-19 years old (see Chart 11). It is troubling that the birth rate for women aged 20-24 years old has dropped so much this decade (see Chart 12) but we are encouraged that the birth rate for women aged 25-29 years old has remained relatively stable (see Chart 13). In good part, our longer-term optimism regarding births in America reflects the rising birth rates for women aged 30-34, 35-39, and 40-44 (see Chart 14, Chart 15 and Chart 16). Current birth rates for all three age groups are close to matching their previous highs established during the baby boom. For the sake of completeness, Chart 17 displays the birth rate for women aged 45-49 years old. Considering all the news regarding various medical procedures to assist fertility for older women today, we find it very interesting that the birth rate for these women has yet to reach levels established nearly 80 years ago.

Chart 10

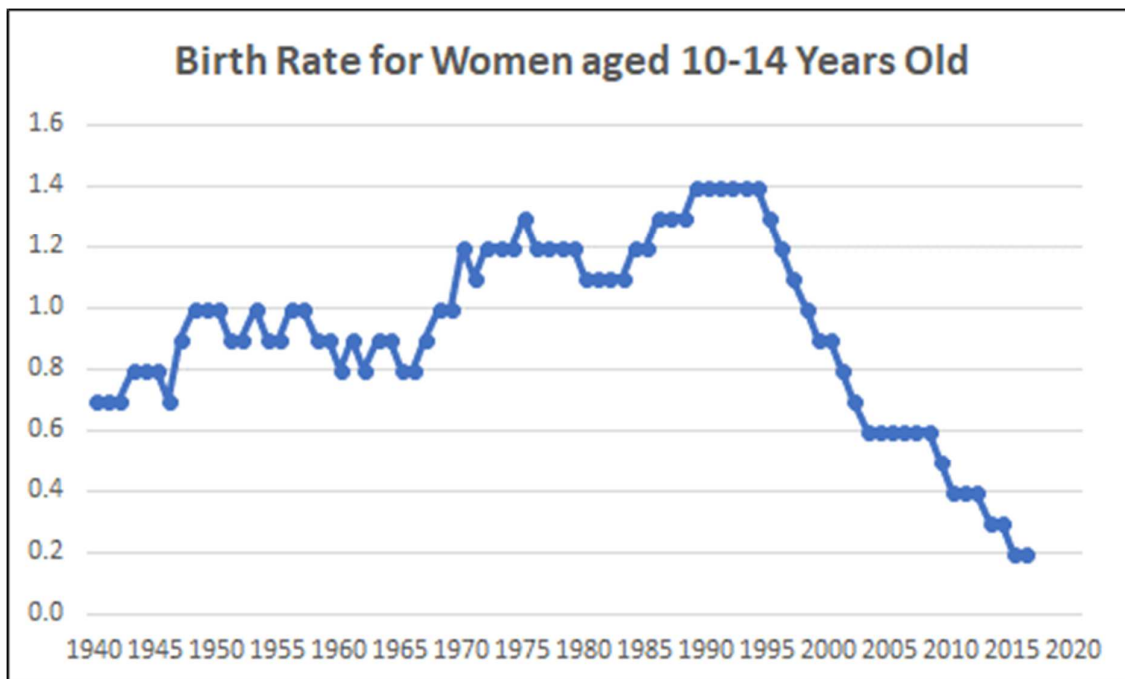


Chart 11

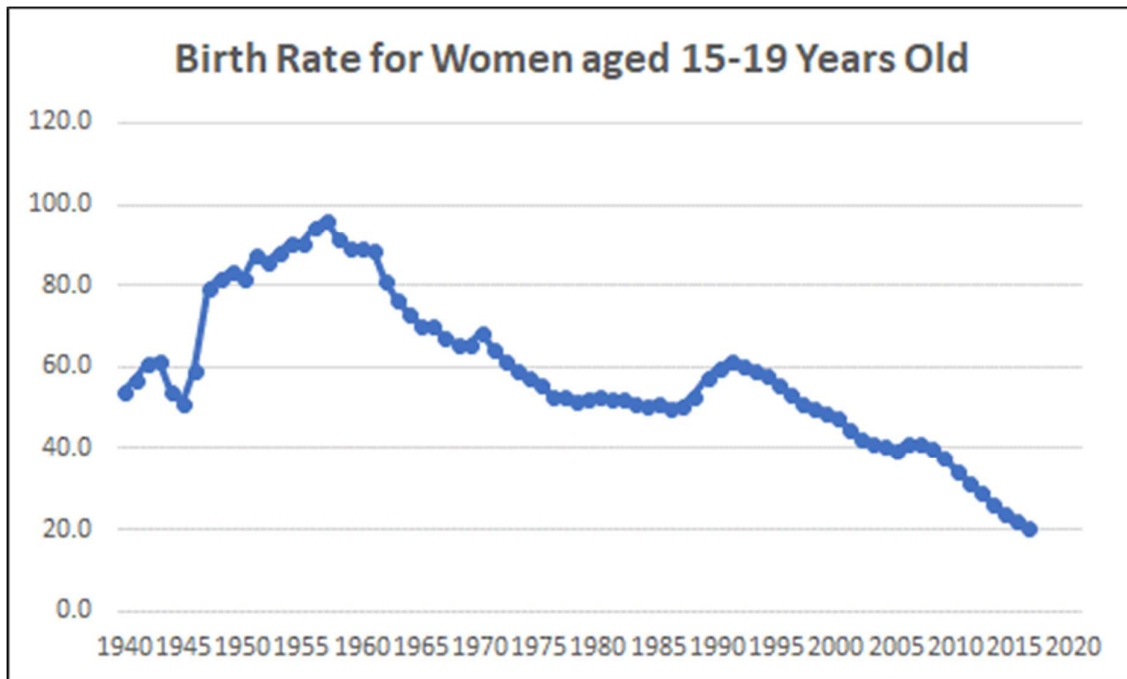


Chart 12

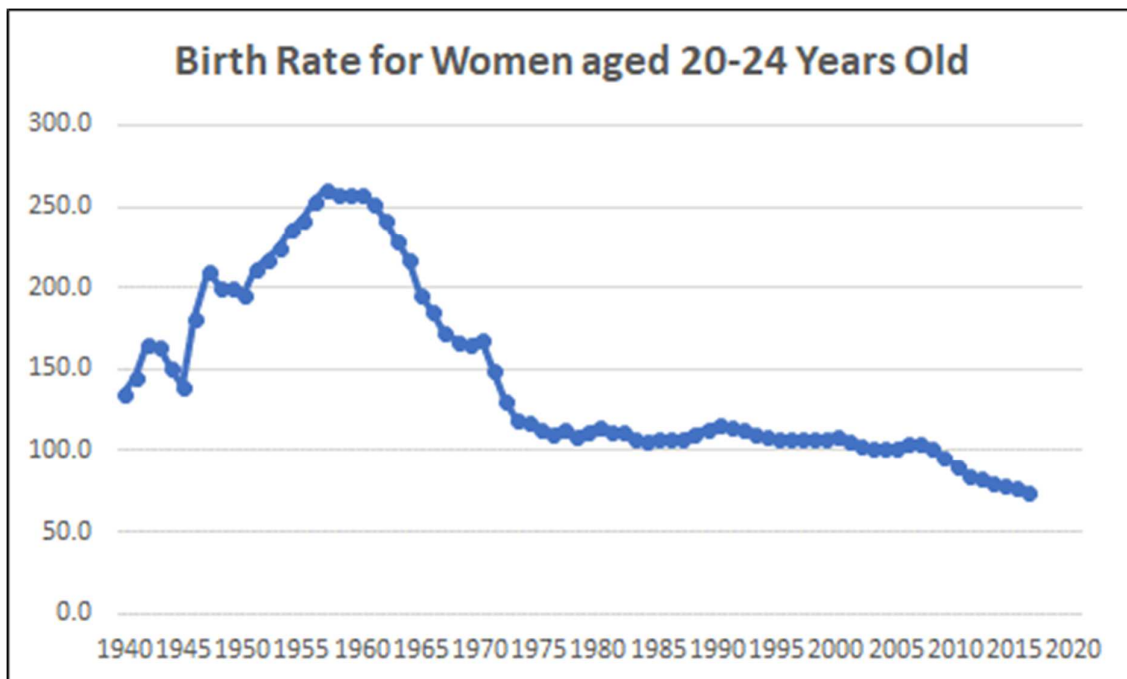


Chart 13

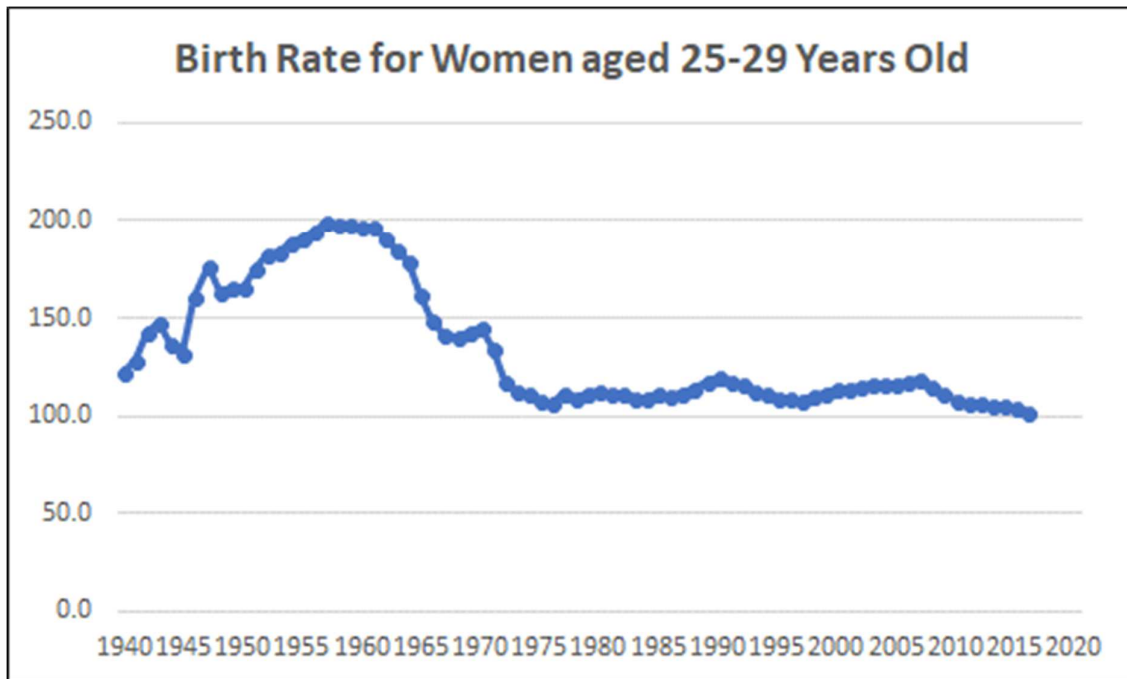


Chart 14

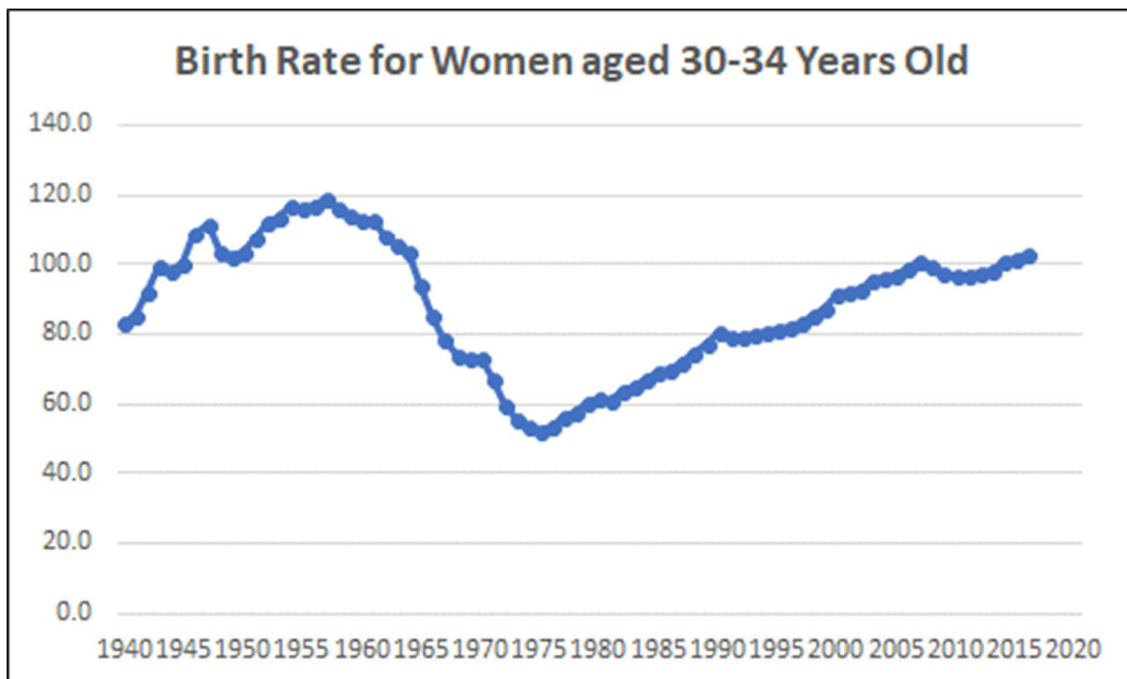


Chart 15

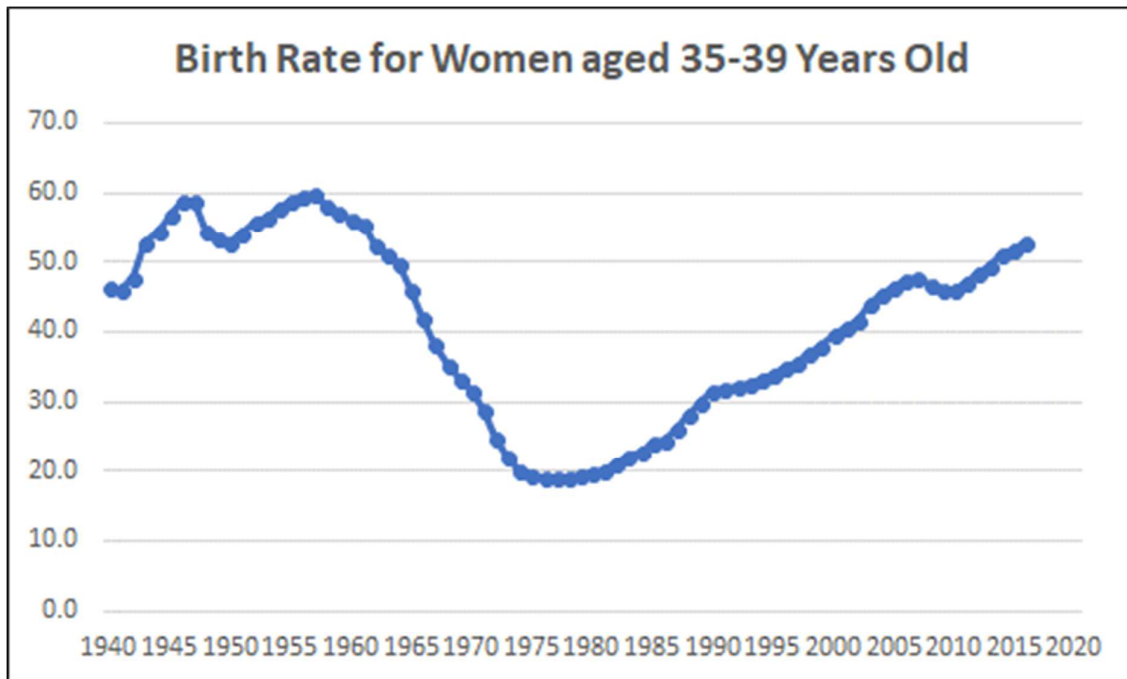


Chart 16

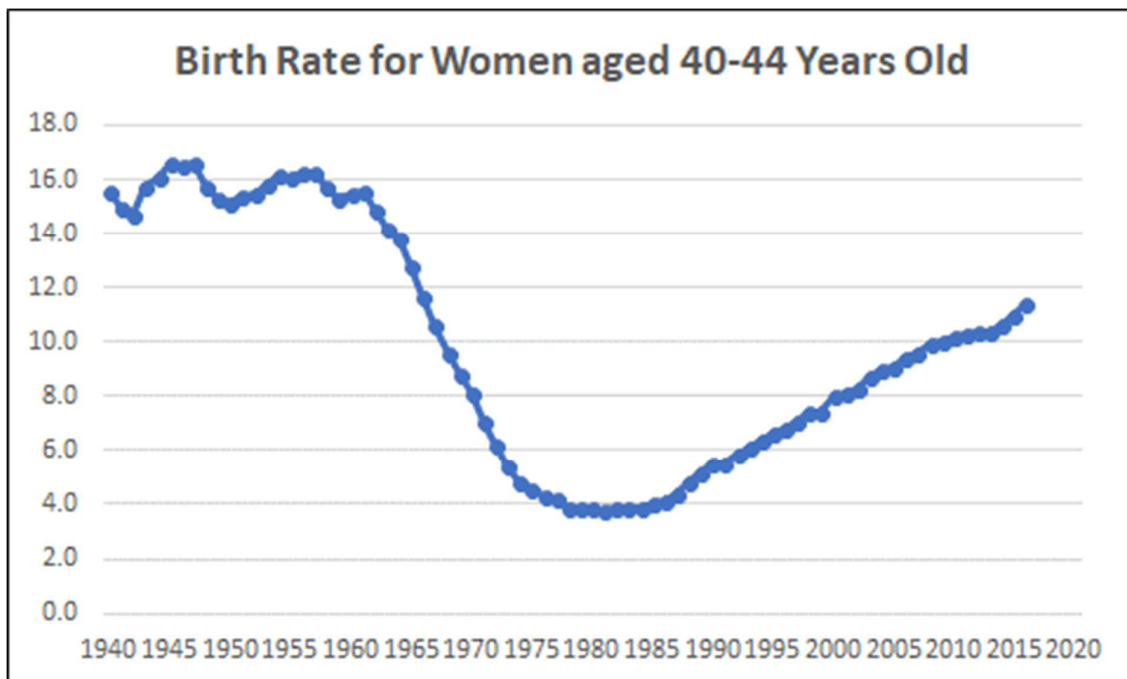


Chart 17

