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Melissa Kearney
Neil Moskowitz Professor of Economics
University of Maryland

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Moderator: N. Gregory Mankiw
Robert M. Beren Professor of Economics
Harvard University
Trustee, The Economic Club of New York

Introduction

Chair John C. Williams

Good afternoon and welcome to the 745th meeting of The Economic Club of New York. I'm John Williams. I'm the President and CEO of the Federal Reserve Bank of New York, and I'm Chair of the Club. Recognized as the premier nonpartisan forum in the nation, The Economic Club of New York stands as the leading platform for discussion on economic, social, and political matters. For more than a century, the Club has hosted over 1,000 preeminent guest speakers contributing to our tradition of excellence.

I'd like to extend a warm welcome to students who are joining us virtually from the University of Maryland, Mercy University, and Harvard University. And congratulations and welcome to the new Class of Fellows who are joining us today for the very first time. It's our largest and most diverse class of fellows to date. On behalf of myself, our Board of Trustees, and our members, we look forward to being with you and enjoying this year's special programming and opportunities.

For today's Author Series program, we're honored to welcome Melissa S. Kearney as part of our Equity and Inclusion programming. As you may know, in 2020 the Club launched its E&I programming with support from our corporate partners – BlackRock, Mastercard, PayPal, S&P Global, and Taconic Capital.

Melissa is the Neil Moskowitz Professor of Economics at the University of Maryland. Her academic research focuses on domestic policy issues, especially issues related to social policy, poverty, and inequality. And today, we'll discuss her latest book, *The Two-Parent Privilege*, a data-driven case for marriage by showing how the institution's decline has led to a host of economic woes, problems that have fractured American society and rendered vulnerable populations even more vulnerable.

Now, the format will be a conversation, and we're honored to have Club Trustee, Greg Mankiw, as our moderator. Greg is the Robert M. Beren Professor of Economics at Harvard University. Now, we'll end promptly at 4:45, and as a reminder, this conversation is on the record as we do have media on the line. In addition, we'll be using the chat box for this conversation, and you can enter questions directly in the chat box for their consideration, if time permits. So, without further ado, I'm honored to pass this time over to you, Greg.

Conversation with Melissa Kearney

GREG MANKIW: Thank you, John. And thank you, Melissa, for joining us. You have a really terrific new book here. I actually used it in a seminar I taught at Harvard in the fall and the students really enjoyed reading it and talking about it. So thank you for spending time with us at The Economic Club of New York.

Okay, the big theme, two parents are better than one. Why?

MELISSA KEARNEY: Yes, so I surprisingly come at this as an economist, and so it's a pretty simple answer, which really is that two people tend to have more resources combined than one person alone. And so that's the case I'm making in the book. All of my explanations for the differences in outcomes between kids growing up in one and two-parent homes really rests on this idea. It shouldn't be controversial. It's not a moral or value-laden proposition. It's just that two parents have more combined money. They have more combined time. They have more emotional bandwidth. All of that allows them to create more resource-rich environments for their kids. And we see that that happens in ways that really benefit kids' outcomes.

GREG MANKIW: What outcomes are you looking at in particular? So we know from mounds of data that kids who grow up in two-parent homes as compared to kids from one-parent homes are, they're less likely to have behavioral struggles. They're less likely to get in trouble in school. They're more likely to graduate high school. They're less likely to become young, unmarried parents. They're less likely to get involved with the criminal justice system. They're more likely to graduate college. They're more likely to have higher earnings in adulthood. All these kinds of sort of typical success markers that we can see in our sort of observational datasets.

GREG MANKIW: Now, one of the things you're very aware of as a data analyst is the difference between correlation and causation. And a lot of economics is really focused on trying to sort that out in a lot of applied microeconomic work. So let's spend a minute on that. First, can you, before you talk about how you would solve that problem, can you explain to the audience why correlation and causation not being the same thing is an important issue?

MELISSA KEARNEY: Yes, so when I say things like single parent households are five times more likely to be poor than married parent households, the immediate economist reaction is, well, poor women are much more likely to be single parents. And so you're picking up a correlation or you're confusing cause and effect. And so what we have to do is try and figure out is there really something about two-parent households versus one-parent households that's leading to these differences as opposed to differences across the type of people who are married or raising their kids in one or two-parent households.

Now, the complicating factor here in this scenario is we could never run a social experiment or a randomized controlled trial where we randomly assign kids to grow up with married parents or single parents, then break all of that selection and say, see, I've nailed the single variable that matters. Having said that, the evidence is really overwhelming here. There are hundreds of studies that work to compare outcomes for

kids from two-parent or married-parent households as compared to kids from one-parent households controlling for all of the things we can observe about the mom. So what I can tell you with, you know, confidence is that even looking at the outcomes of children whose moms are the same age when they initiate childbearing or they have the same level of education, they live in the same state, they're from the same race or ethnic group, their kids on average do better if they're growing up in a married or two-parent home as compared to one. And so that is really irrefutable. There are just hundreds of studies showing that. Some studies will also look at kids over time, so you have the same parents, the same kids, what happens when there's a transition in their family, when the parents get divorced. And so you see an immediate reduction in income. You see an increase likelihood the child moves. You see an onset of, you know, sort of worsening education outcomes.

So it's pretty clear, I think across the studies, that family structure matters for kids' outcomes. I think the more interesting question then becomes what is it about family structure that matters? And here, again, sort of what we see in the data supports the logic and the idea that it's really a resource difference. Heuristically, we can see that differences in income, because two-parent households tend to have, like on average they have about twice as much income coming in. Again, not surprising because most moms work, so you have two earners in the household or two potential earners, twice as high income. Income differences seem to be – it depends on the time period, the

outcome, but let's just say about half. Half of the difference in two-parent households just comes from the fact that two-parent households have more income.

But then the other things we see are engagement with parents matter. Lots of, you know, their parenting approaches, which is reflective of the level of stress. That kind of matters. So I think thinking about what it is about family structure is really more illuminating at this point than whether it's really about family structure. That part seems pretty clear.

GREG MANKIW: When thinking about causation issue, I was thinking that there might be some natural experiments we could leverage. I mean divorce is a choice. But there are certain sorts of things in life that aren't choices, like if somebody dies in a car accident, one spouse dies in a car accident. That's kind of a random event. Does any of this work distinguish between, say people who are single parents because of divorce versus single parents because of death versus single parents, maybe they never had a father in the person's life?

MELISSA KEARNEY: Yes, right, so there's a lot of different ways people wind up parenting alone or kids wind up in single-parent households. The short answer to your question is yes, people have looked at it and the pathways matter. But before I sort of expand on that, let me be clear. The rise in single-parent households over the past 40

years that I focused on in my book is driven by an increase in never-marriage among parents. This is why marriage features so prominently in the story I'm telling in the book. Fifty-two percent of unpartnered mothers now, moms who are raising their kids without a partner in the home, 52% of them were never married. That's a really big difference from 1980 when it was 22%.

Divorce is actually down in this country. It's just that fewer people are getting married, including those who have a kid together. So that's really important because it turns out that kids whose parents have never been married, in some sense, are at the largest resource deficit. They are much less likely to be getting income support from the second parent than if the parents were married at some point and were divorced. Kids whose parents are divorced had the benefit of two parents in their house for some of their childhood and actually work on divorce shows that the longer kids have the benefit of two parents in their household, the smaller are their gaps in outcomes with kids who are in stably-married homes.

So kids whose parents have never been married are also less likely to have meaningful engagement or interaction with the second parent. Again, just thinking about this from a resource perspective, that means the largest deficit in resources, then unsurprisingly that's where we see sort of the worse outcomes for kids.

GREG MANKIW: You said there's been an increase in never-married. What's the cause of that?

MELISSA KEARNEY: This is a really big question, and I will try and sort of summarize the narrative that I tell, reading lots of different patterns in the data and lots of different studies on this. So think of it this way, this is the way I read the data, in the 60s and 70s we had a social cultural revolution. Right? There was sort of changing expectations about marriage. The institution of shotgun marriage fell out of favor. It became more acceptable to have kids out of wedlock as it was called back then. And you see a reduction in marriage basically across the income-education distribution.

Then we go into the 80s, 90s, early 2000s and the decline in marriage among adults stabilizes. It stops falling among the college-educated class, but it continues falling for everybody else. And this is also a really, really important divergence. This is part of the reason I'm calling attention to this issue. You have a huge divergence in the 80s, 90s, early 2000s in the share of kids in two-parent homes by whether their mom is college-educated. The way I read it is what happened in the 80s, 90s, and early 2000s is a whole bunch of economic shocks were very disfavorable to non-college-educated men. In the very unromantic language of economists, that made men less attractive as marriage partners. The marriageability of men declined, both in an absolute sense – they became less professionally successful, economically successful. Also in a relative

sense as compared to what women were earning.

And so, not surprisingly, from an economic framework, that led to a reduction in marriage. But really importantly, and I say this based on, again based on studies I have in mind, it's the interaction of changing economic realities that makes marriage less economically attractive for the non-college-educated in combination with a new social paradigm that became much more widespread in certain communities, in certain parts of the country where non-marital childbearing, one-parent households were more commonplace. And it's the interaction of those two economic and social forces that, I think, have led to the situation we're in.

GREG MANKIW: So this seems very intertwined with the discussion of rising inequality, what economists often refer to as skill bias technological change that's giving, especially less-educated men less job opportunities. And also it reminds me of Charles Murray's book, *Coming Apart*, which talks a lot about this. It seems to be sort of part of that broad narrative. So what should policymakers be doing about this?

MELISSA KEARNEY: Yes, so, you know, on the point of marriageability of men, the first thing I'll say is, you know, I think improving the economic position of non-college-educated men is something we talk a lot about in economic and policy circles for many years. That takes on heightened urgency when we recognize the spillover effects that

it's had on families and marriage and kids. So I think that is, you know, a really, really necessary part of our approach to addressing this. But it won't be sufficient, as I said.

GREG MANKIW: So what can we do improve the, I mean President Biden, for example, is talking about strengthening the labor movement. I mean that obviously has pros and cons. What's your favorite policy lever?

MELISSA KEARNEY: You're not going to be surprised, Greg, to hear me say that I'm really bullish on increasing skills. So I recently read about, here's just a like a fabulous kind of program, the kind of program where I love to see more public dollars, funding, and research happening. A community college is launching a Fatherhood Initiative. And basically it's you're a Fatherhood Academy. If you're between 18 and 34, come get trained in this labor market program. We're developing your skills. You know, it's a trade school type approach. You get these skills. Here's a job for you. And we're going to give you some parenting classes on top of it. It's going to be, it's got to be big.

I mean, also, let me bring up, you know, people are often quick to point out that that the Bush era marriage initiatives, they tried this, promoting marriage. It didn't increase marriage among these vulnerable, low-income, unmarried parents, couples. And so a lot of people are then inclined to say the government can't do anything about this. My read on that is we didn't go big enough. Like given you're dealing with, in a lot of

situations, you know men who are in and out of work, people where there's other challenges, let's say criminal past. That makes it harder to find work. Let's say mental health challenges. Let's say addiction.

All of these challenges that hit vulnerable populations, which are experiencing this decline and two-parent families particularly hard. It's not surprising that having like some five-week program trying to tell them they should get married didn't work. But a kind of, like Fatherhood Academy, where, okay, we're going to help you get job training, and we're going to pay for some sort of, like substance abuse program. We're going to actually address your barriers and give you some parenting classes. Policymakers should be willing to invest in big programs like that. And I have to say that would be a big shift in mindset from just sort of saying the family is outside of public policy regime, and we're going to put a lot of this on public schools to address the challenges kids are bringing from home.

GREG MANKIW: Actually there's a question here from the chat, which I think is an interesting one in this context. Did you see any difference in data for children from two-parent households where the marriage is original versus remarried?

MELISSA KEARNEY: Okay, so this is nothing that I've studied, but there's a literature on this. It's mostly from sociologists. And the reason why I say that is because I'm really

looking at broad trends that have changed in the U.S. And really, again, what's changed the landscape for the way kids are living is not changing relationship status of their parents but just the fact of now many more kids are more likely to just be living with one parent rather than two.

Having said that, there are a number of studies that look at step-parents. And so because one of the primary drivers of this difference in kids' outcomes from one and two-parent homes is income, it's not surprising that when a parent remarries and the income is replaced, some of the differences in kid's outcomes goes away, right? Income is protective.

But there are also studies showing that situations where the second parent or the biological parent's partner is not the child's second biological parent, there's an increased likelihood of really bad outcomes. Abuse, child mortality. So my sort of takeaway from the literature on step-parents is it's complicated.

GREG MANKIW: Yes, life is often complicated. You know, as I was reading your book, the person who I kept expecting to come up and who never did was Dan Quayle. And it might be because you're too young to remember this.

MELISSA KEARNEY: No, no, I know the Dan Quayle and Murphy Brown controversy.

GREG MANKIW: Yes, exactly.

MELISSA KEARNEY: But I'm like in the cutoff.

GREG MANKIW: But for those in the audience who are younger, there was a TV show called Murphy Brown, very popular. She was a successful newscaster. And Murphy Brown has a child out of wedlock and Dan Quayle who was then Vice President criticized this for glorifying, he thought, single parenthood and thought this was providing a wrong role model. And in some situations, it does come up a little bit because you do talk about how there's been a cultural change. And what he was doing was criticizing the cultural change. And you also talk about another TV show in your book. What's it called? 16 and Pregnant, or something?

MELISSA KEARNEY: 16 and Pregnant, which younger audiences are probably more familiar with.

GREG MANKIW: I don't watch reality TV so I've never heard of that until I read it in your book. But why don't you tell us about that, because it does seem to me that sort of, part of this is, I think we both agree is a cultural thing. And policy can't control culture but can nudge culture. And so I think maybe we should give Dan Quayle a little more credit than he got at the time. And if you can respond to that, you can either agree or disagree, and

then tell us about this other TV show.

MELISSA KEARNEY: Yes. Okay. So this is very funny because, you know, an economist friend who is probably like in between our ages, around our ages, read the book and at the section on social media he wrote in the margin, why aren't you mentioning Murphy Brown? And so I didn't mention it for two reasons. One, I think half of the readership wouldn't remember that reference. It was from the early 90s. But also the Murphy Brown situation is an interesting one because she's a very professional women who became a single mom by choice.

Incidentally, those are the people who I'm getting a lot of pushback from. But they're not the story of my book. And that's what I keep trying to tell these feminist writers who are angry about my book. And they're like, do you know how hard it is for me to date in New York City and this is why I became a mom by choice at age 41. And I'm like, but this isn't about you. This isn't about you. Murphy Brown and those women, you know, who are writing for the *New York Times* or *Salon* magazine, they are not the typical single mom in America.

And so in some sense, I don't want the conversation to be about the Murphy Browns because they're the exception to the rule. They are single moms who are very professionally educated. They're the exception. So, here, let me just give you a stat.

Only 12% of kids whose moms have a four-year degree are living with an unpartnered mom as compared to 30% of kids whose moms have either a high school degree or less than a high school degree. So the single mom by choice who is highly educated and very successful is the exception to the pattern. So that's part of it.

But that said, I do think Dan Quayle, he did get mocked mercilessly for that, but he was right in the sense that social media, TV images, they all affect people's attitudes and behaviors about things. And we have evidence on this. And I point to the study that Phil Levine and I did on MTV. That reality show, 16 and Pregnant, was the opposite of kind of a Murphy Brown endorsement. Like, hey, strong women can do this by themselves. That show, somewhat inadvertently, MTV did not set out to make an educational program. That show basically illustrated how hard it is to be a teen mom. Like, if you make yourself watch an episode, it's not glorifying teen motherhood. It's a reality show and you see how hard it is.

And what we find, using ratings data and Google and Twitter data, is when episodes air, there's a spike in people going to Google to search for how to get birth control. There's an increase in tweets that mention 16 and Pregnant and birth control. And there's a sizable drop in teen birth rates after that show airs. And that sort of demonstrates the power of people respond to what they see on TV or in social media in the way that they think about things and then ultimately their behaviors.

And so I do think, you know, what I think you can see pretty clearly in celebrity culture, on TV culture, sort of a well-meaning, I would say, reluctance to suggest that any one type of family is better than another leads to this idea that it's maybe not that hard or it's not that bad for kids to have these alternative family structures. And that's just really at odds with mounds and mounds of data. And so I do think we need to push back a little bit on what I think is misleading messaging from the media.

GREG MANKIW: I mean we live in a time where people are reluctant to say certain family types are better than others, but in some sense, one theme of your book is that certain family types are better than others.

MELISSA KEARNEY: They're better for kids. They're better for kids. And again, that doesn't say, like, you know, there are certainly situations where it's not better for kids. So I talk about some studies showing, there are two recent studies in economics, for instance, showing that when one of the parents is convicted of a crime and randomly gets assigned to a judge who is more likely to imprison somebody with that conviction, that's actually beneficial for the kid. So that's a little bit sad. But what it says is if there's a parent who is likely to be a negative influence or disruptive, we see very clearly that in that case it's better for the kid to not have that parent in the home.

And so I want to be careful because certainly I'm not saying in every situation kids

would be better with two parents. But on average that is certainly true and that's why all of us who worry about a child's well-being or inequality should be concerned that now there's only, less than 70% of kids in the U.S. are growing up in two-parent homes, that there's massive differences by education, class, by race and ethnicity.

GREG MANKIW: Does all this literature have an implication for personal decision making? I was actually thinking about a friend of mine in college. We went to Princeton together. I have a friend at Princeton whose parents got divorced while he was at Princeton, and he learned when he was there that his parents were always planning to get divorced and they stayed together just for him because they didn't want to raise the kids by themselves. But they were unhappy in the marriage and they waited until he was away at Princeton, until he was out of the house before they divorced. And that story about staying together for the kids is sort of a theme you hear in other contexts. Obviously, in the case of abuse or if you're involved in criminal behavior, for sure, but what about sort of normal people, the idea of staying in an unhappy marriage just for the kids?

MELISSA KEARNEY: So I think this is a really, this is a really interesting and multilayered question, so let me be clear. I do not at any point in the book try to say, here, if this is your situation, you should stay married, if this is your situation, you should...And at many points during the book, I am careful to say, of course, nothing I'm

saying suggests that anyone should stay in an abusive marriage.

But on that particular question, it does seem like from the data, you know, kids do much better when their parents are together. And so is there a tradeoff between, let's say adults' happiness, if they're in a marriage where they're not wildly happy together, but they're together for the sake of the kids, you know, I think there's a tradeoff there. And so, I'm not pointing any fingers and saying someone should make that sacrifice or not.

But we should be clear-eyed that when we're at a point where sort of non-marriage among parents is so common that, like the marginal or the incremental parents who might stay together or might separate are not ones where there's terrible abuse or it's a really bad situation, but, you know, in many cases we know there's infidelity or they're just not passionate about each other. Would that be better for the kids? Well, there's a lot more resources in the household and parenting is a lot easier with two of you, so probably would be my...you know.

But the thing about your friend from Princeton, this is something I think about and I don't have the answer to, but I think it's really worth us thinking about is in these college-educated professional circles, this is a very common story, of people staying together for the sake of the kids. And I'm sure we all know people who spend loads of money on high-priced couple's therapy to stay together, right, for the sake of the kids.

But outside the college-educated class, I mean just by the numbers, people are not as committed to making these relationships work. Here's, like we could take an equity perspective on this, when you look at the qualitative evidence on couples who, the low-income couples who qualify for some of these free parenting, marriage or healthy relationship classes, very few of them grew up in two-parent households. In survey evidence of these folks, like small survey evidence, a lot of these parents say they want to be together. Why wouldn't we want there to be sort of public funding for folks like that to have access to healthy relationship classes or therapy? Like if these people are saying we want to be together, you know, we know what fancy people do, they pay marriage therapists. There's certainly no public funding available for that kind of help for couples. But if you think about it, hey, this is what they want and this would be good for their kids, I think there should be.

GREG MANKIW: There were several questions from the audience, both before and during this presentation, asking about the international comparisons. How do we compare to Europe and other countries in this regard?

MELISSA KEARNEY: So kids in the U.S. in a sample of 130 countries that the Pew Research Center did, 130 countries that have data on children's living arrangements, U.S. kids are more likely than in any other country in the world to live in a one-parent household. So my line on this is this is exception that we should not be proud of. This is

not good for our kids.

And let me be clear, this is not because women in the U.S. can afford it. Because remember, the women in the U.S. who are the most highly educated, the most high income, are the least likely to be in single parenting. So this is, U.S. kids are much more likely than any other country. The U.K. is a close second. And then other high-income countries in Europe are catching up. So their share of non-marital childbearing and one-parent households also driven by non-marriage is really increasing. And over the past 40 years you see a very similar pattern happening in, like OECD countries as in the U.S., which is that there's a fanning out, a divergence of family structure so that the rise in one-parent households is really happening outside the college-educated class.

Again, this is why I think it's this interaction of economic situation, economic insecurity and these new social norms. And, by the way, of course, this makes economic insecurity worse for these households. This is something I show very mechanically in the book. In these same households that have experienced declining or stagnant wages, they are like 20 percentage points more likely now to only have one adult in the household. So the demographic changes here are adding to the insecurity and there's this terrible cycle.

But interestingly, the demographers, the economists, the reporters that I've talked to in

Europe, they're like nobody in Europe would even put this in a report about child well-being. This would feel very anti-feminist to suggest that single parenthood is bad for kids. And so, you know, I keep telling them, look at the evidence from the U.S. and take us as a cautionary tale.

GREG MANKIW: Well, this gets actually to the next question which is what the reaction of people has been to the book. I get that some people have viewed this as sort of anti-feminist. You talk about feminism helping create a cultural change, which has not been great for kids. What kind of pushback have you gotten? I don't follow Twitter regularly but I have noticed that when your book came out, it got a lot of attention on Twitter. So can you briefly summarize what the reaction has been? And have you changed your mind about anything from the feedback? Would you have written anything differently in light of the feedback?

MELISSA KEARNEY: Yes, so, I'll be totally honest, and this isn't me just like digging in stubbornly, I am more involved now in my message than I was when I wrote the book in the sense that the feedback I've gotten, there were two things that really relieved me. The two things I worried most about in putting out the book was, one, being called a racist, because you mentioned Dan Quayle, but I was thinking of Daniel Patrick Moynihan the whole time I wrote the book.

So Daniel Patrick Moynihan had a memo in the 1960s when he was at the Department of Labor calling attention to the rise in single parent households among urban Black families at that time. At that time, about 23% of Black children in the U.S. were born to unmarried mothers. Now that number is 70%. At that time, fewer than 3% of children to White mothers were born outside marriage. Now that's 30%. But his report, which called attention to this, and in a very similar way to what we've discussed called attention to high unemployment among Black men and this is why it was a Department of Labor memo. He was like we've got to get these dads employed or these men employed so marriage doesn't collapse in this community.

Anyway, he was called a racist for a very long time. It was a very, it really shut down conversation on this topic. That's what I was most worried about. I have not gotten that reaction. So that's been a huge relief, like the biggest relief of all to me. I suspect it's because now this really has taken on a very large socioeconomic class divide and it's widespread among non-Black families in America too. So it feels maybe less racialized.

GREG MANKIW: Charles Murray's book, *Coming Apart*, he specifically only looks at White people, precisely because he wanted to avoid that. Because the phenomena he's looking at is not unique to one race.

MELISSA KEARNEY: That's right. That's right. So that was a relief. The second thing

that's been really bolstering is when I've presented my work to groups who work with vulnerable families, who work with responsible fatherhood programs, single motherhood uplifting programs, none of them are offended by what I'm saying. They feel like I'm validating their experience in data. Like it almost feels stupid when I put up time use data and show that single moms have less time to read to their kid than married moms. And like, well, the single mom didn't need a professor to tell them that. Right? Like they know. They're trying to pay the bills and mow the lawn and read to their kids and make dinner. And I've gotten tons of positive feedback from, I think, you know, the groups that are really affected by this and working on this and so that's been very bolstering.

I've gotten pushback from feminist readers, which I expected, but I will say has led me to be a little bit frustrated in the sense that, you know, what we know from the data is that those of us – and I put myself in this category – who have benefitted the most from the economic opportunities that have been open to us from the feminists before us, those of us who have achieved high levels of education, who have professional success, we are the least likely to be doing the really hard job of raising our kids in a household by ourselves. And so I don't think it's helping women to deny that this is a challenge. And so, you know, it's a little bit frustrating but I wish feminists would, you know, I see it as I want more women to not be doing this by themselves and what do we have to do to achieve that.

GREG MANKIW: And I think you're absolutely right that giving more economic opportunity to the men so that their marriage partners become, I remember hearing another economist say a lot of these women choose not to marry because if the men don't have good jobs it's just another mouth to feed. They don't make life easier.

MELISSA KEARNEY: Yes, yes. That's right. So I think we can hold two thoughts in our head at the same time. It's great that women now have financial independence and don't have to be dependent on a man for financial security, however fragile it may be, but it's been really bad that men's economic position has eroded, especially again among non-college-educated men.

GREG MANKIW: There's actually a question in the chat. It says, what role does religion and spiritual health play or influence these outcomes of the children? It made me wonder whether other institutions like church could provide support in the way, especially for single mothers, when the father is absent.

MELISSA KEARNEY: Yes. So would I have written something differently? I wish I engaged more with this question in the book because this question has come up a lot since I put out the book. And it seems ridiculous, but honestly I approached the book so much like an economist that really the role of religion wasn't up front and center in the things I look at.

Surely, the trends line up in the sense that there's been a decrease in religiosity at the same time as there's a move away from marriage and an increase in one-parent households. This is something where I really don't know of evidence that I could point to disentangling the cause and effect. One thing, you know, where I do think this really matters is when I talk, only briefly, in the book, because there's only one chapter on like what do we do about this, and I say this is the most controversial position in the book, I think we need to reestablish a norm of two-parent families for kids, here's where religious institutions play a large role.

And again we know that messaging from trusted adults, role models, pastors, all of that matters. And so to the extent that people are no longer engaged in religious institutions where these messages are being promulgated or anecdotally what I hear is a lot of pastors and a lot of these communities don't want to bring up this topic because they worry they'll alienate their parishioners, that's where I think these institutions are probably better positioned to influence people's thinking and commitment rather than government policy.

GREG MANKIW: A related topic that you sort of touch on in the book is the overall decline in fertility rates over time. Do you have a favorite explanation for that? And do you view it as a cause of concern or not?

MELISSA KEARNEY: Yes, so, let me say two things on that. So the first, the reason I touch on this in the book is because the rise in kids living in one-parent households is not because of an increase in birth to populations that typically have high rates of single parenthood. So I bring it up in the book to say, hey, like birth rates are way down for basically everyone under 30. Teen births are really, like they're down 70% from the mid-90s. All of those trends would have led us to predict a decrease in the share of kids in one-parent homes. So that's, like again, births are down and divorces are down. So all of this is being driven by an increase in non-marriage.

Setting aside the issue of two-parent families, what do I think about the decrease in birth rates? This is, I think, a really fascinating issue. On the point of international comparisons, this is a place where we are following Europe. So in Europe and in Canada and Japan, births have fallen for a long time. This is fairly new for the U.S. that the birth rate has been falling in a sustained and rapid fashion since 2007. It fell during the Great Recession. Never bounced back. We are now converging to the low rate of fertility of some of these other high-income countries meaning now on average a U.S. woman is expected to have 1.64 kids over her lifetime. Anything below 2 means our population natural rate of growth is declining.

It's concerning. You know, people might be making decisions that are optimal for themselves so I'm not questioning that. But certainly declining population growth poses

challenges for all societies, which is why many of these other countries have been experimenting with pro-natalist policies. Why do I think it's going on? My look at the data, both in the U.S. and cross-country – where again, we see this everywhere – leaves me with what I refer to in my work on this is shifting priorities. Which, like what would non-economists say? It just means people don't want to have as many kids as they used to.

And the way I think about that is, it's like the way our preferences and constraints are hitting are at a different point. So it's not that something in 2007 in the U.S. all of a sudden happened, such that childcare became more expensive or women started working out of the home or housing became too expensive. It's if you look cohort by cohort, the young cohorts who sort of are entering their childbearing years in the 2000s, they are choosing to have fewer kids all across the life cycle. And what we see is they're putting more priority on investing in their career, on taking leisure time. That doesn't mean that kids aren't expensive, but kids have always been expensive, and people sort of resolved those tradeoffs in a different way than now. And so the cross-country comparisons refute a lot of things you'll hear because even in Scandinavia where basically childcare is free and there's cradle to grave social support, fertility is way down.

GREG MANKIW: In the last few minutes we have together, I want you to put on one of

your different hats. You are Director of the Aspen Economic Strategy Group, which is a fascinating group. So why don't you just tell us what that group is, what it does, and what you guys have been learning?

MELISSA KEARNEY: Yes, sure thing. But you should say "we" because you're a member of our group.

GREG MANKIW: I'm a member, but you're the director.

MELISSA KEARNEY: Yes. So this is a program of the Aspen Institute. It was started in 2017 as sort of a complement to the longstanding Aspen Strategy Group which focused on foreign security issues. So the Aspen Economic Strategy Group pulls together a group of 65 members. It's 65 members at a time, explicitly bipartisan, people from across sectors, business leaders, policy leaders, past policymakers, academic economists to really tackle the ongoing economic challenges of the day. I'm glad you think it's fascinating. I love it. I mean it's really bipartisan and robust dialogue happening.

We commission papers so we're bringing the best evidence, the most rigorous evidence to bear on these questions, and then having this dialogue about what the country should do about it. So it's wide-ranging. And the goal really is to advance bipartisan policy,

evidence-based policymaking to build a more resilient, dynamic, robust U.S. economy.

GREG MANKIW: And do you get the sense that people in Washington are listening?

MELISSA KEARNEY: Interestingly, I mean I get the sense that people in Washington are really hungry for good ideas that can have widespread appeal. And so, you know, bringing in new evidence and new ideas in accessible ways and pitching it to policymakers in ways that change the conversation. You know, we're not lobbying. We're not putting forward legislation, but pushing or just surfacing actionable ideas, I do feel like, I do very much get the sense that there's an appetite for that. It's hard to cut through. It's hard to cut through in today's environment.

GREG MANKIW: It is. It is. And that's right, there's a lot of noise in politics that's not about policy. And the noise volume seems even louder these days than it usually is.

MELISSA KEARNEY: All the more reason to try.

GREG MANKIW: Absolutely. Absolutely. In the last couple of minutes we have together, I just want you to tell us, what's next for Melissa? What can we look forward to in the next few years?

MELISSA KEARNEY: You know, two things that you surfaced in this conversation, I've become really interested in international comparisons in terms of how are different countries dealing with these challenges? What can we learn from each other and surfacing a lot of that? In researching for my book, I actually was, there was less international comparisons than I was hoping to be able to draw on. So that's something where I really want to put more attention. And I'm really interested in the decline in fertility. I've seen nothing to suggest it's going to turn around, which means that this is going to have major implications for society, for fiscal systems. I've been pulling together a second conference for the NBER bringing together scholars working on this. This is an area that's really understudied and we don't have a lot of evidence on, so it's a place where I want to do some more work and learn some more.

GREG MANKIW: That's great. Before I turn it over back to John Williams, let me just read one comment in the chat. Someone in the audience says, Melissa has been incredibly insightful. Thank you for the perspective. And thank you, Melissa. It's been terrific. Thanks a lot.

MELISSA KEARNEY: Thanks so much for having me.

CHAIR JOHN C. WILLIAMS: Well, thanks, Greg. And thanks, Melissa. And I think everyone agrees it's been an incredibly insightful conversation, and it was an honor to

host both of you today for this conversation.

Okay, so my job at the end of the meeting is to highlight the many great speakers we have ahead on the Club's calendar. Tomorrow, in Florida, we have Seven-Time Super Bowl Champion, Tom Brady, in conversation with Terry Lundgren for the Club's first-ever event outside of New York City. So if you're not able to attend in person, be sure to secure your webinar ticket on the Club's website. On the 26th, we'll host a webinar with Charlie Cook, political analyst for the Cook Report. And to finish out the month, on the 27th, we have Eric H. Holder, Jr., the 82nd Attorney General of the United States.

Now turning to March, we'll host Jennifer Doudna, Nobel Laureate in Chemistry and Li Ka Shing Chancellor's Chair in Biomedical and Health Sciences, and a Professor of Biochemistry, Biophysics and Structural Biology on March 4th. David Ricks, CEO of Eli Lilly on March 12th. We have my colleague, Christopher Waller, Governor Waller, a member of the Board of Governors of the Federal Reserve on March 27th.

Going further along in the calendar, in spring we'll host Professor Jeremy Siegel, Wharton School at the University of Pennsylvania. It's a conversation I'm very much looking forward to participating with. And then turning further ahead in the future, we have Chairwoman Jessica Rosenworcel of the Federal Communications Commission. And then we have my colleague, Susan Collins, President and CEO of the Boston Fed,

and then Jamie Dimon, J.P. Morgan Chase. So all events are currently listed on our website. Please be sure to review those dates and add them to your calendar.

And I'd like to take a quick moment to recognize those of our 372 members of the Centennial Society joining us today as their contributions continue to be the financial backbone of support for the Club. So thank you all for attending today, and we look forward to seeing you again. Have a great evening.