

Impact on Education and the Economy

Teen pregnancy and childbearing affect the economic wellbeing of teen parents, their children and the state. Having a child in adolescence makes it more difficult for young people to achieve their educational, career and other life goals and affects the future prospects of their children — at considerable cost to taxpayers. While many of the statistics below specifically refer to the effect on teen mothers, research shows that becoming a teen parent also has significant repercussions for teen fathers.

Education

In an economy that increasingly demands higher levels of educational achievement, teen pregnancy can interrupt or derail education, with lasting consequences. Nationally, only about half of teen mothers earn a high school diploma by age 22, compared to 89 percent of women who do not give birth in their teen years. Teens who have a child before age 18 are even less likely to graduate; only 38 percent earn a diploma and another 19 percent get a GED. Less than 2 percent of young moms finish college by the time they are 30.

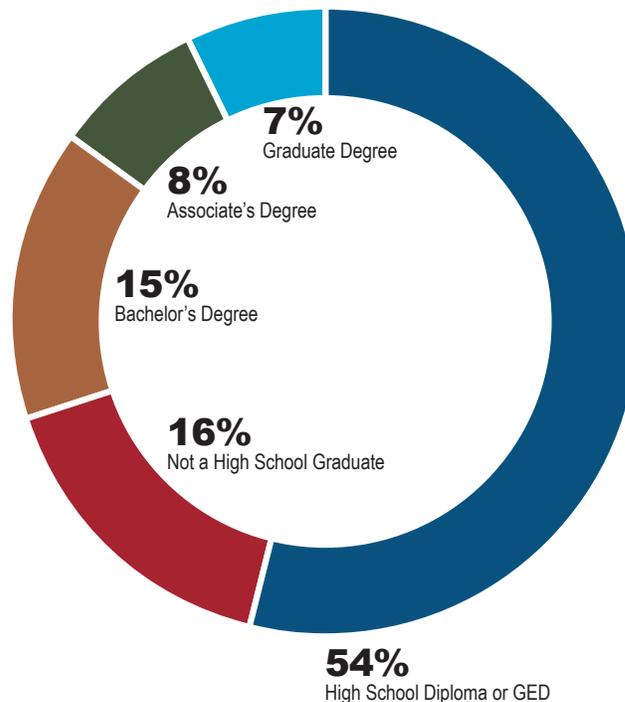
Even if teens complete high school, unplanned pregnancy can still disrupt higher education goals. The birth rate among 18- and 19- year-old Nevadans is nearly 3.25 times higher than that of younger teens.

In Nevada...

- Fewer than six in 10 Nevadans complete high school within four years.
- Less than half, or 47 percent, of Latino and black Nevadans graduate within four years. Teen birth rates among these populations are more than twice that of their peers.
- In 2011, 13 percent of teens ages 16 to 19 were not in school and not working. Nearly one in five young adults ages 18 to 24 were not in school or working,

Educational Attainment of Nevada Working Age Population 25 to 64, 2011

Source: Kids Count Data Center, The Annie E. Casey Foundation



and did not have a degree beyond high school.

- One in five babies born to Nevada teens is not the teen's first. Having multiple children as a teen further impedes a young person's ability to finish school, keep a job or escape poverty.

Implications for Economic Wellbeing

Employment and Earnings. Low levels of educational attainment among teen parents reduce employment

opportunities and earnings later on in life. The state, in turn, loses out on purchasing power, collects fewer taxes and may experience reduced worker productivity. Business and community leaders in states and cities, such as Mississippi and Milwaukee, have identified high rates of teen pregnancy as a workforce competitiveness issue and include teen pregnancy prevention as part of their economic development strategy.

- The Alliance for Excellent Education estimates that, if the Nevadans who dropped out of the class of 2011 had instead graduated, the state's economy would likely benefit from an estimated \$2.24 billion in additional income over the course of their lifetimes.
- Over the course of a lifetime, a college graduate will earn, on average, \$1.3 million more than a high school dropout, according to a study by the Georgetown University Center on Education and the Workforce.
- While the disparity in future earnings between teen parents and their peers cannot be attributed solely to teen childbearing, research suggests that, even after controlling for many factors, teen parenting has a negative effect on income.

Poverty. Teen childbearing is both a cause and a consequence of poverty. Nationally, nearly half of teen mothers live with incomes below the poverty line. And the likelihood that they will live in poverty only increases as their child grows. More than 40 percent of teen moms live in poverty within the first year of giving birth; by the time the child is three, that increases to 50 percent. While some low-income mothers may face poverty no matter when their children are born, having a child so young only compounds the difficulties they face. In 2012:

- Nearly one in four Nevadans under age 18 lived with income below the federal poverty level.
- Black and Latino children in Nevada were nearly five times as likely as white children to live in areas of concentrated poverty.

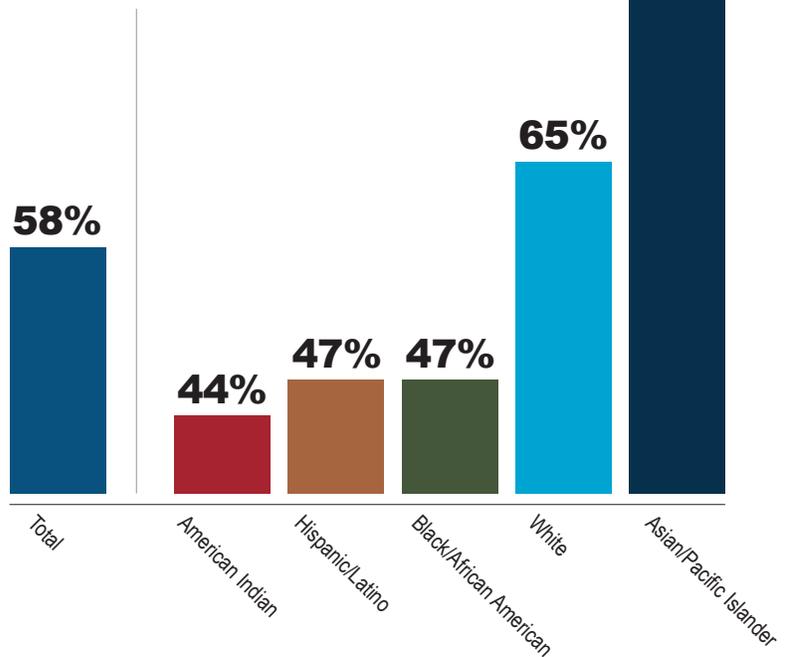
Financial Support. Because so many teen parents live below the poverty level, many rely on public assistance. According to the Census Bureau's most recent analysis in 2004, 63 percent of teen moms nationwide received some public benefits in the first three years of their child's life, including 55 percent who received Medicaid in the first year. A smaller portion of teen moms receive food stamps and TANF. In addition, nearly nine in 10 teen mothers are not married, and only about a quarter receive any child support from the child's father.

Implications for Future Generations

The economic consequences of dropping out of school contribute to a cycle of economic hardship that continues for generations. For the state, this means a less educated, less prepared and less competitive workforce. Children born to teen moms often do not perform as well

Nevada High School Students Graduating On Time, by Race/Ethnicity 2009-2010

Source: Kids Count Data Center, The Annie E. Casey Foundation



as children of older mothers on early childhood development indicators and school readiness measures. They typically have lower educational performance, score lower on standardized tests, and are twice as likely to repeat a grade as their peers. Only around two-thirds of children born to teen mothers earn a high school diploma, compared to 81 percent of children born to older parents. And these trends often continue for generations: nearly one third of the daughters of teen mothers become teen mothers themselves, further perpetuating a cycle of low educational achievement, economic hardship, poverty and reliance on public assistance.

RESOURCES

Teen Pregnancy Prevention, National Conference of State Legislatures: <http://www.ncsl.org/default.aspx?tabid=23141>

The National Campaign to Prevent Teen and Unplanned Pregnancy

- Why it Matters: Teen Childbearing, Education, and Economic Wellbeing: <http://www.thenationalcampaign.org/why-it-matters/pdf/Childbearing-Education-EconomicWellbeing.pdf>
- Teen Pregnancy & High School Dropout: What Communities Can Do to Address These Issues
 - Report Summary: <http://www.thenationalcampaign.org/resources/pdf/teen-preg-hs-dropout-summary.pdf>
 - Report: <http://www.thenationalcampaign.org/resources/pdf/teen-preg-hs-dropout.pdf>

Nationally, nearly three in 10 girls who have dropped out of high school cite pregnancy or parenthood as a key reason. Rates are even higher for Latino and African American girls — 36 percent and 38 percent, respectively.

It works both ways:

Teen pregnancy often contributes to a teen's decision to drop out, and youth who drop out are more likely to become pregnant.

School involvement, attendance and achievement help reduce the risk of teen pregnancy.