

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

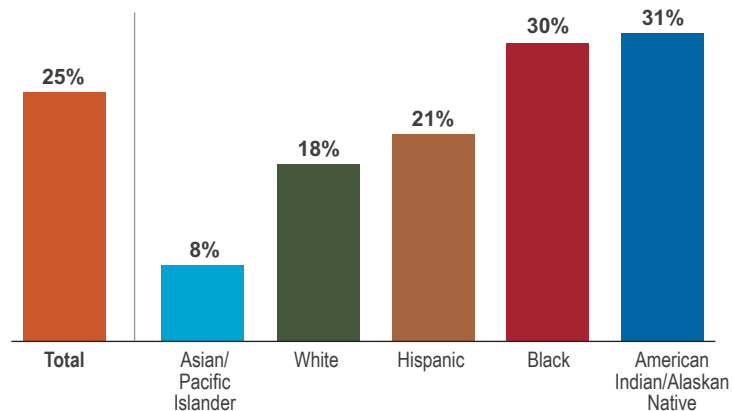
In an economy that increasingly demands higher levels of educational achievement, teen pregnancy can interrupt or derail education, with lasting consequences. Nationally, only about half of teen mothers earn a high school diploma by age 22, compared to 89 percent of women who do not give birth in their 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.

In Mississippi...

- Nearly 25 percent of the 2009 freshman class did not complete high school by their expected graduation date of 2013.
- 30 percent of black and 31 percent of American Indian/Alaskan Native students of the same class did not complete high school in four years.
- In 2012, 22 percent of young adults ages 18 to 24 were not in school or working, and did not have a degree beyond high school.
- 18 percent of mothers who gave birth in 2012 did not have a high school diploma.
- Almost 20 percent of babies born to Mississippi teens are not the mother's first child. Having multiple children as a teen further impedes a young person's ability to finish school, keep a job or escape poverty.

Mississippi High School Students Not Graduating Within Four Years, by Race/Ethnicity, 2012-2013

Source: ED Data Express, ED.gov



Even if teens complete high school, unplanned pregnancy can still disrupt higher education goals. Among teens who have a child before age 18, less than 2 percent finish college by the time they are 30. The birth rate among Mississippi's 18- and 19- year-olds is more than three and half times higher than that of younger teens, echoing birth rates among older teens nationwide. A survey of Mississippi's female community college students found that 31 percent are parents. Of those mothers who have interrupted their community college educations, women most frequently cited caregiving reasons such as becoming pregnant or having a baby (38 percent), lack of adequate child care (24 percent) and needing to care for family (41 percent).

Implications for Economic Wellbeing

Employment and Earnings. Low levels of educational attainment among teen parents reduce employment opportunities and earnings later 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, including Mississippi, 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 graduation rates increased and 90 percent of students in Mississippi earned a high school diploma, the state economy would benefit from approximately \$109 million in increased annual earnings, and nearly \$8 million in increased annual state and local tax revenues.
- 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 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 compounds the difficulties they face. In 2012:

- Nearly one in four residents of Mississippi lived with an income below the federal poverty level, which is \$23,492 for a family of four. This rate was higher among youth: more than one third of Mississippians under age 18 lived in poverty.
- Black children were four times more likely to live in areas of concentrated poverty as white children. Latino youth were two times as likely to live in such areas.

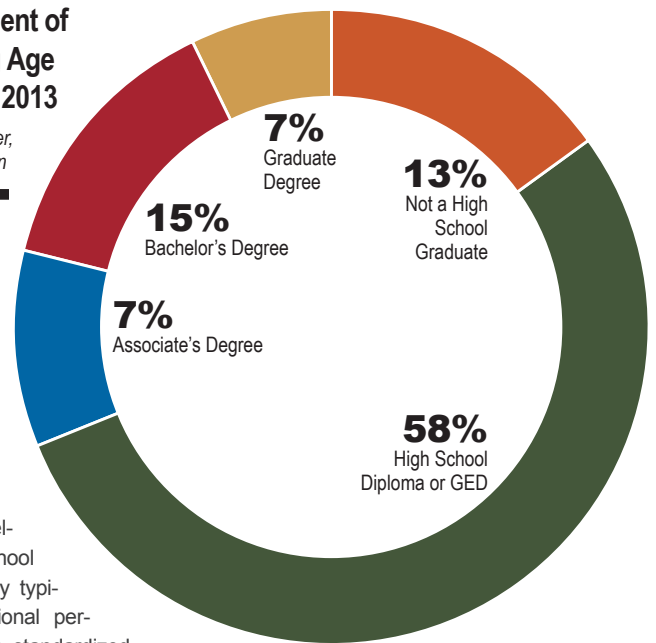
Financial Support. Because so many teen parents live below the poverty level, many rely on public assistance. According to the Census Bureau's most recent analysis in 2004, 63 percent of teen moms nationwide received some public benefits in the first three years of their child's life, including 55 percent who received Medicaid in the first year. A smaller portion of teen moms receive food stamps (SNAP) and Temporary Assistance for Needy Families (TANF). In Mississippi, 49 percent of female community college students with children under 18 years old reported receiving SNAP. In addition, nearly nine in 10 teen mothers nationwide 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 contin-

Educational Attainment of Mississippi Working Age Population 25 to 64, 2013

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



ues 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 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 some 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://thenationalcampaign.org/resource/why-it-matters-teen-childbearing-education-and-economic-wellbeing>
- Teen Pregnancy & High School Dropout: What Communities Can Do to Address These Issues
 - Report Summary: <http://thenationalcampaign.org/resource/teen-pregnancy-and-high-school-dropout-0>
 - Report: <http://thenationalcampaign.org/resource/teen-pregnancy-and-high-school-dropout>

Women's Foundation of Mississippi and the Institute for Women's Policy Research

- Securing a Better Future: A Portrait of Female Students in Mississippi's Community Colleges
 - Report Summary: <http://www.womensfoundationms.org/wp-content/uploads/2014/06/9273-WomensFund-Summary.pdf>
 - Report: <http://www.womensfoundationms.org/wp-content/uploads/2014/06/9273-WomensFund-Report.pdf>

- Nationally, 30 percent of teen 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.