

Impact on Education and the Economy

Teen pregnancy and childbearing affect the economic well-being of teen parents, their children and the state. Having a child in adolescence can make 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

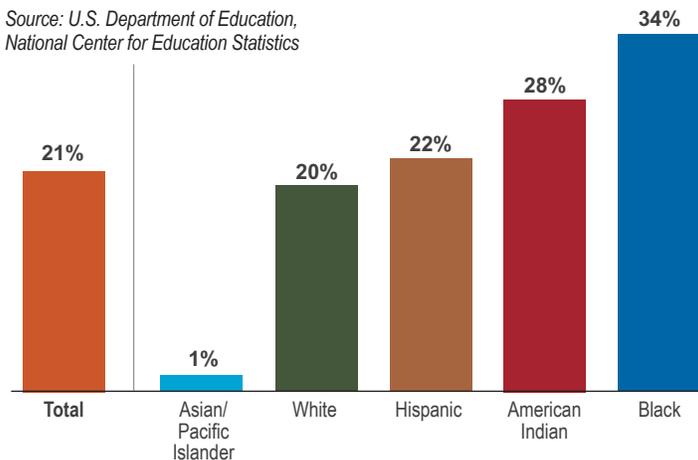
In an economy that increasingly demands higher levels of educational achievement, teen pregnancy can interrupt or derail education, with lasting consequences. Nationally, only about half of teen mothers earn a high school diploma by age 22, compared to 89 percent of women who do not give birth in their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

- In 2012, approximately 21 percent of all students did not graduate within the expected four years after beginning high school.
- Thirty-four percent of all black, 28 percent of Native American and 22 percent of Hispanic students in the same class failed to complete high school in four years.
- Fourteen percent of Oklahoma children in 2013 lived in families where the head of the household lacked a high school diploma.
- Nineteen percent of babies born to Oklahoma 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.

In 2012, 17 percent of all young adults in Oklahoma

Oklahoma High School Students Not Graduating Within Four Years, by Race/Ethnicity, 2011-2012

Source: U.S. Department of Education, National Center for Education Statistics



ages 18 to 24 were not in school or working, and did not have a degree beyond high school. Even if teens complete high school, unplanned pregnancy can still disrupt higher education goals. Eighty-two percent of community college students reported in a survey that it would be more challenging to reach their goals if they had a child while in school. Among teens who had a child before age 18, less than 2 percent finish college by the time they are 30. The birth rate among Oklahoma's 18- and 19-year-olds is more than three times higher than that of younger teens, echoing birth rates among older teens nationwide.

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, 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 Oklahoma earned a high school diploma, the state economy would benefit from approximately \$83 million in increased annual earnings, and \$6.2 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 children grow. More than 40 percent of teen moms live in poverty within the first year of giving birth; by the time the child is three, the figure 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 2013:

- Nearly one in six Oklahoma residents lived with an income below the federal poverty level, which was \$23,624 for a family of four. This rate was higher among youth: approximately a quarter of Oklahomans under age 18 lived in poverty.
- Forty-five percent of black, 32 percent of Hispanic and 29 percent of Native American children in Oklahoma lived in poverty, compared to 17 percent of white children. Higher rates of black and Hispanic children also lived in areas of high poverty.

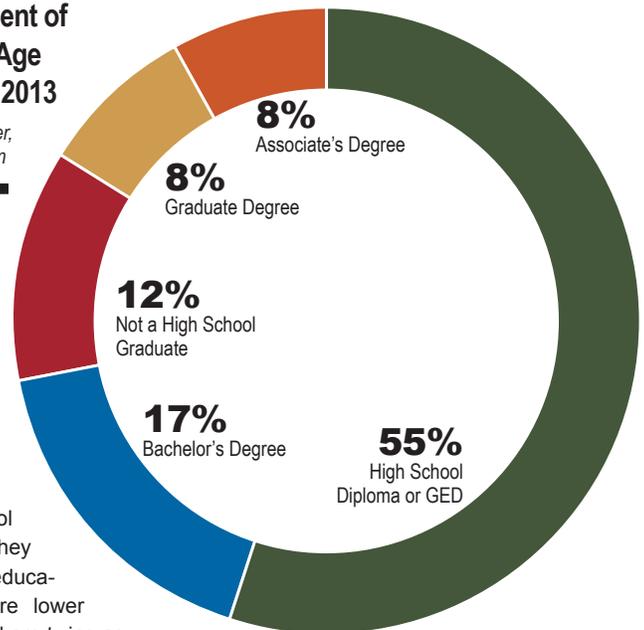
Financial Support. Because so many teen parents live below the poverty level, many rely on public assistance. Some teen moms receive the Supplemental Nutrition Assistance Program (SNAP, or food stamps) and Temporary Assistance for Needy Families (TANF). In addition, nearly nine in 10 teen mothers are not married, and only about a quarter receive any child support from the child's father. In 2011, among families headed by Oklahoma females of all ages, 34 percent received child support in the previous year.

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

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

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



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 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. A report from the Brookings Institution reinforces the generational effects of children born unintentionally to teens and women of all ages. The report estimates that preventing unintended births would increase children's success in all life stages, including boosting college graduation rates and lifetime earnings.

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, 30 percent of teen girls who dropped out of high school cite pregnancy or parenthood as a key reason. Rates are even higher for Hispanic and black or African-American girls—36 percent and 38 percent, respectively.

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