

Ronald Reagan Presidential Library
Digital Library Collections

This is a PDF of a folder from our textual
collections.

Collection: Deaver, Michael
Folder Title: Fairness for Families: An
Organizing Theme for America's Social
Politics

To see more digitized collections
visit: <https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories
visit: <https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives

Catalogue: <https://catalog.archives.gov/>

November 17, 1983

Bruce Chapman

FAIRNESS FOR FAMILIES:

An Organizing Theme for the Administration's Social Policies

Eighty-eight percent of Americans live in families. Fifty percent of all families have children under 18. These people, polls show, do not have a clear sense of the Administration's concern for their condition, nor any sense of our vision for their future. Yet the polls also show that Americans still consider their families their most important personal commitment.

The media, politics, and the government in America have tended to focus on the problems of groups--those classified by race, origin or sex--to the exclusion of the serious and worsening problems of families. Yet families are people of both sexes, all races and, more importantly, are children as well as adults.

Education and Income

Obviously, where discrimination by race or sex exists, it should be combatted. But great progress has been, and is being, made against that kind of discrimination. Look, for example, at current educational attainment in this country, as measured by quantity (if not quality) of schooling. 1/

(CHART) In terms of completed years of high school, women (in red) already have caught up with men, and they're catching up in college (in blue). (CHART) Blacks, too, are showing steep educational progress, with both high school and college attainment up since even 1980.

The same kinds of gains are reflected in income statistics.

(CHART) The mean earnings of year-round, full-time female workers,

1/ High school dropouts seem to have stabilized among Whites (the blue line), dropped somewhat for Blacks (in red) and risen somewhat for Hispanics (in green), perhaps due to the influence of new immigrants in the statistical universe.

Also stabilizing are rates of female and male college enrollment. During the post-Vietnam, post-Draft-and-college-deferment days, male college enrollment dropped, while female enrollment rose, until the two trends met, harmoniously, about 1976. The percentage of young men enlisting in the military also appears to have stabilized, at about 7 percent.

It is interesting to note that the '70s, which saw the rise in Hispanic dropouts, was also the period of heavy concentration on bilingualism--with federal outlays in this section of the Elementary and Secondary Education Act growing from \$6 million in 1970 to \$156 million in 1980.

age 25-34, are roughly 75 percent those of comparable males. 2/ Moreover, (CHART) the intact Black family--a Black husband-wife team--age 25-34, makes 89 percent of its White counterpart. And that's up from 80 percent in 1970.

But the well-being of families as a whole has not been improving, largely because of changes in family composition, and the economic philosophies of previous Administrations. (CHART) Per capita income rose a record 36 percent during the '60s, and a lower, but nonetheless impressive, 15 percent during the '70s. 3/ It dipped between 1979 and 1982 and then headed back upwards.

2/ The statistics produced to show that women make only 59 percent as much as men do not bother to control for the huge increase in new, inexperienced women in the workforce and the fact that the increase in less-educated women entering the workforce has occurred at the same time less-educated older and younger males were leaving it, thereby skewing the relevance of any universal comparisons further. But the apples and oranges of gender differentials don't end there, by any means.

For example, as Victor Fuchs notes, "Less than half of employed women work full time the year round. At age 25-44 (the child-bearing years) the proportion is even smaller. Among Whites in 1979 only one out of three women worked full time the year round, whereas three out of four men did."

Part-time work is a very understandable objective for women who want to--and can--stay at home. But the lower income results of such choices--choices of length and kind of education, kind of career, work schedule commitment, and years of continuous experience--cannot reasonably be cited as gross societal discrimination against women. Nor should the results of past discrimination, which still show up heavily in the older workforce, be allowed to obscure the progress evident in the younger workforce.

3/ What is more, the high inflation and high taxes of the period obviously drove a great many people into the burgeoning hidden economy, which the official statistics, by definition, ignore, and much other gains were taken off the top of the tax returns as deductible meals, trips, and other untaxed consumption.

But the same cannot be said for median family income. (CHART) During the past decade, median family income diverged from the upward pattern of per capita income.

The labor force participation rate of women is now 53 percent (CHART) and rising, as opposed to the male rate which has leveled off at 77 percent. 4/ This increase in the number of women in the workforce greatly expanded overall per capita income. But the doubling of the divorce rate and the spread of single-parent families led inexorably to a lowering of median family income. Such real income was flat for the population as a whole in the '70's and declined 5 percent for Blacks. Particularly significant (CHART) was the end-of-decade drop of 5.5 percent in median family real

4/ Victor Fuchs, How We Live.

The "universe" for the female workforce includes women over 65, few of whom work.

Prof. Fuchs examines several reasons for women going into the workforce. He dismisses the ideological influence of feminism, which followed women into the workforce rather than leading them.

Nor does Prof. Fuchs accept the argument that financial "need" was the main reason women switched from home to office; they worked less in the days when the real wages of their husbands were lower. Nor does he give much credit to the rise in time-saving devices in the home; these had been going into homes for years before the leap in female labor participation rates. Citing several analyses besides his own, Fuchs concludes that the advent of notably higher wages for women was largely responsible for motivating women to enter the job market. Closely connected reasons were inflation and the growth in the service sector--a part of the economy where physical strength is seldom a requirement and where women, therefore, can compete equally.

Feminism may have contributed to higher divorce rates, however, which, in turn, may have persuaded more women to enter the labor force.

income between 1979-80 (the biggest drop in decades), and the 3.5 percent drop between 1980 and 1981. These two annual declines underscore the potency of the Carter years' legacy of high inflation. In 1981-82, the drop was only 1.4 percent. Thus, though 1982 was the worst part of the recession, with unemployment reaching 10.8 percent, the fall in median family income was much smaller than in the final years of the Carter Administration.

The inflation that was reduced by President Reagan fell hardest on the working poor and lower middle class families whose modest salaries could not hope to keep up with rising prices. Thus the so-called "fairness issue" debate, which only looks at income transfers that flow through the budget, misses much of the story. (CHART) The cuts in the rate of growth of social spending must be balanced against the higher earnings of workers whose wage rates would have been about 5 percent lower in 1982 if inflation had not been curbed. Thus, in contrast to the some \$15 billion in social spending cuts 5/, American workers were able to keep roughly \$90 billion more in 1982 because of the reduction in inflation--six times the social spending reductions.

Single-parent families and most families with small children had a particularly hard time in the years of high inflation. On the other hand, for families with two parents, the trend toward

two-earner families meant enormous financial gains in some cases-- or at least staying even in others. According to a recent report 6/, 52 percent of married couples now have both partners in the workforce-- 25 percent with full time, "permanent" commitments to their careers. 7/

For two-parent families with small children, the option to put a second earner into the workforce was still open, and in half the cases the option was taken. In fact, (CHART) the proportion of women, whether married or divorced, with children under age six who are in the workforce has grown steadily until it is nearly a majority. 8/ This is an astounding change from the previous norm. And while meeting the challenge of a career may be one reason for it, making ends meet is certainly another.

At any rate, while two-parent families could choose to have a second earner, the single-parent family had no such option. Moreover, single-parent families have risen from 9 percent in 1960, to 22 percent of all families with children in 1982. (CHART) Thirty-seven percent of Black women 25-44 are now divorced or separated, and the figure is 16 percent for White women. So, in a period

6/ Insurance Information Institute.

7/ The number of two-earner families went up 20.6 percent in the '70s, but the increase between 1980 and 1982--0.6 percent-- suggests that the growth may be levelling off.

8/ Victor Fuchs, How We Live.

of high inflation and even higher poverty benefits, temptation, as well as necessity, in many cases pointed to poverty and welfare dependency. Hence the decline in overall family income.

Half the single, female-headed households are in poverty. But only one half of the nation's poverty is related to unemployment 9/, suggesting again that the balance is heavily weighted to single-parent families who, for the most part, are largely unaffected by macroeconomics--including national economic recovery. 10/

In other words, it is very likely that family composition affects poverty far more than racism or sexism, or so called spending cuts, or the other standard reasons given by liberals.

9/ Census Bureau, for years 1981 and 1982.

10/ How important is family composition? Well, according to a Census Bureau report, if family composition in 1980 had been the same as in 1970 (and other variables were held constant), instead of a one percent rise in median family income for Whites, a three percent rise would have occurred, and for Blacks--where family changes were pronounced in the '70s--instead of a five percent decline, an 11 percent rise would have occurred.

Indeed, besides the drop in inflation in 1982, the slowing of the growth in single-parent families (with no percent change for Whites and up two percent for Blacks) was a major factor in holding down the drop in median family income to 1.4 percent in 1982 and holding the official poverty increase to 8.1 percent.

Poverty And Family Composition

The time for an honest accounting should not be delayed.

(CHART) This chart by Charles Murray of the Manhattan Institute shows official poverty (measured only by cash), then net poverty (which is cash and non-cash benefits accounted for), and then what Murray calls "latent poverty"--the percent of the population that would be poor were cash and in-kind benefits not provided. Plainly, the dependent population is growing. 11/

This is notable because Lyndon Johnson declared that a decline in dependency was the goal of the Great Society. "We are not content to accept endless growth of relief or welfare rolls," said the President. "The days of the dole are numbered."

But, while poverty went down from 1950 to the late '60s, soon after the onset of the Great Society programs and in the middle of an economic boom, latent poverty, instead of shrinking, began to grow. Latent poverty was 18.2 percent in 1968, 19 percent by 1972, and 22 percent by 1980. "We were winning the war on poverty," says Charles Murray, "until Lyndon Johnson decided to wage it."

9/ Dr. Charles A. Murray, "The Two Wars Against Poverty," The Public Interest, Fall, 1982.

Social Security, it should be noted, is not included for lack of complete data. If it were, however, only the size of the total numbers, not the direction of change would differ.

Blacks were particularly affected since poverty programs tended to target the inner cities. The Great Society handouts did not lead to greater family intactness among the poor, as promised, but to greater family dissolution. Black males, for instance, for the first time since at least 1950, began dropping out of the labor force at rates substantially greater than White males--but chiefly among the lower income group. Indeed middle and upper income Black males had higher labor participation rates than comparable Whites. 12/

By almost any standard, then, and especially their own, the Great Society and the welfare state failed to end dependency. Instead they contributed to institutionalizing two societies in America. One remains family-centered, independent, progressive and thriving, regardless of race or sex. The other is notable for its broken families, chronic poverty, welfare dependency, and defeatism.

12/ A great deal of liberal squirming is going on in the face of such figures. For instance, some allege that poor families break up because they cannot go on welfare if married. But Blanche Bernstein, former administrator of the New York City Human Resources Administration, writes in an excellent paper for the Urban Institute, "The feminization of dependency cannot be attributed to a lack of welfare programs for the intact family. The fact is that in states which have both AFDC and general assistance programs such as New York, Pennsylvania, Michigan and others, the number of intact families on welfare has not since 1940 been very large and it has been going down in most of the post World War II years."

Social Ills Since The Great Society

Increased dependency, however, was only the first calamity visited on families by the Great Society and the liberal welfare state. Growing dependency was accompanied by a more than doubling of the divorce and separation rates. Out-of-wedlock births rose (CHART) from 6 percent to 10 percent among Whites, and from 38 percent to 55 percent among Blacks. Interestingly, the rise in the proportion of out-of-wedlock births occurred even in states with financial support for abortion, contraception programs, and widespread sex education classes. Roughly half of today's out-of-wedlock births, says Dr. Victor Fuchs of Stanford, are due to the financial and leisure appeal of welfare. 13/

What else we know about out-of-wedlock births includes the greater propensity of babies to low birth weight and consequent health problems, a greater prospect for child abuse, and a greater likelihood that if the mother does marry, someday, the marriage will be ended by divorce or separation.

Numbers of adoptions, meanwhile, have plummeted. A rise in the number of women in fertility treatment (roughly 2.5 million) suggests that the adult couples who would like to adopt may be very many. But though government frequently will subsidize abortions and out-of-wedlock births, the "adoption option" is not funded at all, nor is it even discussed at many government-

13/ Victor Fuchs, How We Live.

financed counselling centers. Instead, both prospective adoptive parents and birth mothers encounter elaborate bureaucratic red tape and other expensive, troublesome obstacles.

Economic factors do play a role in the choice among marriage, abortion and out-of-wedlock birth. 14/ There is linkage, too, between broken homes and other social problems, as common sense insists and as even most liberal sociologists now acknowledge.

For one, crime correlates with family composition to a notable extent. (CHART). In 1979, 36 percent of the inmates of state correctional facilities had grown up in one-parent households and 17 percent in "other arrangements" than a two-parent family. By contrast, only 19 percent of the general population grew up in a single-parent household and only 4 percent grew up in the "other arrangement" category.

Crime rates went up substantially between the advent of the Great Society and 1980. (CHART) Finally, in the first year of the Reagan Administration, the FBI's combined crime rate began to drop, and it dropped again in 1982. But even with this recent progress, the rates of serious crime are still two to three times greater than in 1965.

14/ Rand study: Liebowitz, Eisen and Chow, 1980.

Two statistics (CHART) dramatize the seriousness of what is happening to young people. From 1968 to 1980 the homicide rate per 100 thousand young people age 15-24 rose from 10.1 to 15.6--or 6,647 homicides in 1980.

Similarly, suicides in the same age group rose from 7.1 per 100 thousand in 1968 to 12.3 per 100 thousand in 1980--amounting to 5,239 deaths in 1980.

What difference do these trends make? Well, for purpose of comparison, either homicides or suicides at these rates for young people alone, if continued for the next dozen years, will exceed all the U.S. deaths in the 12-year course of the Vietnam War.

Drug abuse, and alcoholism and other social ills, in a seemingly perverse fashion, have accompanied the rise in social programs and the rising rate of broken families. So have abortions, child abuse, runaways, and even child prostitution.

An estimated 1.8 million children in the U.S.A. are missing. Twenty-five hundred children are found slain each year.

Less serious, but still worrisome, are the 6.5 million children under age 12 who routinely are left unattended for some period of most days, the "latchkey kids." 15/

15/ The Handbook for Latchkey Children and Their Parents, Lynette Long and Thomas Long, 1983.

High minority teenage unemployment also has accompanied the rise in social spending, including the spending on minority unemployment. 16/ In 1965 nonwhite youth unemployment was 26.5 percent, while in 1982 unemployment was 43.9 percent. Billions are expended to hire or train unskilled youth. But it is likely, that the minimum wage--a foundation of liberal orthodoxy--is a major stumbling block to progress for the young. "Improving the lot of the poor," says Thomas Sowell, "means enabling them to move up the ladder, but they have to get on the ladder before they can move up. The minimum wage prevents that." 17/

16/ Teenage unemployment follows the trend of the economy, as does all unemployment, but even in good times the trend has been generally upward since the Great Society.

17/ In the field of health, liberals persist in blaming Reagan budget cuts for childhood nutrition problems in America and falsely charge that infant mortality rates have risen since the Reagan Administration came to power.

In fact, the Women, Infants and Children (WIC) nutrition program rose from \$14 million in 1974 to \$930 million in 1982, with eligibility pegged at families with income anywhere below 185 percent of the poverty level (i.e., a figure nearing the income of the middle class). But poor nutrition continues. Why? The Ten State Nutrition Survey analyzed in 1980 by economists Don Chernichovsky and Douglas Coate found no linkage in America between low income and insufficient intake of calories or proteins. Their study confirmed a 1977 HEW study on "The Status of Children" which concluded flatly, "Adequacy of nutrition in the United States is not primarily a problem of low income; true malnutrition is virtually nonexistent in this country. However, poor nutrition and poor nutritional habits are found in all income groups..."

More crucial to good nutrition for children than parental income is parental guidance and attention. A family that does not share meals, where parents are absent when children eat, is less likely to have children eating spinach and more likely to have them eating french fries, regardless of family income.

So, too, with infant mortality: the major media picture is a distortion of reality. In fact, the infant mortality rate is improving overall. It is true that the rate continues to be higher for Black children than for White children. But much of the reason can be found in the low birth weight of children born out of wedlock, now over half of all Black babies.

In field after field, by rewarding poverty until it became financially competitive with work and a two-parent family, government helped undermine family cohesion, helped institutionalize poverty itself, deprived children of an optimal home environment, and contributed to a whole array of social problems among lower income families.

Taxing the Non-Poor Family

Meanwhile, the government also was doing just about all it could to undermine productive, non-poor families. The tools here were, first and foremost, inflation and taxation.

In general, most individuals and families are better off financially today than were their parents at the same stages in life. However, the baby boom generation of parents is less well-off than they expected to be and they also are less well-off in respect to others in the population (such as single people, childless couples, and retired people) than were their own parents at a comparable stage. Some are absolutely worse off. Particularly at a disadvantage is the rapidly shrinking "traditional family," (like Ozzie and Harriet here) where the father is employed and the mother cares for children in the home. The extreme cases of relative disadvantage are the once-common families with three or more children and only one breadwinning parent.

The Reagan Administration has helped parents, and not just those in so-called traditional families, by cutting personal taxes and lowering inflation and interest rates.

Tax credits for child care have been increased; however a Census study shows that only a small portion of working women with children (15 percent) use professional day care or nurseries and that the proportion is up a mere 2 percent since 1977.

The Administration is seeking to require payment of court-ordered child support by divorced fathers, which meets a great need. (CHART) As the Census again shows, of the 8.4 million women raising children alone, only 5 million are awarded child support payments from an absent father, only 2.9 million actually get any payment, and only 1.9 million get full payment.

Drug abuse, a particular concern of the First Lady, and neglect and mistreatment of children, and the warehousing of neglected children in endless foster care, are targeted by other Administration proposals.

But these important actions of the Reagan Administration are, only the first steps needed to help reverse two decades of deterioration in the conditions of child rearing. Working parents who are raising the nation's next generation, particularly those in traditional single-earner families and in single-parent families, have lost ground, and government bears a good deal of the responsibility.

For example, as Treasury economist Eugene Steuerle writes, "the personal exemption currently is \$1,000 and is scheduled to stay at that level until 1985, when it will be indexed for inflation.

In 1948, however, the personal exemption was \$600. If the personal exemption had been indexed for income growth since 1948--in other words, if the exemption were to offset the same percentage of per capita personal income today as it did in 1948--then it would equal \$4,600 in 1981 and rise to about \$5,600 in 1984.... By any measure the decline in the personal exemption has been the largest single change in the income tax in the postwar era." 18/

Other significant tax changes also have worked against families. For instance, from roughly 1948 to 1969 "income splitting" for married couples was a substantial subsidy to one-earner couples. This was considered by some a "singles penalty," so in the Great Society the Congress enacted a new schedule, effective in 1969, which limited the tax of single taxpayers to 120 percent of that for a married couple with the same taxable income. 19/

The practical effect was to help single people, so talk of a "marriage penalty" was heard, leading to the 1982 provision allowing for a partial deduction for the earnings of a spouse with lower earnings. That is good news for two-earner families, who also are major beneficiaries of tax breaks for day care; two-earner families who, not surprisingly, are becoming ever more numerous.

18/ "The Tax Treatment of Households of Different Size," Eugene Steuerle of the Treasury Department, published in an American Enterprise Institute essay.

19/ Daniel Feenberg, American Enterprise Institute essay.

It is not such good news, however, to single-earner families with children and the mother in the home. 20/

(CHART) From 1948, when the government valued childrearing highly, to 1984 (extrapolating from present laws and trends) Steuerle shows that single persons' tax burdens have grown at about the same rate of increase as the tax burdens of married couples without dependents. The increase for both of the latter is just under 5 percent of income. But for households with dependents, the increase of tax burden ranges between 8.3 percent and 10.1 percent, a far cry from 1948 when most single-earner families paid no tax at all.

Large families are especially hard hit. It is altogether possible for a working parent in a family of five to be paying 10 percent of his income in taxes even on incomes \$2,500 below the official poverty level. Society's message to such families is, "Why stay together and why work?"

Today, the government tax policies will encourage you to build a greenhouse, or own a mortgaged vacation home; but they will not encourage your investment in a child. Just about the only children whose births we financially encourage and support are those born out-of-wedlock and into welfare.

20/ Then, too, we have had frequent changes in the zero bracket amount (ZBA), or standard deduction. As Steuerle says, "Like the tax rate schedules, there has never been an adjustment in the maximum amount of standard deduction or ZBA according to the number of dependents, whether cared for by married persons or single persons as heads of households."

Effectively, government for three decades increased the proportion of tax burden borne by working parents with minor children in order to pay for special benefits and special tax relief for interests whose needs can hardly rank in priority with the raising of children.

Other Costs For Non-Poor Families

Consider further what faces the young couple trying to raise children in 1983, as compared to the young couple of the post-World War II generation.

Imagine a young couple, say, in Paducah, Kentucky. The wife, with a high school education, is at home raising several children. The husband is the assistant pharmacist in a drug store. In 1948 this family would have paid a one percent Social Security tax on the husband's earnings. Today they pay 6.7 percent. Such young couples are years away from seeing any benefits, and in no case will their contributions yield the payoff of the contributions made by young workers in 1948. Couples need their money most as they start the family, yet these are the years when income will be lowest and the relative tax burden greatest. No wonder more are waiting until their thirties to have children and then having fewer than their parents did--or none.

Consider also that young American couples tend to look to home ownership as a concomitant of family rearing. In 1948 most males in in their 20's were veterans and eligible for a VA loan. Also, in 1948 house costs were absolutely much lower, as

were interest rates. The gains in home ownership have been spectacular in our era (CHART), but in the recent years of high costs and high interest rates, home ownership has begun to decline for the first time.

In the early 1970s, new household formation due to the Baby Boom reaching adulthood and perhaps the increase of divorces, helped spur home ownership. But as of July 1983, the home ownership rate sat at two percentage points below the 65.8 percent high point it registered in 1980. 21/ That translates to two million more families (CHART) that are renting instead of owning, and the ability of renters to accumulate a downpayment has dropped since 1970. These are largely young families. Only about 50 percent of these young families today can afford a first house, compared to 90 percent of young families in 1950. 22/

So, too, finally, with education. Today's young parents not only are burdened with federal and state taxes that are higher than their post-war counterparts', but they face the certain knowledge that costly educational outlays await them.

The decline in public school education is well known and that has led lower-income families as well as middle- and upper-income families to plan the greater sacrifices needed to send children to private schools. The proposed tuition tax credits would help those people.

21/ Census Bureau.

22/ Ibid.

Perhaps even more significant for couples trying to raise children and still get ahead is the high cost of college and post-graduate education. How many would-be parents now ask, "Can we hope to pay for a college education for each of our children if we have more than one or two?"

Of course children obviously are a joy for most parents, beyond the measure of money. They are a special blessing for grandparents. But economically speaking, children are "loss leaders." Almost all the intergenerational transfer of wealth goes only one way these days, and it seldom stops at the age of majority, either.

The Rising Cost Of Parenting

The productive, tax paying family that raises a number of children in the 1980s, perhaps more than ever before, is making an economic investment for society, not for itself.

(CHART) The real costs of raising children are at an all-time high. The average family that raises two children will spend \$85,000 per child to raise them to age 18. 23/ To that one often must

23/ Thomas Espenshade, Urban Institute.

add \$18,000 per child for an average 24/ four-year college education, for a total of \$103,000 investment. 25/

Meanwhile, the government provides a public education costing \$24,000, and the dependency exemption, which at the present rate, is worth about \$4,500 over 18 years of a child's upbringing; for a total government investment (on average) of about \$28,500. 26/

Now, the average young person with a college education will probably earn \$2.5 million over his lifetime, based on Census Bureau calculations. Roughly \$350,000 of that (at the present, discounted value) will go to the government as taxes.

The government is the real financial winner in the struggles of working parents, not the parents.

24/ This is an average of public and private college charges. If one goes to a private university, the cost is close to \$28,000.

25/ Other estimates for costs to parents; e.g., those of Sage Associates, run even higher.

26/ These calculations, of course, could be refined by adding special costs, such as the value of government subsidized education in state universities and community colleges, on one hand, as against the individual's subsidy of society through voluntary service of various kinds, or the parents' post-adulthood intra-generational transfers, on the other hand. But the general ratio, I submit, is correct.

(CHART) Maybe that's part of the reason that the actual number of births (the green line), even with the huge--and temporary--cohort of women of parenting age (the red line), is only up slightly, while the birth rate has been below the 2.1 replacement level for a dozen years. Actual population decline of the kind going on in some European nations will not take place here, (CHART) even at today's 1.8 birth rate, until 2025 or so. But the birth rate drop already portends serious consequences. Where is this nation going to find the necessary manpower for business, for industry, for the military?

Who is going to pay for all those benefits being conferred on special categories of taxpayers and upon the welfare products of family failures? If the society continues to make life hard for productive families to have children, stay together, and do the civilizing job on the next generation of citizens which has always been the family's social assignment, what proportion of the population will accept that assignment in the first place?

Strengthen families, on the other hand, and you not only will decrease poverty, but lessen the extent of almost all other social ills. It is in the home that we learn respect for authority, the importance of protecting the weak, a sense of honor, and justice. If families are the building blocks of society--society in miniature, some say--then society has a great stake in sound families. That is why concern for the family can be a powerful, organizing theme for the Reagan Administration's social policies. It is a theme almost all Americans, whether parents or not, can understand.

The Administration has made a good beginning in restoring a sense of the importance of families. But the substance and communication of that goal can be made far more effective. The time to do so is now. The Baby Boom Generation that has been, and will continue to be, the determinative force in American demographic change is getting older. Seventy-four million strong, most now are in the center of their household-forming and parenting years. Their decisions will influence profoundly the size and quality of the next generation. They can be a huge constituency for restoration of a more friendly government attitude toward families with children. But only if the national leadership comes in this decade.

The elements of that leadership will express themselves on several topics.

Conclusion

In every case, our principle should be to help provide the next generation of children with the best possible homelife, which is within productive, independent families. The direct and indirect government attack on this principle over recent decades reflects the rivalry of a liberal point of view that minimizes the family, because the family, at heart, is a conservative institution and the natural enemy of any power that tries to supplant it, including the government.

Indeed, only when the family is supplanted, or weakened beyond recognition, can the individual be brought naked and vulnerable before the State.

The year 1948 marks Gene Steuerle's point of departure in charting the growth of taxation of the nuclear family. That was also the year George Orwell wrote his satirical novel about life in a totalitarian state--1984, the numbers of 1948 rearranged.

In the world of 1984's "Big Brother," the Party, says Orwell, "systematically undermines the family... We have cut the links between child and parent ... There will be no love, except for the love of Big Brother."

On the other hand, nothing but direct defense of the country lends such relevance and moral authority to a free government as identification with the family. The President staked out this ground when he said, "Rebuilding America begins with restoring family strength and preserving family values." It is an old idea--

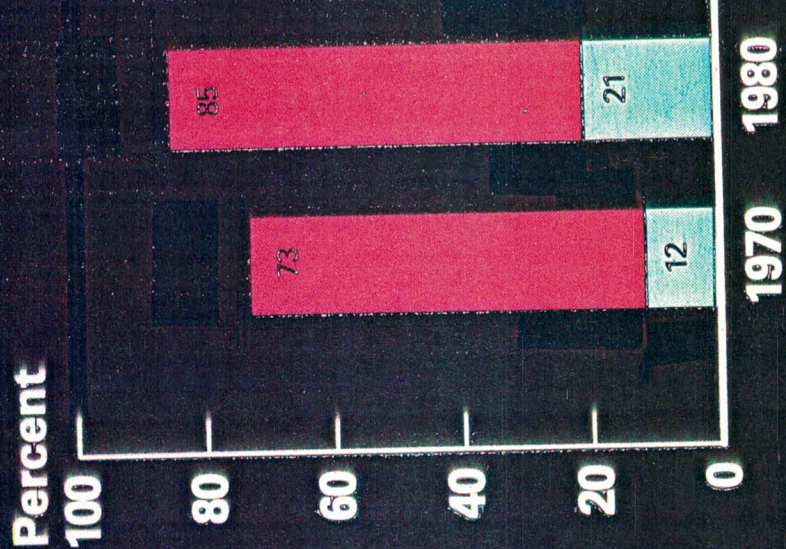
and to those who say our Administration lacks new ideas, it is also a new idea, because for a number of years it has been ignored by almost all the other major national leaders.

If our Administration will adopt the family as the organizing theme for the social policies of the next five years, we will stimulate deep, resonating approval in the American people. Citizens express opinions on any issue one may raise, and they sincerely care somewhat about a number of them. But for the very largest share of Americans, the central and decisive concern in their lives is the well-being of their families. Lately that well-being has been threatened by an often-hostile culture and a usually indifferent government. The Presidential Administration and the party that base their social and tax policies on the primary motivating force of the family will secure their own future while restoring the country's.

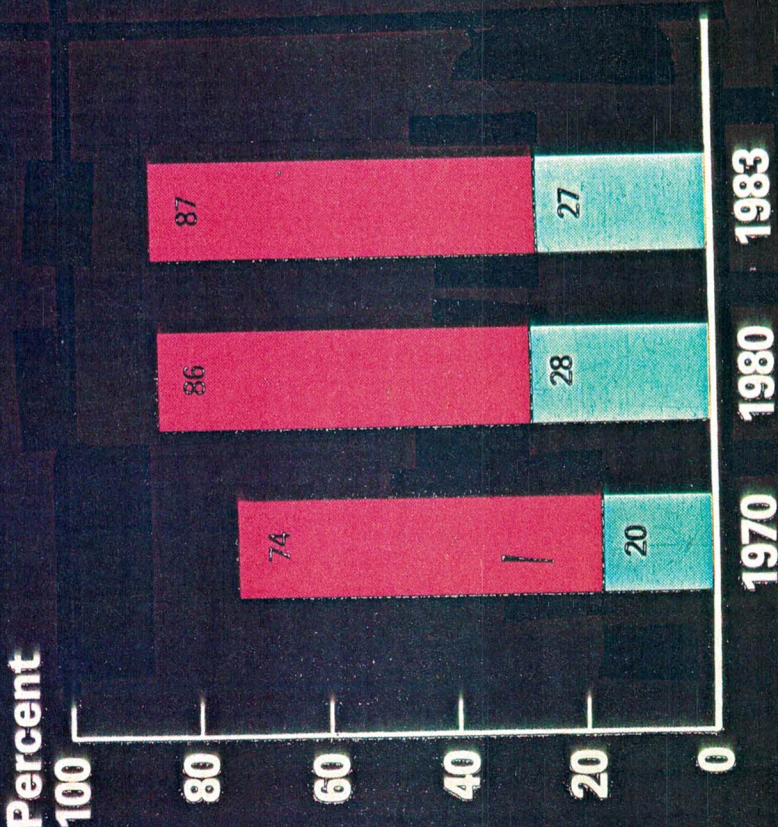
###

Educational Attainment by Sex

Females, 25 to 34 years

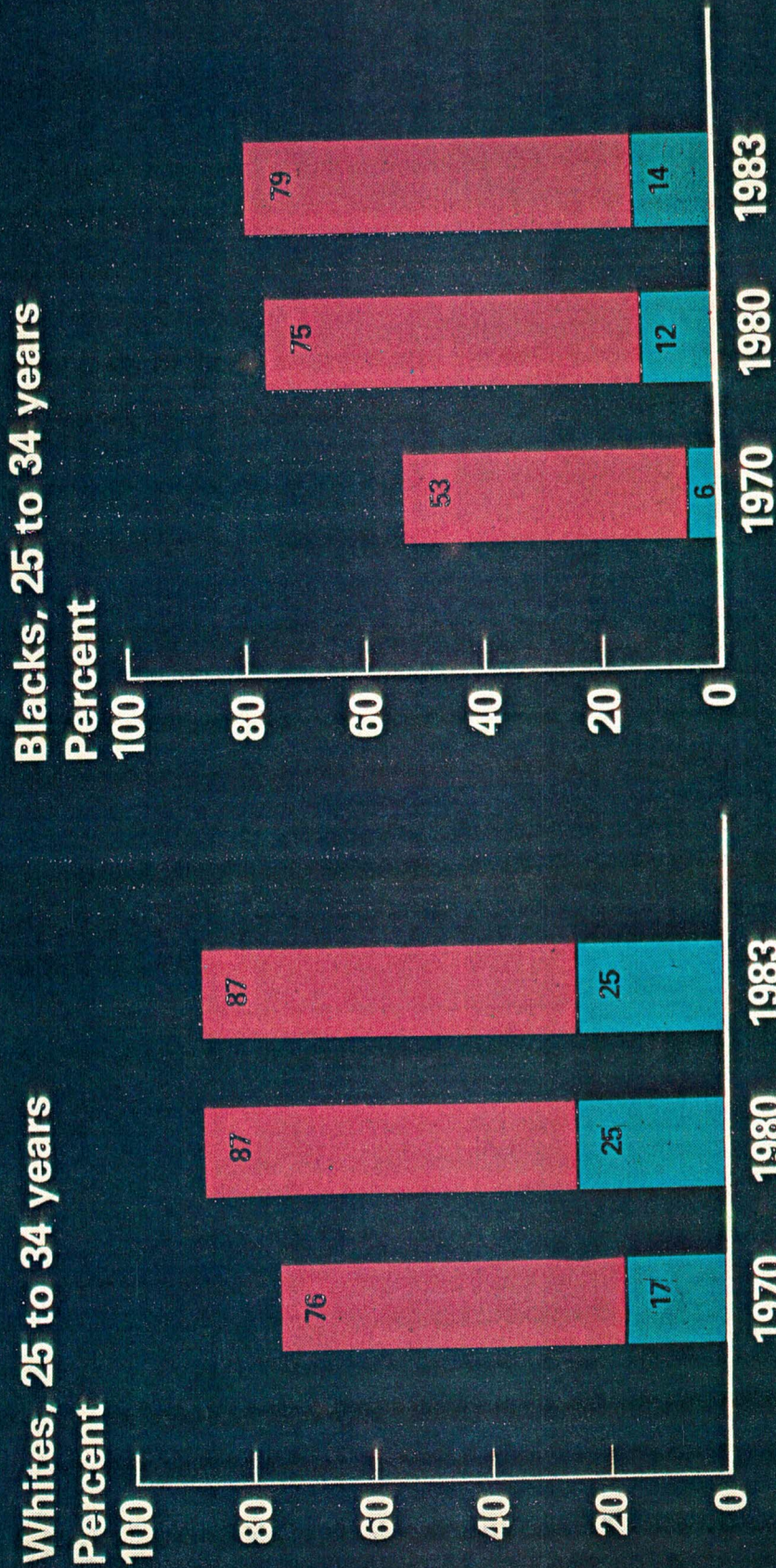


Males, 25 to 34 years



Years completed
 ■ HS/1-3 yrs college
 ■ 4+ yrs college

Educational Attainment by Race



Years completed
 ■ HS/1-3 yrs college
 ■ 4+ yrs college

Mean Earnings of Women Year Round, Full-Time, Aged 25-34

Male
Female

\$25,586

\$20,011

\$23,588

\$17,593

\$14,859

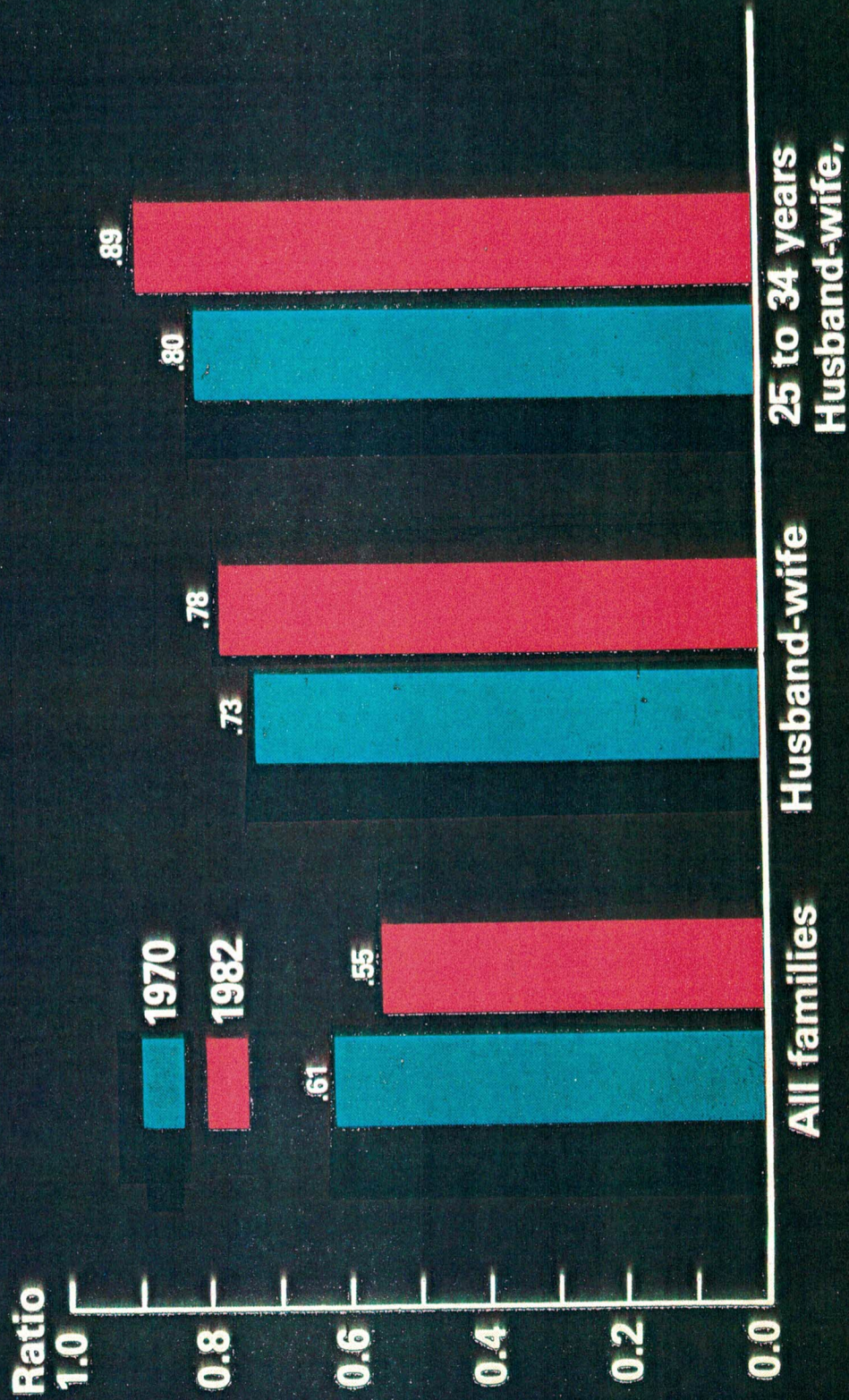
\$20,331

5 or More Years
of College

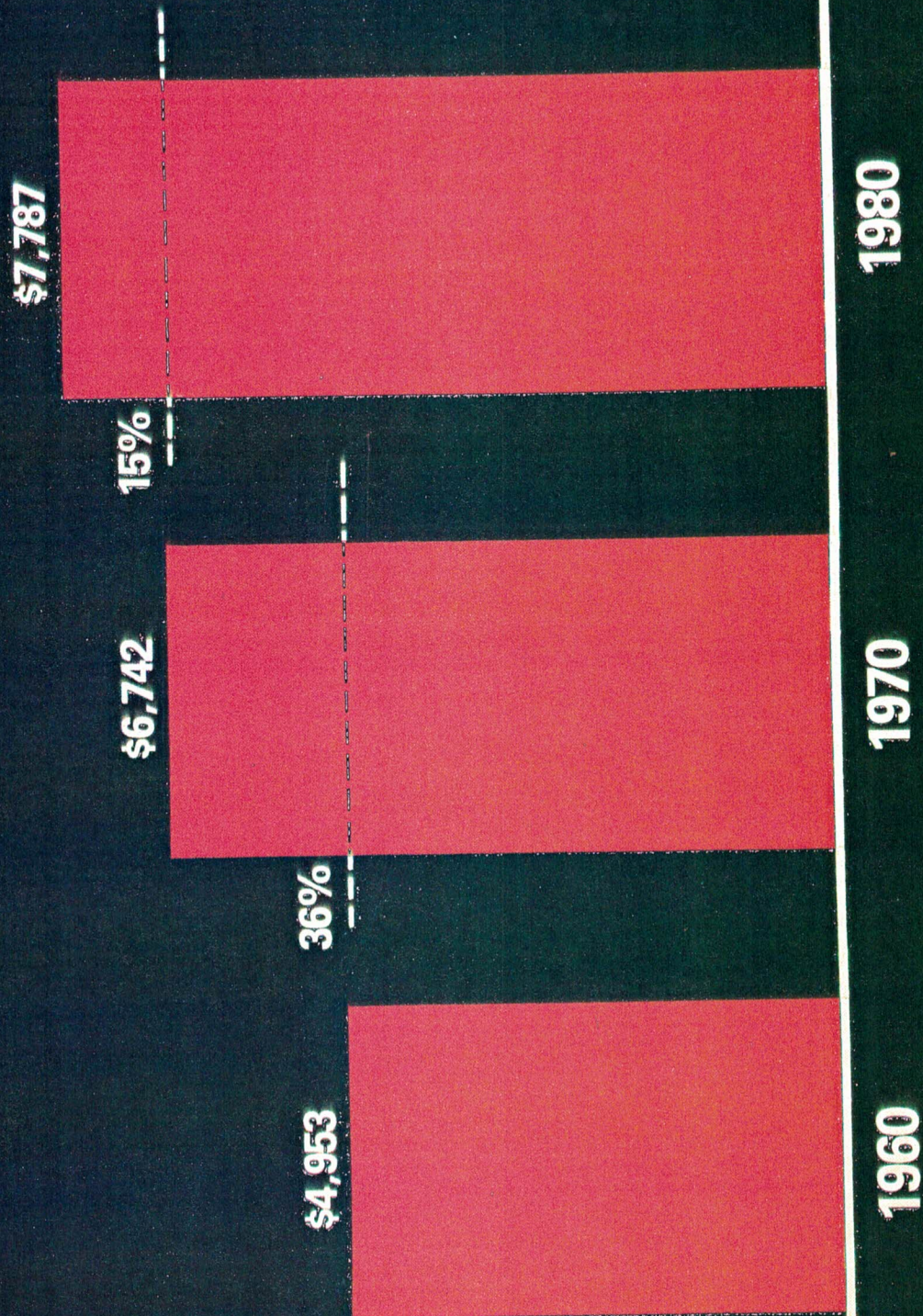
4 Years College

1-3 Years College

Black Median Family Income by Type of Family



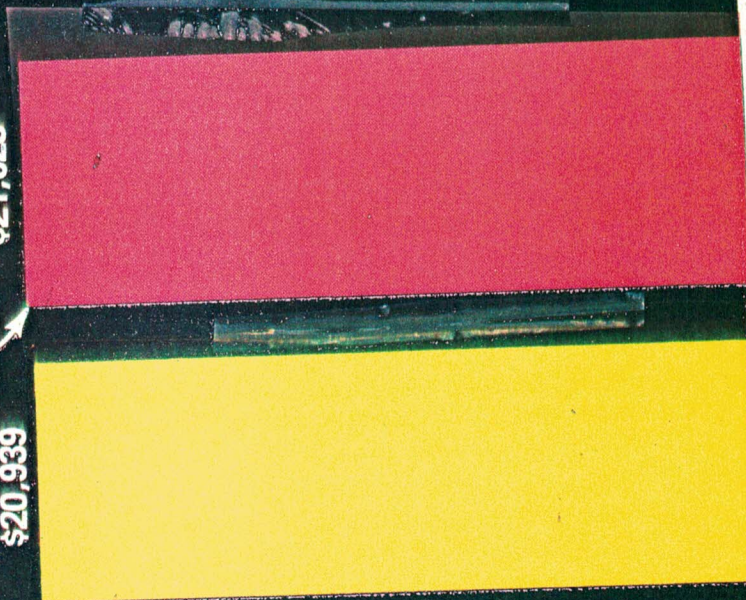
Real Per Capita Income in 1980 Constant Dollars



Income Changes 1970-1980

Median Family Income

\$20,939
0.4%
\$21,023

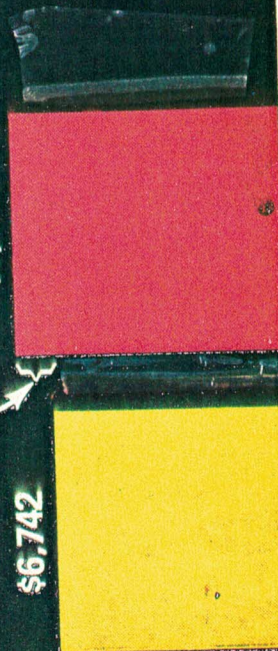


1980

1970

Per Capita Income

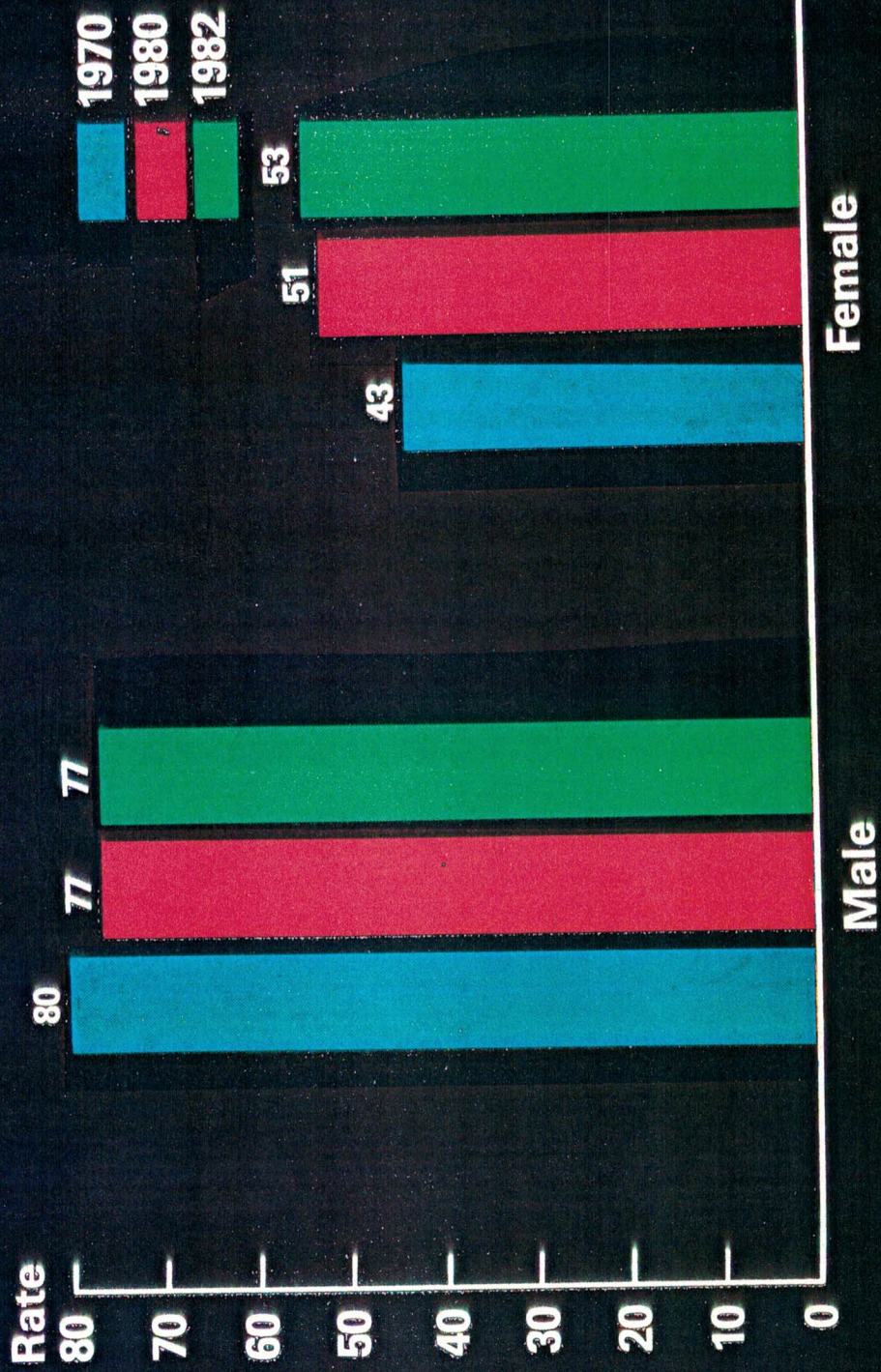
\$6,742
15.5%
\$7,787



1980

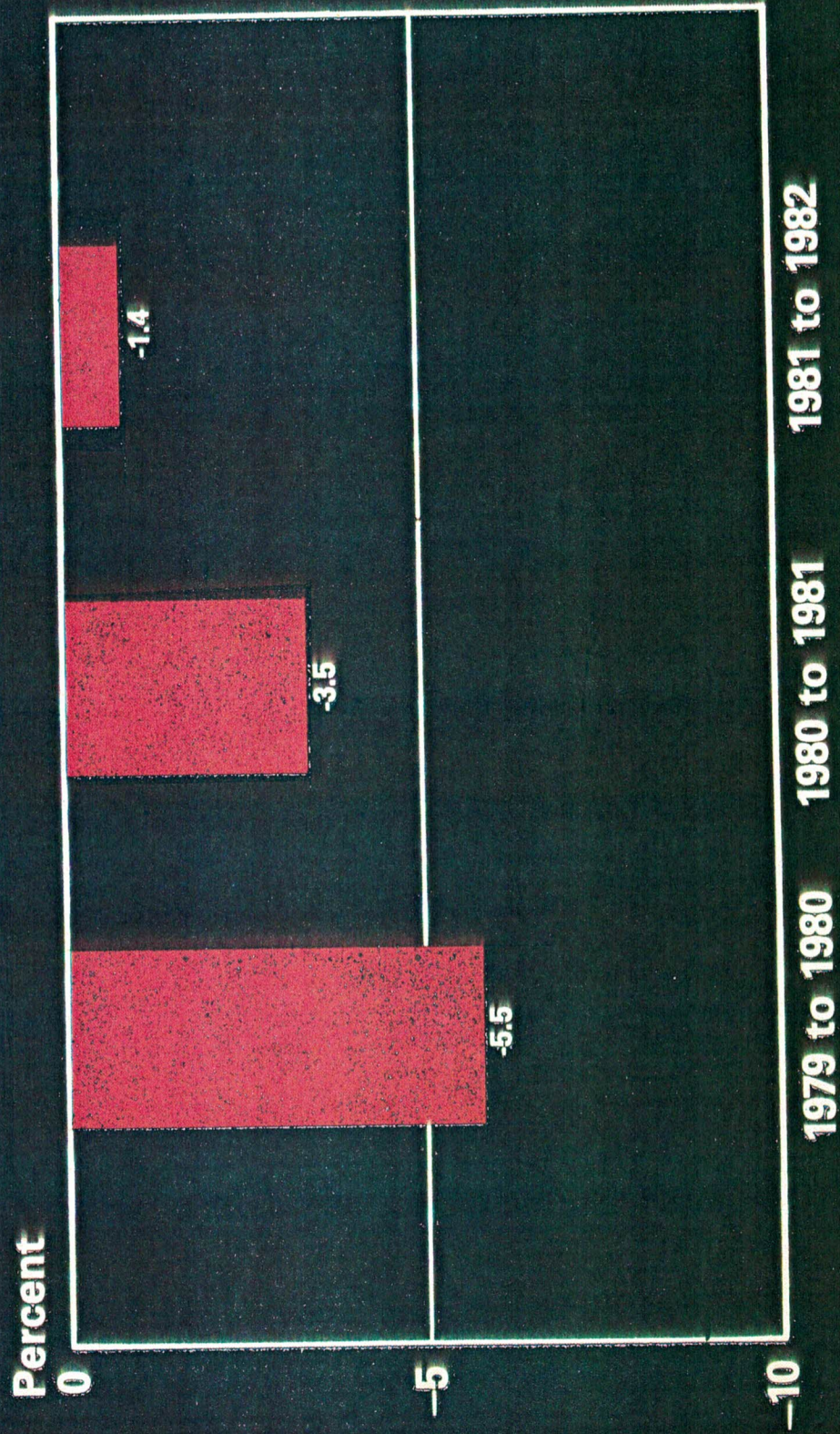
1970

Civilian Labor Force Participation Rates by Sex



Median Family Income

Annual percentage change



Economic Recovery 1982

\$90 Billion



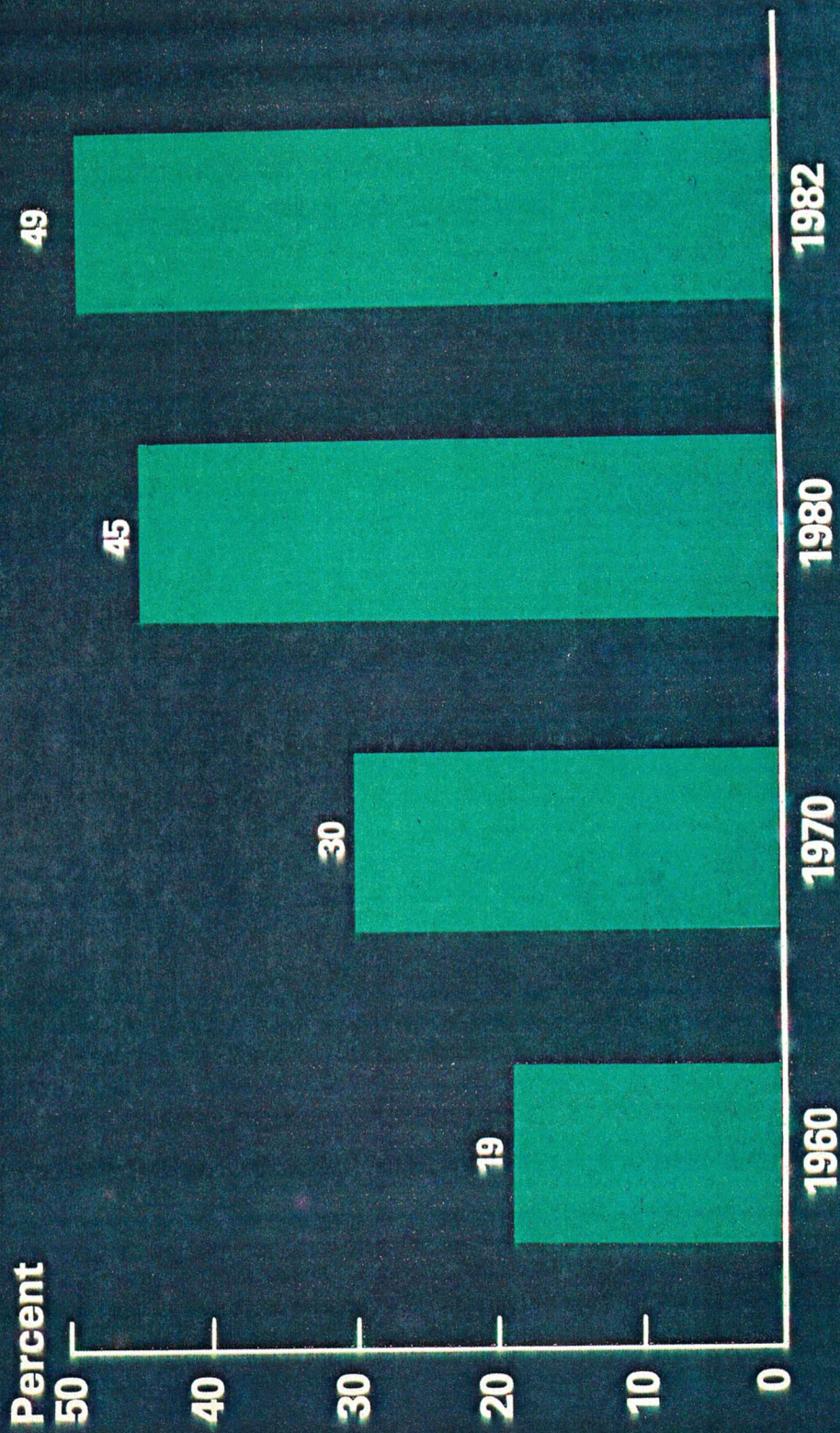
Increased Wages
Due to Inflation
Control

Social Spending
Cuts

\$15 Billion

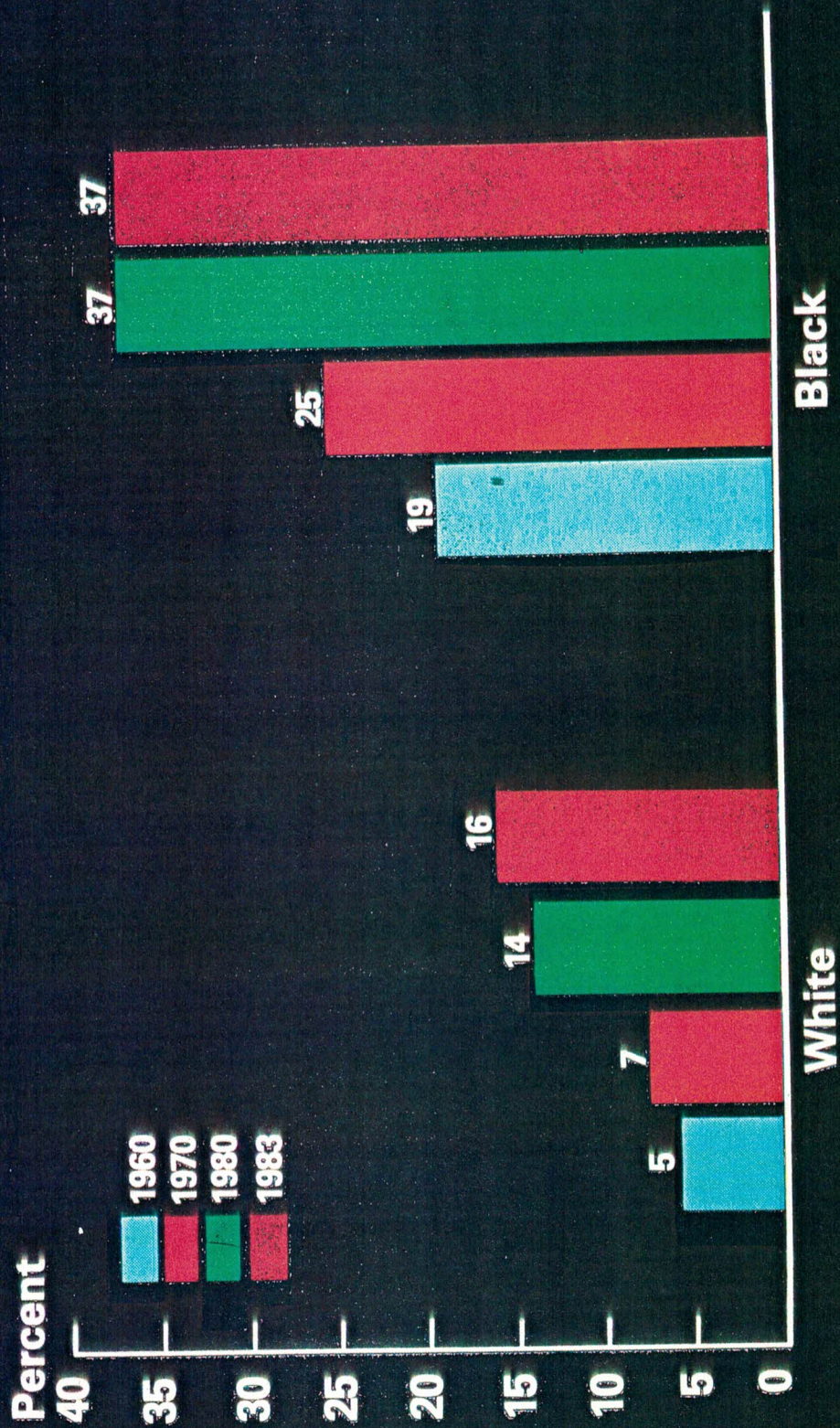


Females in Labor Force With Children Under 6 Years Old

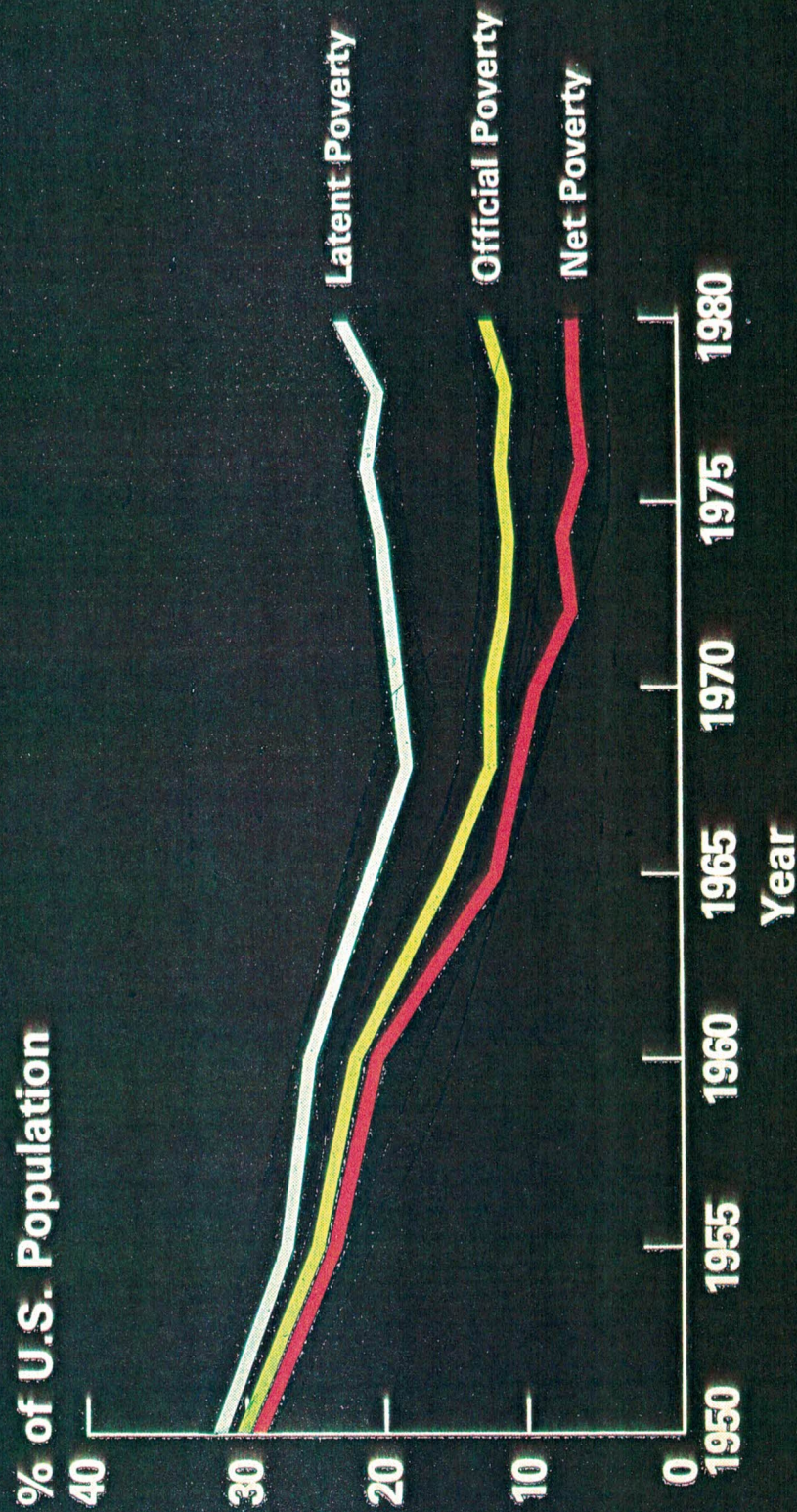


Women Divorced or Separated

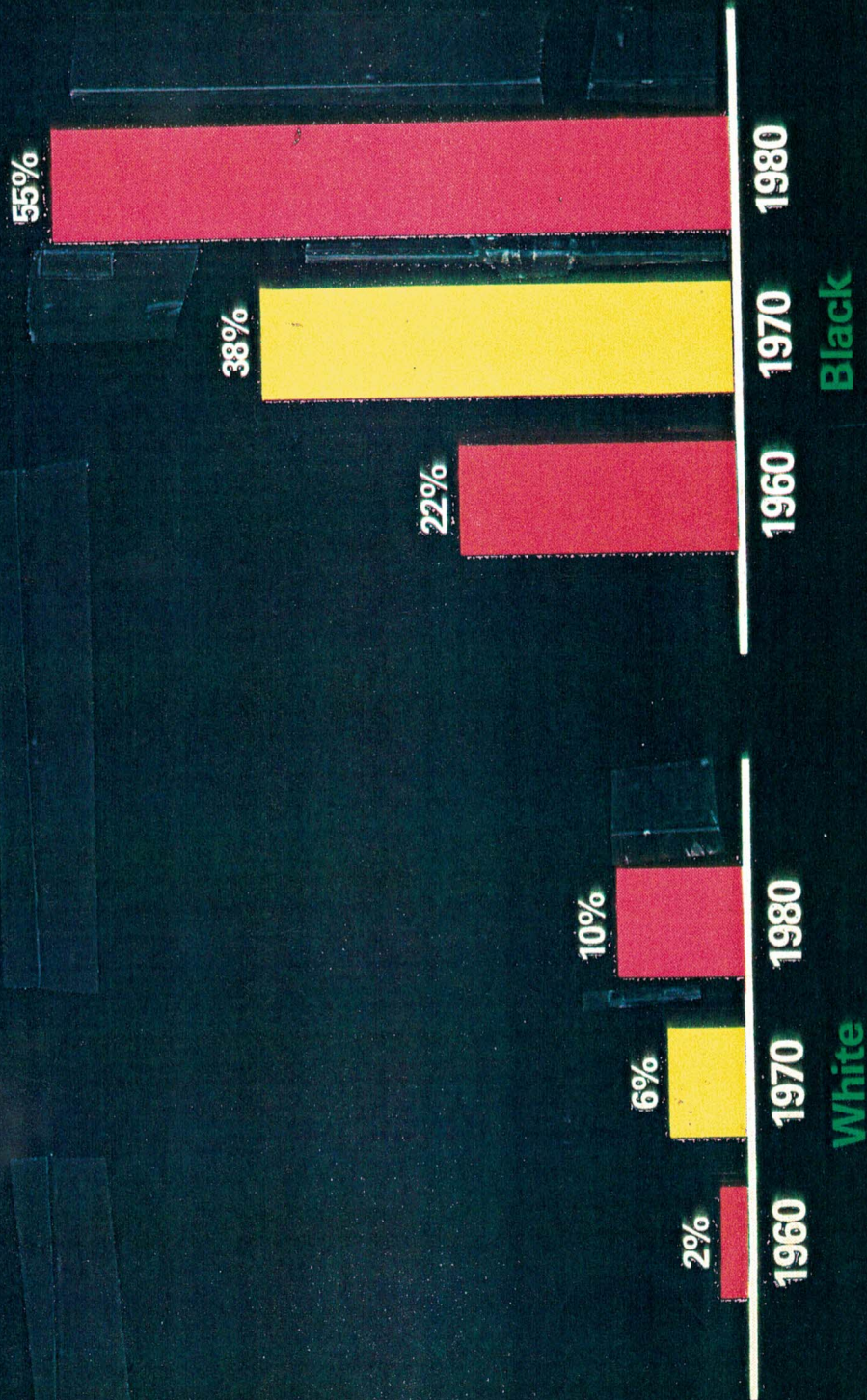
Ever-married women 25 to 44 years old



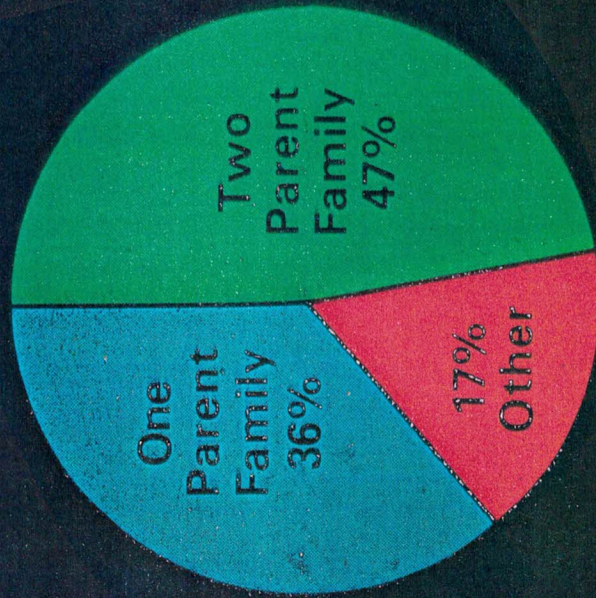
Three Measures of Poverty, 1950 to 1980



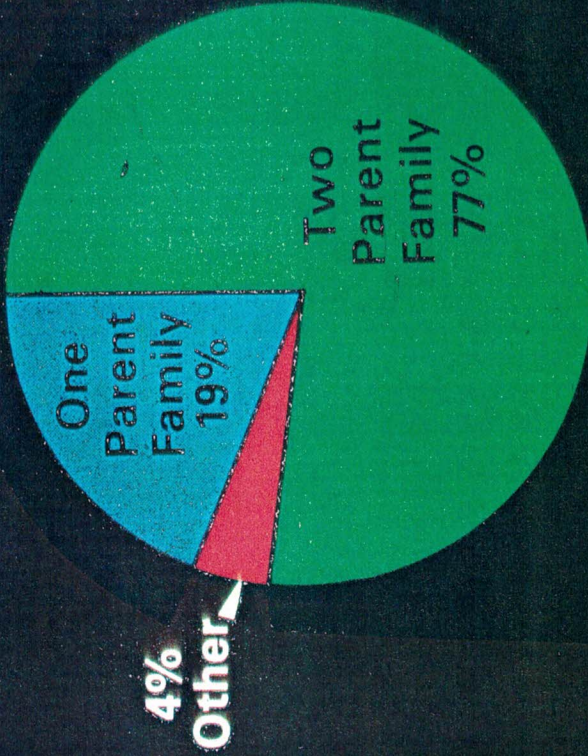
Births Out of Wedlock



Comparative Family Status Inmates vs General Population



**Inmates of State
Correctional Facilities**



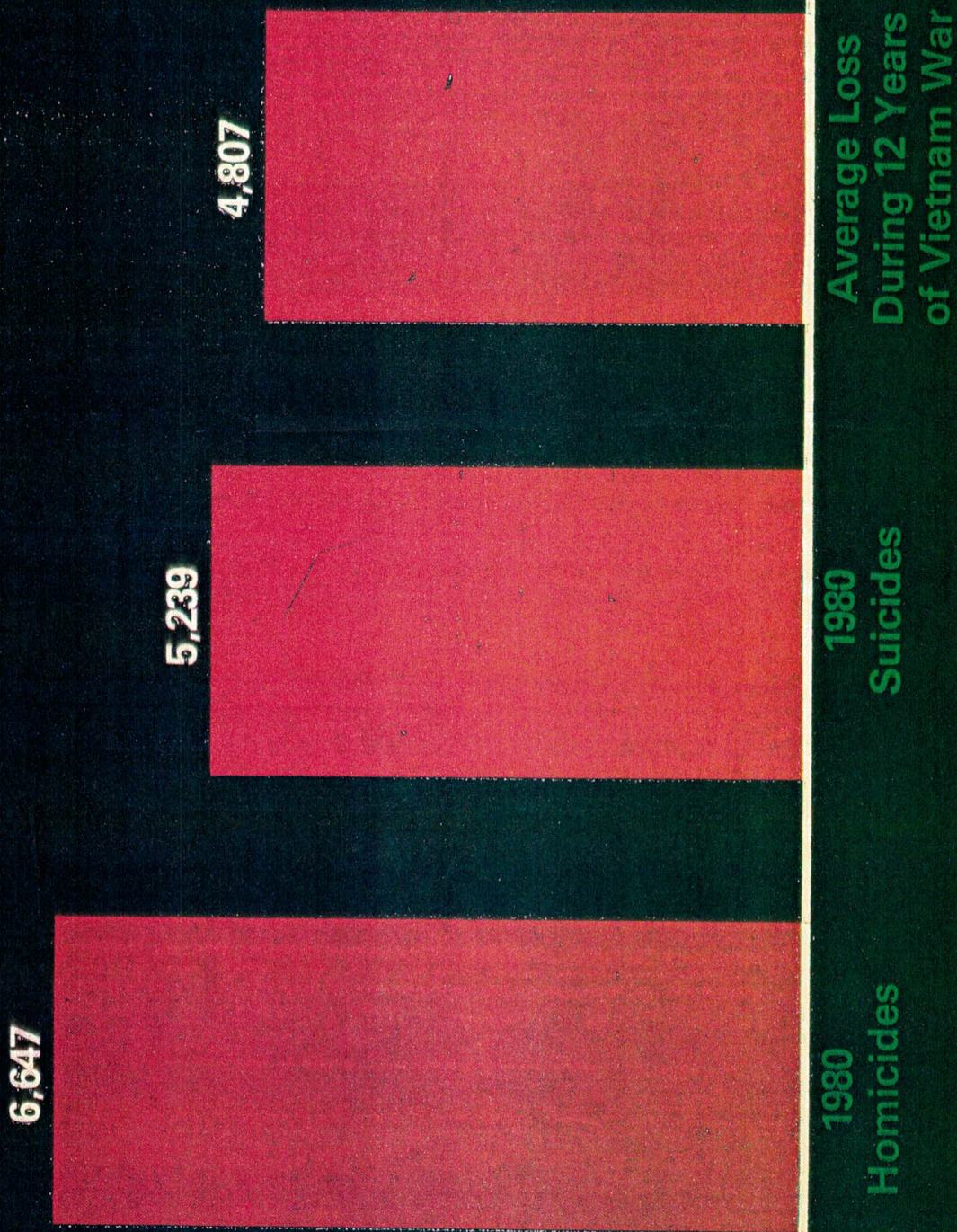
**General Population
Under Age 18**

Rates for Violent Crimes Reported: 1965 to 1982

Rates per 100,000 Population



Deaths of American Youth



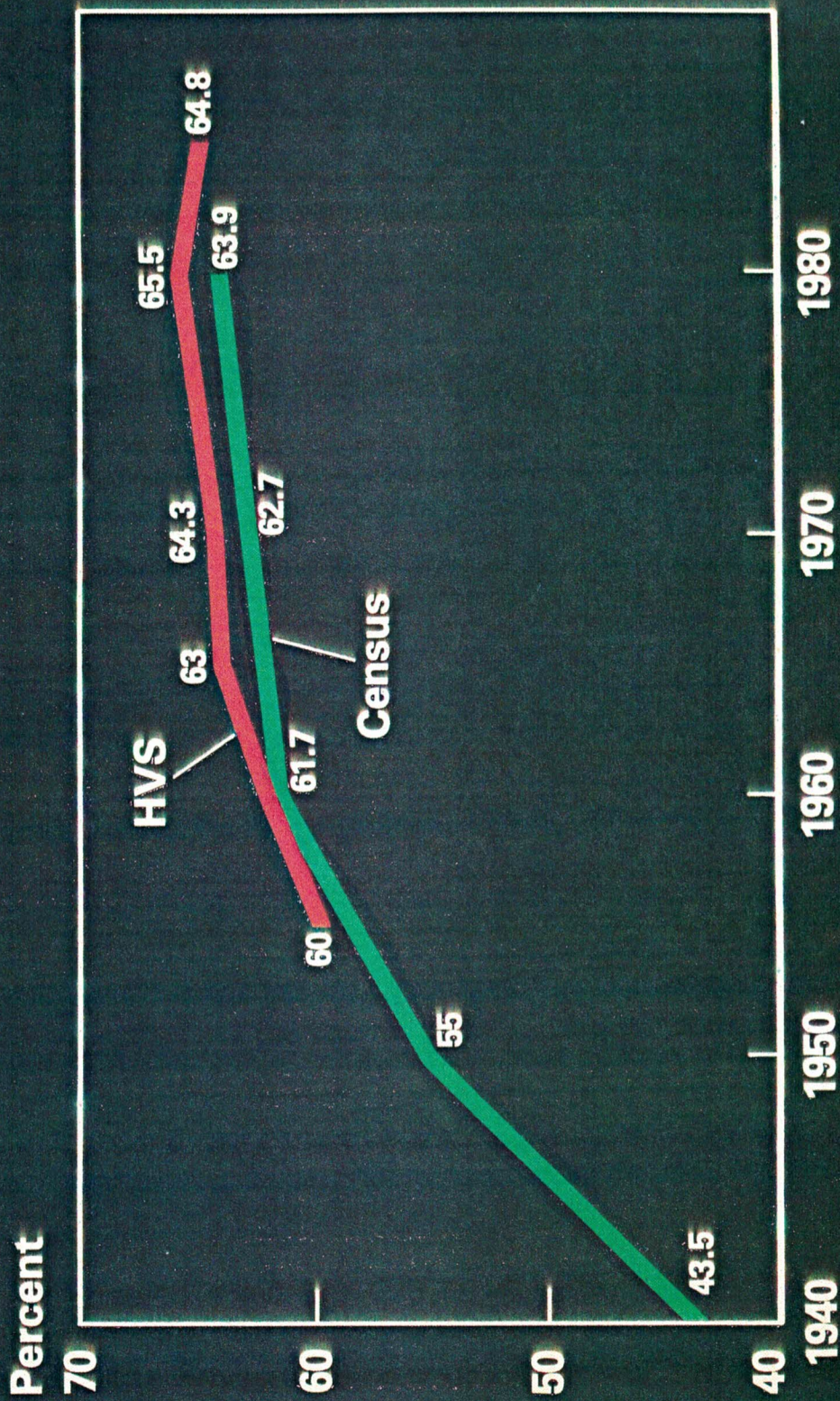
Women Receiving Child Support 1981



Taxes for Households with Median Family Income

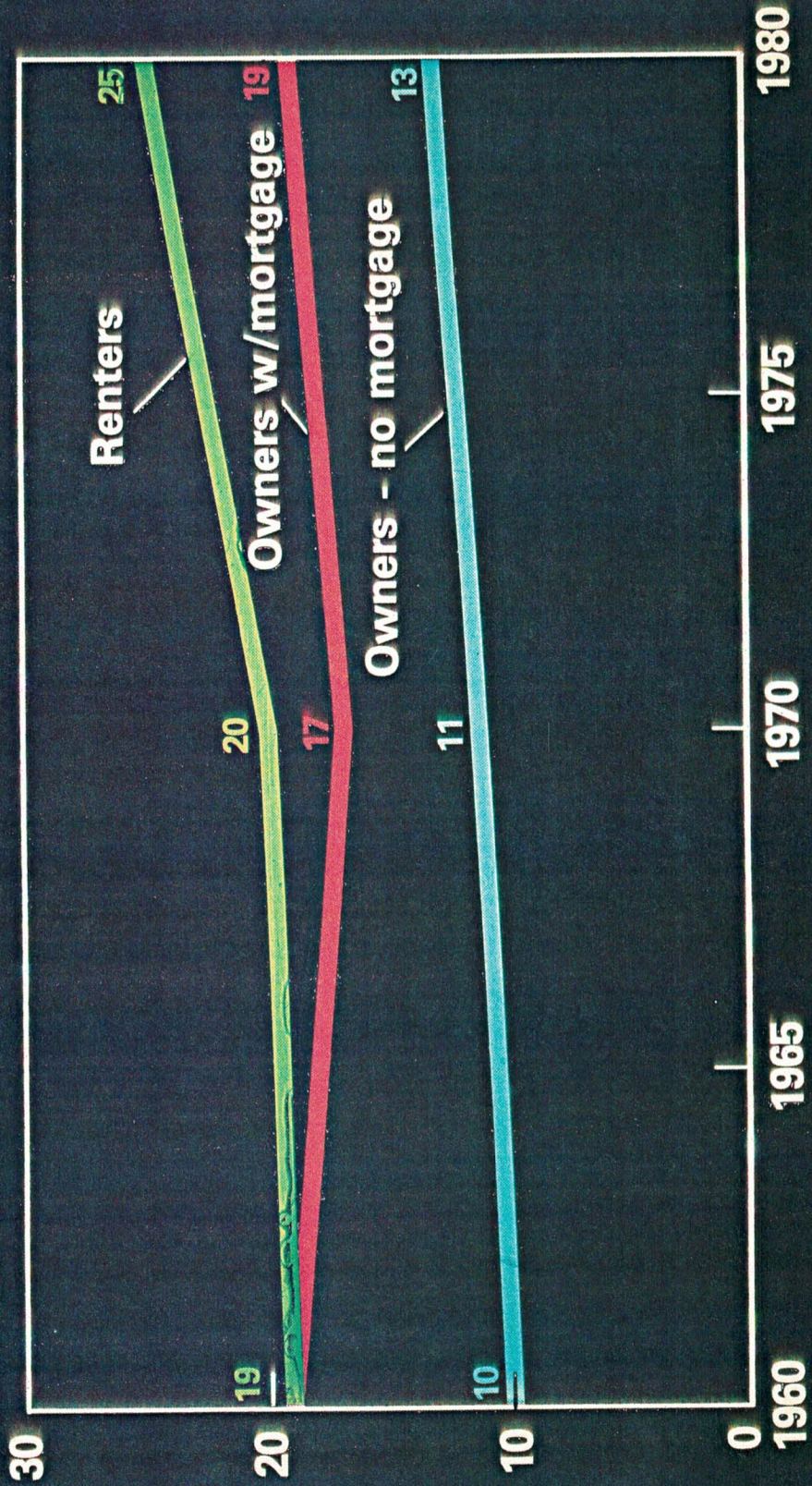
	Joint				Head of Household			
	Single	0 Dependents	2 Dependents	4 Dependents	2 Dependents	4 Dependents	2 Dependents	4 Dependents
	Tax as % of income	Tax as % of income	Tax as % of income	Tax as % of income	Tax as % of income	Tax as % of income	Tax as % of income	Tax as % of income
1948	9.7	6.5	0.3	0.0	3.4	0.0		
1981	17.0	13.2	11.3	9.3	13.3	11.2		
1984	14.5	11.4	9.9	8.4	11.7	10.1		

Home Ownership Rate 1940 to 1983



Median Percent of Income for Monthly Housing Cost and Gross Rent

Median percent



Investment in a Child

Cost

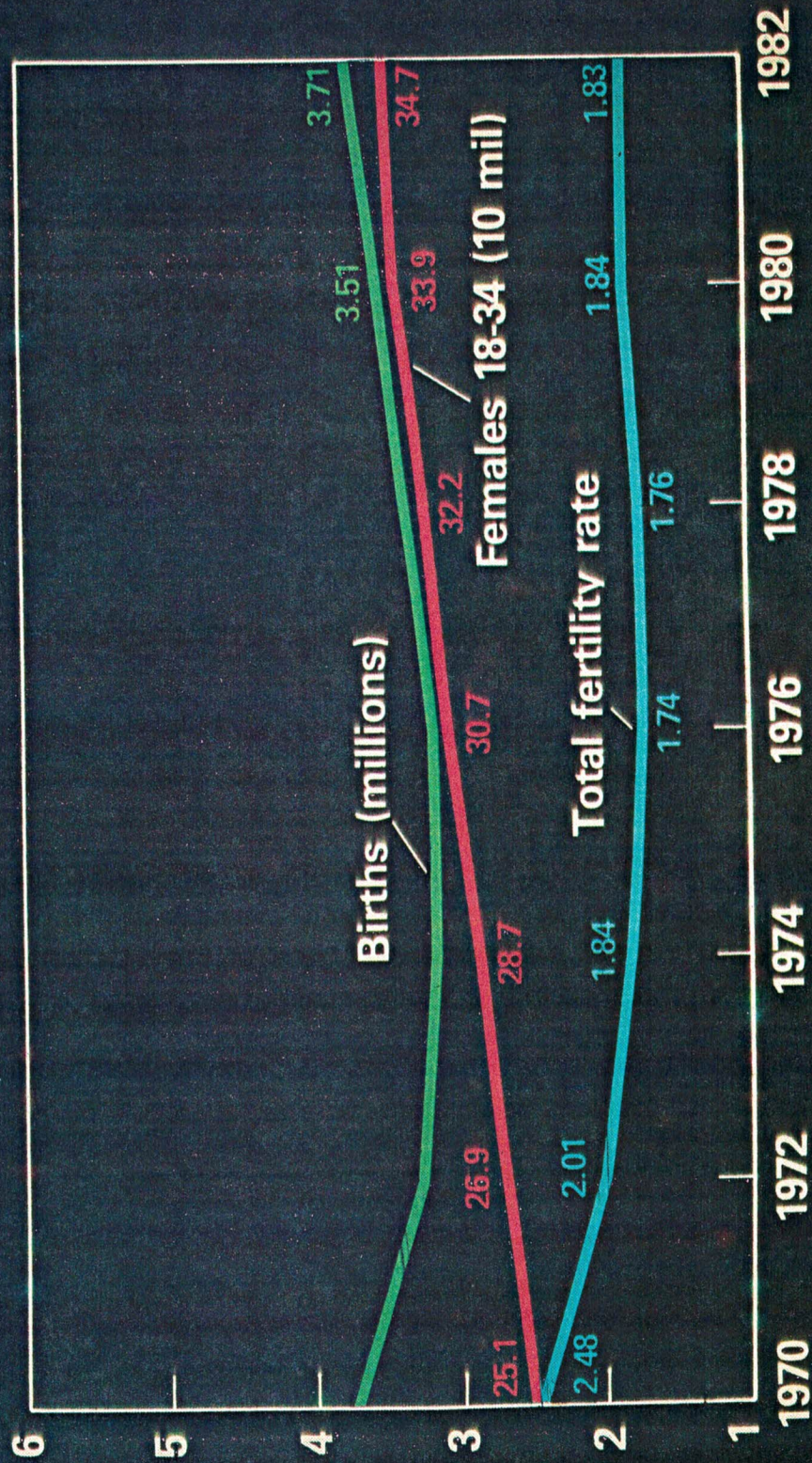
	<u>Government</u>	<u>Parents</u>
• 12 Years of Public Education	\$24,000	
• \$1,000 Annual Exemption worth \$250 in Tax Savings for 18 Years	4,500	
• Child Raising Expenses to Age 18		\$85,000
• 4 Year College Education -- Average of Public/Private Cost		18,000
	<u>\$28,500</u>	<u>\$103,000</u>

Return

• Government Taxes on \$2,500,000 Lifetime Earnings (Present Discounted Value)	\$350,000	
Net return on Investment	<u>\$321,500</u>	<u>(-) \$103,000</u>

Women in the Childbearing Ages and Fertility

Fertility data



Projections of the Total U.S. Population to 2050, Showing Effect of Different Assumptions for Fertility, Mortality, and Net Immigration

Population
in Millions

