

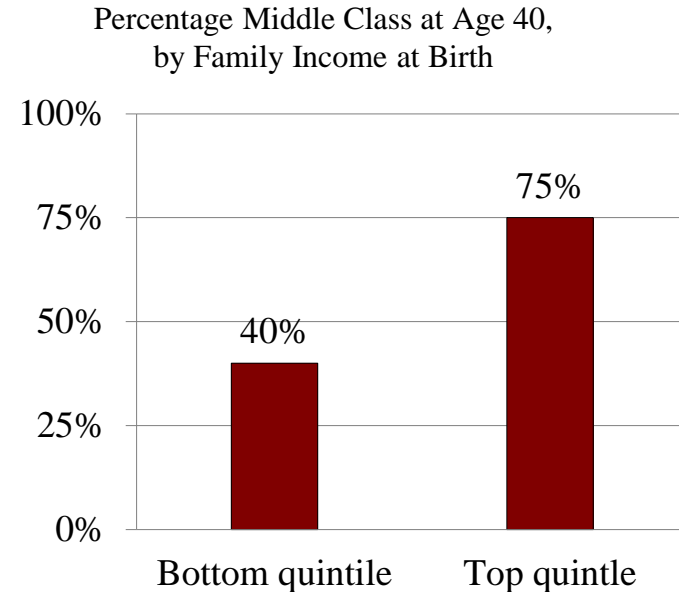
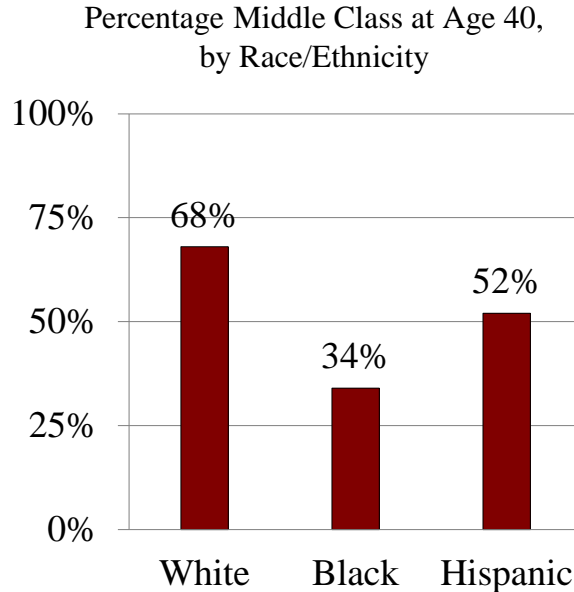
How Do Today's Family Patterns Affect Prospects for 2050?

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If the goal is to make it to the middle class, many face a headwind from the start.

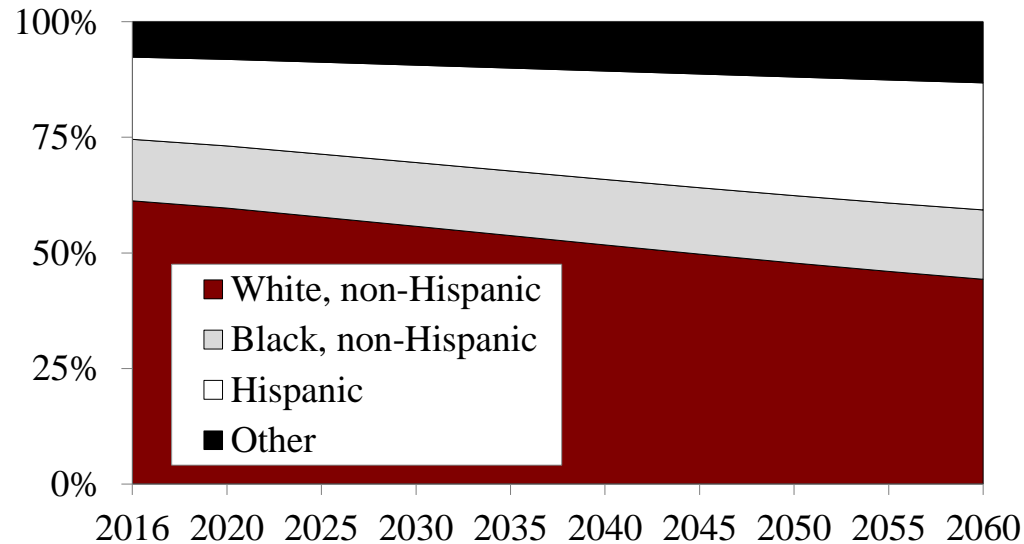


Note: Middle class is defined as family income of at least 300 percent of poverty.

Source: Isabel V. Sawhill, Scott Winship, and Kerry Searle Grannis. 2012. "Pathways to the Middle Class: Balancing Personal and Public Responsibilities." Brookings Institution, Center on Children and Families.

These patterns are important because the U.S. is becoming more racially diverse...

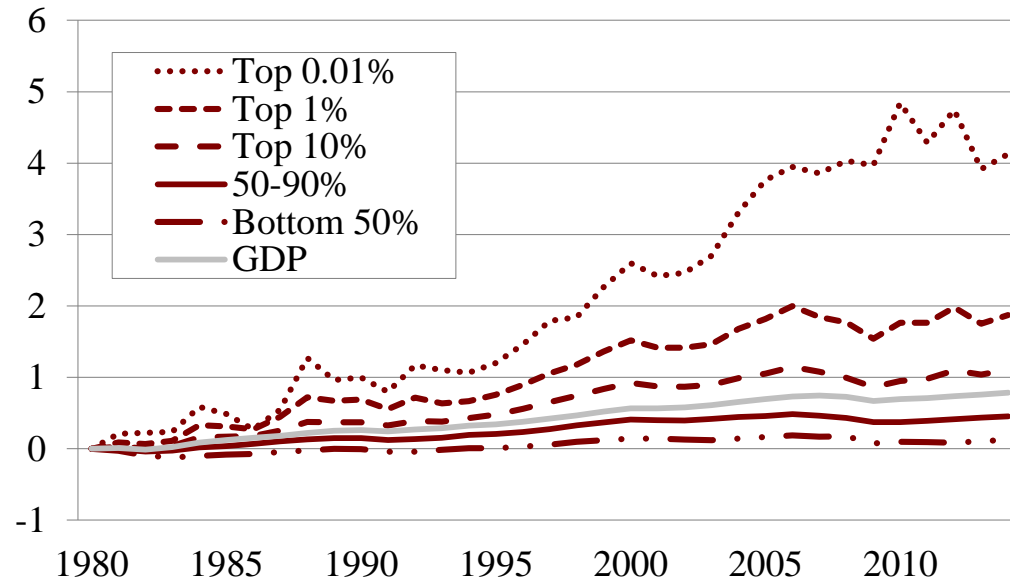
Projected Race/Ethnic Composition, 2016-2065



Source: U.S. Census Bureau. 2017. National Projection Tables.

...and incomes have been growing slowly for most households.

Income Growth by Income Group, 1980-2014



Sources: Author's calculations from Thomas Piketty, Emmanuel Saez, and Gabriel Zucman. 2018. "Distributional National Accounts: Methods and Estimates for the United States." *Quarterly Journal of Economics* 133(2): 553-609; and GDP data from U.S. Department of Commerce, Bureau of Economic Analysis. 1980-2014.

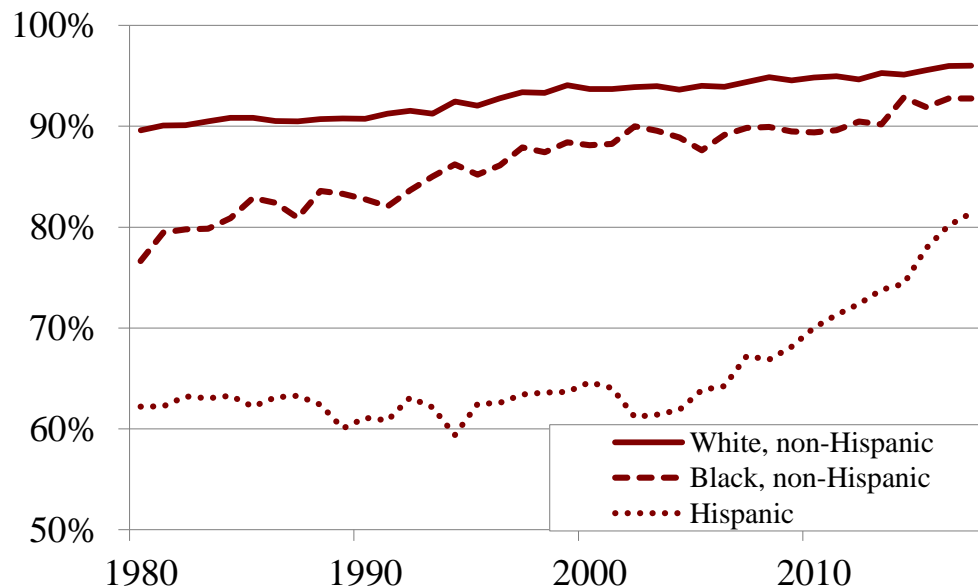
Making it to the middle class – income at least 300 percent of poverty – requires three things:

- 1) Finishing high school;
- 2) Working full-time; and
- 3) Waiting to have kids.

Source: Isabel V. Sawhill, Scott Winship, and Kerry Searle Grannis. 2012. “Pathways to the Middle Class: Balancing Personal and Public Responsibilities.” Brookings Institution, Center on Children and Families.

In terms of education, high school graduation is going up for everyone.

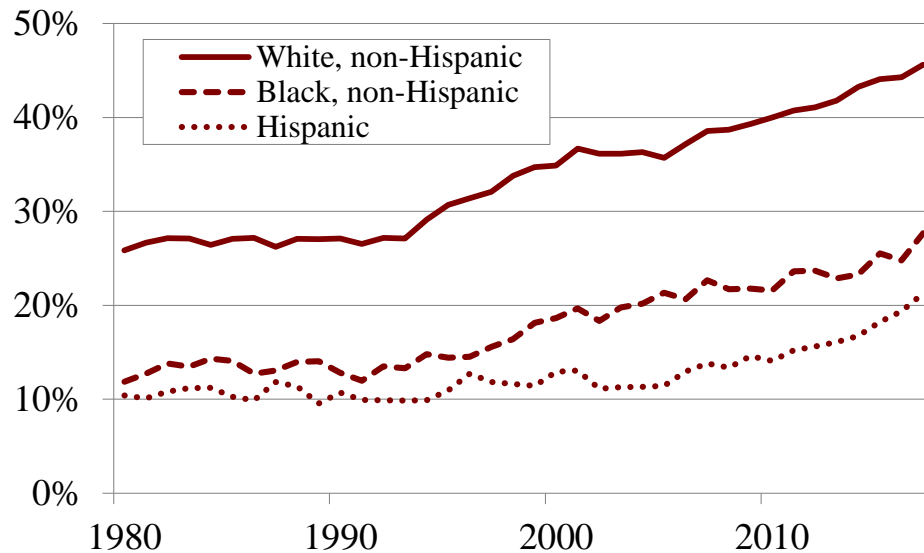
Percentage of Individuals Ages 25-34 with a High School Diploma,
by Race/Ethnicity, 1980-2017



Source: Author's calculations from the U.S. Census Bureau, *Current Population Survey*. 1980-2018.

But today's jobs require more, and college graduation rates lag for minorities.

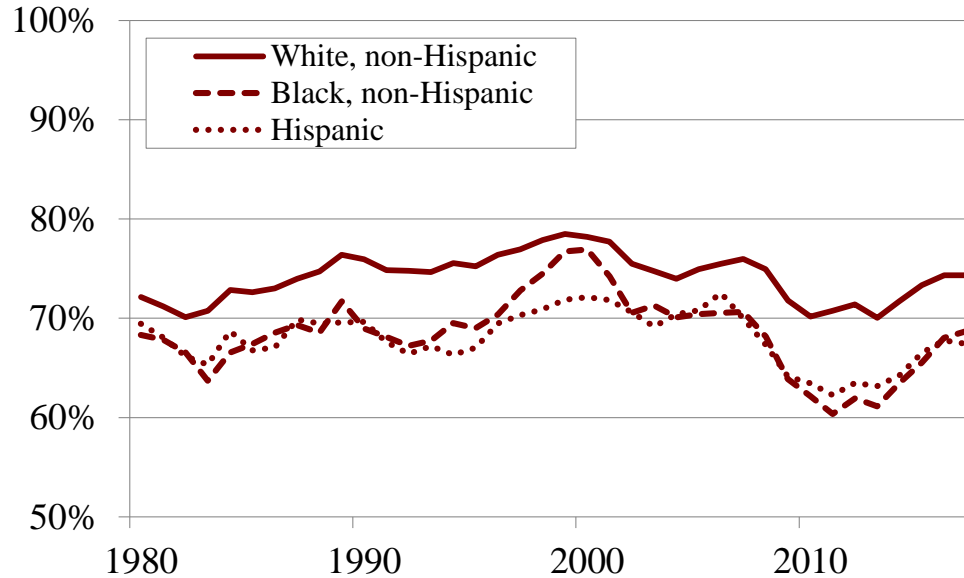
Percentage of Individuals Ages 25-34 with a College Degree,
by Race/Ethnicity, 1980-2017



Source: Author's calculations from the U.S. Census Bureau, *Current Population Survey*. 1980-2018.

In terms of working full time, Blacks and Hispanics fare less well than Whites.

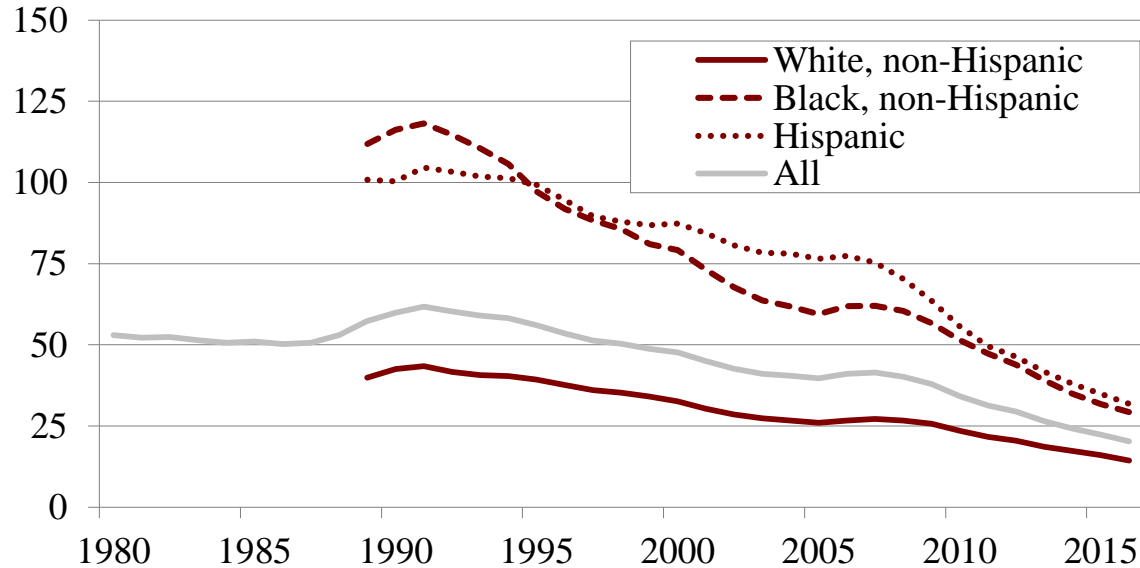
Percentage of Individuals Ages 25-34 Working Full-Time,
by Race/Ethnicity, 1980-2017



Source: Author's calculations from the U.S. Census Bureau, *Current Population Survey*. 1980-2018.

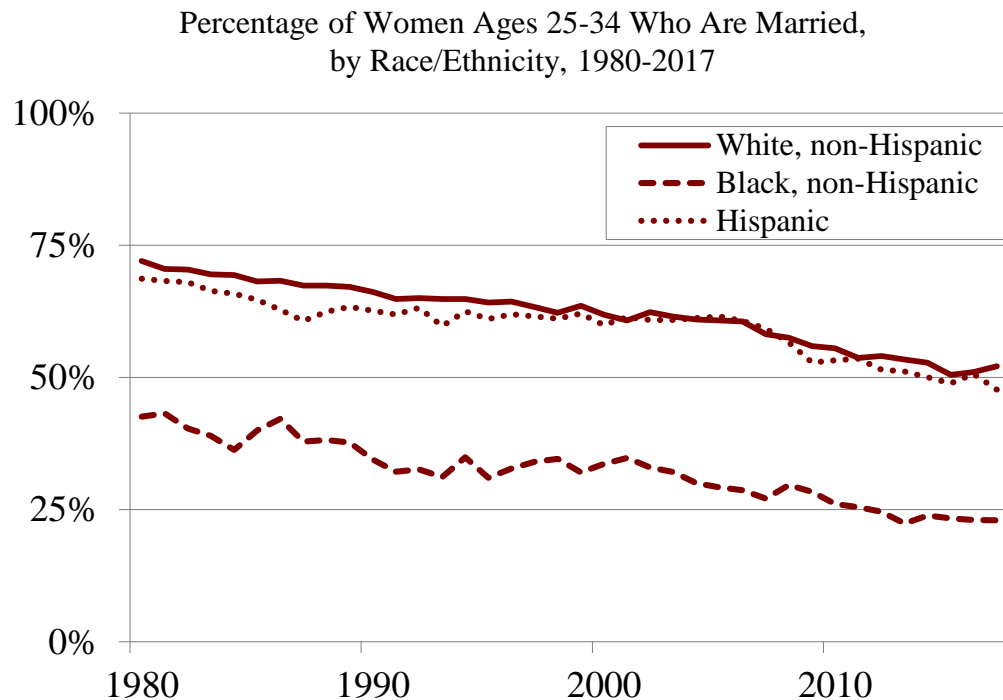
In terms of waiting to have children, teen births have dropped sharply.

Births per 1,000 Women Ages 15-19,
by Race/Ethnicity of Mother, 1980-2016



Source: J. A. Martin, B. E. Hamilton, M. J. Osterman, A. K. Driscoll, and P. Drake. 2018. "Births: Final Data for 2016." U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics.

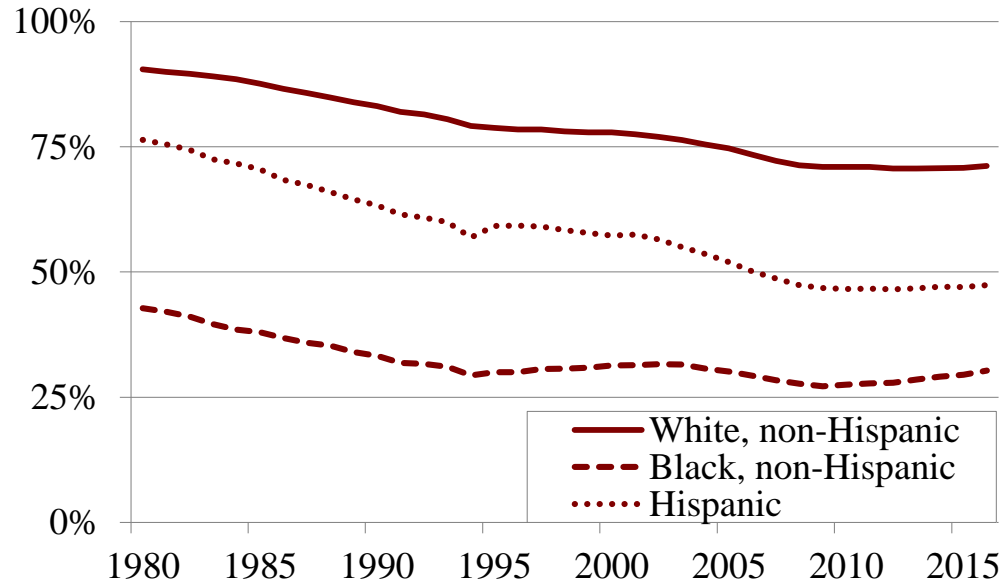
But marriage rates are also down, so ...



Source: Author's calculations from the U.S. Census Bureau, *Current Population Survey*. 1980-2018.

...the share of births attributable to married women is also declining.

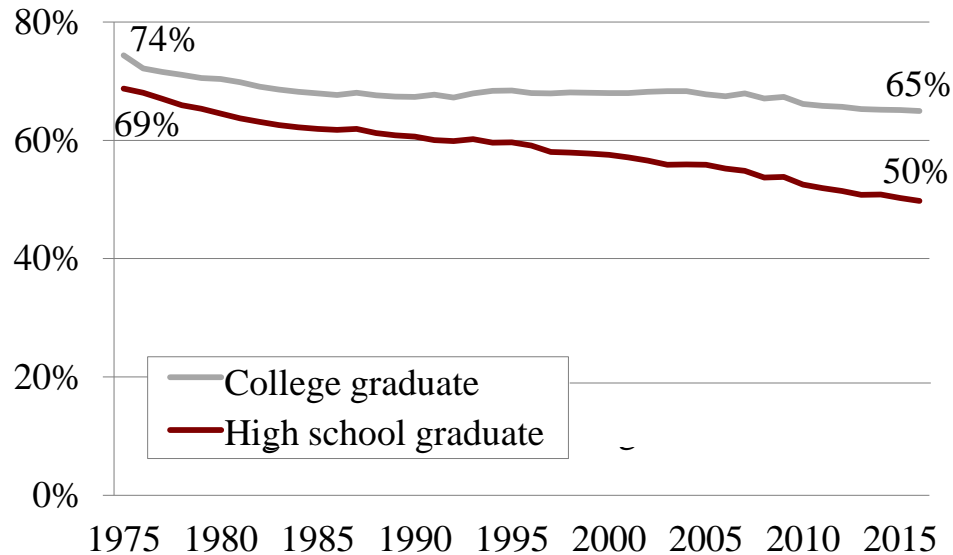
Percentage of Births to Married Women,
by Race/Ethnicity, 1980-2016



Source: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics. 1980-2016.

As an aside, those getting married are an increasingly selective group.

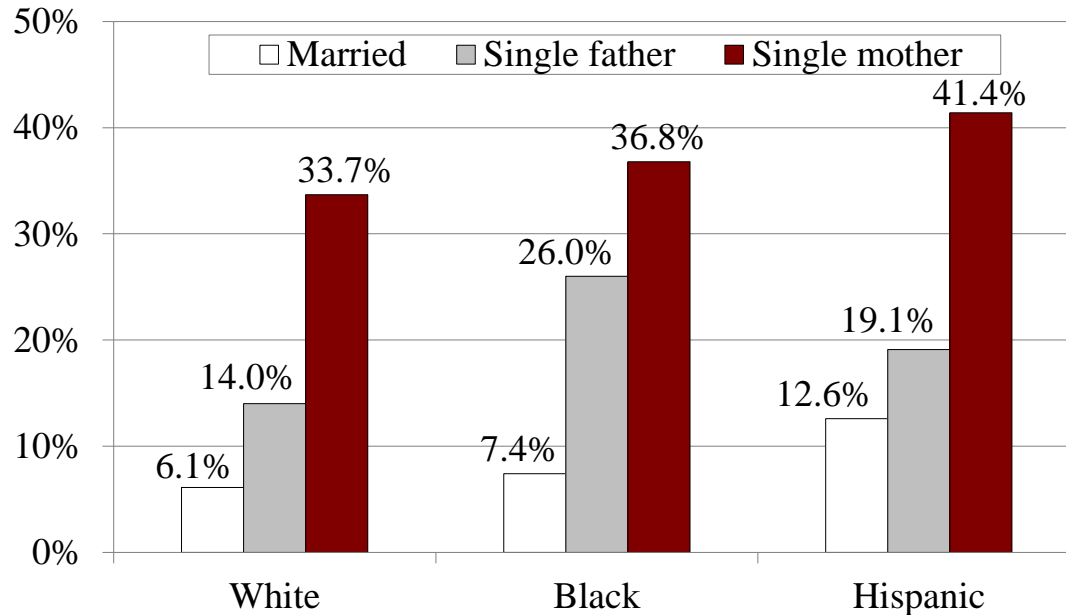
Percentage of People Ages 25-54 Married,
by Education, 1975-2016



Source: Author's calculations from the U.S. Census Bureau, *Current Population Survey*. 1980-2017.

A decline in two-parent families means more children face a tough start...

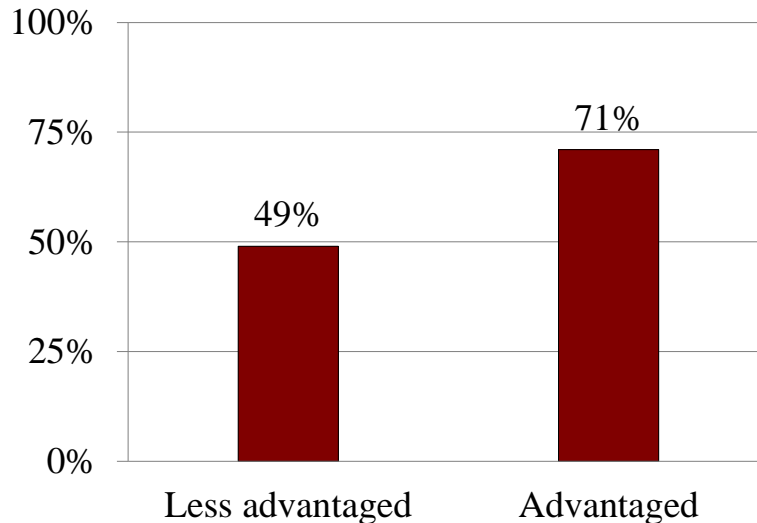
Poverty Status by Family Structure for Households with Children, 2017



Source: Author's calculations from the U.S. Census Bureau, *Current Population Survey*. 1980-2018.

...and children who are less advantaged are much less likely to reach middle class by 40.

Percentage of Individuals Middle Class at Age 40,
by Status at Birth

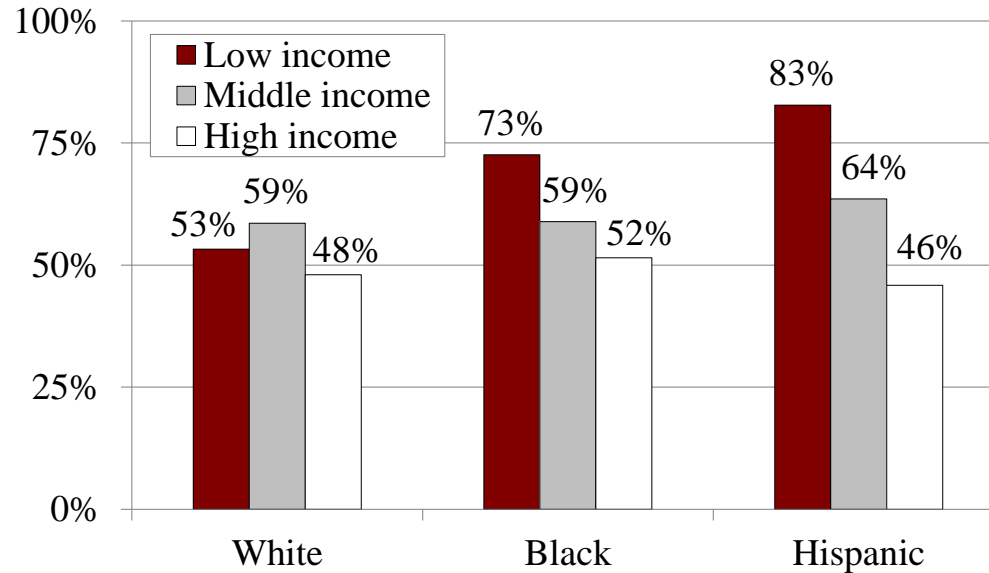


Note: Advantaged is defined as children born at normal birth rate to married mothers with at least a high school education and not poor at the time of the birth.

Source: Isabel V. Sawhill, Scott Winship, and Kerry Searle Grannis. 2012. "Pathways to the Middle Class: Balancing Personal and Public Responsibilities." Brookings Institution, Center on Children and Families.

Finally, as retirement's my game, the risk of falling short at 65 varies by race and income.

Percentage of Households Ages 30-34 “At Risk” of Falling Short in Retirement, by Race/Ethnicity and Income, 2016



Source: Author's calculations from the U.S. Board of Governors of the Federal Reserve System, *Survey of Consumer Finances*. 2016.

What to do? Parents, not governments, raise children, but government can help.

- Reduce unplanned pregnancies by access to birth control.
- Support home visiting programs and high-quality pre-school.
- Improve children's competencies during school years.
- Increase college affordability and graduation rates.
- Expand job training programs.
- Increase the Earned Income Tax Credit.