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.

**Percentage Middle Class at Age 40, by Race/Ethnicity**

- White: 68%
- Black: 34%
- Hispanic: 52%

**Percentage Middle Class at Age 40, by Family Income at Birth**

- Bottom quintile: 40%
- Top quintile: 75%

Note: Middle class is defined as family income of at least 300 percent of poverty.  
These patterns are important because the U.S. is becoming more racially diverse…

Projecting Race/Ethnic Composition, 2016-2065

- White, non-Hispanic
- Black, non-Hispanic
- Hispanic
- Other

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

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.

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

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

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

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

But marriage rates are also down, so …


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

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

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

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

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

Poverty Status by Family Structure for Households with Children, 2017

<table>
<thead>
<tr>
<th>Family Structure</th>
<th>White</th>
<th>Black</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>6.1%</td>
<td>7.4%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Single father</td>
<td>14.0%</td>
<td>26.0%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Single mother</td>
<td>33.7%</td>
<td>36.8%</td>
<td>41.4%</td>
</tr>
</tbody>
</table>

...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](chart)

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.

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.