

**A RAND NOTE**

**The Current Demographic Context of  
Federal Social Programs**

**Peter A. Morrison**

**September 1988**

*40 Years*  
1948-1988

**RAND**

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**Prepared for  
The U.S. Department of Health and Human Services  
The National Institute of Child Health and  
Human Development**

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## PREFACE

This Note is a revised and expanded version of the author's invited testimony before the Income Security Task Force of the House Budget Committee, U.S. Congress, on November 10, 1987 in Washington, D.C. It draws on research supported by the Center for Population Research, National Institute of Child Health and Human Development, U.S. Department of Health and Human Services. The Note is issued through RAND's Population Research Center to help policymakers fathom the effects of demographic shifts and to clarify related policy issues through technical demographic analysis.

Views and conclusions expressed here are the author's own, not necessarily those of RAND or of agencies that sponsor its research. The author thanks Bryant Robey and Thomas Glennan for comments on an earlier draft.



## SUMMARY

This Note reviews ongoing demographic changes and considers their implications for social legislation and public programs. The two areas of consequence highlighted are the *altered family circumstances of children* and the *aging of the American population*.

Today's families are profoundly different from those of the past. Single women bear children, couples divorce, and proportionally more childhood years are spent in single-parent families. Contemporary preschoolers typically have mothers who are employed outside the home. These changes have transformed the family settings in which children grow up.

As the population ages, the number of elderly will increase, and a growing share of the population will be in the oldest age groups. The extreme elderly (those 85 and older) now are only 9 percent of all retirement-aged Americans, but their proportion will reach 24 percent midway through the next century.

These developments have several broad implications:

- Changes in family structure and labor force participation patterns are steadily narrowing families' capacity to provide care for children and elderly members. The traditional full-time homemaker who once anchored those arrangements has largely passed from the scene.
- Population aging portends an increasing need for long-term care services. By early next century, though, elderly people who are long on life expectancy will find themselves short on family where it counts most in old age—at home.
- In future years, certain needs of both children and the elderly may spill over into the federal "safety net" programs.





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## I. INTRODUCTION

Demographic changes tend to go unrecognized until they pose new needs on a massive scale and create constituencies for new legislation. This Note reviews ongoing demographic changes and considers their long-term implications for social legislation and public programs. The two areas I shall highlight are the *altered family circumstances of children* and the *aging of the American population*. My major points are:

1. *Changes in family structure and patterns of labor force participation are steadily narrowing families' capacity to care for children and elderly members.* The traditional full-time homemaker who once anchored those arrangements has largely passed from the scene.
2. *Population aging portends an increasing need for long-term care services.* By early next century, elderly people who are long on life expectancy will find themselves short on family where it counts most in old age—at home.
3. *In future years, certain needs of both children and the elderly may spill over into the federal "safety net" programs.*

## II. CHILDREN'S FAMILY SETTINGS

Families today are profoundly different from those of several decades ago, and fewer conform to our traditional image of the family. Their diversity and instability contrast sharply with the past.

In today's families, more children are born to unmarried women and live with one parent. Proportionally more childhood years are spent in fatherless families. Contemporary preschoolers typically have mothers who are employed outside the home. In general, these developments have advanced further within the black than the white population, but they are rapidly under way among whites; also, certain changes have distinctly different underpinnings in each group. Accordingly, the following data are displayed separately for each group where appropriate.

Today, the majority of all black children live in fatherless families (Fig. 1). The proportion rose from 30 percent in 1970 to 51 percent in 1986. The corresponding proportions for white children, while much lower, doubled during the same period, reaching 16 percent by 1986. Clearly, the contemporary family settings of children are markedly different—or becoming so—from such settings in 1970 (roughly one "childhood" ago). Demographic projections indicate that among today's preschoolers, as many as two of every three white children and 19 of every 20 black children will spend *some portion* of their childhood in a single parent family setting.<sup>1</sup>

Why have these family settings changed? One reason is that children increasingly are being born to women who are unmarried. Nationwide, unmarried women in 1986 bore 878,000 children, or 23 percent of all births that year, the highest fraction ever. Among black women, the majority of all births occurred out of wedlock; among white women, one in six births were out of wedlock (see Fig. 2).

By 1987, 51 percent of all black children living with only one parent were born to a mother who never was married (see Fig. 3). For white children, the comparable figure was 17 percent (up sharply since 1980). Many such fatherless families are formed by single women who become mothers in their teens—young mothers who in past decades would have married but today are less inclined to. Today's teenage mother—particularly if she is black—tends to shun marriage as a risky proposition.

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<sup>1</sup>Hofferth, 1985. Other plausible projections imply levels only moderately different from these. See Bumpass, 1984; Castro and Bumpass, 1987; Norton and Glick, 1986.

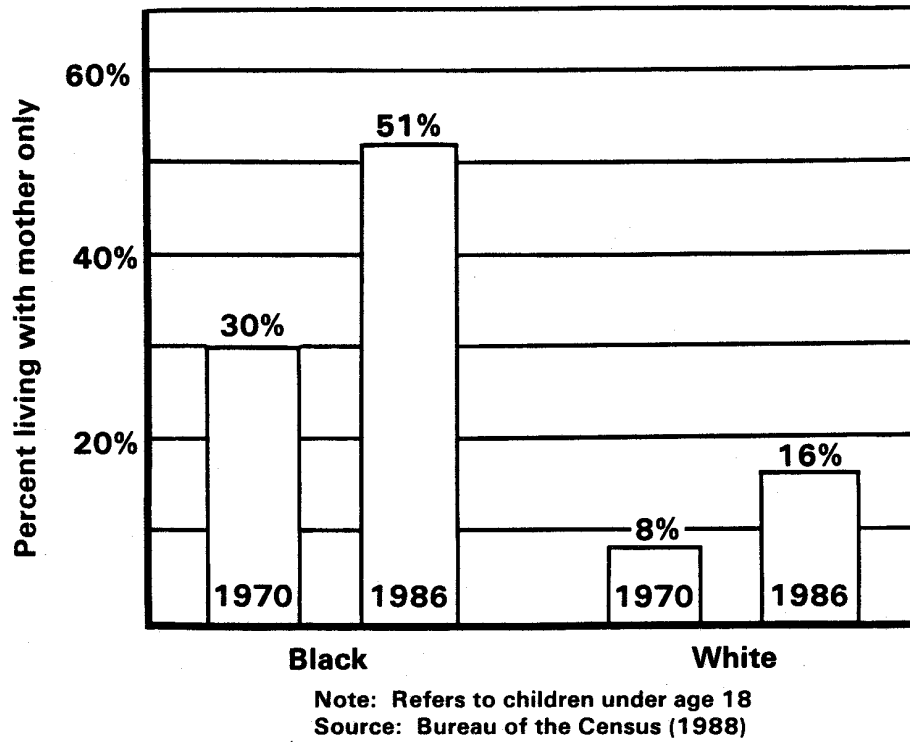
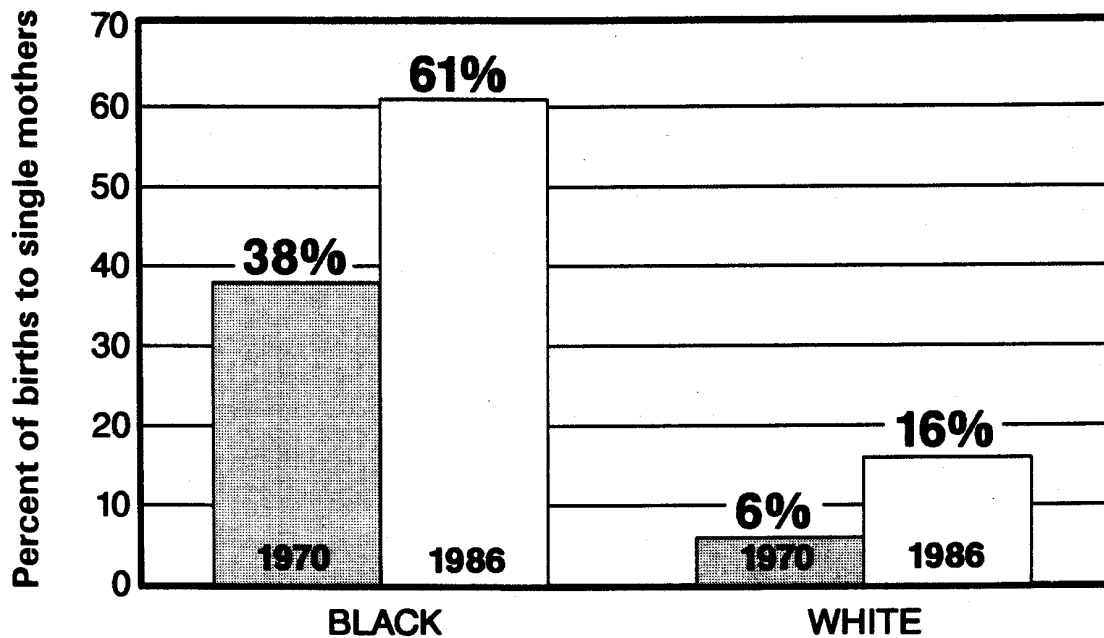
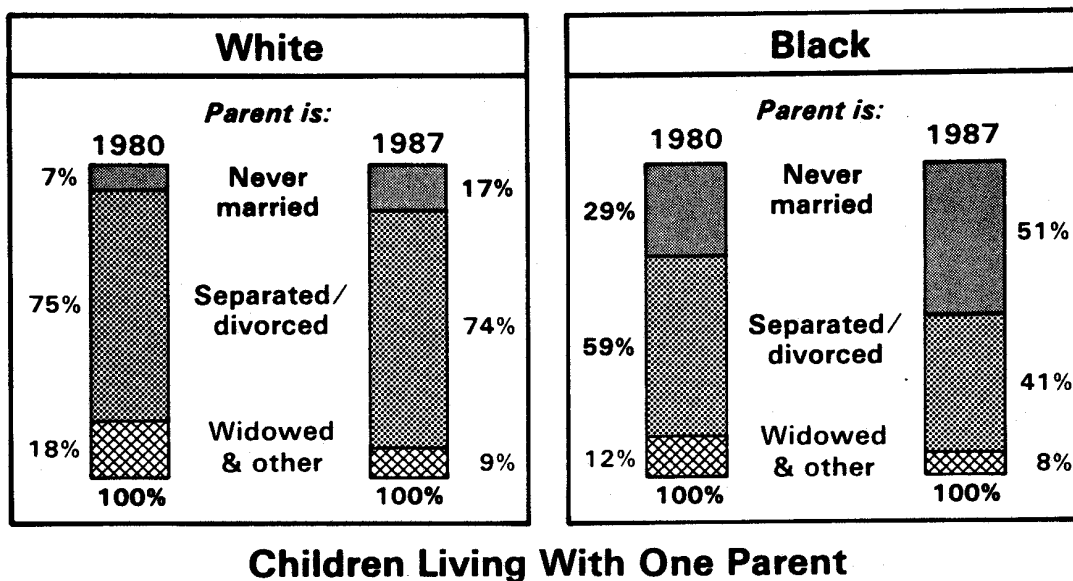


Fig. 1—The increasing proportion of children in fatherless families



Source: National Center for Health Statistics (1988)

Fig. 2—The rising proportion of births to single mothers



### Children Living With One Parent

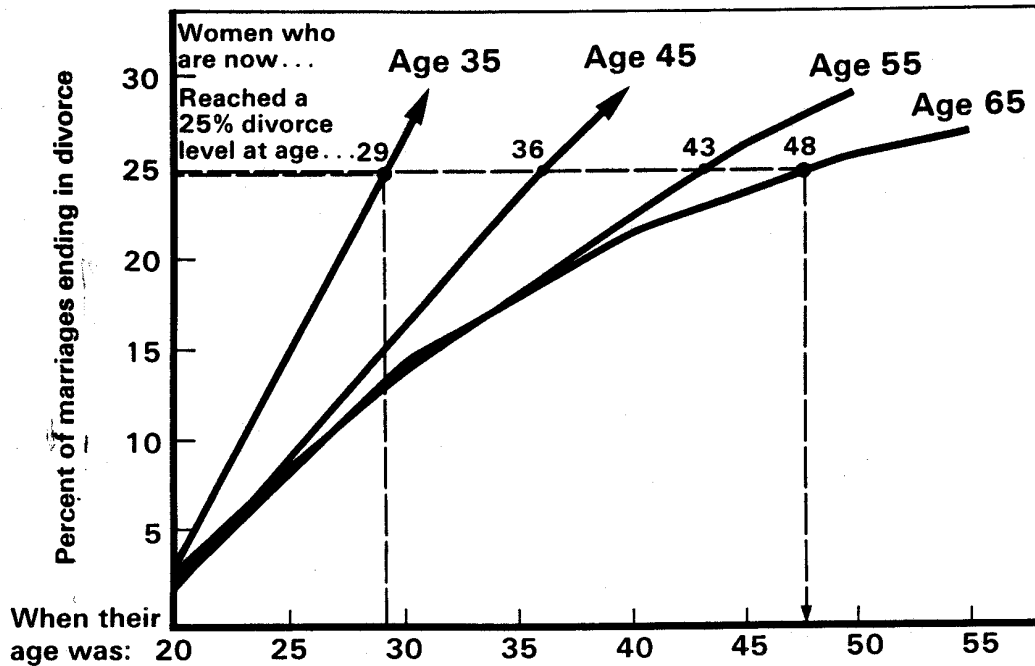
Source: Bureau of the Census (1988)

Fig. 3—Circumstances that cause children to live in single-parent families

Another reason family settings are changing is that marriages are dissolving earlier in couples' lives. Among whites, voluntary dissolution is the leading antecedent of single-parent families. Of all white children living with only one parent in 1987, 74 percent were living with a parent who was divorced or separated. For black children, the comparable share was 41 percent.

Because American couples have been divorcing at progressively earlier ages, family breakup is touching the lives of their offspring earlier during childhood. The shift toward this "earlier" pattern of divorce is seen in Fig. 4. Notice that of all marriages contracted by women who are now in their mid-30s, one-quarter had already ended by the time the women reached age 29. That is much younger than for previous generations, where it was not until women were in their mid-30s or even older that as many as a quarter of their marriages had ended in divorce.



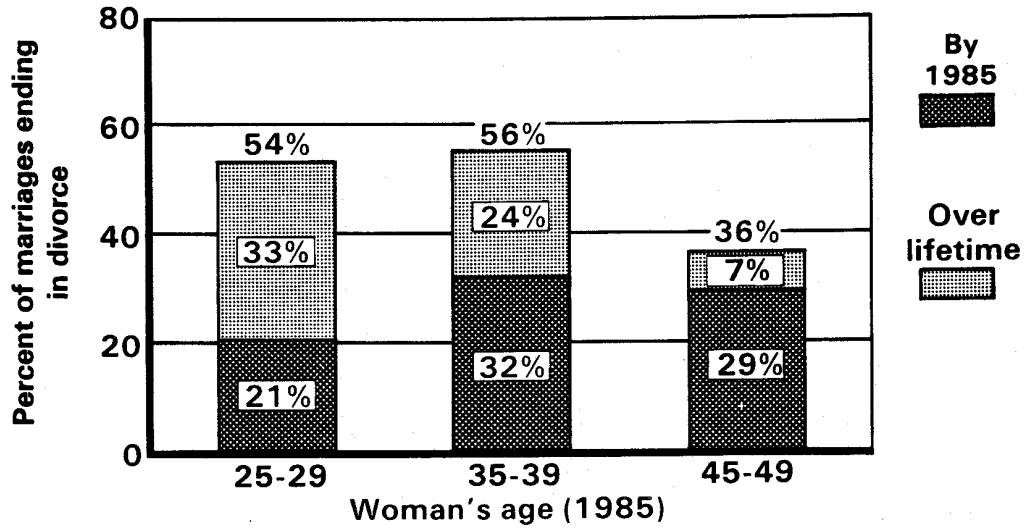


Source: Schoen et al. (1985)

Fig. 4—The earlier pattern of divorce among recent generations

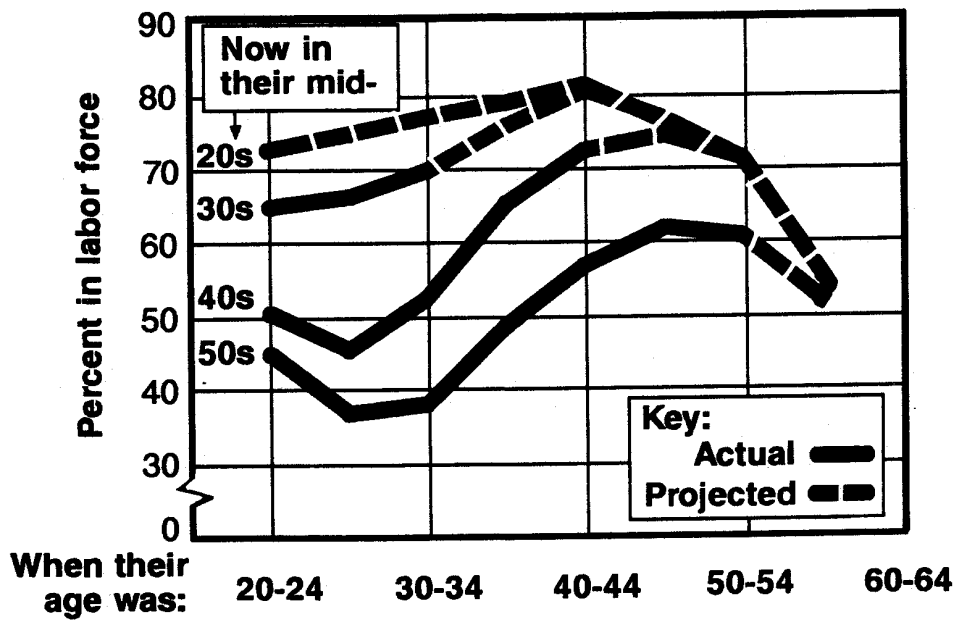
In the future, the majority of recently contracted first marriages are likely to end in divorce. Among women in their late 30s, for example, fully 56 percent of original marriages are projected to dissolve (see Fig. 5). The most recent data imply even higher levels (Castro and Bumpass, 1987).

The influx of younger generations of women into the work force is a third demographic factor transforming children's family settings. Nearly two-thirds of women now in their 30s are in the labor force, and more than half were participants in their early 20s (see Fig. 6). Women now in their 20s are in the labor force at even higher levels at a comparable age, and their participation is likely to far surpass that of previous generations.



Source: Norton and Moorman (1986)  
Data refer to first marriages of women who have ever married

Fig. 5—The higher divorce rates projected for recent generations

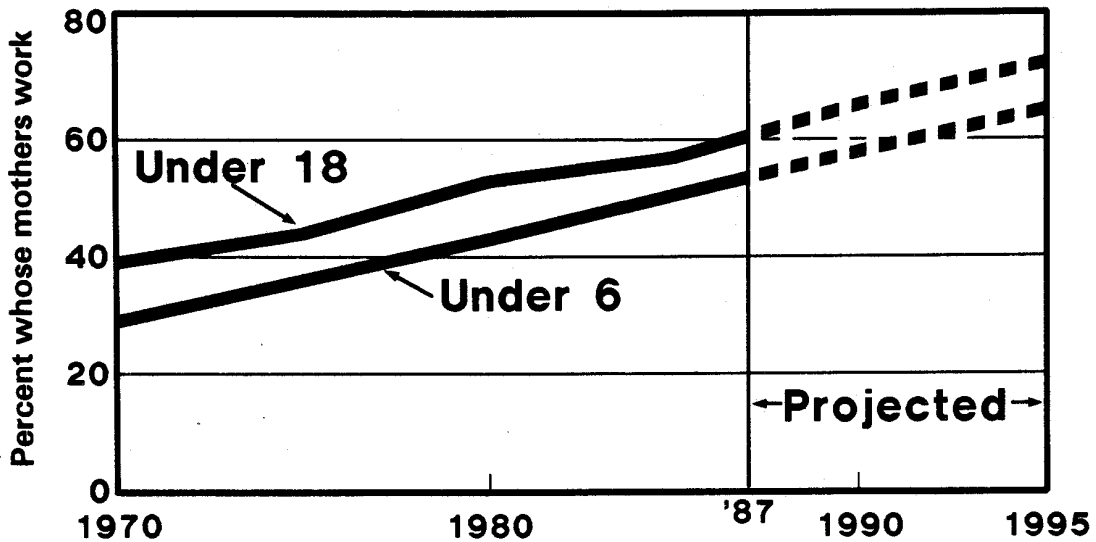


Source: Social Security Administration (1988)

Fig. 6—Higher labor force participation rates among recent generations

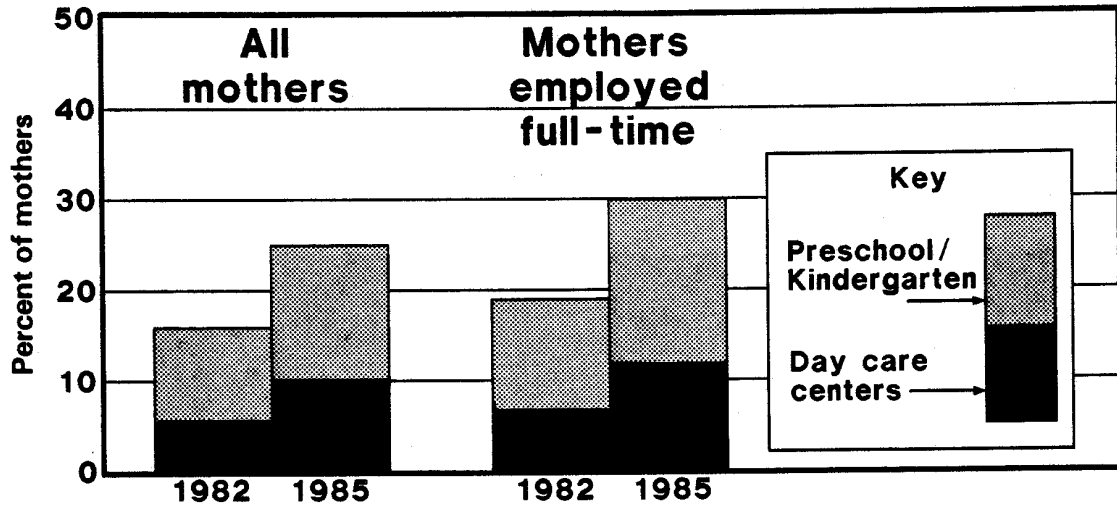
Successively younger generations of women, then, participate at progressively higher rates. The momentum of this generational change will boost both the number of dual-earner families and the proportion of children with working mothers. Nearly three-fifths of all mothers with preschoolers are now employed or seeking employment. If current trends continue, about two-thirds of preschool children will have a mother in the work force by 1995 (see Fig. 7).

The trend toward more children with working mothers has greatly intensified families' reliance on organized childcare. Among families in which the mother is employed full-time, the proportion who rely on organized childcare rose between 1982 and 1985 from 19 to 30 percent (see Fig. 8). Both daycare centers and preschool or kindergarten classes are straining to absorb this demand.



Source: Hofferth and Phillips (1987)

Fig. 7—The rising proportion of preschool children with mothers in the labor force



Source: Bureau of the Census

Fig. 8—Families' growing reliance on organized childcare

These changes in children's family settings raise several important matters of concern for national legislators:

- As more single-parent families are formed, more children will live in poverty (see Congressional Research Service, 1987).
- Children born to unmarried women (especially women in their teens) are placed at risk from birth because of insufficient prenatal care (see Alan Guttmacher Institute, 1987).
- As it becomes more common for both parents to work outside the home, their children may face gaps in parental care during the day.

### III. POPULATION AGING

The United States has entered a historically unique era in which Americans will live longer than ever before and in which the elderly will become far more numerous. The main force of this impending shift will occur during a short period of intensive change, beginning 25 years from now in the year 2012, when the first members of the large baby-boom generation will turn age 65.

This trend will bring changes in both the size and the composition of the American people, resulting in an aging population (see Fig. 9). Currently, some 30 million Americans are aged 65 or older, and they make up 12 percent of the total population. By the year 2025, when most of the 1946-1964 baby-boom generation will have reached retirement age, the elderly population will number 59 million. They will constitute nearly 20 percent of the nation's population, two points higher than their percentage of Florida's population today.

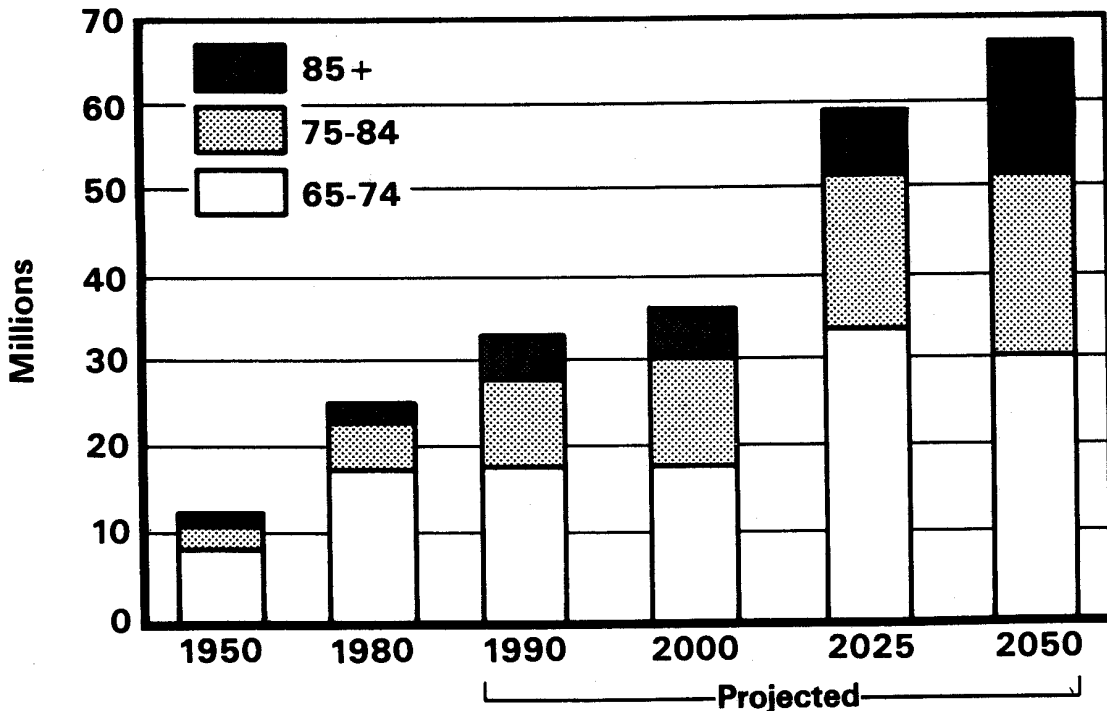


Fig. 9—Projected number and composition of elderly

Longer life expectancy means that a much larger proportion of persons will be in the oldest age groups. These extreme elderly—people over age 85—now are only 9 percent of all retirement-aged Americans; but their proportion will grow to 13 percent by 2025 and peak at 24 percent by 2050. This trend is critical because chronic health conditions become much more prevalent among the extreme elderly. Also, limitations on routine activities of daily living (e.g., eating, bathing) dramatically increase the need for long-term care at these advanced ages.

Because people will be living longer lives, more people who have reached the retirement years themselves will have elderly parents still alive. This trend will further the emergence of the “two-generation geriatric family.” Four- and even five-generation families will become more common than they are today.

Population aging also means that the proportion of women at the advanced ages will rise, because women’s life expectancy is longer than men’s. Politically, this disproportionate effect on women makes population aging very much a woman’s issue.

Certain aspects of this long-term demographic outlook are shrouded in uncertainty. First, how much further will life expectancy increase for the elderly? We continue to find better ways to control the diseases associated with aging (e.g., cardiovascular disease and stroke). Adults today are smoking less and exercising more, and these better health habits may bestow lasting benefits. In the future, even more years may be added to the life expectancy of elderly people than we currently project.

Second, will longer life expectancy add mostly healthy and active years to life, or simply more years of ill health and functional impairment? This is a crucial question for legislators, because the answer bears heavily on the extent to which growing longevity will lengthen the duration of caregiving that the elderly require.

Population aging has many consequences of national importance and will continue to pose complex legislative issues as key support structures within the family unit narrow. The developing concern over long-term care for the elderly illustrates this interplay of population aging and changing family structure.<sup>1</sup>

Three of every five Americans have already encountered the need for long-term care within their own families or among their close friends. Another 20 percent expect that they will need to arrange such care for a close elderly relative within five years. It is no surprise that elderly care has become a national concern among young and old alike (R. L. Associates, 1987).

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<sup>1</sup>For related discussions, see Doty, 1986; American Association of Retired Persons, 1987; Rabin and Stockton, 1987.

Consider a hypothetical average 65-year-old woman. At this age, her current life expectancy is about 19 years; she will probably live into her early or middle 80s. But her counterpart in the early 21st century (who is today's woman in her late 30s) will survive several more years, into her late 80s. She will have outlived her husband by six or seven years, if the original marriage lasted. Among this generation of women, however, the majority of marriages—56 percent—are projected to dissolve eventually (refer to Fig. 5). Averages rarely depict what individuals face, but they do foreshadow what lies ahead in the next century: The care spouses traditionally have provided each other in old age will be far less available.

By tradition, adult daughters have provided elderly parents with home care, but smaller families are disrupting this custom. Early next century when baby boomers grow old, they will have few adult children to fill the role of caregiver because they produced so few offspring.

Most of these prospective caregivers—women now in their 20s—already have jobs, leaving little time for traditional home responsibilities. At least four-fifths of women in this generation will hold jobs when mother receives her first Social Security check.

Family members still provide most of the care that elderly persons in the community receive. But by early next century, when people will have longer life expectancy, they will have less family support. Families then may still have the emotional will to provide care, but fewer will have a practical way to do it.

#### IV. IMPLICATIONS

Demographic factors exert gradual but powerful effects on social legislation and program budgets. These effects may occur across age groups, family types, income levels, and geographic regions. They often alter the consequences of existing legislation by changing the relative well-being of different groups within our society. They frequently affect the numbers of recipients and donors in various transfer programs.

Children's altered family circumstances and the aging of the American population illustrate the importance of such effects over extended periods. Demographic changes have steadily narrowed the support structures within the family unit for old and young dependents alike. The traditional full-time homemaker once anchored many of the arrangements for care of children and elderly family members. She has now largely passed from the scene, because so many mothers have entered the work force. As more marriages end by divorce at earlier ages, more young children will be distanced from their fathers and the support they provide. More elderly women will face their final years without the resources of a long-term marriage.

In future years, certain needs of both children and the elderly may spill over into the federal "safety net" programs. A well-developed constituency supports the interests of the elderly. The constituency for children has broadened, and it now includes key business groups (see Committee for Economic Development, 1987). Fueling the growth of this latter constituency is the large body of research showing the highly cost-effective nature of certain programs for children (Select Committee on Children, Youth, and Families, 1988).

Demographic change proceeds slowly, but with considerable momentum. Its consequences appear over many years, and the problems it engenders typically are complex. It is important to promote public awareness of the existence of these problems and why public action may be needed.



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