

## 5. THE ECONOMIC CONSEQUENCES OF MARITAL DISSOLUTION

Increasing rates of divorce, separation, and out-of-wedlock childbearing over the past few decades, together with large differences in economic well-being by family type, have generated a great deal of interest in the economic consequences of marital dissolution and the well-being of female-headed families. Since 1970, the number of female-headed families has increased by over 110 percent while the number of two-parent families has declined by 4 percent. Currently, an estimated 15 million children live in families in which the father is absent.<sup>1</sup>

The importance of these changes was reflected in a recent report of the Select Committee on Children, Youth, and Families:

For the past two decades, we have known that single parenthood is a prescription for poverty, regardless of race... Seventy percent of children living with both parents were in families with incomes of \$25,000 or more per year, but only 12 percent of children living with mothers only achieved this economic level. Conversely, about 47 percent of the children living with single mothers were in families with income levels below \$7,500, compared with a mere 4 percent of those residing with both parents.<sup>2</sup>

In 1987, the poverty rate among female-headed householders was over 5 times the rate among householders in all other families (34.3 percent compared to 6.3 percent). Differences in poverty levels among children were equally dramatic: 55 percent of children under the age

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<sup>1</sup> U.S. Bureau of the Census, Statistical Abstract of the United States: 1989, Tables 70 and 71, (109th Edition), Washington, D.C., 1989. For a review of these trends with a particular emphasis their implications for public policy, see Irwin Garfinkel and Sara S. McLanahan, Single Mothers and Their Children: A New American Dilemma, Washington, D.C.: Urban Institute, 1986, and Andrew J. Cherlin (ed.), The Changing American Family and Public Policy, Washington, D.C.: Urban Institute, 1988.

Note that the term "absent father" is one that is used and defined by the Bureau of the Census. Children from an absent father are a woman's sons and daughters (including step-children and adopted children) whose father is not living in the same household.

<sup>2</sup> Select Committee on Children, Youth, and Families, U.S. House of Representatives, U.S. Children and Their Families: Current Conditions and Recent Trends, 1989, U.S. Government Printing Office, Washington, D.C., 1989.

