



# ***Rodney's Take***

May 10, 2021

## **How Do We Entice Potential Parents To Procreate?**

We need a revolution, but probably not of the kind that readily comes to mind. I'm not talking about politics, and I'm definitely not talking about armed conflict. We need a revolution of thought when it comes to children. If we don't radically change our approach, the rest of it won't matter as much.

The U.S. Census Bureau just released birth figures for 2020, and they're not good. Births declined for the seventh consecutive year and dropped to a level not seen since 1979. This isn't the birth rate or even the total fertility rate (TFR), this is the actual number of babies. Even though our population is much larger than it was 41 years ago, we had the same number of kids in 2020 as we did back then.

When it comes to the TFR, the number of kids the average woman of childbearing age is expected to have over her lifetime, things get worse. Last year, the TFR dropped to 1.67, which means that each woman is expected to have 1.67 children, or not enough to replace both her and her partner in the population. We need a minimum TFR of 2.1, which includes a bit extra for mortality, just to keep the population steady. We haven't hit that level since the mid-2000s, and even then, it was just for a couple of years.

Last year's TFR of 1.67 is the lowest on record. There's no question that some of it can be attributed to the pandemic, as childbearing declines during economic uncertainty. But we've been on a downward trajectory for

years. Over the weekend, I heard a couple of pundits say it's nothing to worry about. The figures just reflect Millennial women choosing to pursue education and careers in their 20s before having children later in life.

They are wrong. Today, there are more people over 80 years old in the U.S. than under 2 years old. The longer women wait to have children, the fewer they have, which implies that our TFR will fall further, reducing the number of kids in our population and eventually the number of workers, even as the Boomers get older and stretch our social safety nets.

We need more kids.

We're not the first nation to face this problem, but so far none of the solutions tried in other countries have been successful.

In 2015, a Danish ad agency started the "Do It for Denmark," campaign, hoping to spur couples to book vacations. The ads went viral and created a baby boomlet. The Danish TFR jumped from 1.69 to 1.79 but has since fallen back to 1.69.

In the late 2000s (as the Brits say, in the "naughties"), Russia asked its citizens to leave work early a few days in September to spend time together as couples, which officials hoped would lead to a baby boom the following June, near Russia Day. In 2013, Russia started offering free in vitro fertilization through its national health system. President Vladimir Putin thought raising the fertility rate was so important that he told the nation in 2020, "Russia's fate and its historic prospects depend on how many of us there are." He added that the government was enhancing benefits and payouts to those who had babies so that Russia could "escape from the demographic trap." It didn't work. The nation's TFR sits at 1.57.

The main newspaper of Singapore listed favorite parking spots for lovers on the island city-state, and then suggested that couples cover the car windows with the paper while getting together. Singapore's TFR is 1.14. South Korea started a state-run dating agency. That country now has the world's lowest TFR, a mere 0.84, or less than half the rate needed to keep its population steady.

Most developed nations offer tax breaks and tax credits to families with children, and Biden's American Families Plan, if passed, will dramatically increase those payments and then add on childcare payments and paid leave. But will it be enough? Evidence from other nations suggests that it won't.

To get more babies, we need a new approach.

Years ago, Scott Adams of Dilbert fame wrote about how people brainstorm for new ideas. They start with the absurd and work toward the practical. We need a national conversation about how to raise the TFR by encouraging family formation, and we might have to start with crazy ideas.

When it comes to kids, we have to convince young adults that having children is rewarding, not expensive, and won't take a toll on their careers.

We could lie to them.

We could tell them that kids are a source of riches, because the tax breaks will more than compensate for the clothes, food, housing, medical costs, sports equipment, and educational costs they'll have to cover. We could try to convince them that employers love it when you call in sick because your kid ran a fever of 99.9 and the school won't let him back in until he's "fever free" for a day. We could tell them that employers definitely favor parents, because it shows a willingness to take on insane projects like raising kids.

We could give families preferential treatment. Maybe one reason people don't have kids today is that they can't preboard on flights. We could bring that back or even move families up to first class. Families with kids under 5 could jump the line at Disney World, restaurants, and even movie theaters.

And then there's the other path... negative reinforcement. We could create a non-family tax, essentially taxing people over 30 years old who don't have kids (with medical exemptions for those who can't have kids) because they aren't doing their part to keep the nation going. In the early 2010s, a demographer suggested taxing childless couples \$400,000, or roughly twice the cost of raising a child, to account for the fact that they didn't raise

and pay for kids to replace themselves. Today, that number would be about \$500,000.

I'm not suggesting that any of these ideas would work, but we need to do something. If you've got a crazy suggestion, or even a practical one, let me know. It's clear that no government has figured this one out.

Rodney

*Got a question or comment? You can contact us at [info@hsdent.com](mailto:info@hsdent.com).*