The Family in America
A JOURNAL OF PUBLIC POLICY

The Family GDP: How Marriage and Fertility Drive the Economy

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Republicans and Democrats differ on a wide range of issues, but almost all elected officials in Washington, D.C., believe that a key responsibility of both the White House and Congress is keeping the economy running at full-speed, providing an ever-increasing number of jobs, products, and services for the American people. Elections are won or lost on the public's perception of the ability of a president and his party to implement policies that contribute to a rising Gross Domestic Product and rising standards of living. The parties differ as to the means to achieve these ends. Yet from George W. Bush's $700 billion Troubled Asset Relief Program signed into law in October 2008 to Barack Obama's $787 billion stimulus package passed in February 2009, the parties share a commitment—especially during a recession like the current one that started in 2007—to keep the American Dream alive by getting the economy back on track as quickly as possible.

The preoccupation of Washington with immediate crises and quick fixes, however, prevents both parties from sowing seeds today that may not bear fruit tomorrow but will nonetheless generate a rich harvest in the next generation. If they did, policymakers would have long ago responded to an equally important crisis—the meltdown of the American family—that started in the late 1960s and is an underlying cause of the current economic slowdown, according to former Wall Street analyst and *Forbes* columnist David Goldman.[1] It appears that the strategists that advise both political parties have lost sight of the indispensable building block upon which the fortunes of the economy depends: the married-parent household—especially the child-rich family that worships weekly. Not only have the experts overlooked this "fundamental," but also few have expressed concern that the absolute number of married-parent families with children under 18 years of age, a key driver of economic growth, has remained largely flat since Richard Nixon served in the Oval Office.

Despite its invisibility to the news media and the economic guild, the family GDP, or the contribution of the family to the economy, is nonetheless massive. At a rudimentary level, every marriage creates a new household, an independent economic unit that generates income, spends, saves, and invests. The vast majority of these new households produces babies and transforms what are largely self-centered children into responsible adults, contributing the necessary next generation of human capital to the economy. But that new household does more than simply increase the labor force or consumer spending. As this essay will demonstrate, marrying and staying married for life, bearing and raising a sufficient brood of children, and participating in public worship on a weekly basis transforms the behavior and attitudes of men and women, and their children, in profound ways that not only strengthen the economy but also serves as its very lifeblood. Like any successful entrepreneur or businessman, continuously married men and women not only tend to think less of themselves and more of others but also focus less on the immediate and more on the long-term. Like any responsible portfolio manager, they are thinking about the future, channeling their energies into achievements of lasting value and true wealth, including children they are raising with the same future orientation.

That the English term economy originates from the Greek word, *oikos*, which means household, confirms these truths. Also illustrative is that the father of modern capitalism, Adam Smith, saw marriage, family, and children as foundations of the subject of his classic work

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1. David P. Goldman, "Demographics and Depression," *First Things,* May 2009.

The Wealth of Nations.[2] Like Alexis de Tocqueville in 1835, the Scottish moral philosopher was impressed with what he saw in America in 1776. He noticed how men and women in the colonies were twice as likely to marry—and at younger ages—and had twice as many children as their European counterparts. Unlike officials in Washington today, Smith believed that the American exceptionalism that he saw coming would be the outgrowth of bullish marriage and fertility rates. Despite Britain's superior wealth at the time, Smith saw North America "advancing with much greater rapidity to the further acquisition of riches." He even claimed, "The most decisive mark of the prosperity of any country is the increase in the number of its inhabitants," which he linked to "a numerous family of children."[3]

The Economic Trump Card

Smith wrote more than two hundred years ago, yet social science literature, as well as demographic and tax data, quantify how the married-parent family is the economic trump card that policymakers and economic forecasters in Washington need to take seriously. Government and survey data overwhelmingly document that married-parent households work, earn, and save at significantly higher rates than other family households as well as pay the lion share of all income taxes collected by the government. They also contribute to charity and volunteer at significantly higher rates, even when controlling for income, than do single or divorced households, leading Arthur Brooks of the American Enterprise Institute to write that "single parenthood is a disaster for charity."[4]

The most recent version of the Survey of Consumer Finances shows that married couples with children under 18 years of age had the highest median-household income ($67,900) in 2007 of all family households, including single-parent households with or without children under 18

2. Both these points were pointed out by Robert W. Patterson, "Marriage: What Matters," *National Review Online*, August 31, 2009.

3. Adam Smith, *The Wealth of Nations,* Books 1–3, with an introduction by Andrew Skinner (New York: Penguin, 1982), p. 173.

4. Arthur Brooks, *Who Really Cares: The Surprising Truth about Compassionate Conservatism* (New York: Basic Books, 2006), pp. 104–05.

and even married-parent households without children under 18.[5] Data from an earlier wave of the survey reveal the disparities of household income among a greater range of household types with children under 18. For 2001: intact, married families had a median income of $54,000; stepfamilies, $50,000; cohabitants, $30,000; divorced-single parents, $23,000; separated-single parents, $20,000; widow parents, $9,100; never-married single parents, $9,400.[6]

Census data likewise confirm that married parents fall into the highest income brackets. In 2006, 67 percent of married-parent families had median incomes of more than $50,000 and 30 percent of such families had median incomes of more than $100,000. In comparison, only 26 percent of single mothers had median incomes of more than $50,000; in fact, 59 percent of single mothers had median incomes of less than $35,000.[7] According to Internal Revenue Service data, the reported income of more than one out of every three married couples places them in the top-income quintile of tax filers, whereas only one of every seven single or non-joint tax filers fall in the top 20-percent category. Consequently, even as married couples file less than half of all income-tax returns, they pay nearly three-quarters of all income taxes paid by the American people. In fact, 85 percent of filers in the top-income quintile are married joint filers. The numbers reverse themselves at the bottom quintile of the income spectrum, where single and non-joint filers, including single parents (who file as heads of households), make up 85 percent of filers of that quintile.[8]

The average number of hours worked per year in the labor force also differs by family structure. All three types of two-parent families with children under 18—intact-married families, stepfamilies, and cohabitants—put many more hours into the workplace, on average, than do the single-parent families. This observation may not seem all that profound,

5. "Changes in U.S. Family Finances from 2004 to 2007: Evidence from the Survey of Consumer Finances," Federal Reserve Bulletin, February 2009, p. A5.

6. Survey of Consumer Finance, 2001 data.

7. U.S. Census Bureau, *Statistical Abstract of the United States*, 2009 edition, Table 676.

8. Scott A. Hodge, "Married Couples File Less Than Half of All Tax Returns, But Pay 74 percent of All Income Taxes," Tax Foundation Fiscal Fact No. 4, March 25, 2003.

as two adults can work more hours than one. However, the always-intact family, which works slightly fewer hours in the workplace than the stepfamily, actually earns more. It works smarter and more efficiently. The time difference is due to the greater number of hours that the stepfamilies' secondary-wage earner (normally the wife) works outside the home, relative to the secondary-wage earner of always-intact families. The fact that during one stage of her life, the stepmother was divorced and thus worked a regular workweek as the sole family provider may explain her longer hours in the workplace. A stepfamily mother, therefore, tends to report higher levels of labor-force participation than does the mother of an always-intact family.

Asset accumulation also occurs at much higher rates in married, intact families. In 2000, the median net worth of families with children under 18 was highest in always-intact families ($120,000) and second highest in stepfamilies ($105,360). But after stepfamilies, the net worth of other family structures experiences a massive drop-off. At the bottom of the heap are never-married parents, who had a median net worth of $350. This "never-married" category is composed almost exclusively of single mothers, who overwhelmingly have paltry assets in terms of real estate, savings, or automobiles.[9] That married-parent families are more likely to have received an inheritance, own a business, nonresidential real estate, a vacation home, and savings bonds—and carry less debt relative to their assets—helps to explain why they stand apart from all other family types. Their heightened capacity to accumulate wealth, therefore, enables married-parent families not only to invest in retirement accounts and pass on greater wealth to their children but also provide needed capital to fuel economic expansion. To the degree that Americans marry less, and have fewer children, less savings are correspondingly available for capital markets.

That Americans, on average, have been saving less for decades may be related to the fact that the percentage of Americans who live in a married-based household has also declined. The ability to pass on wealth is greatest in the intact family. According to a RAND study among

9. Survey of Consumer Finance, 2001 data.

Americans between the ages of 51 and 61—those who are in their peak savings period—median household wealth is greatest among married-parent families. The median household wealth of married Americans ($132,000) was in 1994 almost four times higher than never-married Americans ($35,500) and divorced Americans ($33,670).[10]

Moreover, that nearly 40 percent of all children born today in the United States are born out of wedlock, a factor that impairs the capacity of these children to save and invest in their adulthood, suggests that the economy will suffer from the diminished capacity of a good portion of Americans to save and invest for the future. In fact, David Goldman believes the growth in the number of single-parent households in the United States has played a key role in current real-estate downturn. Given that single parents, relative to married parents, face greater difficulties qualifying for a mortgage, he claims that the rise in single-parenthood has diminished and continues to diminish the demand for housing, which drives the economy downwards.[11]

The Inter-Spousal Division of Labor

The factors that make the intact married family an economic wonder, in addition to simply the pooling of resources of two people, stem from the unique contributions of a committed husband and wife that are diluted in other living arrangements. According to the Nobel laureate in economics, Gary Becker, marriage allows for a greater specialization of labor between husband and wife, which in turn leads to greater productivity.[12] As University of Texas sociologist Mark Regnerus claims, "Marriage is an unbelievably efficient arrangement and the best wealth-creating institution there is."[13]

Consequently, married men earn significantly higher incomes than their peers who are single or divorced. In a 2008 review of the litera-

10. J. P. Smith, "Marriage Assets and Savings," RAND Corporation, 1994.

11. Goldman, "Demographics and Depression."

12. Gary S. Becker, *A Treatise on the Family*, enlarged edition (Cambridge: Harvard University Press, 1991), pp. 37–48.

13. Mark Regnerus, "Say Yes. What Are You Waiting For?" *The Washington Post,* April 26, 2009, p. B1.

ture, Yale law professor Robert C. Ellickson found that marriage boosts a man's earnings by 10 to 30 percent.[14] A 2004 study in the *American Economic Review* estimated, after controlling for a variety of factors including heredity, the "marriage premium" on men's income at 27 percent.[15] The wage premium even benefits men who might be considered economically disadvantaged, as a 2007 study by Avner Ahituv and Robert Lerman found the effects of wedlock running "high or higher" among African-Americans, among men who have performed poorly on standardized tests, and among younger men.[16] Moreover, Linda J. Waite and Maggie Gallagher claim that this premium begins among young men who are engaged to be married and accelerates the longer that a man remains married.[17]

The big factor in the male marriage-wage premium is having a dependent wife at home. As George Steven Swan noted in the previous issue of The Family in America, the married homemaker who focuses her attention on the children, hearth, and home has rarely been acknowledged for the economic force that she is.[18] Paraphrasing Teddy Roosevelt who rebutted those who claimed she is a parasite, the married mother at home *is* the economy.[19] Her impact on the economy is threefold: first, she raises the future labor force; second, her at-home labor saves the family money; and third, by tending to details on the home front, she both allows and motivates her husband to be fully committed to his occupation, job, or profession. George Gilder even suggests that

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14. Robert C. Ellickson, *The Household: Domestic Order Around the Hearth* (Princeton: Princeton University Press, 2008), p. 77.

15. Kate Antonovics and Robert Town, "Are All the Good Men Married? Uncovering Sources of the Marital Wage Premium," *American Economic Review* 9 (May 2004): 317–21.

16. Avner Ahituv and Robert I. Lerman, "How Do Marital Status, Work Effect, and Wage Rates Interact?" *Demography* 44 (2007): 623–47.

17. Linda J. Waite and Maggie Gallagher, *The Case for Marriage: Why Married People Are Happier, Healthier, and Better off Financially* (New York: Random House, 2000), pp. 100–01.

18. George Steven Swan, "The Deconstruction of Marriage, Part 2: Is the Political Economy of Gender-Based Affirmative Action Good for the Home Economy," *The Family in America: A Journal of Public Policy* 24 (Winter 2010): 1–33.

19. Paraphrased from Roosevelt's observation, "She *is* society." Teddy Roosevelt, *The Foes of Our Own Household* (New York: George H. Doran, 1917), p. 231–32. Cited in Allan Carlson, *The "American Way": Family and Community in the Shaping of the American Identity* (Wilmington, Del.: ISI Books, 2003), p. 13.

civilization would not be possible without the role of married women in motivating their husbands to be economically productive.[20] So extensive is her contribution that Becker has suggested to this writer that the married mother at home exerts a more far-reaching impact on the economy than the married father in the workplace (whose earnings would be less without the support of a wife at home). While the husband contributes to the present economy, the mother contributes to both present and future economy, but especially the future economy through the more highly productive children she raises.

The economic impact of married mothers who home-school their children is even greater. For example, the average cost of attending a private elementary or secondary school in major metropolitan areas in the United States is $10,000 to $20,000 per child per year. If a married mother has five children, and she chooses to home-school them, she would save the family as much as $100,000 per year. This is a direct, after-tax income contribution to the family. She also saves the state (and the taxpayer) at least half of that amount for not enrolling her children in the public schools. Furthermore, she will likely provide a better education on average, since home-schooled children perform at slightly higher levels than privately and publicly schooled children.[21]

In contributing to the home economy, the at-home married mother does so in ways that exceed that of her married peers who work outside the home. Sophia Aguirre of the Catholic University in Washington, D.C., has measured the economic contribution of married mothers who work outside the home to the two-parent household. She found that the married mother who is employed outside the home, on average, contributes relatively little to net family income. Except in cases where the mother is a professional with an income more than $120,000 per year, Aguirre found little or no economic benefit for the family due to the additional costs of transportation, clothes, taxes, and services for the children that are incurred because she is working outside the home. The cost of ser-

20. George Gilder, *Men and Marriage* (Gretna, La.: Pelican, 1986).

21. Lawrence M. Rudner, "Home Schooling Works: Pass It On! The Scholastic Achievement and Demographic Characteristics of Home-Schooled Students in 1998," Home School Legal Defense Association, Purcellville, Va.

vices for children such as daycare, preschool, before- and after-school programs, out-sourced meals, as well as summer camp programs, can run extremely high. Indeed, for single mothers, who have little choice but to work outside the home, they can incur daycare expenses that can equal up to 50 percent of their earnings.[22]

The Toll of Family Breakdown

In contrast to the benefits that accrue to husbands and wives who specialize their labor and stay together, divorce represents a significant blow to the family GDP. When a couple divorces, the strong joint economy of the mother and father splits into two separate and weaker economies. The split economies are weaker in part because of the expenses of setting up and running a second household as well as the costs of processing the divorce and mediating its effects. The mother's household income takes the biggest hit, dropping between 28 percent and 42 percent, a drop that mirrors the decline of U.S. economy during the Great Depression.[23] For a working-class family that divorces, the mother is likely to experience a poverty-level income during her first year of divorce though she will regain her footing somewhat after three years. The economic impact of divorce on the lower classes and minorities is even greater, as a review of the literature by the New York-based Institute for American Values shows that the economic benefit of marriage is "comparably larger" for African-Americans than it is for white Americans.[24]

The toll of family breakdown reaches down, of course, to the lives of children whose parents either divorce or never marry in the first place. Data collected in 2001 shows that more than two-thirds of children in never-married families live at or under official levels of poverty compared to 12 percent of children living in two-parent, married families.[25] Bear in mind that the 12 percent number includes children of young

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22. Maria Sophia Aguirre, "Contributions to Family Income: Proportions and Effects," *Notre Dame Journal of Law, Ethics & Public Policy* 20 (2006): 719–48.

23. Patrick F. Fagan et al., "Map of the Family," The Heritage Foundation, 2005, chart 8.

24. Lorraine Blackman et al., "The Consequences of Marriage for African Americans: A Comprehensive Literature Review," Institute for American Values, 2005, p. 5.

25. Survey of Consumer Finance, 2001 data.

married parents who are graduate students, whose income may be at poverty level but whose future earnings potential is high. Moreover, data from the National Longitudinal Survey of Youth reveal that a child of a single, never-married parent will live one-half of his or her childhood in a household officially classified as poor. If the parent eventually marries, the child will spend about a quarter of his childhood living in poverty, which is about the same amount of time that children of divorced families spend in poverty. However, children of married, intact families, will spend only 7 percent of their childhood, on average, in poverty.[26]

The correlation between child poverty and living outside of an intact family is even stronger in the African-American community. According to Current Population Survey (CPS), the chances that African-American children would experience poverty in 1998 was seven times greater among those who live in a non-married household than those who live in a married-family household.[27] Data from 2006 show that, while there are almost equal numbers of married and not-married black families with children under 18, huge disparities separate the two household types that live in poverty (7.9 percent of married families versus 25.3 percent of not-married families).[28]

Additional evidence of the positive impact of marriage on the economy comes from a calculation by Robert Rector of the Heritage Foundation that raised the counter-factual question: What would happen to U.S. child-poverty rates if the parents of children living in poverty were to marry instead of remaining separated? Using CPS data from 2001, Rector looked specifically at the two-thirds of children living in poverty who were from never-married families. He simulated a marriage between the real fathers and the real mothers of these children. He did not theoretically marry all these parents; he married only the percentage of parents using 1960 rates of marriage as his baseline. After combining the two incomes of the now-simulated married parents to determine

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26. Robert E. Rector and Kirk A. Johnson, "Understanding Poverty in America," *Heritage Foundation Backgrounder*, No. 1713, January 5, 2004.

27. U.S. Census Bureau, Current Population Survey, 1998.

28. U.S. Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement, at <http://pubdb3.census.gov/macro/032007/pov/new44_100_06.htm>.

child-poverty rates, he found that the number of children living in poverty would drop from 3.9 million to 750,000.[29] Because Americans are not following Rector's suggested pattern, the country faces a diminishing pool of young people who will have the capacity to perform and contribute to the economy in productive ways.

Family Structure, Education, and Worship

An indirect contribution of the two-parent, married family on the economy are the higher levels of education of children reared in such homes. The more success a child experiences in school, the more success the child will enjoy in the workplace as an adult. Educational attainment largely predicts lifetime earnings. According to estimates calculated in 2002, Americans with doctorate degrees will earn, on average, $3.4 million in a lifetime; professional degrees, $4.4 million; master's degrees, $2.5 million; bachelor's degrees, $2.1 million; associate's degrees, $1.6 million; some college, $1.5 million; high school degrees, $1.2 million; no high school degree, $1 million.[30] Thus, a college graduate earns almost double over his lifetime compared to a high school graduate. A college degree, therefore, is a good investment over a lifetime. Those with a professional degree (i.e., law degree) earn nearly double than those with a college degree, despite the high cost of graduate school.

Professional schooling is therefore a good investment, especially if completed early in life. Yet young people who live outside of an intact, married-parent family face significantly lower odds of reaching those higher levels of educational achievement. The research literature consistently reveals that not growing up with one's own married parents negatively affects the achievement of children in elementary and secondary school; it is also linked to lower college attendance and graduate rates, as well as enrollment in less-selective institutions.[31] Children from intact, married

29. Robert Rector et al., "Increasing Marriage Will Dramatically Reduce Child Poverty," A Report of the Heritage Foundation Center for Data Analysis, CDA03-06, May 20, 2003.

30. "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," U.S. Census Bureau, Current Population Reports, July 2002, p. 4.

31. See "Family Structure and Children's Educational Outcomes," Institute for American Values Center for Marriage and Families, Research Brief No. 1., November 2005.

families simply achieve higher levels of education and higher grade-point averages. Data from wave 1 (1995) of the National Longitudinal Study of Adolescent Health, known among researchers as simply Add Health, show that children from intact families earned significantly higher GPAs (average of 2.9 of combined English and math scores) than children from other family structures (2.5 to 2.6). Similarly, data from wave 2 (1996) show that children of intact families had the lowest expulsion rate of all family types, while children of single-parent families had the highest rate of expulsion.[32] Although the economic impact of this educational achievement gap is not immediate, few would deny that it certainly plays out as children become adults and enter the workforce.

The practice of religion, another factor nurtured by the married-parent family, also boosts academic achievement. Data from the National Survey of Children's Health reveal that the likelihood of repeating a grade is lowest among students that worship weekly (only 10.2 percent of such students) and highest among those who worship less than monthly (20.7 percent) or never (20.6 percent).[33] Add Health data indicate that students who attend religious services weekly have the highest math and English GPAs (2.9); those who attend monthly have the second highest (2.8); those who attend less than monthly have the third highest (2.7); and those who do not attend at all have the lowest GPAs. Add Health data also identify factors related to academic performance, as only 8 percent of students that worship weekly reported using hard drugs, while 18 percent of students that do not worship at all reported using hard drugs. Furthermore, the former reported the lowest levels of promiscuity (measured in terms of number of sex partners, or 0.61 partners); while the latter reported the highest levels (1.55 partners).[34]

The academic achievement gap is even greater when comparing students *from intact families* that worshiped regularly to their peers *from broken families* that did not worship weekly. The former earned the high-

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32. Fagan, "Map of the Family," chart 19.

33. Patrick F. Fagan et al., "A Portrait of Family and Religion in America: Key Outcomes for the Common Good Based on Data from the National Longitudinal Study of Adolescent Health," The Heritage Foundation, February 2005.

34. Fagan, "Map of the Family."

est average combined English and math GPA (2.94); the latter, the lowest (2.48). Among the former, only 6 percent repeated a grade compared to 34 percent of the latter. Likewise, 17.3 of the former had never been suspended or expelled from school compared to 46.7 percent of the latter.[35]

These patterns suggest that the two-parent, continuously married family that worships weekly offers the best promise that children will not only enjoy higher levels of education but also more satisfying and more lucrative jobs in adulthood. According to data collected between 1979 and 1994 by the National Longitudinal Survey of Youth, a child's income as an adult is associated with his or her parent's marital status and religious background during childhood. The data show that children who grew up in broken families that did not attend church weekly fare the worst economically as adults, while children from intact families that attended church on a regular basis do the best as adults. Among adults who grew up in intact families, an income gap separated those who worshiped regularly in childhood from those who did not; those who attended church regularly in childhood earned, on average, $17,000 more per year.

The Contribution of Monogamy

Another overlooked factor in the family-economy nexus is the role of a key behavioral pattern that life-long marriage reinforces: monogamy. The capacity to harness sexual relations to their most productive use pays more economic dividends than most Americans realize, as the discipline of monogamy (confining sexual relations exclusively to one's spouse for life) predicts the probability of being continuously married or becoming single or divorced. Rector has documented in another Heritage Foundation study that monogamous women are the least likely to become single mothers (as only 7 percent of monogamous women do), which for these women occurs largely through divorce. But when a woman has had a lover in addition to her husband, the probability of divorce rises (as 30 percent of such women become divorced parents). The probability becomes greater as the number of sexual partners

35. Ibid.

increases. Most of these sexual partnerships will take place before marriage. Thus, the less monogamous she is, the greater the likelihood that a woman will give birth out-of-wedlock.[36]

Using the same data, Rector found that marriage *stability* depends largely on how many sexual partners a wife has had outside of marriage. Monogamous women have the most stability—around 80 percent of them stay continuously married. One lover outside of marriage decreases the likelihood of continual marriage (as only 54 percent of these women will remain married); having two lovers outside of marriage decreases the likelihood even more (as only 44 percent of these women will remain married).[37] The disciplines of chastity and monogamy thus promote a stronger economy, as the promiscuous are more likely than the monogamous to adopt less economically productive living arrangements, whether cohabitation, stepfamilies, single parenting, or divorce.

Likewise, the marital status of parents appears to influence the likelihood that their children will grow up to be monogamous. Add Health data (first wave, 1996) show that among students in grade 7 to 12, adopted children (78 percent) and children from intact families (75 percent) were more likely to identify themselves as virgins (and thus having a greater likelihood of remaining married for life). Children from other family backgrounds were much less likely to say they were virgins (only 50 percent of children of single parents claim such, for example).[38]

All these factors—from the marriage-wage and income premium to the inter-spousal division of labor to the role of the family in boosting the outcomes of children and reinforcing religion and monogamy—confirm the massive impact of the family GDP. The contribution of the married-parent family is both direct and indirect, helping in the short-term and long-term, and strengthening the economy at both micro and macro levels. Just as the natural family creates, builds, and renews society, so the natural family creates, builds, and renews the economy. That criti-

36. Robert Rector et al., "The Harmful Effects of Early Sexual Activity and Multiple Sexual Partners Among Women: A Book Of Charts," The Heritage Foundation, 2003.

37. Ibid.

38. Patrick F. Fagan and Robert Johnson, "Analysis of Adolescent Health Survey, Waves 1 and 2," The Heritage Foundation, unpublished study, 2002.

cal role suggests it is imperative that Americans, now more than ever, pair off as husbands and wives to bear and raise children—and for their children to follow their example of marrying to creating new families. As Goldman soberly warns, "Unless we restore the traditional family to a central position in American life, we cannot expect to return to the kind of wealth accumulation that characterized the 1980s and 1990s."[39]

Frank Capra's *It's a Wonderful Life* illustrates this reality. The film chronicles the life of George Bailey, who as a single man wants only to get out of town, travel the world, and visit exotic lands. But George becomes reacquainted with a young lady upon her return to Bedford Falls after she finishes college. He falls in love and marries her. After getting married, his life takes on new meaning and direction; he takes over the struggling family-owned savings and loan. With his wife Mary, he fixes up a run-down house and becomes a father to four children. Through his commitment to the family business, George helps all sorts of people, from his uncle who tends to drink too much to immigrants seeking to experience the American dream of homeownership.

George's life may sound like no big deal. But the movie reveals the "economic" losses that would have occurred had George never been born—or had he never married and instead followed his adolescent fantasies. Mary would never have married, his children would have never been born, and the Bailey Savings and Loan would have gone out of business. The idyllic Bedford Falls would be Pottersville, a big red-light district breeding dysfunction and despair among its residents. In this respect, the 1948 classic reminds Americans of natural economic realities that if re-discovered, might help the country find her way out of a malaise of which a coveted economic recovery, hindered by chronic family breakdown, remains out of reach.

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39. Golden, "Demographics and Depression."