

Can the IUD Prevent Poverty, Save Taxpayers Billions?



[Carrie Sheffield](#)

Contributor

Political economy

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Alicia Keys, one of the megawatt artists performing to raise poverty awareness at the recent [Global Citizen Festival](#), sang [her new hit song](#), “We Are Here.” [Her lyrics](#) highlight the strongest known drivers of poverty: fatherlessness and single motherhood.

Harvard economist [Raj Chetty found](#) that single parenthood is the most powerful factor holding back economic mobility, more than other variables like education and race. During the welfare reform era of the Clinton administration, other Harvard [researchers](#) found that 75 percent of all new welfare cases followed an unmarried birth, while just 12 percent of new cases started because of a decrease in earnings. If American women practiced greater mindfulness about their pregnancies, according to analysis from Brookings Institution Scholar Isabel Sawhill, this would ensure that every child is born with the best shot at a successful life.

In her new book [*Generation Unbound: Drifting into Sex and Parenthood without Marriage*](#), Sawhill, a founder and board president of The National Campaign to Prevent Teen and Unplanned Pregnancy, explains how despite 50 years of a national War on Poverty, the poverty rate is stubbornly high despite trillions of taxpayer dollars spent.

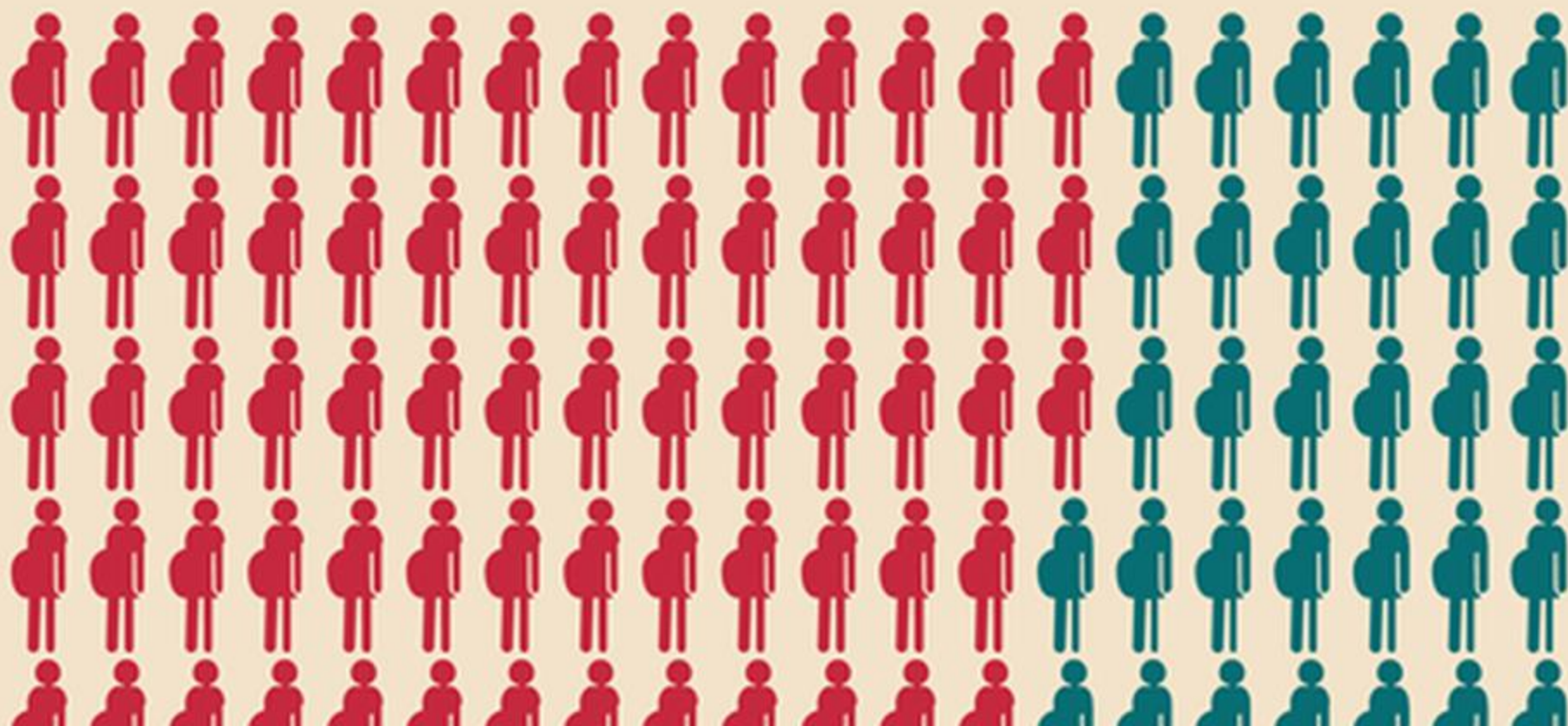
UNINTENDED PREGNANCIES

Unmarried Women Under 30

THERE ARE 1,848,485 PREGNANCIES TO
UNMARRIED WOMEN UNDER 30 EACH YEAR.

72.6% OR 1,342,000 OF THEM ARE UNINTENDED.

■ Unintended Pregnancies ■ Intended Pregnancies



“One reason for this stalemate is that whatever we did to raise education levels, fund job training, and provide various forms of cash assistance was offset by the growth of single-parent families,” Sawhill writes in her new book, “if the breakdown of the family continues, it will require an ever-growing and more expensive benefit package to achieve victory in this long-standing war ... For every child saved from a life of poverty by more spending on the social safety net, a new child is born into poverty as the result of current demographic trends.”

Sawhill estimates that societal movement away from unwed births could save taxpayers at least \$107 billion annually today, and some \$123 billion by 2030. While there are many methods of calculating welfare payments, Sawhill’s estimates are based on the calculation that the average single mothers received \$8,750 in public benefits. A 2013 Congressional Budget Office report, however, estimated that families in the bottom quintile--predominantly single mothers--prior to the recession received \$12,600 in public assistance, which would put taxpayer savings closer to \$180 billion today.

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Average Transfers and Taxes per Nonelderly Household, by Income Group, 2006

(Dollars per household)

	Lowest Quintile	Second Quintile	Middle Quintile	Fourth Quintile	Highest Quintile
Transfers					
Cash and near-cash transfers					
Social Security	3,200	1,700	1,400	1,100	1,100
Other cash transfers	3,800	2,200	1,100	600	400
Near-cash transfers	3,000	600	200	100	*
Subtotal	10,000	4,600	2,600	1,800	1,500
Health care transfers					
Medicare	1,900	700	400	300	200
Medicaid and other	3,300	1,400	600	400	300
Subtotal	5,200	2,000	1,100	700	600
Total Transfers	15,200	6,600	3,700	2,600	2,000
Taxes	2,600	6,500	11,800	19,700	68,100
Transfers Minus Taxes					
In dollars	12,600	100	-8,100	-17,200	-66,000
As a percentage of market income	101	**	-14	-19	-27
Memorandum:					
Average Market Income	12,600	36,100	59,500	89,900	240,800
Average Market Income					
Plus Transfers Minus Taxes	25,200	36,300	51,400	72,700	174,800
Median Market Income ^a	9,900	31,600	55,300	86,000	150,800

So how can we prevent childhood poverty and save the long-term fiscal trajectory of the country? Sawhill recommends widespread adoption of long-acting reversible contraceptives (LARCs), particularly the intrauterine device (IUD). In a chapter titled, “Childbearing by design, not by default,” she calculates a dramatic statistic showing that even with condom use, a woman has a 63 percent risk of pregnancy over five years, the cumulative likelihood compounded annually by the 18 percent chance during one year.

The New York Times [reports](#) that using the Pill, Evra patch, or NuvaRing gives a 38 percent chance through five years and a 61 percent chance through 10 years. Yet the chance of pregnancy from a copper IUD is just four percent through five years (8 percent through 10 years) and levonorgestrel IUD just one percent through five years (two percent through 10 years). [Data](#) from the Guttmacher Institute puts the average taxpayer cost for one Medicaid-covered birth at \$12,770 compared to annual birth control cost of \$239. It should be a slam dunk for taxpayers wanting to spend their money efficiently.

Sawhill gives the analogy of 401K participation and organ donation and the concept of “opting in” vs. “opting out.” If employees are automatically enrolled in 401Ks and drivers are automatically enrolled in organ donation programs, they are far less likely to “opt out” than if they had to proactively choose to “opt in.” This changes the default normative setting. With an LARC, women effectively change their default setting--i.e., you will likely get pregnant under today’s most common types of birth control--from one of having to “opt out” of pregnancy.

“My central idea involves changing the default from having children to not having children,” she writes. “I am arguing that when they do have a child, it should be a conscious choice...Why are defaults so powerful? First, because of inertia. The status quo always wins in any contest that requires effort. Second, because the chosen default often contains normative information. When Austria presumes organ donation, making it the default, it is signaling that this is what most people should choose.”

A [policy briefing](#) released Monday by the American Academy of Pediatrics recommends that teenage girls who are sexually active should use IUDs or hormonal implants. Cultural conservatives might be concerned that this policy could increase sexual activity among teenagers. A similar scenario [occurred in 2005](#) during the development of a vaccine to fight the human papilloma virus (HPV), a sexually transmitted disease that causes cervical cancer. At issue was whether making the vaccine mandatory would encourage promiscuity among adolescent girls. This was a legitimate worry, considering the country had made progress in reducing teenage pregnancies (though arguably the rising unmarried birth rate among women in their 20s has mitigated ground won in this battle). [Data later showed](#) the vaccination wasn’t associated with promiscuity.

This summer the Supreme Court ruled that employers with religious objections could avoid providing medical coverage for IUDs and some other forms of birth control. Certainly this makes sense, as there is no constitutional right to an IUD even as there is to religious freedom.

Yet pro-lifers such as myself can appreciate there's [considerable evidence](#) that IUDs prevent rather than terminate a pregnancy. And both conservatives and progressives agree that reducing unwanted pregnancies is a worthy goal. Or as Sawhill puts it: "Childbearing should not be about what adults want; it should be about what children need." This self-sacrificing viewpoint is one that puts the needs of the next generation ahead of immediate emotional gratification, one fully supported by conservatives.



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I'm Warren T. Brookes Journalism Fellow for the Competitive Enterprise Institute. A former researcher for American Enterprise Institute scholar Edward Conard, I wrote e...

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