

Freeing American Families

Reforms to Make Family Life Easier and More Affordable

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EXECUTIVE SUMMARY

ertility is on the decline in the United States and around the world. Although some commentators celebrate population declines for environmental or other reasons, others fear that below-replacement fertility will result in negative economic and social consequences. As a result, many countries are pursuing various policies intended to boost fertility rates, such as baby bonuses, cash benefits for families with kids, paid family leave, and universal childcare. In the United States, members of Congress in both parties favor greater federal intervention to boost fertility rates or to support families more generally.

However, such policies are costly and have limited effects on fertility. International evidence indicates that expensive efforts to subsidize childbearing have failed to raise countries' fertility to replacement levels and sustain fertility rates there. They typically fail even to meet policymakers' more modest fertility objectives. Recent estimates suggest that fertility initiatives in the United States would be similarly misguided, with some \$250 billion in annual subsidies needed to achieve a modest increase of 0.2 extra children per woman.

Although policymakers should avoid implementing similar initiatives, many other reforms would make family life easier and more affordable. This study proposes reforms to labor laws, child safety policies, tax and trade policy, and health policies that affect birth and conception, in addition to education, housing, and safety policy changes that would reduce the cost of raising children. Evidence suggests that some of these reforms could boost fertility, for instance, by reducing work-life tradeoffs or other intensive parenting requirements. However, these reforms are also worthwhile as standalone measures that improve family life.





INTRODUCTION

In modern-day America and many other countries, fertility is on the decline. Over the past decade and a half, U.S. fertility rates have declined from above replacement at the top of the Great Recession to below replacement a few years later. Since then, U.S. fertility rates have continued along a downward trajectory.

Most high- and many middle-income countries also have below-replacement fertility, or on average fewer than 2.1 children per woman, and many have lower fertility rates than the United States. The total fertility rate—a measure of the expected number of children a woman will have if she survives her reproductive years and bears children in accordance with current age-specific fertility rates—is below replacement in Brazil (1.7 children per woman), China (1.7 children per woman), and Russia (1.5 children per woman). In India and Mexico, birthrates are now just below replacement and expected to fall further. Fertility in rich countries is, on average, even lower. Meanwhile, below-replacement fertility is emerging in surprising places: on the island of Java in Indonesia, in four provinces in Iran, and in the city of Addis Ababa in Ethiopia. ²

"Many people fear that belowreplacement fertility will entail serious tradeoffs in the long run."

Some researchers and commentators note that many causes of population decline are neutral or positive (e.g., recent reductions in teen births and historical declines in child mortality allowing for smaller family sizes) and argue that a smaller population would reduce pollution or lead to other benefits.³ Others are understandably wary about government forays into demographic policy. Past government efforts to increase or decrease the population have sometimes led to human rights abuses and tragedy, and perhaps future attempts to manage the population could present similar risks.⁴

However, below-replacement fertility has also caused concern among researchers and commentators. For one thing, assuming below-replacement fertility persists and is not mitigated or offset by population momentum, increasing life expectancy, or immigration, population size will decline over time.⁵

Others worry that population decline could lead to negative economic, fiscal, and social outcomes, including a decline in overall gross domestic product, wider solvency gaps for major federal programs and public pensions, a rising dependency ratio, and a decline in social capital. A declining and aging population may also lead to a slower rate of innovation and reduced resource availability.

The late University of Maryland economist Julian Simon described free people engaged in idea generation and market exchange as "the ultimate resource," and recent research supports his view that resource availability and living standards grow with population size, under the right conditions. If that is true, then reducing population size may slow the rate of technological progress.⁸

The risks of declining fertility may be manageable and perhaps even compatible with a continued rise in living standards if automation or high levels of immigration sufficiently compensate for a shrinking workforce. But barring those changes, many people fear that below-replacement fertility will entail serious tradeoffs in the long run, such as those described above. For these reasons and others, figures ranging from center-left writer Matt Yglesias to conservative *New York Times* columnist Ross Douthat have expressed concern about low fertility.⁹

Regardless of whether or to what degree those concerns are justified, concerns about fertility decline, declining marriage rates, declining family stability, and a perceived decline in the affordability of family life have driven policymakers to introduce a variety of new family policies.

Federal policymakers have proposed permanent child tax credit expansions, monthly cash benefits for families with children, paid family leave programs, universal preschool, and childcare subsidies like those contained in the initial Build Back Better legislation or the Biden administration's American Families Plan. On the political right, increasing U.S. fertility rates while supporting American families is becoming a prevalent theme undergirding policy proposals, and policymakers across the political spectrum increasingly support "profamily" proposals, irrespective of their fertility implications. 11

In this paper, we first consider international examples of policies intended to reverse fertility decline. Because fertility decline occurred later in the United States than in other wealthy nations, fertility initiatives have been attempted in other countries around the world. We find that the evidence

on outcomes is mixed and that the fiscal cost of policies that have a meaningful effect on fertility is high.

This paper will focus on some policies that unnecessarily affect parenting and fertility decisions. Instead of attempting to use government subsidies to raise fertility, we propose a variety of specific alternative reforms that increase parent choice and make family life for parents with young children easier and more affordable. Although our reform proposals may individually or collectively raise birthrates, policymakers should pursue them regardless of their effect on fertility.

Fundamentally, Americans must have the right to form the families they desire and raise children according to their values and preferences. Government should refrain from putting its thumb on the scale of intimate family decisions. Unfortunately, current public policy is far from this ideal and in some cases makes life harder for American families. Our proposed reforms should appeal to policymakers of all stripes because they respect the diverse preferences and

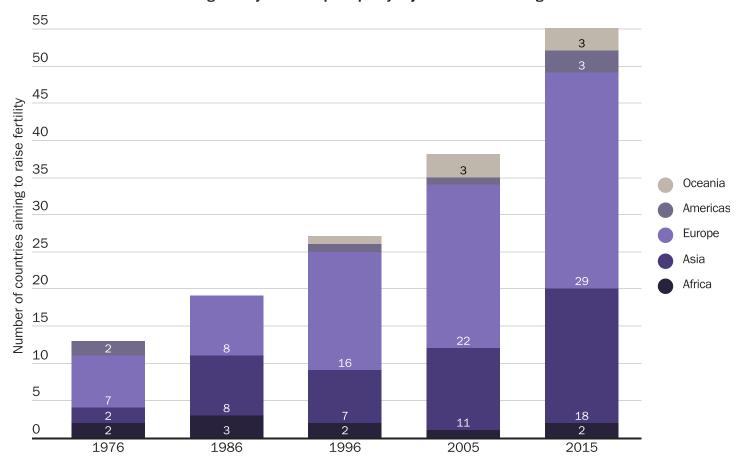
types of families, they are liberty enhancing, and they are worthwhile on their own merits.

BACKGROUND: POLICIES INTENDED TO BOOST FERTILITY OUTSIDE THE UNITED STATES

Policies intended to help families and reverse declining birthrates are nothing new. Ancient Rome, for example, implemented a law called *ius trium liberorum* (the right of three children), granting special benefits to fathers with at least three children. Today, according to data from the United Nations (UN), the number of countries that have explicitly declared a policy goal of raising national fertility is at an all-time high—in 2015, more than 50 countries had stated that their goal was to raise fertility (Figure 1), and discussions of "pro-natal" and "pro-family" policies are increasingly popular.

Figure 1

Number of countries with "raising fertility" as an explicit policy objective continues to grow



Source: Tomáš Sobotka, Anna Matysiak, and Zuzanna Brzozowska, "Policy Responses to Low Fertility: How Effective Are They?," United Nations Population Fund Working Paper no. 1, May 2019, p. 8.

Note: Some numbers were updated using the United Nations' World Population Policies Database, last updated in 2015.

Proponents frequently describe policies that provide government subsidies to parents as falling under the "pro-family" and "pro-natal" umbrellas. But despite many countries engaging in such policies, once a country's birthrate has fallen below the replacement rate, recent history indicates that it tends to remain there: in recent years, no examples show a developed country rising back to, or above, replacement level and sustaining that rate after dipping below that threshold, although there exist precedents for temporary reversals (Figure 2).¹³

Still, governments have enacted a variety of policies in an attempt to raise and sustain fertility rates. As one example, Quebec, Canada, implemented a slew of initiatives in the late 1980s, with an associated short-term uptick in the total fertility rate in the early 1990s. One often-cited 2005 study on Quebec's quasi-experimental baby bonuses found that a baby bonus tax credit of 1,000 Canadian dollars increased

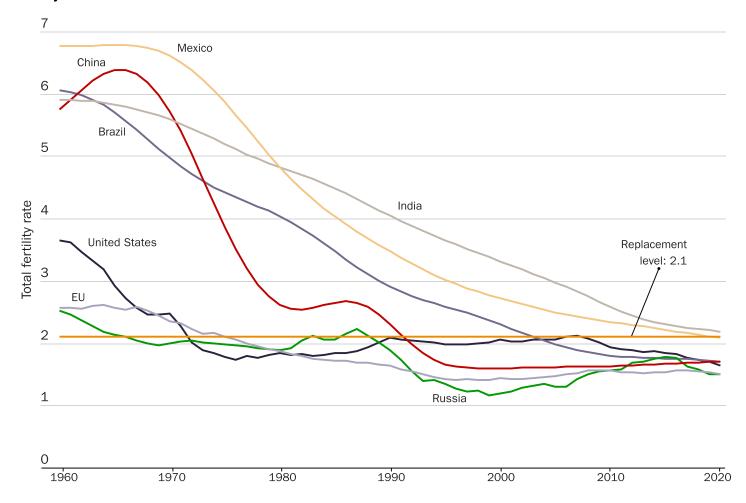
the probability of a couple having a child by 16.9 percent. ¹⁴ According to economist Bryan Caplan, "If their conclusions are remotely accurate, natalist tax credits are a fiscal free lunch. If the government can capture an income stream with a present value of \$217,000 by foregoing \$9,000 in taxes today, who could oppose it?" ¹⁵

However, the Quebec study examines only the short-term effects of the baby bonus. Further research on Quebec's policy, as well as similar fertility payments around the world, suggests that fertility payments accelerate births but do not affect the long-term number of births. For this reason, a research review of studies with an experimental or quasi-experimental design concluded that cash transfers to parents result in a temporary fertility bump as families alter the timing of births, but not their total number of children.¹⁶

Policymakers rarely define explicit policy goals when implementing fertility policy, as they are more likely to opine

Figure 2

Fertility rates decline across countries and over time



Source: "Fertility Rate, Total (Births per Woman)," The World Bank.

in general terms about increasing fertility or raising fertility to replacement levels. But some foreign governments have laid out their fertility policy's goals in specific terms or with a specific rationale (Table 1).

A paper from the United Nations Population Fund titled "Policy Responses to Low Fertility: How Effective Are They?" identified countries with explicit fertility targets.¹⁷ Updating the table from the paper with data from the most recent available year indicates that in all cases except Bulgaria, countries with pro-natal policies tied to explicit fertility targets had failed to meet or maintain them.

Russia and Hungary still have until 2025 and 2030 to meet their objectives; however, neither country is on track to meet them within that time frame. And although Belarus initially achieved its target fertility, the change was temporary and Belarusian fertility fell by about 25 percent within two years. The country's subsequent fertility initiative also failed.

Notably, Belarus mainly bases its family policy on cash benefits. For this reason, it appears likely that Belarus's first initiative effectively altered the timing of births without convincing families to have more children overall, causing a fertility bump followed by a downturn.

The UN Population Fund's paper concludes that "explicit fertility policies may not be the most effective ones," but rather policies that contribute to an environment of workplace flexibility and a robust economy—as well as efforts to moderate intensive parenting norms—may have a larger fertility effect. ¹⁸ Moreover, frequent policy reforms creating uncertainty for parents seem to have a negative effect on fertility. ¹⁹ Similar to the earlier-mentioned review, the UN paper also takes a relatively dim view of financial transfers to parents and finds that although financial incentives often initially show a positive impact on fertility, that is frequently due to a change in the timing of births, rather than meaningfully changing the number of births.

Although the effect size of fertility initiatives is often small and they typically fail to achieve their goals, these policies frequently come at a large fiscal cost. According to an estimate by economists Melissa Kearney and Phillip Levine, \$250 billion in annual childhood spending—between seven and eight times the amount of childcare spending that the Biden administration proposed in Build Back Better—would raise the total fertility rate from 1.6 to 1.8, an increase of just 0.2 extra children per woman. ²⁰ Put another way, approximately \$33 billion in additional childcare spending per year

 $\begin{tabular}{ll} Table 1 \\ \hline \textbf{Policy initiatives with explicit fertility targets and associated fertility rates} \\ \end{tabular}$

	Published	Total fertility rate (TFR) previous year	Target fertility	Target year	Achieved TFR in target year	Latest TFR in 2020
Belarus (1)	2011	1.5	TFR at 1.5-1.6	2015	1.72	1.38
Belarus (2)	2016	1.72	TFR at 1.75	2020	1.38	1.38
Bulgaria (3)	2005	1.33	TFR at 1.50	2020	1.56	1.56
Estonia (4)	2011	1.72	TFR at 1.71 TFR at 1.77	2015 2020	1.58 1.58	1.58
Hungary (5)	2019	1.55	TFR at 2.1	2030		1.56
Japan (6)	2016	1.45	"desired birthrate 1.8"	No target		1.34
Republic of Korea (7)	2015	1.21	TFR 1.5 in 2020, 1.7 in 2030, 2.06 in 2045	2020–2045	0.84 (2020)	0.84
Russian Federation (8)	2007	1.31	1.95	2025		1.51
Singapore (9)	2013	1.29	"raising our birthrate"	No target		1.1

Source: Tomáš Sobotka, Anna Matysiak, and Zuzanna Brzozowska, "Policy Responses to Low Fertility: How Effective Are They?," United Nations Population Fund Working Paper no. 1, May 2019, p. 24.

Note: Some numbers were updated using "Fertility Rate, Total (Births per Woman)," The World Bank.

would lead to 0.03 more children per woman, or an increase in the total fertility rate from 1.66 to 1.69. This result suggests that subsidies have a limited influence on parents' fertility decisions. Moreover, spending at this scale is not being considered in the United States today.

An in-depth analysis of the success or failure of these policies exceeds the scope of this paper, but this brief review reveals mixed results at best and scholarly disagreement on the effectiveness of expensive pro-natal policies. Perhaps one of the reasons that pro-fertility policies often fail or raise fertility only slightly at a high cost, is due to countervailing policies that make family life more expensive and difficult. It is possible that the effects of international pro-fertility policies are lackluster because countries have not deregulated sectors of the economy that supply the most demanded child-rearing goods and services.

Given the significant costs imposed on taxpayers by such fertility and family policies, less costly proposals are worth evaluating as potential alternatives. And because the policy alternatives explored in this paper make life easier for families, they are worth pursuing regardless of their effect on fertility rates.

REFORMS FOR FAMILIES WITH CHILDREN

A variety of reforms would reduce the cost of child-rearing and family life. These policies should appeal to policymakers concerned about falling fertility rates and those who simply want to make life easier for American parents by removing artificially imposed obstacles to family life.

In most cases, removing government rules and regulations that disproportionately affect families would enhance families' freedom of choice and may reduce the cost of child-rearing enough to boost fertility. Although we oppose baby bonuses and other direct government payments to increase fertility as misguided attempts to raise and sustain fertility, enacting such policies without substantial deregulation along the lines we suggest would result in higher prices for goods and services demanded by parents. In other words, baby bonuses would be absorbed by higher prices instead of prompting an increase in the quantity supplied of those goods and services.

The result would not be higher fertility or greatly increased family consumption of the goods and services families

demand. That is because regulations reduce the supply of goods and services and make the supply more inelastic, meaning that any increase in demand will not result in much increased quantity supplied of such goods and services.

"Removing government rules and regulations that disproportionately affect families would enhance families' freedom of choice and may reduce the cost of childrearing enough to boost fertility."

The following section describes current policies that reduce the availability of, or increase the price of, goods and services demanded by parents. It includes reform suggestions to reduce or eliminate problems caused by those policies, as well as reforms to improve work-life balance for parents. In addition to reducing the cost of raising children and making blending work and family easier, these reforms will also lower costs for all Americans who consume these goods and services and increase flexibility for all American workers.

Policies Affecting Family Budgets and Work

Core child-related goods and services are those demanded by most parents in the United States. They include housing, food, clothing, education, and childcare. Policies like tariffs, regulations, and licensing rules raise the price of those core goods and services by artificially reducing their supply. These regulatorily imposed costs are especially burdensome as the value of parents' wages is eroded because of historically high inflation. Each following subsection will describe how rules and regulations increase the cost of those core goods and services, and the final section will recommend ways to make work easier to combine with family life.

Housing

Raising children is expensive, and housing is often the most substantial associated cost. U.S. Department of Agriculture (USDA) estimates indicate that for families, the

cost of housing is the largest expense associated with raising a child, with estimates indicating housing accounts for 26 to 33 percent of child-rearing expenses, which translates to approximately \$3,000 to \$7,000 annually (2022 dollars).²²

The cost of housing as a proportion of overall childrearing expenses grows as income falls, so the cost of housing constitutes a more substantial portion of child-rearing costs for families with the lowest incomes. Moreover, using a traditional affordability metric and Department of Housing and Urban Development data indicates that about 30 percent of children in 2021 lived in households with a housing cost burden over the traditional 30 percent affordability threshold.²³

During the COVID-19 pandemic, the costs of homeownership and rent grew, creating additional pressure on family budgets as supply chain delays and labor shortages produced upward cost pressures. Unfortunately, in 2022, housing affordability remained low. For example, the National Association of Home Builders/Wells Fargo Housing Opportunity Index found that just 42.2 percent of homes sold in the third quarter were affordable to families earning the U.S. metropolitan median family income of \$90,000.²⁴ This result constitutes the second quarterly record low for housing affordability since the Great Recession.

Although some of the causes of price growth were related to pandemic-specific circumstances like supply chain delays and labor scarcity, federal, state, and local policy also worsened housing affordability.

Various regulations that limit housing supply, including land-use or zoning regulations, contribute to housing affordability challenges. One influential study from 2003 found, for example, that zoning regulations pushed up the cost of apartments by about 50 percent in Manhattan and in San Francisco and San Jose, California. These regulations determine the height, width, architectural features, and use of a given property, and they subject development to lengthy review processes with many veto points. They also limit cost-effective housing options like manufactured housing and modular homes, which cost significantly less per square foot than traditional housing.

In addition to local policies, federal tax, trade, and land policies increase the cost of housing for families. Research finds that the state and local tax deduction and mortgage interest deduction increased home prices, though the 2017 Tax

Cuts and Jobs Act (TCJA) limited the deductions and thereby reduced their impact. For example, the TCJA's state and local tax (SALT) reform reduced housing price growth, especially in high-SALT and high-price counties. ²⁶ Unfortunately, TCJA reforms are currently set to expire, and a portion of both deductions remain. Policymakers should make them permanent and eliminate the deductions completely.

Meanwhile, tariffs increase the cost of a variety of construction materials and other home goods, including lumber, plywood, nails, shelving units, kitchen racks, steel sinks, cabinets and vanities, wood molding and other millwork, quartz countertops, ceramic tile, washing machines, solar panels, and a wide array of aluminum and steel products used to build housing. Antidumping or countervailing duty measures, import taxes, and continuing expansions in tariff scope are to blame. Recent estimates indicate that tariffs' impact on the cost of housing materials ranges from 1.4 percent for kitchen cabinets to 22.4 percent for vinyl flooring.

"Regulations that limit housing supply, including land-use or zoning regulations, contribute to housing affordability challenges."

Finally, there is evidence that federal land policy limits housing supply in western states like Nevada, Utah, and Idaho, where the federal government owns most of the land (more than 80 percent, 63 percent, and 60 percent, respectively). ²⁹ As western states have sustained some of the highest net migration during and after the COVID-19 pandemic, federal lands have become more of a salient issue.

A recent study finds that the HOUSES Act—a reform that would allow local governments to purchase federal land and then develop the land for housing that meets certain density criteria—could lead to the construction of approximately 2.7 million homes, including 430,000 homes in San Diego County, California; 350,000 homes in Maricopa County, Arizona; 109,000 homes in Clark County, Nevada; and 55,000 new homes in Utah County, Utah, alone. As a result, an additional 8 percent of the population in 12 western states would be able to afford an average home (a 24 percent increase from the baseline).

Between federal and local policy reforms, policymakers have many opportunities to improve housing affordability for families. To increase housing affordability for families, policymakers should liberalize zoning and land-use regulations, make TCJA reforms to property and mortgage interest deductions permanent, eliminate Section 232 tariffs on steel and aluminum and Section 301 tariffs on Chinese imports, end Department of Commerce policies that entail antidumping and countervailing duty restrictions, and pass federal land reform like the HOUSES Act, among other things.

The significance of housing access and affordability for families extends well beyond considerations like comfort and convenience alone. For instance, some international evidence suggests that increasing housing costs leads to declining births or a delay in birth timing. Yox writer Bryan Walsh has noted that in Japan, "relatively inexpensive housing—a product of liberal planning rules that make it easy to build—has helped keep [Japan's] low fertility rates from dropping further, even as neighboring countries with more expensive housing have seen births continue to plummet." Moreover, as described in the section on education and schools, housing largely determines educational opportunities for the vast majority of American children.

Food and Baby Formula

Following housing, food is the second-largest expense associated with raising a child, and food constitutes a similarly unavoidable expense. Using current USDA food plan numbers and moderate cost assumptions, a family of four spends nearly \$15,000 per year on food. ³⁴ Past research finds that food accounts for 18 percent of child-rearing expenses, and poorer households spend a greater proportion of their income on this expense. ³⁵ Moreover, historically high food inflation—outpacing general inflation—is putting additional strain on family food budgets. ³⁶

Unfortunately, various policies make food more costly, including government benefits, regulations, and trade policies. For instance, federal and state governments subsidize milk production by agreeing to pay milk producers a minimum for their product. At the same time, tariffs tax milk imports past a certain quota, which reduces supply and raises prices. Various studies find that eliminating these policies would reduce retail milk prices by 15–20 percent, and this

would translate into reduced prices for manufactured milk and processed dairy products.³⁷ Policy reform in this area would particularly benefit families with young children.

Renewable energy mandates also contribute to the cost of food by increasing demand for corn, a primary source of ethanol and a common food and livestock feed component. Specifically, the renewable fuel standard requires that producers blend renewable fuels into transportation fuel in increasing amounts over time. The resulting increased demand for ethanol has an impact on the cost of corn, a common food additive and livestock feed grain.

"Some international evidence suggests that increasing housing costs leads to declining births or a delay in birth timing."

Such a mandate likely has an impact on the cost of families' food. Because corn constitutes 95 percent of livestock feed grain, policies that reduce the availability and increase the cost of corn increase the cost of animal products, including meat and dairy.³⁸ A 2013 review of the literature found that rising ethanol production led to a 2–3 percent increase in the price of corn. A more recent review of the literature finds that an increase in ethanol production raises the price of corn between 0.5 and 7.0 percent, and that increasing the cost of corn increases the cost of food for U.S. households.³⁹ The Biden administration has proposed increasing the renewable fuel standard further, but this is the wrong choice for affordability.⁴⁰

In addition to policies affecting milk and corn, a dearth of agricultural workers may be putting upward pressure on overall agricultural product prices. Although the H-2A visa program allows farmers to hire foreign workers, minimum wage requirements act as a de facto limit on the number of workers hired through the program, and this limits food production and puts additional pressure on agricultural food prices. ⁴¹ One option to improve the status quo is to pass the Farm Workforce Modernization Act, which would revise the relevant minimum wage rules and allow a greater number of foreign workers to harvest crops on U.S. farms. ⁴²

Federal policy also reduces the availability of baby formula, for example, by prohibiting certain foreign formula

imports. In early 2022, the availability of formula became a major source of stress for parents of infants. The formula shortage continues, with more Americans saying they had trouble finding formula in January 2023 than in any month in the fall or winter of the previous year.⁴³

As a result of the formula crisis, policymakers adopted reforms to ease formula supply issues, but many of these positive changes have already expired. For instance, the FORMULA Act and Bulk Infant Formula to Retail Shelves Act passed in July and September 2022, respectively, but these are temporary, narrow measures. Tariffs on certain imported formula and base powder that were suspended by the FORMULA Act and Bulk Infant Formula to Retail Shelves Act were reinstated on January 1, 2023. 44

In addition, rules limiting the formula type and location where formula could be bought by WIC (Special Supplemental Nutrition Program for Women, Infants, and Children) beneficiaries were temporarily relaxed but went back into effect at the end of January 2023. Furthermore, a May 2022 Food and Drug Administration policy that allows the agency greater discretion in approving infant formula ended in January 2023. 45

Rather than reinstate rules that reduce the supply of formula as parents are still grappling with formula insecurity, these reforms should be made permanent to ensure that formula is available and accessible for parents of infants for years to come.

Education and Schools

Public education constitutes the largest subsidy for parents and children, with an average of \$15,120 spent annually per child and \$764 billion spent annually across federal, state, and local governments. ⁴⁶ In addition to providing children with education, this benefit also provides families with consistent childcare so that parents can work and attend to other household matters during the schoolage years. Unfortunately, though policymakers intend public education to be a boon to parents and children, the current education system limits children's opportunities and produces inequality by limiting parental choice.

Residential zoning and public school zoning produce a limited set of educational options for American families.⁴⁷ Students are typically assigned to public schools near their

homes, and the number and types of homes allowed in any school zone are strictly limited by residential zoning. Because 88 percent of American students attend public schools, and 69 percent of American students attend their *assigned* public school, this limitation affects many families. ⁴⁸

"As a result of the formula crisis, policymakers adopted reforms to ease formula supply issues, but many of these positive changes have already expired."

Unfortunately for families seeking upward mobility and opportunity, a strong relationship exists between school quality and home values (Figure 3). This situation can be a major source of stress for families that cannot afford to live within a high-performing school's boundaries or else cannot afford to live within a neighborhood that makes attending a high-performing school feasible. Zoning regularly excludes families from the opportunities associated with public schools, as well as amenity-rich neighborhoods.

Liberalizing residential zoning constitutes not only housing reform, but also educational reform. Removing restrictions would provide parents with not only more affordable housing but more educational options for their children. Permitting a variety of housing options throughout school zones, reducing home prices, and improving affordability at every school quality level are all changes that increase educational choice through increasing housing access.

Moreover, open enrollment policies, which allow children to register for schools outside their assigned school zone— along with school voucher programs, which allow resources to follow students to their program of choice—should be adopted universally. These policies increase competition in education and improve financial incentives for schools to meet the needs of students.

In addition to voucher programs, some scholars have argued that scholarship tax credits provide a superior option for expanding educational options because of the reduced risk of regulatory interference, greater popularity, and reduced susceptibility to legal challenges compared with voucher programs. ⁴⁹ Education savings accounts (ESAs) are another option that allows parents to withdraw their children from their default public school and use a portion of state education funding for approved educational services. Vouchers, scholarship tax credit programs, and ESAs would increase school choice.

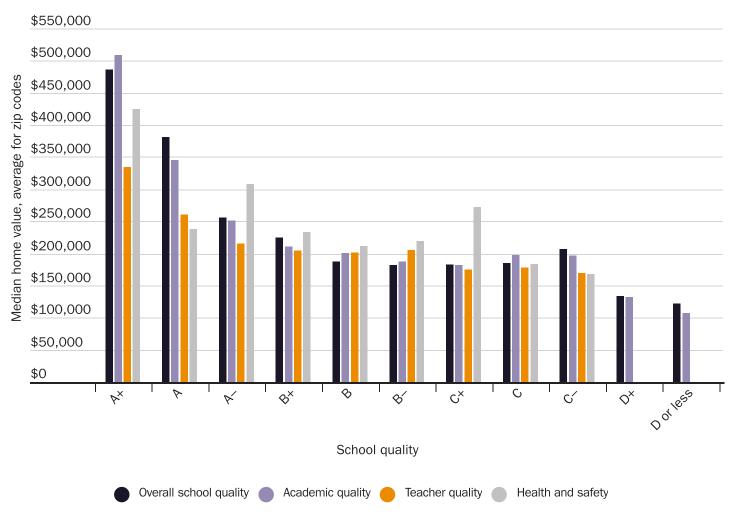
Unfortunately, despite the many options for improving school choice and various efforts to institute choice legislation at the state level, access to choice is still limited: although 18 states have voucher programs, 21 states have scholarship tax credit programs, and 10 states have passed ESA legislation, as of 2022, still less than 0.5 percent of K–12 public education expenditures are on school choice programs, and only a fraction of students have access to private school choice programs. ⁵⁰ This is because school

choice programs are often narrowly focused and only available to a subset of students, typically those with special needs or the lowest incomes.

Such inflexible arrangements are far from the global norm. In many countries, parents have more flexibility in choosing their child's school and can even use vouchers or tuition tax credits for private schooling. Much of Europe and many countries outside Europe, such as Chile, New Zealand, and South Korea, have embraced school choice (Table 2). Estonia, Germany, and Spain offer vouchers *and* tuition tax credits that can be used for private schools, and all have high PISA (Program for International Student Assessment) rankings, which suggests that the arrangement not only is good for parents' pocketbooks, but also is compatible with a high level of student academic achievement.⁵¹

Figure 3

School quality varies by home value across U.S. public elementary schools



Source: Vanessa Brown Calder, "Zoned Out: How School and Residential Zoning Limit Educational Opportunity," Social Capital Project Report no. 6-19, Joint Economic Committee, November 2019.

School choice policies could provide benefits for American families beyond the obvious. For instance, school choice could also improve parents' ability to combine work and parenting obligations. Public school schedules can be inconsistent and unpredictable for working parents, with partial and full days off for teacher planning and other administrative holidays. These schedules can be especially complicated for working parents to manage with traditional work schedules.

In a more competitive education market, school administrators would have to compete for pupils, and schools would be more likely to cater to parents' needs. Greater choice would incentivize schools to be more disciplined with their resources because of competitive pressures, and parents would be able to select schooling for their children that fits their children's academic and social needs, as well as their values.

Childcare

Not all parents pay for childcare. But for those who do, childcare is one of the most significant child-rearing costs. USDA estimates indicate that for middle-income parents, childcare and education are the third-largest expense associated with raising a child after housing and food. ⁵² For high-income families, childcare and education are the second-highest expense after housing. For many working parents, particularly middle-income parents, low-income couples, and parents living in urban areas, especially the urban Northeast, the cost of childcare is substantial and can be unaffordable. ⁵³

High childcare costs can act as a disincentive to work for parents: 10 percent of 25- to 54-year-old part-time workers cite "childcare problems" as the reason that they are unavailable to work more hours, according to U.S. Bureau of

Table 2

Education vouchers and tuition tax credits are available in countries worldwide

Countries	Vouchers	Tuition tax credits	2018 PISA ranking
Macao-China	Yes	No	3
Estonia	Yes	Yes	5
South Korea	No	Yes	7
Taiwan	Yes	No	8 (tie)
Poland	Yes	No	11
Scotland	No	Yes	13* (tie)
New Zealand	Yes	No	15
Germany	Yes	Yes	19
Belgium	Yes	No	20
Norway	Yes	No	23
France	Yes	No	26
Portugal	N/A	Yes	27
Lithuania	Yes	No	32
Italy	Public only	Yes	34
Luxembourg	No	Yes	35
Slovakia	Yes	No	38
Israel	Yes	No	39
Turkey	Yes	N/A	40
Chile	Yes	No	46
Spain	Yes	Yes	N/A

Sources: "How Does School Choice Work in Other Countries," EdChoice; and "PISA 2018 Results," Organisation for Economic Co-operation and Development. Note: * = Rank is for United Kingdom as a whole.

Labor Statistics data,⁵⁴ and the U.S. Chamber of Commerce Foundation found that between 28 and 40 percent of households in surveyed states contained a worker that had passed up opportunities because of childcare issues during the past 12 months.⁵⁵

Childcare costs or accessibility can be a disincentive to work, but scholars also describe the lack of access to childcare as a barrier to family formation since it reduces fertility. For instance, a study of 21 member countries of the Organisation for Economic Co-operation and Development found a statistically significant relationship between fertility rates and childcare arrangements. ⁵⁶

U.S. policy attempts to support parents through child-care vouchers for low-income families, tax credit benefits like the child and dependent care tax credit (CDCTC), and federal subsidies to state preschool programs. ⁵⁷ Recent proposals have sought to expand these benefits further and make pre-K universal for three- and four-year-olds while also providing extensive childcare subsidies for most families with kids. ⁵⁸

Still, out-of-pocket childcare costs constitute about onethird of median female earnings in the United States, even *after* various existing tax and spending subsidies for childcare (Figure 4).⁵⁹ And although childcare subsidies reduce the out-of-pocket cost of care, they do nothing to reduce underlying cost drivers and may even increase the market price of care, similar to other demand-side subsidies.

Moreover, any reduction in out-of-pocket costs through tax or spending benefits is paid for by many families in the form of higher taxes, and although families using formal childcare may come out ahead, this advantage comes at the expense of other families with different care arrangements. For these reasons, an alternative to typical childcare proposals—and existing policy—is necessary.

Fortunately, many alternatives expand childcare access and affordability while sidestepping these tradeoffs. In the United States, policymakers could improve access and affordability through both immigration and regulatory reform.

To begin with, various regressive local and state regulations limit the supply of care. Those rules include staff-to-child ratios, maximum group sizes, and educational requirements for childcare staff. ⁶⁰ The latter requirement can be particularly harmful. For instance, in 2016, the Washington, DC, Office of the State Superintendent of Education adopted a licensing

law requiring many childcare workers to have a college degree. This rule disqualified many current childcare workers and barred many potential new entrants to the profession at a time when the District had among the highest costs of childcare in the country and limited daycare availability. Following the rule's introduction, childcare workers promptly sued, but a federal court upheld the regulation in 2022.

Unfortunately, such regulations harm childcare professionals, parents, and children alike. Besides acting as a barrier to employment for existing and would-be childcare providers, many of whom have years of experience providing care to small children and are parents themselves, imposing just *minimum* educational requirements on staff reduces the number of childcare centers in associated markets, and disproportionately harms children in lower-income ZIP codes. 62

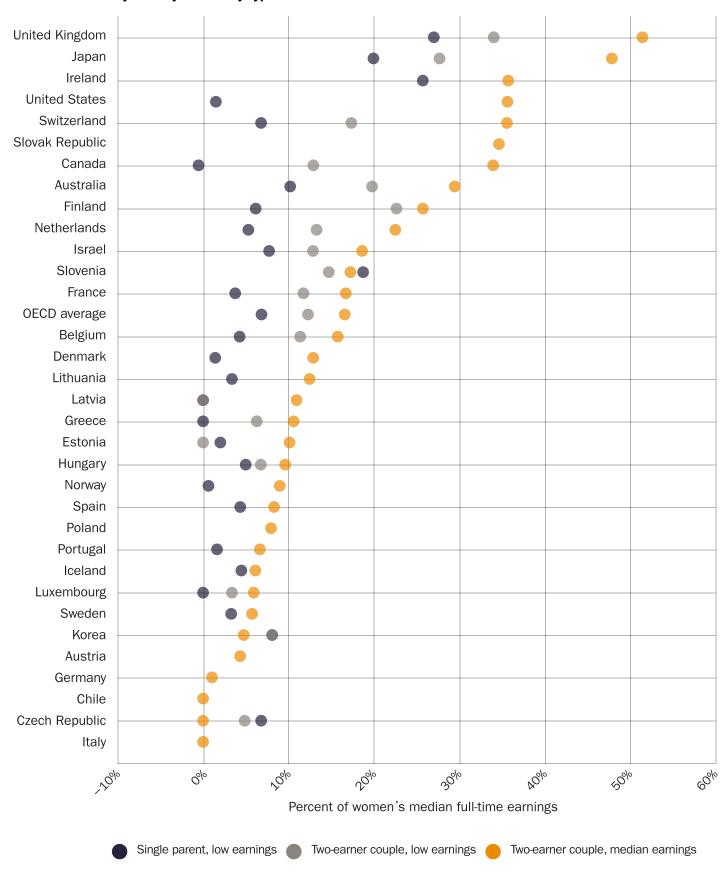
"In the United States, policymakers could improve childcare access and affordability through immigration and regulatory reform."

"Child-staff ratio" mandates (governing the number of staffers per child) also make childcare less affordable. Proponents often justify such regulations on the grounds that they improve the quality of care. However, research finds that these regulations "do not actually enhance childcare outcomes or safety," but they do "significantly increase the cost of childcare." Remarkably, allowing even one more infant per staffer reduces the cost of childcare by between 9 and 20 percent. ⁶³ This finding indicates that even loosening the rules by a small amount can significantly improve affordability.

The arbitrary nature of child-staff regulation becomes increasingly apparent when one examines other countries' childcare staffing rules. For example, the maximum allowed infant-to-staff ratio is just 3 to 1 in Ireland and the United Kingdom, but 6–7 to 1 in Belgium, Luxembourg, and Switzerland, and 8–10 to 1 in Norway and Portugal. Meanwhile, Denmark, Spain, and Sweden have no government-mandated maximum ratio (Table 3). The United Kingdom and Ireland's restrictive approach to childcare regulation may help explain why childcare costs in the United Kingdom and Ireland are some of the highest in the world.

Figure 4

Cost of childcare by country and family type



Source: "Is Childcare Affordable?," Policy Brief on Employment, Labour and Social Affairs, OECD, June 2020. Note: OECD = Organisation for Economic Co-operation and Development.

In addition to relaxing or eliminating child-staff ratios, reducing obstacles facing home-based daycares merits special attention. Home-based daycares face their own unique barriers, including zoning rules that limit or prohibit their activities. These rules consequently limit parents' childcare choices and their options for combining work and parenthood. To remedy the issue, 18 states have passed laws that preempt excessively tight zoning restrictions on home-based daycares, and more states should adopt these measures. ⁶⁴

Moreover, both regular daycare centers and home-based daycares are subject to costly permitting and licensing requirements. These requirements and fees should be reduced and eliminated by localities, and permitting processes for daycares should be streamlined along with permitting processes for other types of development.

In addition to regulatory issues that reduce the supply of care, immigration restrictions limit the supply of childcare workers. Immigration rules—like those surrounding the au pair program (a cultural exchange program that lets young adult foreign nationals provide an American host family with live-in childcare)—reduce the availability of childcare workers. These restrictions also reduce the quality of childcare by forcing families to frequently switch childcare providers: for

example, the J-1 visa allows a 12-month stay, and an au pair can extend the visa for 6, 9, or 12 additional months with the original host family or with a different family. Host families can only keep the same au pair for two years at most.⁶⁵ In a survey of au pair alumni, a majority (61 percent) said they participated in the program for one year.⁶⁶

Changing caregivers can be disruptive to a young child's development, and research has found a link between child-care transitions and child behavioral problems. Allowing au pairs on J-1 visas to retain employment with a host family for the duration of early childhood, or at least five years, could improve care consistency and, therefore, quality. This reform would also increase care availability and alternatives to center-based daycare for parents.

Relaxing additional au pair program requirements—for instance, that au pairs live with their host families rather than allowing them to live off site with other au pairs—could likewise increase the program's appeal for both au pairs and host families. On the other hand, requirements like those adopted recently in Massachusetts—which compel host families to pay au pairs the applicable local minimum wage in addition to the in-kind payment of shelter, food, and educational credits required by the program—make

Table 3

Maximum number of children per childcare staffer varies by country

Maximum number of children per childcare staffer	Less than 1 year	1-year-olds	2-year-olds	3-year-olds	4-year-olds
3	Ireland, UK	UK			
4–5	Austria, Finland, France, Germany, Greece	Finland, Germany, Ireland	Finland, Germany, UK		
6–7	Belgium, Luxembourg, Switzerland	Austria, Belgium, Luxembourg, Portugal, Switzerland	Austria, Belgium	Portugal, Finland	Finland
8–10	Norway, Portugal	France, Norway	France, Ireland, Luxembourg, Norway, Portugal	Ireland, Luxembourg, Switzerland, UK (Northern Ireland, Scotland, Wales)	Ireland, UK (Scotland, Wales)
10–15				Austria, Germany, UK (England)	Austria, Germany, Portugal, UK (England)
16–20+				Belgium, Norway	Belgium, Norway
No ratio	Denmark, Spain, Sweden	Denmark, Spain, Sweden	Denmark, Spain, Sweden	Denmark, France, Spain, Sweden	Denmark, France, Spain, Sweden, Switzerland

Source: Ryan Bourne and Len Shackleton, Getting the State out of Pre-school and Childcare (London: Institute of Economic Affairs, February 2017).

hiring an au pair more costly and therefore less accessible to many parents, as well as making au pairs less competitive with traditional center-based care.⁶⁷

In addition to au pair—specific reforms, expanding lesser-skilled immigration could improve childcare access and affordability. Multiple studies show that increases in low-skilled immigration result in a decreased average cost of childcare, making life easier for many households, and possibly even increasing fertility for high-skilled women. To increase the number of childcare workers, Congress could create a visa program for year-round, nonfarm jobs that do not require a college degree. States or localities that believe a need exists for additional childcare should also be allowed to design a visa for childcare workers and sponsor legal immigrants that commit to living in the area for a certain number of years. This type of visa could include restrictions specifying that workers work in the childcare sector, while not tying workers to a specific employer.

"Policy should neither disincentivize paid work nor penalize parents who choose to be stay-at-home caretakers."

Finally, to empower parents, policymakers should respect parents' choice either to work outside the home or to assume a full-time caretaker role. The law should neither disincentivize paid work nor penalize parents who choose to be stay-at-home caretakers. American women with children are evenly divided in their preferences regarding paid work or stay-at-home parenting: a 2019 Gallup poll found that 50 percent of mothers with a child under age 18 say they prefer a homemaker role and 50 percent prefer working outside the home. Meanwhile, fathers represent a growing share of stay-at-home parents (17 percent of all stay-at-home parents in 2016). The state of the home of the stay-at-home parents in 2016).

Forcing taxpayers to subsidize either paid childcare or fulltime caretaking breeds resentment and financially penalizes families who choose whichever path is not subsidized. The CDCTC is one example of a program that favors parents' working outside the home and using formal childcare over other options. The program also has other issues, including passing through a significant portion of the benefit to childcare providers—similar to other tax benefits—and having a structure that favors higher-earning families.⁷²

To simplify the tax system and treat families equally, the CDCTC should be eliminated. The various regulatory and immigration reforms described above offer a better strategy to help families struggling to afford childcare.

Flexible and Remote Work

Flexible work has long been a priority for parents, especially working mothers, and the COVID-19 pandemic seems to have only intensified parents' preference for flexibility. An Institute for Family Studies YouGov survey found that more than half the parents with children under age 18 said they are now more likely to prefer working from home, either most of the time or part of the time, than they were before the pandemic. Meanwhile, a majority of working parents say that the ideal arrangement is to share childcare duties among partners who both work flexible hours.⁷³

Despite parents' desire to balance work and family life, many commentators have noted how difficult it can be to balance these two competing domains of modern life. Indeed, the Industrial Revolution ushered in the advent of separate workplaces and commutes and segmented daily life into distinct domestic and work spheres. But if the Industrial Revolution made raising children and working less compatible, remote work technology may offer a solution. As demographer Sebastian Klüsener notes, "Just as industrialization made people leave home for work in the 19th and 20th centuries, technological advancements like the Internet are changing the spatial organization of work in the 21st century."

Less rigid working arrangements enabled by technology, such as full- or part-time telework, free parents from being present at a work site away from home full-time. Remote work makes income earning and child-rearing more compatible by reducing the tradeoffs that parents face. It is therefore not surprising that parents prioritize flexible and remote work at a higher rate than nonparents: recent research by consulting company McKinsey suggests that parents were more likely to have left their jobs than their nonparent counterparts during the so-called Great Resignation (the post-pandemic rise in voluntary job resignations), often in search of more flexible work opportunities.⁷⁵

Remote work may help families in at least three different ways. First, cutting commutes provides parents with more time, which they can devote to child-rearing, leisure, or additional paid labor. Second, parents who can supervise their children while working from home save money on paid childcare. Third, parents may derive satisfaction or value from the opportunity for increased involvement in their children's lives.⁷⁶

Like remote work, flexible work provides better integration of professional and parenting obligations by permitting parents to work off-peak hours. Flexible work schedules accommodate greater parent involvement during daily childcare and routine activities like school pickups and drop-offs, doctors' appointments, and mealtimes.

"Remote work makes income earning and child-rearing more compatible by reducing the tradeoffs that parents face."

Unfortunately, various policies limit parents' ability to work flexibly or remotely. Federal and local labor regulations often make flexible or remote work difficult or impossible. For instance, the Fair Labor Standards Act (FLSA) prohibits employers from compensating workers for overtime with time off. To accommodate parents' needs for flexibility, policymakers should reform these rules through legislation like the Working Families Flexibility Act, which would modify the FLSA to allow workers to take overtime pay as future time off if they desire.⁷⁷

Meanwhile, local labor regulations determine everything from the timing and duration of lunch breaks to rigid work schedules set weeks in advance. Policymakers frequently intend these rules to protect workers, but they have the effect of reducing worker autonomy, workplace flexibility, and the compatibility of work and family life. 78

Additionally, regulations that limit independent work—where individuals take on temporary, specific assignments, with minimal direction from clients—further limit parents' options, especially since parents are more likely than nonparents to engage in gig work. The Biden administration has said that it is "committed to ending the abusive practice of misclassifying employees as independent contractors, which

deprives these workers of critical protections and benefits," but this is the wrong approach. The administration should consider that most independent workers prefer the independent contractor designation that makes flexible work possible and are satisfied with their employment arrangement. 80

In addition, some regulations make it impossible for parents to work from home. For instance, even though about one-half of U.S. businesses are home based, regulation often makes home-based businesses illegal. Currently, in most jurisdictions, zoning codes unnecessarily restrict many home-based businesses, and additional permitting and licensing requirements create barriers to entrepreneurship. This situation is unfortunate because working from home provides opportunities for parents to balance work with other priorities, such as childcare and eldercare needs.

The cottage food industry (i.e., for-profit in-home food production) provides one specific example of home-based business regulation getting in the way of remote work opportunities: although the cottage food industry took off during the COVID-19 pandemic, in some states, like Rhode Island, enterprises can be shut down for selling something as benign as home-baked cookies. ⁸¹ Rather than subjecting home-based businesses to a lengthy, discretionary review process, home-based baking, cooking, sewing, and handicraft business permitting should be by right. Rules dictating what, how much, and where certain products can be sold should also be liberalized. ⁸² Moreover, state governments should consider passing rules that prevent localities from restricting home-based businesses, similar to the way states have recently blocked localities' overly restrictive zoning. ⁸³

Occupational licensing laws are also obstacles to flexible work. For example, states like Tennessee require lawyers to have practiced full-time for a series of consecutive years to be licensed, and such regulations penalize working parents who want to work part-time or take time off to balance family and career. ⁸⁴ These rules should be reformed to accommodate working parents and workers of all stripes.

Removing licensing laws that discourage telework in areas like medicine can also spur more employers to offer remote work. For example, pandemic-era reforms that eliminated barriers to telehealth increased convenience for patients and allowed a subset of workers in medical fields to do their jobs remotely. Today, many health organizations offer fully remote and hybrid roles.⁸⁵

Not all workers can do their jobs remotely, of course. "It's easier for parents whose jobs can be done remotely to juggle work and childcare. This digital divide is starting to shape who chooses to have kids," frets the author of a 2021 piece in *The Atlantic*. ⁸⁶ But as remote work becomes more widely available, the change can reconcile paid careers and parenthood for a growing portion of the population.

Birth and Reproductive Technology Policies

Childbirth and infertility are already difficult enough without policymakers limiting patient choice. Several government policies make it needlessly difficult for mothers who want to avoid cesarean sections (C-sections) to do so. Such policies disrespect mothers' autonomy, can make having multiple children medically risky, may depress fertility, and do not improve health outcomes for mothers or newborns.

Meanwhile, as reproductive technology grows more advanced, such technology holds the promise of enabling more people, many of whom would otherwise be unable to form the families that they desire, to conceive children. New technologies may raise safety or ethical questions worth debating, and policymakers should not subsidize reproductive assistance. But health care policies that excessively limit parents' options regarding the way their children are conceived and born not only compromise individual liberty but also make bringing new children into the world unnecessarily difficult.

Reducing Unwanted C-Sections

C-sections are often lifesaving surgical procedures. But researchers believe doctors perform C-sections in many cases where nonsurgical delivery would be better for both mother and baby. Many women report feeling pressure to undergo the procedure and have difficulty finding doctors to perform nonsurgical deliveries.

Several government policies make it harder for women to find doctors to perform nonsurgical deliveries, including government policies that directly limit patients' freedom to choose the way they give birth, policies that encourage providers to perform unnecessary C-sections, and the judicial

system's unwillingness to honor patient-physician contracts that limit physician liability. Policymakers should enact reforms that preserve the availability of C-sections while expanding mothers' right to attempt nonsurgical delivery.

"Childbirth and infertility are already difficult enough without policymakers limiting patient choice."

Reforms that make it easier for women who do not desire C-sections to avoid them not only could avoid unnecessary surgeries but also could make having children safer and easier. Having a negative birth experience tends to reduce the number of children women desire. Because multiple C-section births carry increased risks of medical complications, women are often advised to undergo at most two or three C-sections. Undergoing C-sections thus tends to lower the number of children that a mother has. Because

According to the World Health Organization, a C-section rate over 10 percent does not reduce maternal and newborn mortality rates.⁸⁹ Yet in the United States in 2020, 31.8 percent of live births were C-section deliveries. 90 The U.S. Department of Health and Human Services has set an objective of lowering the U.S. C-section rate among lowrisk women with no prior births to comply with current medical guidance. 91 The federal government has also set a target to increase the rate of vaginal birth after cesarean (VBAC) attempts, as the current medical consensus is that VBACs may be safer than repeat C-sections ("in addition to fulfilling a patient's preference for vaginal delivery, VBAC is associated with decreased maternal morbidity and a decreased risk of complications in future pregnancies," according to the American College of Gynecologists) and should be made more widely available.92

Even as expert guidance suggests that reducing the rate of C-sections may be desirable, at least three factors limit women's freedom to choose nonsurgical birth in medical settings. First, some government policies directly limit patients' freedom to choose the way they give birth. Twenty-six states have laws restricting VBACs to hospital settings, meaning that medical professionals cannot offer them at birthing centers or smaller family clinics. ⁹³ These laws violate both patients'

and medical providers' freedom. ⁹⁴ Certificate-of-need laws (regulations requiring health care providers to "demonstrate community need" before establishing new health care facilities) have much the same effect. ⁹⁵ Those laws limit the availability of birthing centers and hospitals. And they limit access to care even in states that don't ban VBACs in non-hospital facilities. One effect of these legal limits is that they may push women who strongly desire to avoid C-sections to give birth at home, when they would otherwise prefer to give birth in a medical setting better equipped to respond to complications that may arise during childbirth. Such government restrictions can thus endanger women's and newborns' health by encouraging less safe birthing environments.

Second, various government policies encourage providers to perform unnecessary C-sections. Doctors receive higher compensation for C-sections than for vaginal births, which affects their incentives. 96 Most government intervention in the health sector—from the tax code to Medicare and Medicaid and beyond—encourages "fee for service" payment, meaning that providers get a separate fee for each service they provide. The more intensive the services, the higher the fees. This incentivizes providers to perform both more services and more-intensive services than they otherwise would, including C-sections. Congress can eliminate these harmful incentives by letting consumers control the approximately \$2 trillion that employers and Medicare (which covers deliveries) currently control and use that money to select their own health plans. 97 One of the benefits of this reform is that private health plans would compete to produce research on clinical effectiveness in order to attract patients. That could generate more information than the current system and improve medical knowledge. 98 Simply generating and sharing information with patients could alone decrease unnecessary C-sections.99

Third, although less important than the monetary incentives mentioned above, physicians and even the judicial system may pressure women who are candidates for nonsurgical birth into undesired C-sections. This is due to courts' unwillingness to honor patient—physician contracts that limit physician liability. The National Institutes of Health claims that "concerns over liability risk have a major impact on the willingness of physicians and health care institutions to offer trial of labor [that is, allow a woman who previously had a C-section to attempt nonsurgical childbirth]." Similarly,

a 2018 international review of studies found that doctors may opt for C-sections to protect themselves from malpractice lawsuits. ¹⁰² An American College of Obstetricians and Gynecologists survey found that one-third of U.S. obstetricians stopped allowing VBAC attempts because they feared liability claims or litigation, and 29 percent admitted to doing C-sections more often to avoid liability. ¹⁰³

"Twenty-six states have laws restricting VBACs to hospital settings, meaning that medical professionals cannot offer them at birthing centers or smaller family clinics."

Reforming medical malpractice through the use of liability-limiting contracts could make this barrier to patient choice obsolete. ¹⁰⁴ Importantly, any reform to the malpractice system should rely on contracts rather than liability caps, as the latter only protect providers and ultimately reduce patients' options.

Other factors contributing to the rise in C-sections are less amenable to policy changes. 105 However, partially as a result of the factors identified above, the phenomenon of doctors refusing to admit patients for attempts at nonsurgical birth is so widespread that, according to the PBS NewsHour, "after a C-section, women who want a vaginal birth may struggle to find care."106 Cases abound such as that of the Wyoming woman profiled by the New York Times who traveled 180 miles from her home to the nearest hospital that would allow her to attempt birth without surgery for her second child. 107 In a similar case reported by CNN, a pregnant woman traveled to give birth at a hospital six hours farther away than her closest hospital to avoid an unwanted C-section. 108 Women without the means to travel such distances may find themselves without any choice in how they give birth unless they choose a home birth.

Unfortunately, as many as one in six patients reported feeling mistreated, harassed, or ignored during birth, and one-quarter of C-section patients felt pressured to undergo the surgery, with that figure rising to 28 percent for first births.¹⁰⁹ A survey of California patients found that among

those who felt "pressure from any health professional" to have a C-section, many perceived the pressure "as coercion and suspected the procedure may not have been needed."¹¹⁰

Although C-sections remain the best option in some medical circumstances and regulators should not infringe on the freedom of women who desire C-sections for nonmedical reasons, similarly respecting the wishes of women who desire to avoid major surgery during childbirth would represent a step toward increased patient choice. Moreover, doing so could also enable more women to achieve a larger family size if they desire, without risking their health.

Reproductive Technology

In the United States and other rich countries, women in their forties represent one of the few groups for whom birthrates are *rising*. Reproductive technology has the potential to help older, same-sex, and infertile couples have children. Policymakers worried about families and fertility should generally avoid restricting technologies that enable reproduction, while also refraining from subsidizing or otherwise promoting fertility assistance. In other words, the government should strive to remain value-neutral on these procedures, to respect citizens' diverse views on fertility treatments, and to maximize individual choice.

Eventually, external wombs—like the artificial wombs that have already successfully gestated premature lambs—not only may allow more premature human infants to survive, but may one day become advanced enough to outsource the *entirety* of pregnancy, thus allowing many women to have biological children without the health risks, pain, or other physical and psychological inconveniences often attendant to pregnancy and childbirth. Such technology would also circumvent many of the ethical debates surrounding surrogacy today: fears of surrogate exploitation become null if the "surrogate" is artificial. Of course, creating embryos to incubate using external gestation technology would likely continue to be the subject of ethical debates similar to those surrounding in vitro fertilization (IVF).

Although not without controversy, reproductive technology is likely to grow more advanced and result in more children. Globally, more than 8 million babies have likely been born as a result of IVF and other advanced fertility treatments. Still, IVF treatments are only involved in 1 to 2 percent of annual

births in the United States and so are not yet a significant factor in the birth rate.¹¹³ That is partly due to variable rates of effectiveness: IVF procedures result in a baby about 50 percent of the time for women ages 35 and younger, but less than 4 percent of the time for women ages 42 or older.¹¹⁴

"Policymakers worried about families and falling birthrates should not interfere with reproductive technologies to permit births that would otherwise not take place."

Research suggests that men and women are not fully aware of IVF's limitations. In a study of Swedish postgraduate students, about half had overoptimistic perceptions of the chances of successfully conceiving via IVF. 115 A 2021 study similarly found that "women's estimates of [IVF] treatment success showed vast unrealistic optimism." 116

But continuing advances in reproductive technology may increase its efficacy and affordability. For example, in Denmark in 2015, 6 percent of all births involved medical assistance related to conception. Is rael—an outlier among advanced economies in that even its secular population has an above-replacement fertility rate—also has notably widespread use of technologies enabling older couples to have children. Whatever the case, policymakers worried about families and falling birthrates should not interfere with reproductive technologies to permit births that would otherwise not take place.

Policymakers should also avoid the path taken by
Hungary, which pays for couples' fertility treatments using
taxpayer money and has nationalized the country's IVF
clinics. Hungary's policy has resulted in long wait times and
fewer treatment options than at private clinics, and this has
prompted many Hungarians to seek fertility treatments at
private clinics abroad in the Czech Republic and Slovakia.¹¹⁹

A new bipartisan caucus in the U.S. House of Representatives aims to protect IVF and other fertility treatments from legal obstruction, offering hope that more policymakers across the ideological spectrum recognize the value of allowing reproductive technology. "We should be working to build resilient

families and addressing the significant fertility rate decreases is a major part of that effort," cofounder Billy Long (R-MO) noted, making explicit the caucus's goal to combat falling fertility rates and help families.¹²⁰

"Overly burdensome child car seat requirements may prevent substantially more lives than they save."

That said, some of the bipartisan caucus's plans to "expand access" (i.e., require treatment coverage or provision) are counterproductive. Rather than regulate reproductive technology at the federal level, states should experiment with different approaches to fertility treatment regulation while respecting both patient freedom and medical providers' religious or conscientious liberty to abstain from procedures that violate their strongly held beliefs. Policymakers concerned about falling fertility rates should think twice about the effects of mandating that insurance providers cover fertility treatments. Such mandates raise the burden on taxpayers and potentially distort incentives so that would-be parents delay childbearing.

Federal policymakers should allow physicians to offer fertility-assisting technology to patients without subsidizing reproductive technology, since doing so may unintentionally reduce access to fertility services, contribute to systemic health care costs, and violate principles of value neutrality.

Safety Policies

For many parents, children's safety is the highest priority. However, excessive, burdensome, or poorly devised safety policies make child-rearing more expensive and time-consuming. These policies contribute to increasingly time-intensive parenting practices, and the time cost of parenting has grown in countries worldwide. In the United States, women have doubled their weekly time spent with their children since 1985, the percentage of mothers breastfeeding has soared since its nadir following the advent of formula, and perceived parental involvement in children's lives has also increased for recent generations. ¹²¹

Economist Gary Becker described a fertility quantityquality tradeoff where investing time and other resources in existing children would reduce the total number of children parents have.¹²² As Bryan Caplan has argued, the recent increase in parental time investment could explain why many people want fewer children than past generations.¹²³

Americans who are not planning to have any children or more children often cite reasons related to time costs. The top reason young adults give for choosing not to have kids is that they "want leisure time." The second-most common reason parents give for having fewer than their ideal number of children is that they "want more time for the children [they already] have," cited by 54 percent of respondents. Forty-two percent of those expecting to undershoot their "ideal number" of children also cite a desire for leisure time.

Unfortunately, various well-intentioned safety policies raise either the financial or time cost of parenting. In so doing, they inadvertently complicate family life and can act as an obstacle to fertility.

Car Seats

Car seats save lives, but overly burdensome child car seat requirements may prevent substantially more lives than they save. As many U.S. states continue to increase the mandatory age at which a child must remain in a car seat, the inability of most non-SUV vehicles to fit more than two car seats in the back row has significantly raised the cost of having a third child for U.S. families. As one example, California requires car seats until age eight and fines parents \$100 to \$250 for violations.

A recent study finds that "[extended-age car seat requirements] prevented only 57 car crash fatalities of children nationwide in 2017. Simultaneously, they led to a reduction of approximately 8,000 births in the same year, and 145,000 fewer births since 1980, with 90 percent of this decline being since 2000."

The effect of child car seat laws could be partially mitigated by increased use of narrow-style car seats that can fit three across in the back seat of a standard car, although this adjustment would simply alter the effect of extended car seat requirements to raise the cost of a fourth child rather than a third child. Given the minimal safety impact and high cost of car seat laws, states could improve flexibility and reduce costs by reducing the age limit of car seat mandates.

Reasonable Independence

Raising a confident and independent child is difficult under the best circumstances. But under existing laws, parents working to raise confident children by encouraging independent behaviors like walking home on their own can run into complaints by busybody bystanders with legal consequences. For instance, bystanders have reported parents for child neglect for allowing their children to take a walk around their neighborhood or play outside without supervision.

In 2020, there were a whopping 2.1 million ultimately unsubstantiated investigations into child maltreatment in the United States. Even though most reports of child neglect or abuse are unsubstantiated, the threat of complaint or reporting can be enough to chill age-appropriate parenting behaviors that would otherwise foster growth and independence among young kids, like allowing school-age children to walk to school by themselves. 129

Shifting and arbitrary standards of childhood supervision may contribute to needless parental stress and make parenting unnecessarily time intensive. Although public concern regarding child neglect is laudable, unwarranted reports by overly worried onlookers can place an undue burden on parents acting within reasonable risk parameters. Examples include police or child protective services investigating families for such innocuous activities as letting children walk the family dog, play in a park, pick up litter, or wait for a few minutes in a parked car in cool weather.¹³⁰

"Shifting and arbitrary standards of childhood supervision may contribute to parental stress and make parenting more time intensive."

Norms regarding how long parents should keep kids under close supervision may be creeping upward in advanced economies: one survey found that most British parents won't let their children play outside alone until age 11, despite playing alone during their own childhoods starting at about age 9. But American parents may face particularly intense parental supervision expectations compared with parents in other countries. For example, in Japan, children

may ride trains by themselves from age 6 onward. And as a 2018 *New York Times* piece, titled From Tokyo to Paris, Parents Tell Americans to Chill, pointed out, anecdotal evidence abounds of children in many of the United States peer countries being allowed considerably more independence.

Legislation can prevent the criminalization of reasonable parenting decisions, balancing children's independence with the need for appropriate adult supervision. At the state level, Utah (2018), Oklahoma (2021), Texas (2021), Colorado (2022), and Virginia (2023) have passed "reasonable childhood independence" bills. Utah's so-called Free-Range Parenting Law acted as a model for other states. 134

Such legislation ensures that allowing children to play outside, walk to school, wait briefly in a car under certain circumstances, or come home with a latchkey are not sufficient conditions to count as child neglect or abuse in the eyes of the law. "Responsible parents should be able to let kids be kids without constantly looking over their shoulders for approval," noted Utah's governor Gary Herbert when he signed that state's bill into law. Or as the Family Defense Center's Diane Redleaf put it, "Free range laws are especially important because they give reassurance to parents who want to give their children reasonable independence . . . that they can do so without fear of being labeled a criminal, a child abuser or neglector or a bad parent. Free range laws give a legal and societal stamp of approval to good parenting and the rights of kids to have a normal childhood."135

More states should pass these laws so that children benefit from increased independence and outdoor playtime, and parents benefit from reduced stress levels. These changes should make raising children a less daunting undertaking.

Home Supervision

Current U.S. laws regarding the age at which caretakers can legally leave a child at home alone for any length of time vary widely. ¹³⁶ In Illinois, parents may not leave a child home alone or allow a child to babysit until age 14. ¹³⁷ In Mississippi, Delaware, and Colorado, the equivalent age is 12. ¹³⁸ In North Carolina, Maryland, and Georgia, the age is 8. ¹³⁹ In Kansas, parents may exercise their own judgment after age 6. ¹⁴⁰ Some states do not specify a minimum age. Among those that do, the large range in minimum age

requirements suggests that reasonable people may disagree on the age at which parents may lawfully leave children unattended at home or let children babysit.

States should allow parents to make choices on the basis of their individual child's characteristics and developmental stage. States can limit or cap local age requirements for home supervision laws to increase flexibility for parents and autonomy for children.

CONCLUSION

Policy analysts often assume that pro-fertility and profamily policies must include direct payments to families or the development of new social spending programs. But in many countries, these policies have been expensive and unsuccessful at raising fertility back to replacement levels and sustaining it there. Instead of replicating costly and unsuccessful international initiatives, policymakers should recognize that a genuinely pro-family policy means less government, not more.

This paper describes a wide variety of existing policies that make parenting more challenging: some policies limit parents' ability to make choices for their children; others make parenting more expensive; some make family formation challenging; and others make balancing work and home life difficult. Fortunately, those policies are ripe for reform at the federal, state, and local levels. Although this paper is geared toward U.S. policymakers, many of our recommendations are universally applicable and may also prove helpful to policymakers abroad who are concerned about families and falling fertility.

Our paper outlines a number of deregulatory reforms that would reduce government-imposed costs of raising families. Policymakers should adopt these reforms rather than create

expensive new entitlement programs intended to raise fertility or otherwise subsidize American family life. If Congress does consider direct subsidies or other policies to boost fertility, it should, at a minimum, pair such policies with a massive deregulation of the goods and services that parents demand. Otherwise, the subsidies would likely result in an increase in prices without much of a corresponding increase in the quantity supplied of child-rearing goods and services.

"Instead of replicating costly and unsuccessful international initiatives, policymakers should recognize that a genuinely pro-family policy means less government, not more."

Policymakers eager to support family formation, family life, and domestic fertility rates should consider adopting some of the many low-cost reforms that improve freedom and affordability and make raising a family easier and more enjoyable. Beyond the direct benefits these reforms provide to individuals, in some places there is evidence that such changes could successfully boost fertility rates by reducing work-life tradeoffs or by lowering intensive parenting requirements.

Parenthood is grueling enough, and the contributions that parents make are important enough that removing these obstacles to family life is a sensible and worthwhile endeavor, regardless of the effects on fertility. For policy-makers interested in making family life easier and more affordable, reforms that free American families should be their priority.

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