Victor R. Fuchs

How We Live


*How We Live* uses an economic perspective to examine and explain the many changes that have occurred in the American family since World War II. The author documents the changes in the patterns of marriage, fertility, divorce, care of children, work, and family composition. He then goes on to show how the choices made by individuals that underlie these trends have been influenced by economic factors, particularly by relative prices, broadly interpreted to include time and psychic costs, and by the individual’s time and money constraints. He emphasizes the interrelatedness with later life outcomes of choices made at earlier life stages. Within his framework, he stresses the following underlying themes: (1) “the fading family”—as he sees it, the importance of the family has declined substantially in recent decades; (2) “demography and destiny”—the substantial effect that changes in demographic variables—fertility and mortality—have on individual and national well-being; (3) “wanting and waiting”—the importance for life outcomes of being willing to forgo present gratification to invest in the future; (4) the dilemma of policymakers who strive to accommodate conflicting social goals—efficiency versus justice, security versus freedom, and the opposing goals of different interest groups.

Fuchs develops his economic perspective within the context of the life cycle—discussing six life stages, for each of which he describes the family trends most relevant for that age group, identifies the life choices most salient for them, analyzes the forces affecting behavior with respect to these choices, and discusses relevant public policy issues.

The book is very well written, contains a minimum of economic jargon, and should appeal to a wide audience. Fuchs stimulates the reader to look at some important issues from a new vantage point and presents the issues in a well-rounded and thoughtful way, even though the reader may not always agree with his economic approach. The cited trends in family behavior patterns are for the most part well documented, although in a number of instances, to be noted later, Fuchs fails to provide references, and he sometimes ignores well-respected studies with findings contrary to those he cites in support of his views.

Fuchs’s economic perspective seems particularly useful in taking a hard look at the opportunity costs of public programs. He specifically eschews the “romantic point of view [which] denies the existence of scarcity or blames it on some scapegoat” and
stresses the necessity, given limited resources, of choosing between competing alternatives. In this vein, he presents an excellent discussion of the high costs of intensive neonatal care for babies born with serious physical handicaps in the United States. Even though human life is at stake, the social and family costs and benefits enter into either an explicit or implicit calculus, and the final decision must then be made on the basis of values. The economic perspective also supports a careful evaluation of the effectiveness of programs with desirable social goals—such as the reduction of unequal opportunities among young people. Thus, although he strongly endorses public inputs to increase the skills and earning power of the disadvantaged young, Fuchs rejects the use of minimum-wage laws, which limit market opportunities. He also is concerned lest the Aid to Families with Dependent Children program, which provides essential assistance for children in broken homes, increase the number of such children by supporting independent living for unmarried teenage mothers. He stresses that policymakers must recognize the possible negative effects on child nurture of the increase in female-headed households. Although he notes that research studies, after controlling for such factors as income, race, and education, fail to show a negative relationship between quality of child nurture and residence in a female-headed household, the fact that such households are usually poor does limit their ability to provide for children. The book contains an excellent discussion, as well, of the problems of the Social Security system.

Although the book merits high praise, I take issue with it on a number of points. Fuchs does not always provide references for facts essential to his arguments. His estimate of the large proportion of illegitimate births that are wanted by their mothers, "possibly more than half," assumes that 20 percent of pregnancies to unmarried teenagers are wanted and that 60 percent of all pregnancies to unmarried teenagers will be terminated by abortion, but he provides no reference for either figure. His assertion that more than half of such births are wanted is questionable, since estimates by Christopher Tietze show a somewhat lower incidence of abortion among women unmarried at conception and since Fuchs makes no adjustment for teenagers who marry before the resolution of the pregnancy. Elsewhere, he asserts that women have a greater desire for children than do men and this contributes to their gender disadvantage in employment, but he cites no substantiating data. Some evidence contrary to his assertion comes from the Value of Children study and from a longitudinal study by Thornton and Freedman, both of which show only negligible differences between American men and women in either ideal or wanted family size.

Fuchs occasionally gives short shrift to noneconomic factors. For example, he dismisses discrimination as only a minor contributor to the gender gap in wages, stressing instead differences in investment in human capital. Certainly, differences in investment in human capital do contribute to the wage differential. However, several studies (particularly by Corcoran and Duncan, and Suter and Miller), none of which he mentions, have found that a large part of the differential is not explained by these variables, even when one includes measures of intermittent labor force participation or compares men with women who have worked full time continuously since leaving school. As Fuchs says, wage differences do narrow when the comparison is restricted to very specific occupational groups, but this is in part because the Equal Pay laws prohibit gender pay differences for equal work—differentials that were widespread before the passage of these laws.

The economic perspective may be too narrow for a comprehensive understanding of family issues. Fuchs's framework specifically excludes attitudes and thus cannot
deal with how changes in ideas can affect the family. For example, although the increase in divorce certainly has some roots in economic factors, probably more important are higher expectations of self-realization in marital relationships, changes in sexual mores, increasing acceptance of divorce as a solution for marital discord, and the public readiness to support more liberal divorce laws. Similarly, the increase in single living among young adults, though facilitated by economic conditions, would have been unlikely without the increased acceptance of greater independence for young adults. Although some would contend that such attitudinal changes are really the result, and not the cause, of rising levels of divorce or single living, many scholars are convinced that ideas themselves constitute a major force for change.

The economic perspective has also proved unduly narrow for understanding the changes in other nations where distinctive ideas and cultural values affect family change. Most observers had expected the traditional extended family in less developed countries to change quite drastically with economic development. Yet, in Taiwan, for example, despite rapid economic growth and a large increase in market work among married women, joint living continues to be widespread and highly valued.

Whether the family has faded into as meager a shadow as Fuchs suggests is debatable. Many who agree with his value judgments about the importance of two-parent families would not agree that the American family has lost its major roles and functions. Americans consistently report that a happy marriage and a good family life are the most important aspects of life. Most young persons (over 90 percent) expect to marry, although they are more accepting of divorce as a solution to an unhappy marriage and of the legitimacy of remaining single. The value that Americans appear to place on the family probably is not fully captured in a strictly economic perspective, even when it includes the "production of home goods." The satisfaction found in a good marriage through having a spouse who cooperates in providing the resources and many services a family needs, and serves as a support system in times of illness or personal crisis—all in a context of affection and sexuality—probably accounts for the high value Americans place on marriage. Theoretically, of course, all these services could be purchased, but the probability of finding satisfactory market substitutes (even aside from the problem of cost) for all the services provided by the family is highly unlikely.

This is not to minimize the problems facing the American family. Certainly, the market work of married women has intensified the problems of providing adequate care for children and of handling the multiple demands on the woman's time. But the wife's work can also bring benefits, both economic and psychic, for both spouses, while attendance at a well-run nursery school or day-care center can be an enriching experience for young children. Certainly, many couples handle these problems, with some difficulty perhaps, but without undue negative outcomes for either parents or children. Of course, parents must be willing to pay the costs of quality day-care and some market services for the home, both of which should be regarded as investments in future returns for parents and children alike. Perhaps making the income tax less punitive for secondary earners would make working parents more willing to pay the price of quality child care. But the fact that both parents are working does not mean that they are failing to provide the nurture so essential for the development of children.

The prevalence of divorce, as Fuchs shows, does constitute a serious problem for the American family, and though the level has now stabilized, no sizable turnaround is in sight. While not minimizing these difficulties, the fact that most divorced persons remarry does mean that they and their children probably will again experience a normal
family life, notwithstanding the often substantial problems of adjustment in second marriages, particularly for children.

Nor does the trend toward independent living among older persons, which Fuchs discusses, indicate the disappearance of their family ties. Most elderly persons prefer to maintain their independence, but this has not severed their relations with their kin. Despite high mobility, most Americans live close to some relatives and maintain contact with others through visits, frequent communication, and mutual assistance. The decrease in mortality has brought a higher likelihood of more surviving siblings and children for the elderly, and studies show that three-fourths of the elderly with surviving children live close to at least one of their children, exchange mutual assistance with them, and receive assistance from their children when they become ill.

Despite the reservations noted in the course of this review, How We Live is an excellent book, one that provides interesting, informative, and frequently innovative perspectives on the important issues concerning the American family today.

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Notes

1 Personal communication, Christopher Tietze, the Population Council, 1 February 1984.

2 Unpublished tabulations for the US sample of the Value of Children Study, furnished by Fred Arnold, East-West Population Institute, Honolulu; and unpublished tabulations from the longitudinal Study of American Families, conducted by Arland Thornton and Deborah Freedman, University of Michigan.


Roy L. Walford

Maximum Life Span


The notes at the end of Walford’s book on the science of gerontology contain several hundred references to scholarly publications. I wonder whether even one of the listed authors was present in Vienna when the World Assembly on Aging (organized by the United Nations) was convened on 26 July 1982. And yet, they are all knowledgeable scientific authorities, having spent their lives studying the biological processes of aging. There is good reason to believe that their discoveries might render obsolete most of the aspects of the International Plan of Action on Aging adopted by the World Assembly. Conversely, the Vienna Conference receives no mention in Dr. Walford’s book. It would be in the interest of these two groups of people—the biologists and the social scientists dealing with the determinants and consequences of aging—to work hand-in-hand; but they prefer to ignore each other, a state of affairs that has given rise to misunderstandings of the science of aging. It is hoped that Dr. Walford’s book can serve as a link between these groups.