



The Economic Benefits of Access to Family Planning

The expansion in access to reliable birth control in the second half of the 20th century was a major contributor to a sea change in the economic status of women. By enabling women to better determine when or if they have children, oral contraceptives and other methods of reliable birth control have helped make it possible for more women to pursue higher education, enter advanced professional fields and earn higher wages. In addition to increasing opportunities for women, family planning saves money, since birth control is generally orders of magnitude less expensive than the costs of an unplanned birth. Moreover, reducing unintended pregnancies means that women and families are able to delay having children until they are emotionally and financially ready. Collectively, these benefits underscore the importance of ensuring that people from all backgrounds have access to affordable, reliable birth control methods.

The economic benefits of access to family planning include:

Increases the chances women pursue higher education. Oral contraceptives, or “the pill,” were first approved for use in 1960, but it took over a decade to expand legal access to all women. Several studies have compared states that had legalized the pill for women under 21 with those that had not. They found that [college enrollment was up to 20 percent higher](#) for women who had access to the pill at an earlier age, and that these women were less likely to leave school before earning a degree. Economists have also found that access to the pill contributed to more women pursuing professional education. Women as a share of first-year students in law and business school [increased about nine-fold from the 1960s to 1980](#), while women as a share of medical students roughly tripled. Today, [women earn more bachelor’s degrees, master’s degrees and doctorates](#) than men.

ECONOMIC RESEARCH SHOWS ACCESS TO FAMILY PLANNING:

- Increases the chances women pursue higher education
- Helps women to stay in the workforce and earn higher wages
- Reduces poverty
- Improves opportunities for children
- Saves taxpayer dollars

Birth control is particularly important for younger women, since teen mothers are less likely to complete high school or go to college. According to one study, [only about half of teen mothers graduate from high school](#) by age 22, compared with about 90 percent of women who do not become teen mothers. Encouragingly, in part due to increases in access to birth control, [the birth rate for teenagers is at an all-time low](#). While progress has been uneven, this rate has been slashed by nearly three-quarters from its [recorded peak](#) in 1957.

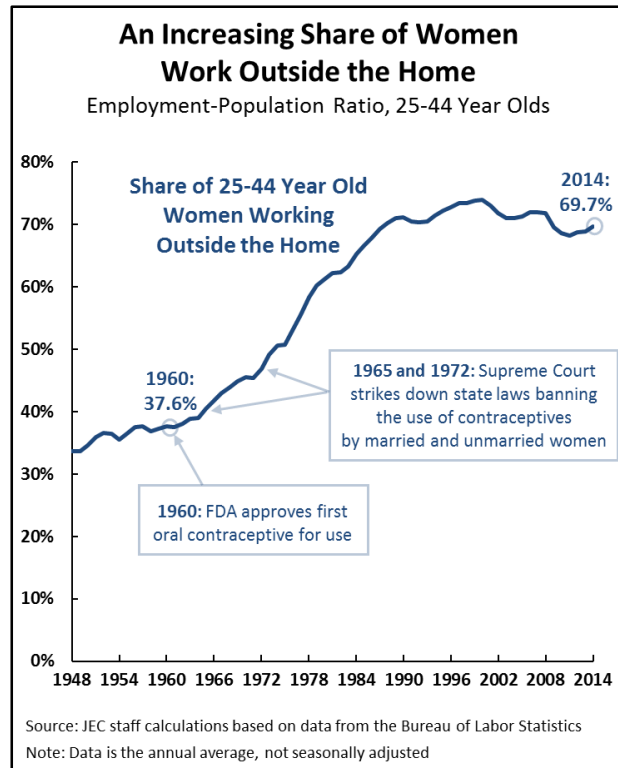
Helps women to stay in the workforce and earn higher wages. The ability to better control the timing of childbearing also enables women to participate in the labor force at greater rates, especially during the critical early years of their careers when skill development and [earnings growth](#) are often the most rapid. Research has found that women with earlier legal access to the pill “[worked more for pay during their late twenties and early thirties](#).” Moreover, [having children later in life and spacing out children](#)—both of which family planning helps make possible—are associated with increased attachment to the workforce.

The increase in women’s educational attainment and labor force participation, as well as the entry of women in greater numbers into more lucrative professional fields, have helped narrow the gender pay gap. One analysis found that women who had access to the pill at younger ages made 8 percent more per hour by age

50 than women who did not—and that the pill “could account for 10 percent of the [convergence of the gender gap](#) in the 1980s and 30 percent in the 1990s.”

Reduces poverty. In the 1960s, low-income adults of working age [had over twice as many children](#) as those with greater resources, [more children than many had ideally wanted](#). For this reason, President Nixon argued for passage of legislation to create the Title X Family Planning Program, stating that “unwanted or untimely childbearing is one of several forces which are [driving many families into poverty](#) or keeping them in that condition.”

Research shows that increasing access to family planning services [reduced childbearing by low-income women by up to 30 percent](#). According to one study, women who had legal access to the pill by age 20 had [poverty rates half a percentage point lower](#) than those who did not. Having fewer children also has a direct effect on poverty rates since larger families need more income to stay above the poverty line. However, data show that women living in or near poverty remain [far more likely than higher-income women](#) to have an unintended pregnancy.



Improves opportunities for children. Research suggests that family planning leads to stronger families and [improves educational and economic outcomes for children](#). Parents can better support each child when they have greater control over how many children they have and when they have them. In addition, putting off marriage and childbirth can decrease the likelihood of divorce if the delay leads to [better matches](#).

On the other hand, unplanned pregnancies can lead to greater conflict and instability in a relationship, and can place a tremendous financial burden on young parents in particular. Moreover, there is evidence that [unintended births are associated with a variety of negative health outcomes](#) for the child in part due to delayed prenatal care, as are [births that are not sufficiently spaced out](#).

Saves taxpayer dollars. Avoiding unplanned pregnancies leads to cost savings for individuals, families and governments. [More than 90 percent](#) of women who receive publicly funded family planning services would also be able to receive publicly funded care for a birth, which is much more costly. In 2010, [68 percent of unplanned births were paid for by public insurance programs](#), compared to 38 percent of planned births. Many of these children resulting from unplanned births [may themselves require public assistance](#).

[Publicly funded birth-related costs totaled about \\$13,000](#) per birth in 2010, versus a [cost for contraception of about \\$270](#) per client at Title X clinics. The government [spent more than \\$20 billion](#) as a result of unplanned pregnancies of women receiving publicly funded care—and this could have been 75 percent higher if not for publicly funded family planning. On net, [each dollar invested in family planning saved about seven dollars](#).

Past experience with insurance coverage for family planning further demonstrates its cost-effectiveness. When the Federal Employees Health Benefits Program began to cover all FDA-approved contraceptives in 1999, “there was no need to adjust premium levels because there was [no cost increase as a result of providing coverage of contraceptive services](#).” And according to an analysis by PriceWaterhouseCoopers, [providing contraceptive services is cost-saving](#) for insurance companies when all factors are considered.