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The High Cost of Unintended Pregnancy

Adam Thomas and Emily Monea

Abstract

The high incidence of unintended pregnancy imposes costs on American society that range from increased rates of crime and welfare participation to reduced levels of high-school completion and labor-force participation. We focus on one of the most policy-relevant aspects of this problem by estimating the amount spent by the government each year on medical care that is directly associated with unintended pregnancies. We find that taxpayers spend about $12 billion annually on publicly financed medical care for women who experience unintended pregnancies and on infants who were conceived unintentionally. After accounting for the fact that some of these pregnancies are merely mistimed while others are altogether unwanted, we also estimate that taxpayers would save about half of this amount if all unintended pregnancies could be prevented. With state and federal budgets being scoured for potential savings—and in light of the mounting evidence showing that there are a number of cost-effective policy options for reducing unintended pregnancies—our results suggest that policymakers should increase their investments in proven pregnancy-prevention strategies.

Introduction

Here is a stunning but under-reported fact: nearly half of all pregnancies in the United States are unintended. In other words, one out of every two pregnancies is to a woman who says either that she is not yet ready to have a (or another) child or that she does not want to have a child at all. Unintended pregnancies are particularly concentrated among individuals for whom they are likely to be the most disruptive and who are less likely to have the resources needed to deal with the consequences of becoming pregnant unintentionally. Among women who are teenaged, unmarried, or low-income, the proportion of pregnancies that are unintended exceeds 60 percent.

Unintended pregnancy is also associated with an array of negative outcomes for the women and children involved. For example, relative to women who become pregnant intentionally, women who experience unintended pregnancies have a higher incidence of mental-health problems, have less stable romantic relationships, experience higher rates of physical abuse, and are more likely to have abortions or to delay the initiation of prenatal care. Children whose conception was unintentional are also at greater risk than children who were conceived intentionally of experiencing negative physical- and mental-health outcomes and are more likely to drop out of high school and to engage in delinquent behavior during their teenage years.

Though most of the evidence on these relationships is correlational, some researchers have used sophisticated research techniques in order to pin down causal relationships between pregnancy and childbearing intentions and maternal and child outcomes. The results of these studies suggest that, over the long run, reductions in unintended pregnancy and childbearing lead to increased educational attainment and higher labor-force participation rates among women and to lower crime rates and better academic, economic, and health outcomes among the affected birth cohorts.

Taken as a whole, this evidence shows that unintended pregnancy imposes substantial costs on society. Given the current fiscal climate, it is particularly important to consider the hefty financial burden that unintended pregnancy places on federal and state governments—a burden that is ultimately borne by the taxpayers who foot the bill. In this brief, we present new national-level estimates of the public costs imposed by unintended pregnancy and of the potential savings that would accrue to taxpayers if all unintended pregnancies were prevented.

While many of the negative outcomes described above (i.e., higher crime rates and lower educational attainment) are difficult to monetize, it is possible to develop a credible estimate of the number of taxpayer dollars that are spent on medical care provided to women who experience unintended pregnancies and to infants under the age of one whose births resulted from such pregnancies. Even after we focus only on this particular category of public costs, our analysis shows that taxpayers spend more than $12 billion each year on unintended pregnancies. We also

find that, if all unintended pregnancies were prevented, the resulting savings on medical spending alone would equal more than three quarters of the federal FY 2010 appropriation for the Head Start and Early Head Start programs and would be roughly equivalent to the amount that the federal government spends each year on the Child Care and Development Fund (CCDF).

These findings should create a renewed sense of urgency among policymakers about the importance of expanding funding for such proven cost-saving pregnancy-prevention measures as family-planning subsidies and evidence-based interventions to discourage unprotected sex.

Budgetary Impacts

Table 1 summarizes our key findings regarding the public cost of unintended pregnancy. Our analysis focuses on the cost of taxpayer-subsidized medical care provided to income-eligible pregnant women and infants through two government programs: Medicaid and the Children's Health Insurance Program (CHIP). These programs spend $12.1 billion each year to provide medical care for 1.25 million unintended pregnancies. This sum includes $103 million in public spending on abortions (virtually all of this spending occurs at the state level as the federal government only finances abortions in cases of rape, incest, or serious threats to the mother's life or health); $251 million on fetal losses (which are commonly known as miscarriages); roughly $6 billion on births; and another $6 billion on infant medical care. The average cost per publicly financed unintended pregnancy is nearly $10,000. For an overview of the way in which these estimates were generated, see Box 1.

Box 1

Here are the methods for estimating the incidence and costs reported in Table 1. For a more detailed discussion of how these estimates were developed and of the studies used to produce them, see our paper in *Perspectives on Sexual and Reproductive Health* referenced below.

Abortions

- *Incidence estimate:* Taken from a published study measuring public spending on abortions; all publicly financed abortions are assumed to have resulted from unintended pregnancies.
- *Per-incident cost estimate*: Taken from the same study.

Fetal losses

- *Incidence estimate:* Calculated by combining data on the total number of fetal losses with information on the proportion of births that both result from an unintended pregnancy and are publicly financed (we assume that the latter proportion is the same for births and fetal losses).
- *Per-incident cost estimate*: Developed by synthesizing results published in several studies; estimate accounts both for the cost of medical treatment for the fetal loss itself and for the cost of any prenatal care obtained prior to the loss.

Births

- *Incidence estimate:* Calculated by combining data on the number of Medicaid-financed births with an estimate of the proportion of Medicaid-financed births that are unintended.
- *Per-incident cost estimate*: Developed by synthesizing results published in several studies; estimate includes the cost of delivery, prenatal care, and postpartum care.

Infant medical care

- *Incidence estimate:* Developed by combining information from a variety of published studies and government reports.
- *Per-incident cost estimate*: Taken from a study on the cost-effectiveness of expanding access to Medicaid family-planning services.

Our estimates of public spending on unintended pregnancies do not necessarily reflect the amount that taxpayers would save by preventing those pregnancies from occurring. After all, some of those prevented pregnancies would simply be delayed until such time as they are no longer unintended, and a portion of those delayed pregnancies would probably be publicly financed when they eventually do occur. Thus, the savings that will accrue to the public sector from preventing the average unintended pregnancy will be less than the cost of financing that pregnancy. This consideration is most likely to be relevant for pregnancies resulting in live births, since it is unlikely that there are many "delayed" abortions or fetal losses. We therefore account for this distinction only when estimating the amount that taxpayers would save on medical-care expenditures for unintended births and for infants after they are born. Specifically, we assume that the prevention of a mistimed birth will simply delay it until a later date, but that the prevention of an unwanted birth will avert it altogether. According to recent tabulations of survey data, 71 percent of births to teenagers that result from unintended pregnancies are mistimed, and the remaining 29 percent are unwanted. For adult women, the corresponding proportions are 54 percent and 46 percent, respectively. We use these data to transform our estimates of taxpayer spending on unintended births into estimates of the amount of pubic savings that would be produced by preventing them.

The bottom portion of Table 1 summarizes the taxpayer-savings estimates. Taxpayers save an average of about $4,800 per prevented unintended pregnancy. As a thought experiment to help us develop a sense of the policy implications of these estimates, we also project the amount that taxpayers would save if all unintended pregnancies were prevented. We estimate that these savings would total $6 billion annually.

Table 1

Estimated Annual Cost of Subsidizing Unintended Pregnancies and Savings from Preventing Them, By Outcome*

	Abortions	Fetal Losses	Births	Infant Medical Care Recipients	All Outcomes
Incidence of Publicly Financed Pregnancy Outcome	168,601	200,169	782,394	884,336	1,253,106
Average Taxpayer Cost per Incident	$615	$1,252	$7,651	$6,508	$9,653
Total Taxpayer Cost	$103 million	$251 million	$6.0 billion	$5.8 billion	$12.1 billion
Average Taxpayer Savings from Preventing a Single Incident	$615	$1,252	$3,665	$3,118	$4,771
Total Taxpayer Savings from Preventing All Incidents	$103 million	$251 million	$2.9 billion	$2.8 billion	$6.0 billion

*Source: Estimates presented in Monea and Thomas (2011). All cost and savings estimates are expressed in $2010.

The finding that the total potential savings from preventing unintended pregnancies is $6 billion per year has important policy implications, especially in an age of fiscal austerity. But how substantial are these savings within the context of the bigger budgetary picture?

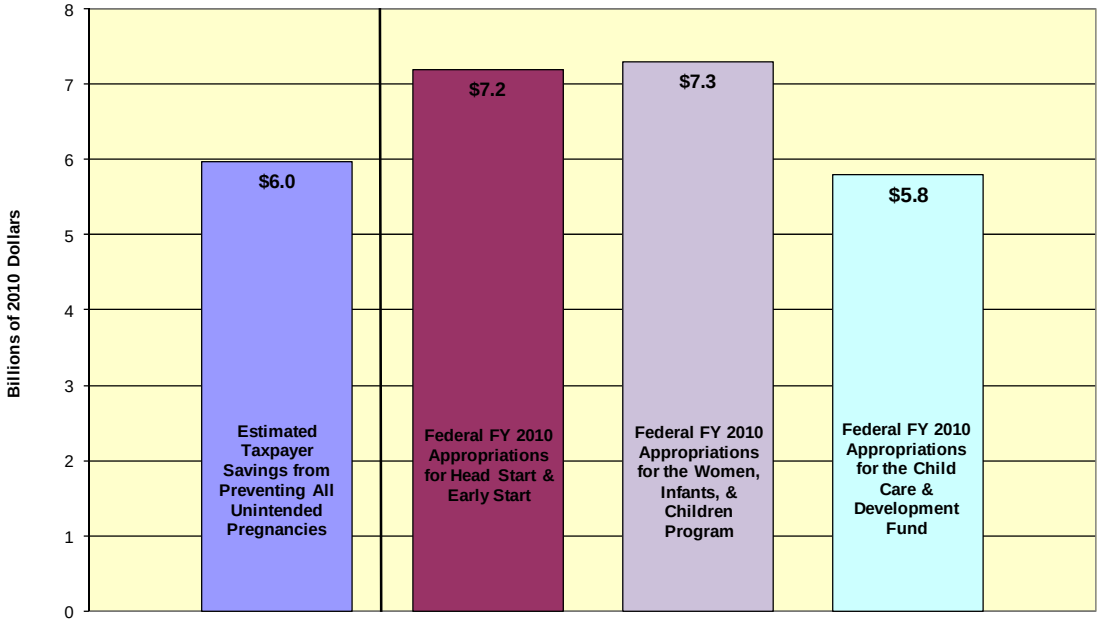
Our Estimates in Context

Figure 1 compares the estimate of annual taxpayer savings that would be produced by preventing all unintended pregnancies with annual federal spending on several prominent programs that serve children. The figure shows that these savings exceed three quarters of the annual amount that the federal government spends on the Women, Infants, and Children program (WIC) or on the combined Head Start and Early Start programs. The savings estimate also corresponds closely to the sum that is spent by the federal government each year on the Child Care and Development Fund (CCDF). Thus, even when the savings estimate includes just taxpayer spending on publicly financed medical care, the amount that could be saved from the elimination of unintended

pregnancy is well within the range of federal expenditures on a number of national children's programs.

Figure 1

Comparison of Estimated Savings From the Prevention of all Unintended Pregnancies With FY 2010 Spending on Various Children's Programs*



Source: Estimates of savings from the prevention of unintended pregnancy taken from Monea and Thomas (2011). Estimates of federal spending on children's programs taken from GPO (2009a and 2009b) and First Focus (2010).

In a longer paper in which we provide additional detail on this research, we conducted a series of sensitivity tests in accord with a variety of alternative assumptions about various components of our analysis. Under the most optimistic of these alternative assumptions, the bottom-line estimate of the taxpayer savings produced by eliminating all unintended pregnancies was about ten percent higher than the estimate reported here; under the most pessimistic of our assumptions, the savings estimate was about fifteen percent lower. Under any of these assumptions, however, the bottom-line implication of our findings is the same: the prevention of unintended pregnancy has the potential to generate substantial taxpayer savings.

Conclusion

Unintended pregnancy has a range of negative consequences—abridged educational careers, labor-market struggles, higher crime rates, more abortions, increased levels of household stress, and other related outcomes—that have nothing to do with public balance sheets and are therefore not incorporated into our analysis. Similarly, due to practical data limitations, we do not account for the likelihood that delaying some mistimed pregnancies will reduce the likelihood that they will require taxpayer support when they eventually occur. Thus, our estimates are inherently conservative.

Even taking our results at face value, however, they indicate that the burden imposed by unintended pregnancies on taxpayers is considerable and that the prevention of such pregnancies would produce substantial public savings. Given the prevailing fiscal winds—with budgets at all levels of government being combed in search of opportunities for potential savings and cuts being made to a variety of benefits and services—the evidence presented here suggests that the enactment of policies to prevent unintended pregnancies is a timely and sensible strategy.

A number of studies have shown that the prevalence of unintended pregnancy can in fact be curbed by policies such as evidence-based teen-pregnancy prevention programs, expansions in subsidized family-planning services, and media campaigns encouraging contraceptive use. While such initiatives would require an upfront investment on the part of taxpayers, research that has been documented in a paper recently published in *The Future of Children* policy journal shows that the savings produced by well-crafted, evidence-based policies would more than offset their initial costs. In light of the substantial public savings and the broader societal benefits that would be generated by reducing unintended pregnancies, such initiatives are smart public policy.

Authors

Adam Thomas is the Research Director of the Brookings Institution's Center on Children and Families and is a Visiting Assistant Professor at the Georgetown Public Policy Institute.

Emily Monea is a Research Analyst for the Center on Children and Families at the Brookings Institution.

Additional Reading

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