

# Effects of Abortion on the Economy

The assertion that, by eliminating a population through abortion, one no longer has to spend money to feed or clothe that population, ignores the fact that one thereby destroys a population that will work. At a loss of over 400,000 persons per year that would have otherwise become members of society, over 40 years total, about 15 million persons have been lost because of abortion's legalization. Hence, approximately 10 million workers have been eliminated by abortion.<sup>1)</sup> Of these 10 million, approximately 5 million would be of age to actively participate in the labor force today. Without legalized abortion, over 5 million additional people would be part of the current labor force. This is a substantial fraction of the present labor force of 150 million workers.

Legalizing abortion causes a loss of between \$70 billion and \$135 billion of economic activity (valued work) each year in the United States.<sup>2)</sup> Suppose an income tax rate of 15 to 25 percent.<sup>3)</sup> Between \$10 billion and \$33 billion is lost presently in annual tax revenue. This is a significantly larger loss than the less than \$2 billion of public funds some estimate abortion "saves."<sup>4)</sup> This cost of abortion legalization does not capture the non-labor costs of legalizing abortion, like the medical costs of rising STD rates.

<sup>1)</sup> This is based on a standard labor participation rate of two-thirds, a rate that is largely valid over the last two decades.

<sup>2)</sup> Assuming an average income of \$14,000 to \$27,000 per aborted worker per year times 5 million lost persons who would be working now gives \$70 billion to \$135 billion per year lost in valued economic activity (work). The median U.S. income per worker is around \$40,000 per year. \$40,000 is 150 percent of \$27,000. See [Abortion: Decrease of US Population and Effect on Society](#) for how this (much) lower value (median worker having income 50 percent higher than aborted worker) for the average aborted worker is obtained.

<sup>3)</sup> In recent history, mandatory FICA taxes have alone been more than 15 percent of wages. A 15- to 25-percent tax rate represents a serious under-estimate of tax revenue from these workers that would otherwise be working now had abortion not been legalized.

For the lower quintiles, Brookings and the Urban Institute put average *household net* tax rate at something below 10 percent up to something around 20 percent in recent history. (Their web resource is available at <http://www.taxpolicycenter.org/taxfacts/displayfact.cfm?Docid=456>.) The rough estimate above can be reconciled with these net historical levels by noting labor participation rates are about 66 percent. (10 percent is 66 percent of 15 percent. 20 percent tax on 66 percent of workers is obviously less than an average tax of 20 percent on households.) This analysis focuses on the worker that would be alive.

Note moreover that net taxes (which for the lower quintiles lately dropped far below their historical rates) also include government transfers in them. See the appendix for how poverty and income distribution affect this tax calculation: The lately-occurring 10 percent average for the lower quintiles may be taken as a reasonable, lower bound for the tax rate that would now be levied on these workers who are not alive. (The appendix quotes that at most a 20 percent shift—a shift down of one quintile class—is what is seen [albeit with great uncertainty] in the poverty classification of these workers.) See the below footnote for how this avoids the analytical issue with trying to deduce "savings" from abortion to federal program expenses.

<sup>4)</sup> Jonathan Gruber, Phillip Levine, and Douglas Staiger, "Abortion Legalization and Child Living Circumstances: Who is the 'Marginal Child?'" *The Quarterly Journal of Economics* 114, no. 1 (1999): 263-291.

This is a bit of an "apples to oranges" comparison—see [Abortion: Decrease of U.S. Population & Effects on Society](#) for a discussion on this study. However, there is a yet more serious issue in deducing such "savings" to poverty programs, as the growth of poverty programs has been so

explosive over the last two to three decades. Over that period, the programs have grown from less than \$200 billion to more than \$650 billion (2010 dollars). (The U.S. population expanded by less than 30 percent over that time.) The programs have expanded far beyond covering poverty-level individuals. (The programs regularly transfer money to those at 200 percent of the poverty threshold.) David Armor and Sonia Sousa, "Restoring a True Safety Net," *National Affairs*, no. 13 (2012): 3-28. The economic loss calculated above is concrete and conservative, based upon an empirically deduced counterfactual (how many would be alive and working now had abortion not been legalized). "Savings" cannot be so estimated, not because the programs of interest show no reasonable fiscal definability over the past decades. Program function may not be based upon a status like "poverty" but on political general equilibrium (wealth transfer) concerns. See David Autor and Mark Duggan, "The Rise in the Disability Roles and the Decline in Unemployment," *Quarterly Journal of Economics* (2003), for proof supporting this other line of reasoning.

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