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Recession prompts some couples to delay having kids



Picture: Irfan Khan / Los Angeles Times

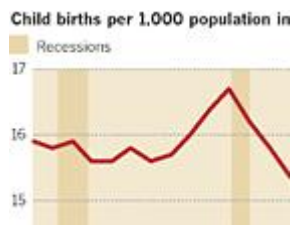
Tyler Sheridan, 6, celebrates winning a board game as parents Phil and Melanie Sheridan look on at their home in Carlsbad, Calif. Phil and Melanie, high school sweethearts who recently celebrated their 10-year anniversary, want to have a second child but decided to postpone doing so after Melanie lost her job.

Birthrates typically decline during economic downturns. Would-be parents struggle with the wisdom of waiting.

By Jessica Guynn
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Reporting from San Francisco -- Kristen Hirsch Montag took her time finding Mr. Right, so she didn't want to wait long to start a family. Yet at 39, Montag says the economy has left her little choice but to let her biological clock keep ticking.

While the couple were planning their October wedding, Montag's husband, Paul, lost the job he had held for seven years selling ads for a magazine because it folded. His unemployment benefits will run out soon, leaving the newlyweds with two mortgages and heavy hearts.



"I definitely cannot think about getting pregnant now," said Montag, a marketing communications manager for a nonprofit organization in St. Paul, Minn. "I hope that a new job and a house sale will change things for us. But I am not too confident about the future right now."

As the financial crisis reverberates through Wall Street, Washington and beyond, it is taking a personal toll on couples who are making the painful decision to postpone starting -- or growing -- their families. Once hopeful about their ability to provide for children, prospective parents are now filled with gnawing doubts as jobs vanish, retirement savings dwindle and housing prices fall -- even as the cost of having and raising a child rises.

Many economists fear that the current recession will become one of the worst since the Great Depression. When that hit in the 1930s, the birthrate dropped precipitously, and the effects of having fewer people in the workforce rippled through the economy two decades later.

"If you can't pay your mortgage, the last thing on your mind is to have another child," said Dr. Khalil Tabsh, chief of obstetrics at UCLA, who expects to start seeing a drop in pregnancies.

Baby booms and busts are reliable, if lagging, economic indicators, intertwined with the rise and fall of the nation's fortunes. For three-quarters of a century, economic downturns have triggered declines in the U.S. fertility rate, which, at about two children per woman, is the highest among rich nations. The fertility rate hit its post-World War II low of 1.7 in 1976, after the oil shortage and a severe recession.

With the country in a recession since December 2007, accompanied by a stock market plunge and growing numbers of people losing their jobs and homes, 8 in 10 Americans say they are anxious about the economy, a recent survey by the American Psychological Assn. showed.

Demographers say it's too early to tell what effect that anxiety will have on the U.S. birthrate, which is already difficult to forecast with so many factors in play, including immigration and birth control. They don't expect the current recession to lower the rate below the so-called replacement level, at which each couple reproduces itself.

But they do say that the rate could drop if the economic slump is deep and protracted. "We'll know in about nine months," said Carl Haub, a demographer for the Population Research Bureau, a private company in Washington. "It depends on how low it goes."

For now at least, childbearing is a family issue, not a national one.

Melanie and Phil Sheridan, both 35, were high school sweethearts who recently celebrated their 10th wedding anniversary. They have a 6-year-old son, Tyler, and Melanie has yearned for a second child for some time. The Sheridans took a step in that direction in March 2007, when they

bought a three-bedroom house in Carlsbad, Calif.

But eight months later, Melanie was laid off from her job as a marketing assistant for a home builder. The economic outlook is gloomy and their household budget is strained, relying on a single income from Phil's job as a project planner with San Diego Gas & Electric Co. So they have decided to hold off on having another child.

"People tell me not to let money stop us from having a baby, that everything works itself out in the end," Melanie said. "That may be true, but right now having another baby feels more like a strain than the blessing it's supposed to be."

Childbearing is taking a back seat to financial discipline for Brandon and Amanda Mendelson, an Albany, N.Y., couple who wed in June planning to soon start a family. But Brandon, a 25-year-old graduate student, and Amanda, a 24-year-old certified math instructor, are barely scraping by as substitute teachers.

Saddled with mounting bills but having no steady source of income, they are giving up their apartment to move in with Amanda's parents 40 minutes away in Glen Falls, N.Y. It's a tight squeeze. Amanda's brother and his wife have already moved back in to the three-bedroom, single-story house where Amanda grew up.

The Mendelsons are keeping their two cats, but they had to give away their two guinea pigs and put their family plans on hold.

"We can't even take care of ourselves," Brandon said. "We're both disappointed and upset about this, as we want to have children while we're young and able to play with them."

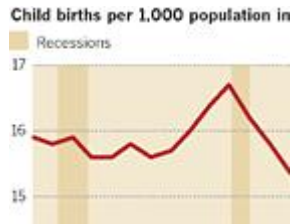
As confidence in the economy wanes, the effect on the national birthrate will take time to show up in maternity wards and government data. Obstetricians have not seen a drop in pregnancies but expect to in the coming months, especially among middle-class families with shrinking incomes.

"From now on, people will think twice before they have kids," UCLA's Tabsh said. "Especially, parents who already have one or two or three kids will probably defer pregnancy until things get better."

Fertility specialists, who charge \$12,000 on average for in-vitro fertilization, have already seen their practices decline. Pacific Reproductive Center, which runs five clinics in Southern California, is offering discounts. "An economic slowdown shouldn't force you to turn down conception," one of its fliers says.

"Even though you may still have your job and the same amount of money coming in, you keep

getting those envelopes in the mail that your retirement plan has 20% less money in it," said Richard Paulson, head of the fertility program at USC. "When you lost \$20,000 last week, it's very hard to say, 'Let's take another \$10,000 out to get some fertility treatments.' "



Family finances

Some couples looking to adopt are putting their plans on hold. Marieke and Rutger Hensel, who emigrated to Buena Park from the Netherlands two years ago, have three young boys but want two more children. A year ago, Marieke, 29, who runs her own Internet marketing firm, and Rutger, 33, who runs his own software business, completed a training course for foster care adoption.

But with corporations pulling back on spending, pinching the bottom line at both of their businesses, the Hensels have decided to wait for their profits to rebound before taking on the expense of more children.

"We know our kids are waiting for us somewhere," Marieke said.

Starting or growing a family often becomes more of a financial decision than an emotional one as parents calculate the sometimes overwhelming costs of healthcare, child care, education and other necessities, said Kathleen Gerson, a sociologist at New York University.

Though birthrates usually decline in a recession, there is a countervailing theory popular with some economists: Births may swell. Some women who lose their jobs may decide it's an opportune time to raise a child, said Gary Becker, a University of Chicago economist and sociologist.

Some working moms are making the same decision.

Jennifer Gniadecki, 33, a freelance writer in Homewood, Ill., and her husband, Randy, who works in online advertising, are the parents of two young girls and have always been careful with money. So they don't plan to defer their dream of having more children.

"Making a judgment about having a child based on the economy today is like selling all of your

stocks when they are low," Gniadecki said. "It's very shortsighted."

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