



Book Review: Valuing Children: Rethinking the Economics of the Family by Nancy Folbre

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Book Review: *Valuing Children: Rethinking the Economics of the Family*

Amanda Keyes

The economic benefit of children to our society and the value that we should place on families underlie the theory provided by Nancy Folbre in her book, *Valuing Children: Rethinking the Economics of the Family* (2008). Dr. Folbre is a professor of economics at the University of Massachusetts. Her book discusses child rearing and family economics in the United States in the early part of the 21st century. She recognizes that current economic theory has not provided a framework which integrates children.

Using Institutional Theory, the author explains the allocations given to children, and how these allocations are manifested, legitimized, and proscribed by the government. Institutional theory suggests “that individual decisions are constrained and coordinated by contractual arrangements that channel the flow of resources between parents and children, men and women, parents and nonparents” (Folbre, 2008, p. 3). This ideological perspective allowed Folbre to highlight the public’s conflicting views on the distribution of resources, focusing primarily on age, class, and culture. In our present economic system, parents are responsible for the bulk of expenditures related to child-rearing. This book illustrates how raising children affects a family’s standard of living, creating scarcity of time, energy, and money. Additionally, it highlights how tax payers and employers are reaping long-term benefits from the extra resources parents supply to their children.

The author divides her book into three sections encompassing 11 chapters and 235 pages. The first section, “Conceptualizing the Costs of Children,” describes current economic theory, which does not consider that what is inside the “household box” makes an important contribution to market production. To change the current paradigm, there needs to be an understanding that

social reproduction is an important component of the market economy. A question to consider in integrating people into the market economy focuses on how the economy is affected by a monetary increase or decrease placed on future generations by the government.

The second section focuses on “Private Spending on Children,” which expands the definition of child-rearing to include the idea that production should be considered as part of the market economy. Folbre argues that customary conclusions drawn when a comparison is made between the living standards of individuals with and without children are inadequately defined. To support this view, Folbre focuses on research completed on family budgets, family time, and family work, as well as the effect children outside the parental home have on their parents and on humanity. A redefined view of the standard of living is needed. The new definition should provide a holistic view of living standards, one that would include non-market work, such as child-rearing, as critical to the overall well-being of our society.

In the final section, she considers “Public Spending on Children.” Outlining government programs provided to parents, such as the Earned Income Tax Credit (EITC), the Child Credit, TANF, the Dependent Child Care Credit, and federal assistance for higher education. Folbre feels that funding provided to children in the United States is far more prevalent than what is typically recognized. She illustrates this by comparing the benefits of families in the United States vs. families in Sweden, and shows the tax benefits are higher in the United States (Folbre, 2008, p. 159). She expands her argument by focusing on how race, ethnicity, and age determine public spending distribution. Presently, the government spends more on the elderly population than on children, specifically African American and His-

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panic children. Folbre concludes by emphasizing the importance of developing a more satisfactory method of comparing net benefits of the elderly population to families with children. She believes that such a comparison would result in a more equitable distribution of wealth. Folbre has dedicated her career to understanding how caring for others, whether subsidized or unsubsidized, impacts the market. She develops her views from a feminist perspective and believes that by underestimating the costs and benefits of women and children the public will continue to perpetuate the patriarchal paradigm. Her understanding has been molded by behavioral economics. "Behavioral economics is the study of how people make decisions" (Rubinson, 2010, p. 114). It is a heuristic approach which includes the social, emotional, and cognitive abilities of consumers making market decisions.

In writing this book, she advances the consideration of behavioral economics as an important component to mainstream economics. Unlike traditional market economics, "behavioral economics is a school of thought distinguished by the fact that it is much less narrow, rigid, intolerant, mechanical, separate, and individualistic than market economics" (Tomer, 2007, p. 478). In focusing on caring for children, she incorporates the social, emotional, and cognitive factors of behavioral economics in making economic decisions. This is done by recommending that public spending on children be considered due to the importance of social investment, intergenerational reciprocity, and moral obligation.

In looking at the evidence that Folbre presents to support her argument for ideological change she provides several noteworthy discussion points. The first focuses on why society should care about providing resources to children. Traditionally, raising a child has been seen as a future investment for a parent. However, Folbre believes that this model provides an incomplete picture and does not take into account the social ramifications children have on our future. Se-

cond, she considers how much money and time parents devote to raising their children. She provides a new framework for looking at the conventional model of market economics, one that focuses on non-market activities, such as the flow of money and time within households. Additionally, the book critically examines how the poverty line and current equivalence scales downplay the significance of children on a family's finances.

The third question that Folbre provides evidence for is, "How much money do taxpayers spend on children?" She does this by focusing on tax policies, educational benefits, and health care provided to children. The evidence is supported by statistics and research that indicates that public policies in the United States have been ineffective in providing equality among all of our children. The final question the book asks is, "Who should pay for the kids?" This is elaborated on by offering examples of how government investments in children can provide future economic benefits for the whole society as well as providing reasoning for the importance of developing a system that includes the "human capital sector."

Although Folbre provides a thought-provoking argument for including children as part of the economic structure, the current capitalistic society has not found a way to introduce this. Presently, children are seen as units of consumption. Therefore, adults have the choice in whether or not they want to "consume a child," or allocate their resources on other items of consumption. This philosophy has no room to view children as future producers that will help to stimulate the growth of the economy. This book addresses these concerns and provides counter evidence supporting her idea that we should change how children are viewed economically.

Additionally, she addresses the significance of changing the predominant values of the democratic welfare state in accomplishing this goal. The current ideological belief is that children should not be factored into economics. Market econom-

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ics is the driving force in the United States, and the market economy does not include the importance of social, emotional, and cognitive factors. Folbre sees this view as short-sighted, a failure to consider the future growth and expansion of our country. Her most succinct iteration of this idea comes early in her book: “We should all help pay for the kids because as they grow up, we grow old. We care for them partly out of the hope that they will care for us, whether for love or money or both” (Folbre, 2008, p. 7).

With the emergence of morality politics in recent years, the best argument might be to focus on how, as a country, it is our moral obligation to provide children with equal opportunities, thereby providing their families with the tools necessary to make the children productive members of our society. As a nation our focus has been increasingly on morality politics, such as abortion, advanced care directives, and health care. How, then, has society avoided the most foundational argument of all humankind -- the future of humankind, our children?

This reviewer is a social worker whose area of study is the welfare of children, and I ask what is more important than making sure families are given provisions to help their children become productive members of society? Folbre’s book provides the reader with a simple, straight-forward explanation of the problem, and she offers solutions that would be beneficial for study by all who are interested in advancing their knowledge on how children should be incorporated into the economy. Additionally, Folbre provides a framework that allows social workers to continue stressing the importance of valuing children in society.

The past decade has seen a movement towards research outside the traditional realm of economics. This is evidenced by current research that has been completed by The National Bureau of Economic Research (Helliwell & Barrington-Leigh, 2010; Herbst, 2010; Gordon, Kaestner & Korenman, 2008). Folbre’s book expounds upon this movement by focusing on how children should

impact economics. It also provides a comprehensive overview of how rethinking the economics of children could benefit society in a way that has not been traditionally accepted.

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<i>Ethics</i>	<i>Team</i>	<i>Benefits</i>	<i>Diversity</i>	<i>Communication</i>	<i>Employee Engagement</i>
<i>Fairness</i>	<i>Quality</i>	<i>Physical Environment</i>		<i>Information System</i>	<i>Job Satisfaction</i>
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