

# FAITH MATTERS

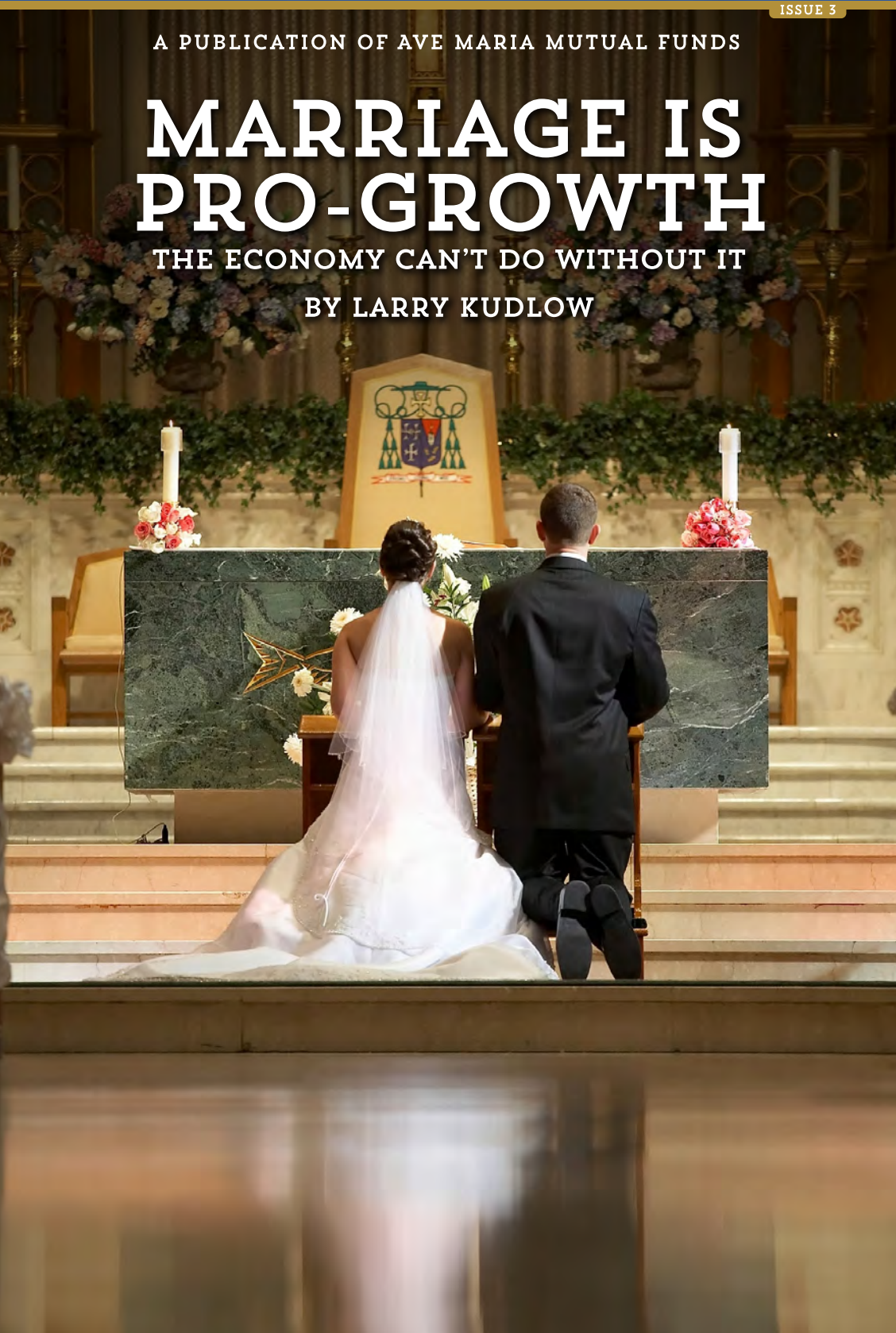
ISSUE 3

A PUBLICATION OF AVE MARIA MUTUAL FUNDS

## MARRIAGE IS PRO-GROWTH

THE ECONOMY CAN'T DO WITHOUT IT

BY LARRY KUDLOW



The greatest economic challenge of our time is how to restore economic growth. Over the past dozen years, average real growth has slowed to 1.8 percent annually, under both Republican and Democratic presidents and congresses. It's a bipartisan problem.

And it's a new one. For the past 50 years or so, the American economy grew at just less than 3.5 percent per year. But we're now experiencing one of the longest slow-growth periods in the past 100 years. Excluding the Great Depression, I bet it is the longest slow-growth period in a century.

There are any number of fiscal and monetary prescriptions for restoring economic growth. As a Reagan supply-sider, I would recommend lower marginal tax rates, lighter regulations, limited government, and a sound dollar.

But I want to add this to the list: marriage. I have come to believe that marriage is a key element of a stronger economy.

At a dinner sponsored by the Calvin Coolidge Memorial Foundation a couple of weeks ago I gave a talk on the economic importance of marriage. Columnist Cal Thomas was nice enough to write about my talk. And many others have written about this topic. But before I jump into the statistics — which are overwhelmingly in favor of marriage as a means of improving incomes, wealth, and economic growth — let me try a thought experiment.

I worry that we are creating a permanent underclass of poverty. Broken homes and children that have only one parent are at the root of this poverty trap. And when I think of young people from broken families, barely existing economically, this is what I find myself telling them:

Please go to school. Do what it takes to finish high school, be it a trade school, or a tech-related school, and then maybe a community college. You will learn things — how to fix things. And you'll open the door to a pretty good living.





Then get a job. And stay with the job for several years, perhaps climbing the ladder along the way.

And then get married. But don't jump into bed immediately. As my wife puts it, "Do some research."

Then stay married for several years. Learn the sacrifices and responsibilities and compromises — and the happiness.

And only then, have a kid.

There's nothing original about this thinking. I call it Kudlow 101. The trouble is, in our society, we are doing this backwards. People don't finish school. Don't take a job. Don't get married. But do have kids. Wrong order. Wrong formula.

Now some statistics.

Naomi Schaefer Riley writes that "children of married parents are more likely to graduate high school, less likely to go to jail, and more likely to delay sexual activity. And of course, children of unmarried parents are more than five times as likely to live in poverty."

Economic writer Robert Samuelson notes that single-parent families have exploded, that more than 40 percent of births now go to the unwed, and that the flight from marriage "may have subtracted from happiness."

Citing a study from Isabel Sawhill, he notes that some unwed mothers "will have multiple partners and subject their children 'to a degree of relationship chaos and instability that is hard to grasp.'"

Heritage Foundation economist Stephen Moore writes "that marriage with a devoted husband and wife in the home is a far better social program than food stamps, Medicaid, public housing, or even all of the combined." Moore points to a Heritage study showing how welfare households

are much more likely to have no one working at all, with social assistance becoming a substitute for work.

A recent report from the American Enterprise Institute and the Institute for Family Studies,

---

**MARRIAGE WITH  
A DEVOTED  
HUSBAND AND  
WIFE IN THE  
HOME IS A FAR  
BETTER SOCIAL  
PROGRAM THAN  
FOOD STAMPS,  
MEDICAID,  
PUBLIC  
HOUSING, OR  
EVEN ALL OF  
THE COMBINED**

---





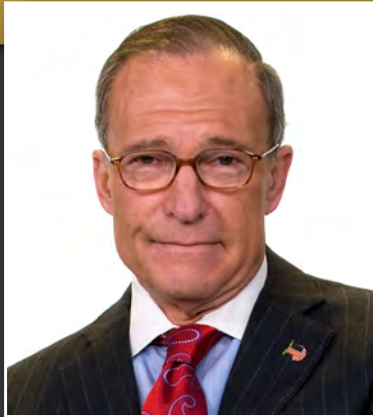
authored by W. Bradford Wilcox and Robert Lerman, reveals that married men have higher average incomes, seem to be more productive at work, and work more and earn more. Wilcox and Lerman write that 51 percent of the 1980-2000 decline in male employment is due to the drop in marriage rates, and is highest among unmarried men. They find that “differing employment rates among married and unmarried men aren’t simply due to education levels or race either.”

They conclude: “Promoting the importance of marriage, looking for

ways to reduce marriage penalties in current means-tested welfare programs, and engaging leaders at every level to find ways to strengthen marriage in their communities, are other critical steps to take to restore a culture of marriage.”

I’ll only add this, as I did at the Coolidge Foundation dinner: While restoring economic growth may be the great challenge of our time, this goal will never be realized until we restore marriage.

In short, marriage is pro-growth. We can’t do without it.



## L A R R Y   K U D L O W

LAWRENCE KUDLOW is CNBC's Senior Contributor. He was previously host of CNBC's primetime "The Kudlow Report". He is also the host of *The Larry Kudlow Show*, which broadcasts each Saturday from 10 a.m. - 1 p.m. on WABC Radio and is syndicated nationally by Cumulus Media. Mr. Kudlow is a nationally syndicated columnist, a contributing editor of National Review magazine, as well as a columnist and economics editor for National Review Online. He is the author of *American Abundance: The New Economic and Moral Prosperity*, published by Forbes in January 1998.

During President Reagan's first term, Mr. Kudlow was the associate director for economics and planning, Office of Management and Budget, Executive Office of the President, where he was engaged in the development of the administration's economic and budget policy. Mr. Kudlow is CEO of Kudlow & Co., LLC, an economic research firm. He was formerly chief economist and senior managing director of Bear Stearns & Company. Mr. Kudlow was educated at the University of Rochester and Princeton University's Woodrow Wilson School of Public and International Affairs.

Lawrence Kudlow is a member of the Ave Maria Mutual Fund's Catholic Advisory Board. Each member of the Catholic Advisory Board has served on Catholic boards, committees, foundations and other Catholic organizations. They have all met with and discussed matters of Catholic dogma with the hierarchy of the Roman Catholic Church, including bishops and archbishops. All of them are familiar with the magisterium of the Roman Catholic Church. The Catholic Advisory Board sets the criteria for screening out companies based on religious principles. The companies considered for investment in the Funds are screened using publicly available information as well as information from the Adviser, shareholders and other sources. The Catholic Advisory Board members may seek the advice and counsel of Catholic clergy in determining if companies meet the Funds' religious criteria. Catholic Advisory Board members are compensated by the Ave Maria Funds for their service.

Schwartz Investment Counsel, Inc., a registered investment adviser established in 1980, serves as investment adviser for Ave Maria Mutual Funds and invests only in securities that meet the Funds' investment and religious requirements. The returns may be lower or higher than if decisions were based solely on investment considerations. The Funds' method of security selection may or may not be successful and the Funds may underperform or outperform the stock market as a whole. All mutual funds are subject to market risk, including possible loss of principal.

**Request a prospectus, which includes investment objectives, risks, fees, expenses and other information that you should read and consider carefully before investing. The prospectus can be obtained by calling 1-866-283-6274 or it can be viewed at [www.avemariafunds.com](http://www.avemariafunds.com).**