



**AMERICAN ENTERPRISE INSTITUTE**

**STRONG FAMILIES, PROSPEROUS STATES:  
DO HEALTHY FAMILIES AFFECT THE  
WEALTH OF STATES?**

**KEYNOTE ADDRESS:  
“FAMILY: THE NAME FOR WHAT WE CHOOSE TO DO  
TOGETHER”**

**BEN SASSE, UNITED STATES SENATOR (R-NE)**

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ROBERT DOAR: Good morning, everyone, and welcome to AEI. My name is Robert Doar and I'm the Morgridge Fellow in Poverty Studies at the American Enterprise Institute.

We here in poverty studies at AEI have spent the past two years supporting and producing important new work on the various issues concerning struggling Americans and how we, as a nation, can foster greater opportunity, less poverty, and more upward mobility.

Today's program, "Strong Families, Prosperous States: Do Healthy Families Affect the Wealth of States," is another in a series of programs we have hosted on this broad topic. I learned firsthand in my prior roles as commissioner of social services in New York State and New York City that family structure plays a large role in poverty. We are grateful to Brad Wilcox, Joseph Price and Rob Lerman for bringing forward this important research on the extent to which stronger, more stable, married families contribute to stronger economies and more prosperous states.

We are also grateful to have a very special guest as our keynote speak to start off today. There may be some cynicism about Congress these days, but there can be no cynicism about the junior senator from Nebraska.

Senator Sasse is one of the most exciting new senators to come along in a long time. Prior to coming to the Senate with his election in 2014, he spent five years as president of Midland College. He has worked with the Boston Consulting Group and McKinsey. He graduated from Harvard and has a Ph.D. in American history from Yale, making him one of those rare individuals who has, as President Kennedy once said, the best of both world: a Harvard education and a Yale degree. Senator Sasse. (Applause.)

SENATOR BEN SASSE (R-NE): I'm embarrassed to say I don't know that joke. I've never heard that before. Where I'm from, you just admit that the reason you go to Harvard or Yale is because you're not good enough to play football for the Huskers. So if you want to keep playing sports, you've got to somewhere where the sports are kind of crappy.

So thanks for having me. I'm here – I'm honored to be able to be invited to kick this off. Really, I'm here more as a student than anything else. I have to admit that I do have to sneak out after this to go learn about GMOs, but I have people on my team who are going to stay and live text the whole event to me.

So when you look at this list of people, I'm here much more as a – I'm pointing to the panelists that are going to be here today – I'm here much more as a student than anything else because I'm a student of many of these folks, and I'm going to continue to learn for the next three hours from the things that you're going to talk about.

But it feels like you can't start an event like this without coming up with a way to make a joke about your family somehow – you know, prosperity and the costs of your own children.

I don't have any great joke that links to the prosperity element of today's topic, but I will admit, somebody that's near and dear to many of you in this room and to Mona in particular, Jay Nordlinger's new book about the families of dictators, if you haven't read this yet, you need to read it. It's called "Children of Monsters."

And we at our house do something very odd. I think we're the only family in the U.S. Senate who tries to commute as a family. So I have a 14-year-old daughter, an 11-year-old daughter, and a four-year-old son. And I take somebody with me every week. I'm new to this. I've never done it before, and I don't want them to be raised in Washington, D.C., no disrespect to all of you who figured out a way to get your kids' character here. I just don't know where you would walk beans and de-tassel corn. Where I'm from, the only way to be certain that your kids are going to grow up right is if you push them out into the fields at 5:00 a.m. in the morning, so they need to grow up in Nebraska.

But I also don't want to be away from them Monday to Friday every week. So I take some subset of them with me every week. And they mostly like it. They probably 60/40 prefer to be in Nebraska so whoever gets the short straw, being dad's date for the week, when it's Sunday afternoon and you realize who's going to get on the plane Monday morning, there's a little bit of lamentation about what they're going to miss at home, but they like a lot of what they get in D.C. as well. But some of what they like is figuring out the way to be faux sophisticated.

And so, the other day, we're at a book party for Jay Nordlinger's new book. And my 11-year-old walks out with the book and starts reading it. And it's a fascinating topic, what happens to the families of dictators over time. The sort of spoiler alert, it's bad. (Laughter.)

You don't – you don't want to be a descendant of a dictator. There's a chance – like the highest thing you can aspire to is that you become the next dictator, and that's not really a great life aspiration. But pretty much you're going to end up in a battle with your siblings, trying to kill each other because there are going to be so many promiscuous children that are all threats to one another.

Anyway, my daughter is sitting there the other day, reading "Children of Monsters," and somebody walks by and sees her reading it and thinks, well, isn't that nice, that 11-year-old little girl is sitting there reading that book. And my daughter completely deadpan, doesn't look up from the book, and just says, it's my autobiography. So anyway. (Laughter.)

Our topic is not families in the abstract today, which is a really central and important topic to all of us as humans. But it is – our topic is the link to prosperous societies. And so I'm not going to try to do anything quant serious today because you're going to hear from people who are expert at this, and I'm a big student and fan of Brad, so I'm not going to pretend I could go toe to toe or stand on a plane with any of you on that.

But since I very intentionally sit in Daniel Patrick Moynihan's desk, I thought I'd at least look at one bit of historical data and update it, and then I'd like to make two historical observations about the American idea, because what's happening now is a genuine tragedy, not just for the individuals involved.

We know that market forces and families are the two most important institutions in human history for lifting people out of poverty. So there's a lot of human tragedy in the numbers that you're going to unpack in some detail today. But there's also a tragedy for the American idea.

So I want to just give you one hard piece of data, update it, and then talk a little bit about what America has always meant and why this should be regarded as an existential crisis for our country – what's happening to our families.

The historical quantitative point is, in 1965 when Moynihan delivered his address on what was then the conversation of the black family, he was saying that we have a crisis that is going to erupt on us because 25 percent – it was about 25 percent – of African-American children in the U.S. were being born in single-parent homes – 25 percent. That was at a moment when societally only 7 percent of kids were being born out of wedlock, 1965.

Today, this isn't a racial crisis. This is an everyone crisis. The numbers overall are right about 40 percent of children today being born out of wedlock, so the disparity was 7 percent overall and 25 percent in black families in 1965. Today it's 40 percent overall, but the real story is much more urgent than that because when you disaggregate by the age of mom, what's happening is a cliff that's much more substantial than even 40 percent, though 40 percent in the 1960s would have caused everybody across the political spectrum to wonder if this republic could long endure.

When you disaggregate by the age of mom, about 60 percent of children being born to women under age 30 right now are being born out of wedlock. And when you disaggregate not just by the number of children, because obviously people in stable environments are more likely to have children than people who are in unstable environments – when you disaggregate by women as opposed to number of children born, it is almost two-thirds of all women under age 30 who are mothers, have had a baby out of wedlock. So I think the hard stat from the Johns Hopkins research is about 64 percent of moms under age 30 have had at least one or all of their children out of wedlock.

That begs lots of questions about what's happening at the level of cultural transmission. It also is an imperative to everybody who cares about this issue to get really sincere at thinking about the rhetoric we use when we talk about these issues because we're talking to a society that whether they affirm or disagree with the ideas we're going to talk about, experientially two-thirds of the young parents in this country or the young mothers in this country have had a kid out of wedlock.

And so we need to make sure we can make this case in a way that sounds Arthur Brooksonian, if you will. It is an imperative that the conservative heart guide the way we speak about this issue.

But when I call it a tragedy, I really do think we need to unbundle the tragedy for the individuals and the tragedy for the American idea. And why do I call it a tragedy for the American idea?

I think it's useful when you go back to this question that's going to orient you for most of today, the link between strong and stable families and a prosperous society, it's useful to recognize that at a place like AEI and in many other places across the think tank and intelligentsia of movements that many of us are a part of and these movements are overlapping, we often find these tensions between different sides of conservatism or different kinds of movements that we care about.

And I think back to some things that Robert George wrote in the weeks after the 2012 election. And he said there needs to be a ceasefire in the two sides of social conservatism and economic conservatism in recognizing that there's a symbiotic codependence here because common principles lead to both movements and common enemies or, in some cases, singular enemies are attacking both movements.

Paul Ryan, who may well be or we may well be blessed to have as the next speaker of the House, has said some very similar things about even if you're only personally committed to one of these two movements, you need to recognize the means and ends dependencies among them.

If you're a libertarian who thinks you're disinterested in family, where do you think the human capital is going to come from to support the businesses enterprises that you're interested in? Or, conversely, if you're a social conservative and you believe that we need a full flowering of mediating institutions to enable the transmission of the social beliefs that you have, where do you think the material sustenance is going to come from for this broad ecosystem of mediating institutions?

These two movements are linked, but they're not just linked because of common principle. They're linked because of focused enemies who don't believe in the idea of limited government right now.

And so the historian in me – and I'm supposed to spend nearly half of our time in question and answer, so I'm going to pull up at this – but the historian in me has to say

we have to look back to the American founding and fully recognize that the American Revolution was an anti-statist revolution and the American founding was very self-consciously a part of an anti-statist movement and moment.

Limited government is not an end in itself. Limited government is a way to constrain the things that could displace those institutions and those transmission opportunities that define what is fully meaningful in human life and leads to a prosperous and vital and virtuous society.

Madison famously said that if men were angels, we would have no need of government. And if governors were angels, we would have no need of separation of powers and limits on government.

At the same – in the same regard though, I think it's important, whether you come from the more libertarian end of economic conservatism or if you're more of a Burkean, like I am, it's important to recognize that we are all united by a shared goal that's Tocquevillian.

Fundamentally, the meaning of the American founding and the meaning of the American Revolution was about this: most civilizations throughout most of human history have claimed that government is the author of your rights and the king is the guy who's truly free. If you have the monopoly on violence, you're free to do whatever you want and everyone else is a dependent subject. You want to found a company, you want to start a not for profit, you want to do any of these things, you need a charter from the government because the passive assumption in most civilizations historically has been prohibition and permission needs to be granted by government.

And we believe something quite different. And by “we,” I mean much broader than just the two prongs of a conservative movement here. I mean, we, Americans have believed that the meaning of America centers on the idea that God gives us rights via nature and government is our shared project to secure those rights. Government is a thing. Government is a tool that enables us to be sure that our natural rights are protected and preserved. We need government as a framework for ordered liberty.

And so my comments are named a tiny bit tongue-in-cheek, family is the word we give to those things we choose to do together. President Obama never – we haven't been able to find where he ever precisely said government is just the name for those things we choose to do together, but Barney Frank has been saying it for a really long time.

And when the DNC has celebrated – not meaning to sound quite this partisan at this moment – but the DNC, when they've celebrated President Obama in videos, in election moments, regularly roll out that Barney Frank quote and put over lots of President Obama's “achievements” – I put that a little bit in scare quote – lots of these achievements, government is just the word for those things we choose to do together.

That has never been the American conception. Voluntarism is the definition of America because it gets at our wills and our souls. And the things that fully make us human are those things that we choose to do together because of loves, because of affections.

And so Aristotle's definition of a friend, a friend is someone that's a part of my expansive self. I care about my wife's sufferings as if they are my own. My kids, when they experience joy, that is my own joy.

And so, to end on a bit of a higher note, one of the greatest things President Obama has ever said when he celebrated what he defined as his most important office, his most important roles is as father to Sasha and Malia. He said we have to as a society recover the sense that what makes you a man is not your ability to impregnate somebody. What makes you a man is the willingness to have the courage to share in the raising of that child.

And that is a true Aristotelian – I would say Madisonian, Tocquevillian conception of what it is to be fully human, which is the voluntarist aspects of those things that we choose to do make us fully human. And we have a crisis in America when we can't distinguish between the meaning of America, which is so much broader than the compulsory powers of the state.

And I believe that the two parts of this movement must be united in protecting and preserving that entire eco-sphere of all these voluntary institutions. And one of the most important things we can, therefore, do is protect things like the not-for-profit institutions that create this full flowering of humanity where we come together in collective action but in voluntary action.

We are neither isolated individuals, nor are we people who are fully defined by the compulsory powers of the state. We are people because of the things we choose to do together. And that starts with and emanates from family.

So thanks for having me. What can we talk about? (Applause.)

MR. DOAR: The senator is going to take some questions. So if you'd raise your hand and wait for the mic. There's one.

Q: Not to put you on the spot, but what can government do to maybe help with this family crisis?

SEN. SASSE: Yeah. So I'll be honest, I am policy cautious. I don't know if that's the right term, but I'm new to this. I have never been a politician before. And I ran more than anything else because I think we have a crisis in being able to articulate a shared consensus of what America means. And so the great challenge we face in the decline of the family is that why it's a tragedy is because the state will rush in and fill these vacuums.

When I say common enemies to the family and to a market economy, in both cases, the assumption is that you need central planners to define all of these things. And so I'm more Burkean than libertarian, but I am very worried about the ability to use state tools to restore things that the state has done a lot to destroy. And so I'm humble and cautious and I think in a limited Q&A time I won't name particular policy levers, but I will say that if we don't have a shared sense of what the unintended consequences can be, when government facilitates dependency, it doesn't solve any problems. And so every time the government acts, even as we act to try to restore some of what the state is harming with regard to families, we need to be sure there's not a second and third-order effect that we're not yet seeing.

I do think, you know, obviously, so Hippocratic oath-type do no harm around marriage penalties is one of the things we have to have a national consensus on. And I really do believe this is a, you know, 80/20, 90/10 issue if we can articulate it clearly. So I don't want to start at policy fights that are 41/59 or 55/45 or 45/55. What we need to have is shared consensus around is first the fact that the state cannot ever comfort you on your death bed. And I think of, you know, to maybe celebrate AEI for one more moment, I think of Charles Murray's great aphorisms about one of the basic purposes of government is to take the difficulty out of things that it's good to take difficulty out of.

And it turns there are a lot of things that you don't precisely want to take the difficulty out of. I mean, you want to in the moment but not in the form of character development you don't. You don't want to be in the corn fields at 5:15 in the morning when you're 13 years old. But when you're 23, 33 and surely 73, you look back and you're really glad you were there. And so I think that government should take the difficulty out of walking home from the restaurant late at night. Government should not try to take the difficulty of my spouse and me having to wrestle with cleaning up our four-year-old's puke at 2:00 in the morning because the reality is that bonds him to us, us to him, and us to one another. And government can't do that, and if it does, it harms us.

Q: Yeah. Where do you think your colleagues especially on the Democratic side stand on the idea of this being a serious problem, forgetting about how you solve it?

SEN. SASSE: I'm dispositionally optimistic but I have no real data to support it. I can't believe that many rooted, grounded, stable people believe that the facilitation of easier transfer payments to flood into all the vacuums that the state is creating won't further exacerbate this problem. I can't understand how stable adults can see the world that way and think wherever there's a problem, if we just throw more money at it, that will inevitably make it better. I think it's pretty obvious that, in many cases, that makes it worse.

Here we can do something that's much more longitudinal than just America. You can go back to 15th, 16th, 17th century England where people knew their fourth cousins and they knew their sixth cousins and they know the differential requirements in terms of regional social insurance in those environments, right? We know that the decline of



extended family and kin networks is really dangerous, and yet, we're accelerating those kinds of trends but we do it by trying to help people in the moment in ways that harm it in the long term. To me that's obvious and many of those folks should believe that, but I do think there is now an institutionalization of entitlement politics that say anything you can talk about, you can think about the Democratic presidential debate the other night, was there a problem that the answer wasn't make more things free?

As a former college president, I'll say, making more of 18 to 22-year-old perpetuation of adolescence with no accountability for the decisions you make, whether you learn while you're there, what you study, that's not the problem. The lack of free is not the real problem in higher education right now, and yet, the rhetoric is such that it's really easy to be for free. And so I think that there is an entitlement mentality that's good politics that's bad policy and I hope not intellectually serious, but I don't have data to support that. Two to go.

Q: So maybe to follow up on that answer and the first question, are there – so there are voluntary institutions like churches, like universities, like schools that for many successful folks brought us to where we are, but those institutions are struggling. Are there kind of innovative voluntary institutions that you saw maybe as a college president or you're seeing at the level you're at now that are – that are promising in terms of building that long-term capital versus addressing short-term problems?

SEN. SASSE: I'm glad that we said before your question that we were going to take two more because there's not a lot to say right now that's positive about civil society mediating institutions in America. I think one of the most basic things that's happening is we are hollowing out so many of these sectors. When we say for profit – when we say “private sector,” people hear “Koch Brothers,” right? They hear things that have been turned into demonization terms, and what people need to hear and what we need to educate them on is America has always been about the private sector but private sector is that broad litany of Tocquevillian institutions. When Alexi de Tocqueville comes here and tries to make sense of America in the 1830s because, you know, we finally win the revolution in the minds of Brits after the sequel. The War of 1812 is the sort of playing out of the rest of a revolution, they felt these crazy people living on the frontiers of the earth never fully won 25 years before, and by 1830 we have the market revolution and the canal revolution so many aspects of market and transportation revolutions coming into being.

And so where did Toqueville go to make sense of America? He goes to Washington, D.C., because if you're successful, you must have the best bureaucrats. And he gets to Washington and he finds that it's a swamp. It's, you know, it's uninhabitable most of the year. And so he goes out and tries to find the meaning of America. And there are 25 states at this point. And he goes to 17 or 18 of the 25 and he says, I found the meaning of America and it is the Rotary Club, right? And it is all of these things that are not isolated individualism but are not compulsory institutions. It's voluntary society. And if you tried to say, what is the 2015 incarnation of the Rotary Club, it's much easier to think of institutional subsector after subsector that's withering right now and it's the

reasons that our national conversation is so – sounds so overly partisan. We sound like such a polarized society. I actually think we're much more disengaged than we are polarized. But we sound that way because every conversation has to be national because these local institutions are withering.

And it's one reason to compliment the really important work that all of you or many of you in this room are spending your lives and callings doing. We need to reinforce that ecosphere, and a lot of that right now needs to be about defending the potential of new social entrepreneurship and that needs to be by defending things like legal status and not-for-profit structure of religious institutions regardless of PC moments that could be at play. We finish there?

MR. DOAR: Last one.

Q: What are your concerns, if you have any, about things that outside forces like student loans that slows down the establishment of new families and if families are able to come together, I mean, it adds an extra stream of like financial concern.

SEN. SASSE: Unpack a little bit more the term of student loans because I wasn't meaning to go hard to education but if you are, tell me more what you mean.

Q: Just like the student loans, higher interest rates. Like I know for myself I'll be paying probably until I'm 30 and 40, to see what – do you have concern about how that will have an effect on establishing families, like buying a house or owning a car or something like that.

SEN. SASSE: So I guess I would put that in the context of the transformation of work and the pace with which people are going to cycle through jobs for the rest of their existences. And I think the real problem we face with so much family formation right now that's a much larger problem than just the post-2008 economic downturn which is what's easy to focus on. The macro-problem we face is that we don't have a shared understanding of the problem of going from large tool economies to an IT knowledge and service economy? Right?

I mean, from the beginning of human history, there have only been four kinds of economics really: hunter gatherers, rural villages around the agrarian communities, industrialization or big tool economies, and whatever we're entering now. We don't know anything about the transition from hunter-gatherers to agrarian civilization because we didn't have alphabets, right? But we know a lot about the disruption of villagers becoming urban city dwellers and having to take factory jobs for the first time, 1870 to 1940 was the one of most disruptive moments in human history. And yet, once you got to the city, it turned out all these 15 to 24-year-old males, which are really scary forces anywhere on earth roaming the countryside, as these 15 to 24-year-old males get to cities, once they get a job turns out they have that job at that firm basically until retirement or death.

What we're entering now is everything people were scared about from 1870 to 1940, except it's forever. Average duration at a firm in the late 1970s was still 26 years. Today, average duration at a firm is three and a half years. We've made lots of progress with 401(k)s to create portability around pension and retirement plans. We couldn't even have a rational debate during the health care reform debates of at least Senators Obama and Clinton had meaningful debate in their primary in 2008 – ironically, Obama wins and we've got Mrs. Clinton's health plan. You know, the best attack ads that should have been running against "Obamacare" were Obama's own words when he was criticizing Hillary Clinton's plans in their primary.

But the reality is pre-existing medical conditions, a big deal for the four million people that have them – we should have lots of human empathy – but let's right-size this problem. It's one and a third percent of the population whereas 25 percent of Americans pass through a period of un-insurance every year. You go through four to six months of structural un-insurance every third year when you change jobs. That problem now taken to human capital, at job retraining is what higher education is going to become about over time. And the real question is will there be a flowering of diverse institutions? Will accreditation cartels be broken down so you can have supply side innovators or will the government come in and say we're going to define free, but we're also going to centrally plan these institutions? That won't work because even today we have this idealized picture of 18 to 22-year-olds at residential liberal arts colleges or universities that have a great football team and Saturday afternoon experience, they're working full time as students, they're studying some liberal arts discipline.

You know how many people fit that profile out of all students in higher ed? Eighteen percent. Eighty-two percent of the students in higher education are a 28-year-old single mom who goes to school part time, works full time, she's on her third discipline and she's at her fourth institution trying to cobble together all of the different credits from different institutions to put together a degree. That's not idyllic but it is reality. And the fact is people are going to go through higher ed institutions for the rest of their life. And we've not had any discussion about what the new Homestead Act looks like. We don't have any theory of what it means to create people and give them the human capital potential to be lifelong learners. And so clearly family formation in the 20 something cohort is going to break down when you're going to have a job for three years and you have no long-term human capital investment plan.

On that happy note, thanks for having me. (Applause.)

(END)