

**Episode 2,369: The No-Babies Problem Is Destroying the World**

**Guest: Kevin Dolan**

**WOODS:** So, Kevin, first of all, welcome back.

**DOLAN:** Great to be here. Thanks, Tom.

**WOODS:** So, we're really talking about a no-babies crisis. That's what's going on, a lack of babies in huge portions of the world.

And I think we've all kind of had a sense that this was a problem, because, of course, we've heard things about Social Security is going to become a problem and Medicare is going to become a problem. There are going to be huge expenses and bills coming due.

But one of the reasons that these programs are not sustainable is not just that there are going to be big bills. It's that they're going to be fewer people to pay the bills. That's really the issue.

So, I realize that the numbers are different in different parts of the world, but try to give us some kind of a sense of the scope of the problem.

Because I think qualitatively, people understand that maybe there's been some kind of demographic shift in terms of births, but they may not know exactly the full scope of what we're looking at here.

**DOLAN:** Yeah. So, we can talk in depth about the economic consequences of this, but just in terms of the raw numbers and the consequence it's going to have on demographics, Korea right now has a 0.78 total fertility rate.

Meaning, that under current conditions, if those conditions were to hold throughout a woman's lifetime, the number of kids she would end up having is 0.78.

**WOODS:** So, less than one child per woman. And the way that cashes out from a generational perspective is that for every 100 living Koreans, there will be six great-grandchildren, which is – I mean, that's not comparable to the smallpox epidemics in the new world. It's not comparable to the Black Death.

It's the most dramatic and drastic population collapse, maybe in human history. And it's going to happen over three generations. That's Korea. Japan is a little bit ahead of them. I think their fertility rate is, like, one point something. It's very, very low.

And so, that means maybe 9 or 10 great-grandchildren. Europe and the US are very similar in terms of their native-born population. They're helped economically – I guess that's debatable. But they're helped in terms of the statistics by migration.

And so, we are all in this situation where – and it's worldwide. In the West it's the most mature and it's the most intense at this moment.

But if you look at the drift of fertility rates across the world, including Africa, including Latin America, including India and Pakistan, all these places that we think of as very, very populous, very, very fertile, all of their TFRs, all of their fertility rates, are dropping like a rock.

To the point that by 2030, the only region of the world that will have positive population growth on Earth is sub-Saharan Africa. And by the end of this century, they will have fallen below replacement fertility as well. So, you can look at it from the cultural and personal perspective.

It's just millions and millions of people who will be deprived of this very fundamental human experience. But from an economic perspective, the consequences are going to be absolutely devastating.

I mean, you look at Detroit. And what essentially happened to Detroit – you could talk about the reasons why everybody abandoned Detroit. That's a broader policy conversation. But ultimately, the way Detroit collapsed was the tax base abandoned it.

The tax base left. And so, you had just tens of thousands of vacant homes that had been abandoned. You had people scattered across this sort of wasteland. And abandoned homes don't keep. They fall apart, and they get mold, and they get stripped for the copper and the aluminum.

And so, even the people who chose to stay, the value of their homes collapsed. Partly because they were surrounded by urban and suburban blight.

But also because all of our homes, and our 401ks and Social Security and Medicare, all of the models that give us the sense of what your home is worth, what your 401k is worth, those are all predicated on reliable economic growth, including population growth.

And I'll stop in just a second, but there's only two ways an economy can grow. You can get more efficient, more productive per worker, or you can get more workers. And currently we're in this situation where productivity per worker is growing, it's sort of leveling off, tapering, stagnating.

But the number of workers is about to drop like a rock. And so, if these circumstances continue, if this demographic collapse transpires, the way it looks like it's going to, you will not be able to count on reliable economic growth anywhere in the Western world.

Which means that the way people invest their money, what the currency does from an inflationary or deflationary perspective, all of these assumptions will be upended. And as far as I can tell and from the people that I've talked to who look at these things, none of that is priced in.

None of that is being accounted for by policy leaders, by investment leaders. Like, no one has taken a serious look at this. And I would say it's the biggest problem of our time, of the next century.

**WOODS:** One thing when you made a presentation in the School of Life group on this that I guess I hadn't realized, was that immigrants into the US have also leveled off in terms of reproduction and fertility.

Because what you've heard for a long time was: *Well, one way that the United States is not as vulnerable as other countries is that it's got all this immigration*. But the immigrants apparently, too, are barely at replacement level.

Even if you set aside the social cohesion problems, if you have a society with a huge, huge number of native-born retirees who have health problems that need to be paid for by people who feel absolutely no fellow feeling with them, that is a major, major problem.

But even if you put that aside, is it the case that the US, even with immigration, is barely hobbling along?

**DOLAN:** Absolutely. So, the US, I think, is at 1.6, 1.7 TFR, which is not replacement, that's a declining population.

**WOODS:** Now, is replacement 2.1?

**DOLAN:** 2.1 is replacement. And it's not only declining in terms of absolute numbers, it's declining in terms of, its aging. And as a population ages, it's not just that there are more dependents, it's that the dependents per person become more costly, massive, massive health care expenses and living expenses.

And so, what will transpire by the end of this century is that for every working age family, every working age couple trying to raise kids and iterate and build, there are going to be four adult dependents.

Which, currently, the ratio is inverted. For every working age family, there's one adult dependent in the system. And so, it's not a problem that, like: *Oh, the population will get smaller*.

Like, a lot of people compare this to wildlife populations and say: *Well, you know, the population crashes and then it sort of rebuilds*. It's like, there's probably some point at which it equilibrates, but we have no idea where that is.

Because the harder it gets to have children, and the more that burden falls on a smaller cohort, the harder it will be for that smaller cohort to sort of clear the economic hurdles that are required to start a family.

So, this thing is on a positive feedback loop. It's getting worse as it gets worse. And yeah, to directly address the immigration question, it's like, Mexico is below replacement fertility. Guatemala is just at replacement fertility and dropping like a rock.

All of Latin America by 2030 will be below replacement fertility. And immigrants inside the US, their fertility rate is 2.0, so almost at sustainable levels but not at replacement.

And so, I've said: *The problem with socialism is you just run out of other people's money. The problem with this is you run out of other people's kids*.

That's sort of the policy Band-Aid that every sort of polite right-thinking Western government has proposed. Like: *Well, we'll just bring in new people*.

And it's like, even if you stipulate that you don't care about the Americans who live here and you don't value them any differently than you value anybody else – which, that's not my perspective. But even if that's the case, that will not solve this economic problem.

**WOODS:** You were mentioning before that this is basically the challenge facing us right now and that it's not getting nearly the attention it should. Now, there are some high-profile people, a handful, who have tried to call attention to it, but they are the exception rather than the rule. There's very, very little of this.

So, how long would you say we have before – obviously, it's not going to be, we wake up one day and there's a crisis. It happens gradually, but what should we be looking for in terms of indicators that the real, let's say, demographic apocalypse is upon us?

**DOLAN:** So, I think you're right that it will be a slide over the course of a generation, but to some extent it's already baked into the cake.

Like, one of the beauties of demographic research, and one of the things that makes it really valuable, is that you can absolutely determine how many 20-year-olds there will be in 20 years, because we've got the newborns and they're not making any more of them.

Like, the number of five-year-olds is the number of five-year-olds. And they will grow up to be 15-year-olds and 25-year-olds. And so, to some extent, the fact that a tiny fraction of Koreans in 20 years will have to sustain a massive fraction of retiring Koreans at age 70, that's baked in.

There's nothing we can do about that. Essentially, all that can be done is to reverse course as quickly as possible. And what you're going to see, essentially, as populations decline, is what you see in – there's not a whole lot of things that Japan and Detroit have in common.

But one thing they have in common are these essentially ghost towns, and abandonment of the elderly in sort of warehoused nursing homes. In Japan, you see, like, these villages where it's like, the shopkeepers are all, like, 65 plus.

And the whole community, obviously, is sustained to some extent by sort of social insurance, by entitlement programs.

But you've got people right on the edge of retirement running the town essentially for this population of, like, 85- 95-year-old rich retirees who are just impossibly lonely and increasingly poor, running out of money.

It's becoming increasingly impossible to take care of them the way that they would ideally be taken care of. And I think ultimately, it's more like this sort of emotional and spiritual crisis.

Or, at least what I would say is in Japan, the emotional and spiritual crisis is isolated because they're actually doing a fairly decent job of managing the economic consequences up to this point.

I'm skeptical that that will happen in Europe or the United States. Because it's a much more homogeneous society. It's a much more sort of culturally cohesive and orderly society, and highly automated, rich per capita. And it just has a lot of advantages that we do not have here.

And so, those are the kinds of things that we're going to be looking for. Also, infrastructure failure, like we saw in Detroit with the water in Flint, Michigan. A lot of that is just the fact that the number of people to maintain the machines – and I don't mean water treatment experts necessarily, although that's part of it.

I mean the tax base, the young working population that pays the bills for the infrastructure. As that dwindled, there just wasn't the budget to maintain. Because you're pumping water, you're pumping sewer, you're pumping electricity through this city that used to be enormous.

And you're pumping it to, like, one guy on this street and one family on that street, and it stops making economic sense. And so, the value of those properties collapses. People's retirement – the majority of middle-class families, they have, like, 70% of their net worth in their homes.

And as those values collapse, it's sort of not a simple thing to be middle-aged or elderly and to have to leave your home and to have that home be worth nothing, essentially. To be wiped out, especially as people increasingly have these homes on long mortgages with high interest rates.

So, essentially you're looking at a really serious economic problem where probably Gen X is going to be the first that gets hit with this, where Social Security becomes insolvent, reliable economic growth is collapsed.

Meaning that home values and a lot of states will also have collapsed, 401ks will have fallen quite a lot.

And it's like, what do you do at that point? It's not obvious there's a ton you can do. It's just people becoming dramatically poorer in our lifetime.

And so, the intervention has to take place now. Like, there's not really a way to put a trampoline under this thing to save it. Like, you have to fix it at the top. You have to not jump off that cliff.

**WOODS:**  Well, you kind of hinted at part of what's going on, but what is your best guess as to why this happened? What is the cause of this?

Given that it's something that transcends cultures and political boundaries so it can't have an explanation that's exclusive to one society, what do you make of it? Where do you think it comes from?

**DOLAN:** I can tell you what it's not. It's definitely not people just making an intelligent economic choice to have smaller families. They're not actually having smaller families. Family size among people who have at least one child, pretty much the same since the 1970s. Hasn't changed that much.

So, it's still quite rare for families to have only children. It's a little bit less common to see big families, but ultimately, if you can get people to that first kid, they're going to have probably several. That family will probably be above replacement fertility. They're probably gonna have more than two or at least two.

**WOODS:** So, the issue is people not having children, period.

**DOLAN:** The issue is them not having children, period. It's a massive, massive fraction of people who are not having children at all. And can tell you another thing it's not about. It's not about people making an intelligent, rational choice to not have children either.

It's not people saying: *Oh, it's just not for me*. Some people come around to that after the fact, but actually, since 1990, the number of women who say, *"I don't want kids. It's a conscious choice.*" is stable at 5%.

Like, we think about a lot of things having changed culturally since then, a lot of dramatic changes. So, I was a little bit surprised to hear that. But it's 5%. 95% of women want to have kids, at least one. And what ends up happening is what demographer Stephen Shaw calls "unplanned childlessness" or "circumstantial childlessness".

He did surveys. Of the women who don't have kids, about 10% of the childless say it was a choice they made on purpose. Another 10% say they were medically unable – and that's an increasing growing fraction.

We're going to be talking about why that is at the conference as well, the biomedical side of this. But the remaining 80%, the vast majority, are women who said: *I just didn't find the right guy, or I thought I would have more time after my career was over, or I would take a break or something. It just didn't happen for me, even though I would have liked for it to*.

So, then the question becomes, why is that happening? I think to some extent there's definitely – the two-income household strategy is extremely contraceptive. It interferes with people's ability to have, certainly, more than two kids.

Basically, Elizabeth Warren wrote a book called *The Two Income Trap* that talks about how much of the second income in a two-income household goes to just things you only had to buy because you have two incomes and you have kids.

So, childcare, and living in a better school district so you have better daycare, childcare, whatever. So, ultimately, the cap on a two-income family for having kids is, like, two. Otherwise, it no longer makes economic sense. Someone's got to stay home, usually the mom.

And so, that, coupled with just – women's education is strongly correlated with lower fertility, with not being at replacement fertility. And I suspect what's driving that is not necessarily that women go learn things that make them not want to have kids.

I think what happens is that higher education levels are a proxy for higher dedication to career, and the career is what ultimately interferes. Because there's so many things that have to be kind of done in your 20s under our current sort of economic model to build a career.

And it's also this incredibly high value time, frankly, for consumption. Like, there are exciting adventures that make a lot less sense to have when you're 40 than they do when you're in your 20s.

And so, the argument, the fight, the conflict that's being had is basically, on the one hand, sort of the call to have children and raise a family. And on the other hand, the call to do all these other exciting things are winning the battle.

And I suspect that that is not because women are just sort of less civically minded or, like, love kids less than they used to. I think a lot of it has to do with the uncertainty of raising a family.

It's like – one of the things that I've said before is they would love to have the husband and the kids and that life, but their paycheck clears.

Like, they can count on it. They know that if they do the work, they'll get the thing. Or at least it's much more of a sure thing than having a successful marriage and having the kind of life you want from that perspective.

And I think that's more of what's happening, is it's just really hard for women and for men to connect, to get married, to stay married, and then to have kids together and raise them in a way that's aspirational.

So, that's, I guess, what I would say is what I think is causing it.

**WOODS:** Well, given all the sorts of things you've talked about, is there a possibility that governments could somehow frame some response to this that would make the situation better rather than worse?

Because, of course, we've heard the idea of bounties for having a certain number of children per family, things like that. But as you pointed out, the problem is there's no bounty that could be anywhere near large enough to make up for lost income from the woman staying at home.

**DOLAN:** Right. You're asking for people to make almost an existential sacrifice. Like, it's about a different idea of what, sort of, your life is for.

And if your life has this sort of utilitarian, hedonic, like, "I want to feel good and have good experiences" calculus, it's hard to beat sort of having a high-powered job and making a lot of money and going out and having adventures.

At least in the moment, certainly with people's ability to sort of make long term decisions about their well-being. I mean, everybody knows they should work out, but the discomfort of doing that is sort of prohibitive to them.

And so, to ask them to make this decision, this sacrifice, it's like orders of magnitude harder for a reward that's, like, 20 years out. It's a really tall order. And as far as what governments can do, I don't think governments actually are incentivized to do anything, really, about this in the long run.

Because governments (at least Western governments) are composed of people who, their power is a function of the next election cycle.

And in the next four years, the way to win an election is not to tell women, like: *You should make all these sacrifices and do all these hard things because it's going to pay off in 20 years, we're going have a much better country in 20 years*.

It's nobody's job in the government to care about that at that time scale. And in fact, a huge part of what I think transformed as far as women entering the workforce is that this huge reservoir – and people talk about, like, what women did before they entered the workforce as if it was valueless.

They literally do. Because they'll be like: *Oh, no, we couldn't possibly go back to having half of the brain power and half of the consciousness and half the cognition just inert the way we used to.*

And it's just incredibly insulting to imply that that's what women were doing. They were just doing nothing with their brains until, like, 1970. But basically, the point of getting women in the workforce was it raised tax revenues.

It made families much more dependent on the kind of consumption that pays taxes and that goes on corporate balance sheets. And both from, like, the woman as employee perspective, companies all of a sudden were able to extract way more value at way lower prices than they used to be able to.

From a consumer perspective, all these families had all these needs that they used to provide for themselves, but now they commodify that. And then from the taxpayer perspective, they get it from both ends, right? Income tax and sales tax.

And so, yeah, like, in theory, are there things governments could do to incentivize that? It would be drastic, It would have to be a really dramatic thing they would do and they basically have no incentive to do it.

**WOODS:** Well, let me close with two questions to you. Number one would be, I mean, eventually this spirals down to a point where it has nowhere to go but up, I would assume.

But can you describe, number one, what a scenario of rebirth, so to speak, might look like in which we emerge from this problem?

And secondly, whether or not we get to that, What should an intelligent, informed person (like somebody listening to this program right now) who knows what's going to happen, do to try to minimize the effects of this social breakdown on himself and his own family?

**DOLAN:** Yeah. So, this is going to be one of the most, like, profoundly selective events in terms of, like, cultures getting wiped out, types of people, honestly, getting wiped out, temperaments, probably since, like, the Ice Ages.

And what's happening right now, there are already subpopulations within the United States, within Europe, within probably even East Asia that are reproducing and that are bucking this trend. Like, that's who's going to make it.

That's who's going to be on the other side of this thing. Those six great grandkids in Korea, those are not going to be randomly selected Koreans. It's going to be a weird subset of Koreans, and the ones who bucked whatever this trend was, the ones who figured it out.

So, what I see as rebirth is the task of getting all of those people – it's sort of like that Detroit situation. That currently they're scattered all over the country, all over the world. And their problem-aware, certainly.

Because, like, anybody who's got kids is going, like: *How on earth is my son going to get married and have kids? How on earth is my daughter going to find the right guy and raise a family? Like, how is it possible?*

So, there's all these people who are problem-aware, but they have no sense of what can be done about this.

And part of the genesis of the Natal Conference, which I'm running this December, is to take all of those people who share this concern, and then all of the academics who have thoughts about what could be done about it from a policy perspective, maybe even from like a personal intervention perspective, fertility treatments, whatever.

And then investors, people who have the capital and are looking for good ideas to fund and invest, to get those three groups of people who care about this thing all in a room and to work it out. And you mentioned how few people are speaking out on this.

And I think it's because everybody has sort of recognized that the problem is easy to identify. Like, you can talk about Social Security becoming insolvent on *MSNBC*. Like, there's no censorship gatekeepers around that.

But anytime you start to talk about practical solutions, it very quickly becomes a complicated conversation. And so, what we're going to do is we're going to have a public-facing day one conference that is speakers and panels and reception dinner. We're going to have a streaming audience.

And then day two is going to be a closed door, intimate workshop, structured environment where we get groups of 8 to 10. And it's going to be people like you and I who are just concerned about this, but it's also going to be investors, academics, so the brightest minds that we can find.

And you're going to be sitting across the table with these people actually doing a design process that's been worked on by the Stanford Design School. My partner in this is a design consultant, workshop consultant.

So, we're going to be working out solutions both in terms of, like, are there sort of global, big picture, policy-type solutions to this? But also for your family, like, how could we make this better for your family, for your community? And are there products we can come with?

Is there a way we could change the way we date? Like, how could we address this issue? And eventually I'd like to get those enterprises in front of these investors and get them funded. So, that's the Natal Conference.

That's my best solution to this problem, is to get the smartest people I can think of together to work on it and figure it out.

**WOODS:** So, give people the website for how they can find out about the conference.

**DOLAN:** Yeah. Natalism.org

**WOODS:** And December 1st through 2nd, you said?

**DOLAN:** That's right. Austin, Texas.

**WOODS:** Okay. All right. Which seems to be where more and more people are winding up. Not just Michael Malice, but a whole bunch of people are winding up in Austin, Texas.

So, I hope you're able to get – obviously you'll get an intelligent group of people, but maybe some opinion molders. It seems to be a vibrant, growing place in terms of dissident thought. So, it's a well-chosen location.

**DOLAN:** Yeah. Elon's down there. I'm looking at you, Elon. I want you here. Come on down.

**WOODS:** Yeah, well, let's see. I mean, he'll talk about unpopular things, and yet there's no reason this should be unpopular. I mean, there's nothing controversial about this. It would be better if we had more babies.

**DOLAN:** There's nothing that you could possibly care about from a cultural perspective – or, like, if you care about human life at all, if you care about the way you live, the way your family lives, the things you believe in, then they have to continue into the future. And they won't unless we have some kids.

**WOODS:** Yeah, there it is. It's as simple as that. So, Natalism.org is where people should go to check that out. We're releasing this episode at the end of July, so I hope that gives you all enough time to plan and make sure and get down there and attend this.

It's really, really important, as I'm sure you figured out over the course of this episode today. So, Kevin, best of luck with that and remind me to send out an issue of my newsletter related to it so we can try and scoop up a few people that way. And thanks so much again.

**DOLAN:** Thank you so much for the time. It's a real pleasure.