

# The Uneven Retreat from Marriage in the U.S., 1950-2010

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# Preview of our argument

Our argument is that marriage is a commitment device that facilitates rearing children who are successful by middle class standards.

- We do not claim that this accounts for all marriages.
- It is consistent with the need for intertemporal commitment
- It is consistent with positive assortative mating
- It is consistent with the class gradient
  - class-specific differences in the definition of “successful” children.
  - class-specific differences in the technology (or beliefs about the technology) for rearing “successful” children.

# Post-war trends in marriage and fertility

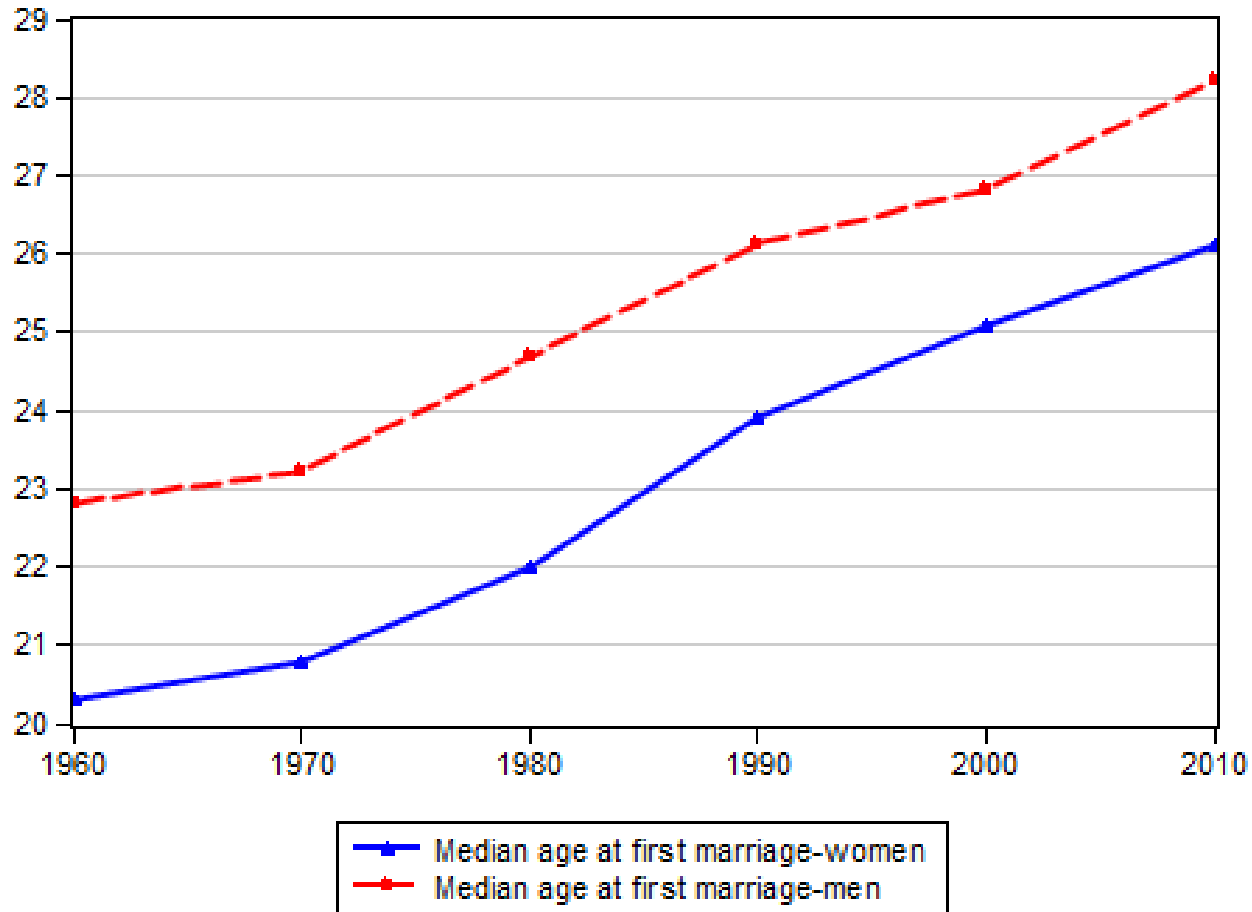
- Marriage: delay, decrease in proportion ever married, increase in assortative mating by education (Mare, 1991; Schwartz and Mare, 2005)
- Divorce: increased marital instability through 1970s, then decline
- Cohabitation: rising rates as marriage is delayed or foregone
- Fertility: decline, increased childlessness, increased control of timing (Goldin and Katz, 2002), rising nonmarital fertility

# Recent surveys of trends in marriage and divorce

- Stevenson and Wolfers (2007)
- Browning, Chiappori, and Weiss (2011) *Family Economics*, Chapter 1

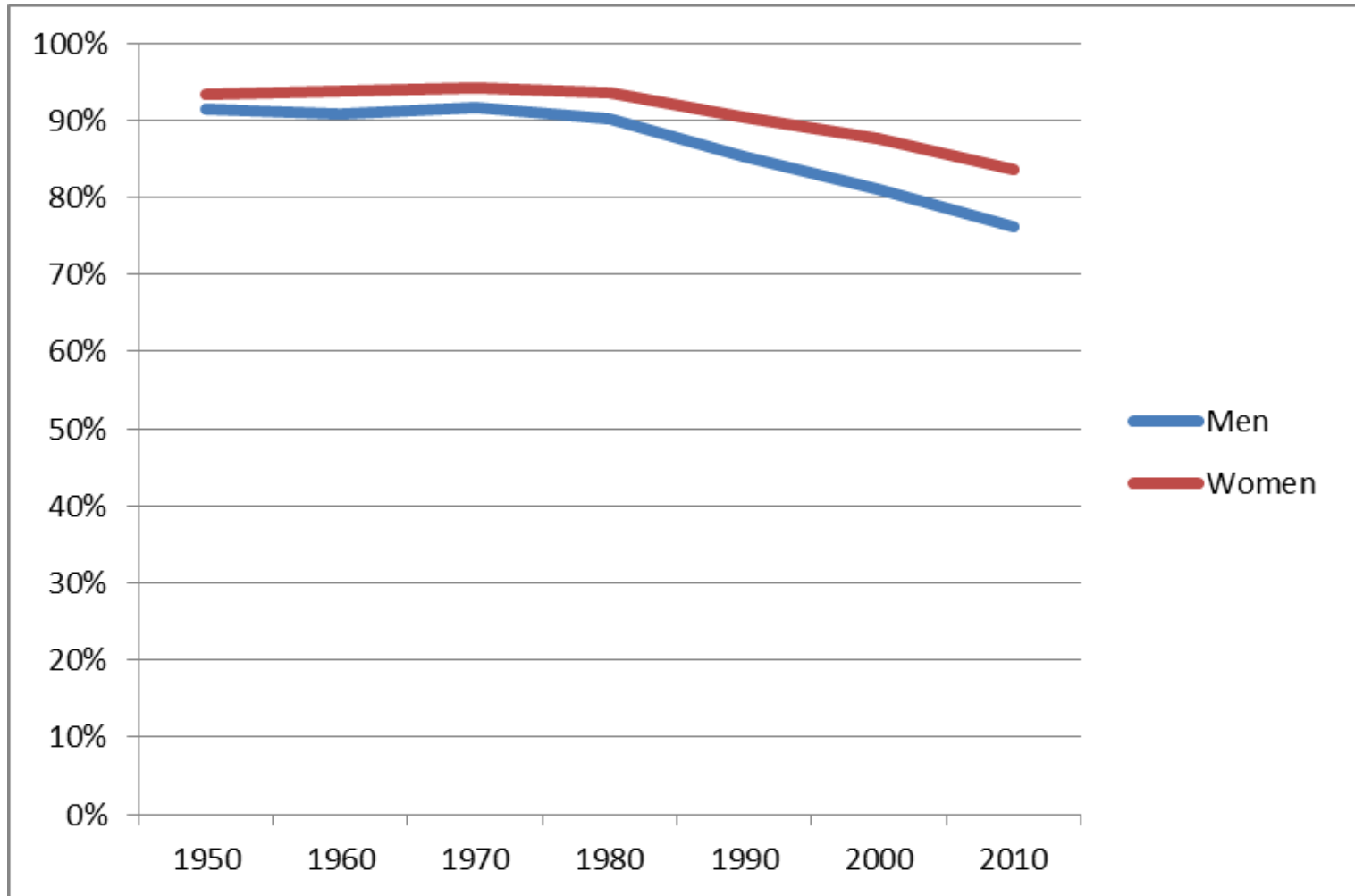
# Median Age at First Marriage

(Source: U.S. Bureau of the Census)



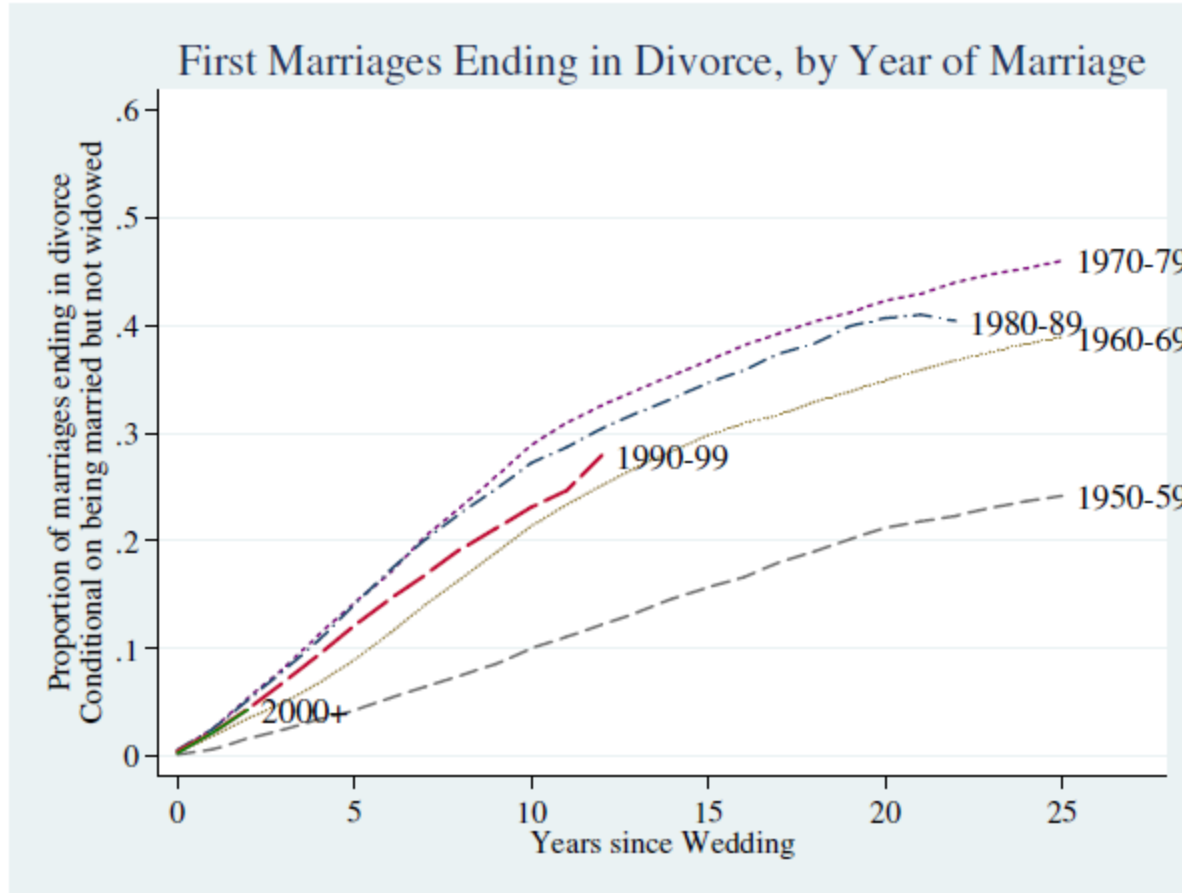
# Proportion of White Men and Women Ever Married, Ages 30-44

(Source: Census 1950-2000, American Community Survey 2010)



# Cumulative Divorce Probabilities, 2004 SIPP

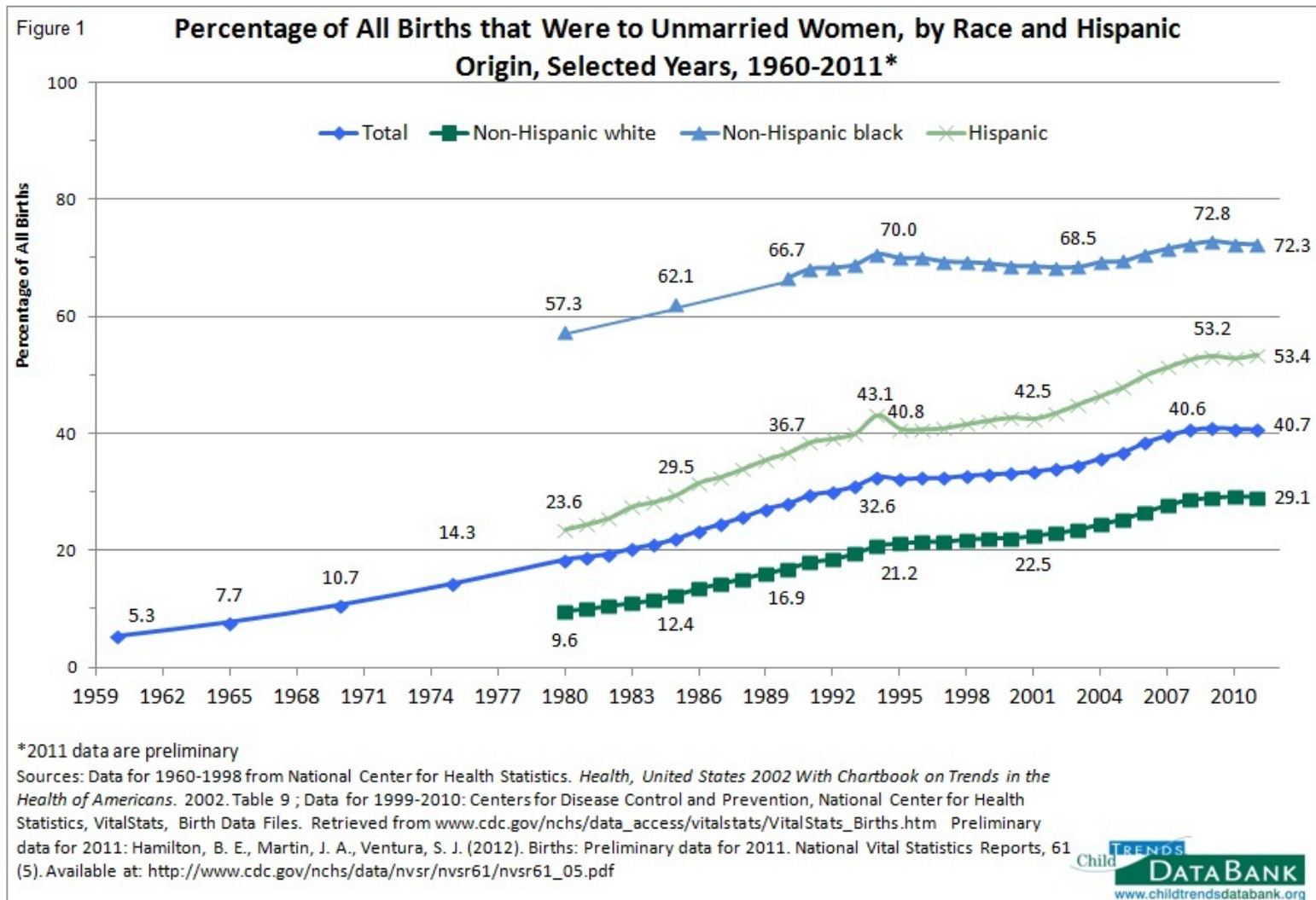
(Source: Stevenson and Wolfers, "Trends in Marital Stability" 2007)



Source: Authors' calculations based on Survey of Income and Program Participation (SIPP), 2004 Panel, Wave 2 Topical Module.

# Nonmarital births as a proportion of all births, by race and ethnicity

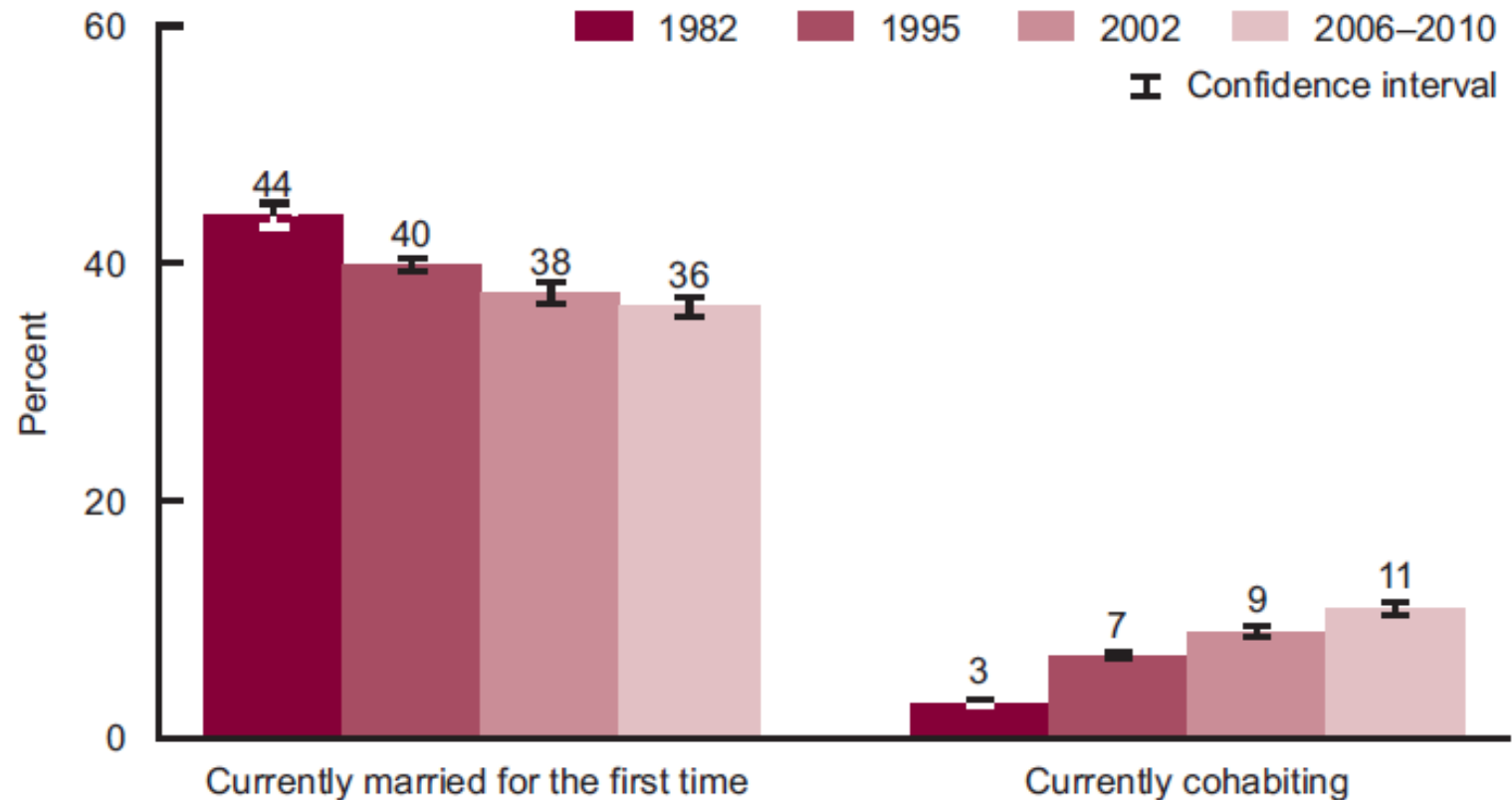
(Source: Child Trends Data Bank, <http://www.childtrendsdatbank.org/?q=node/196>)





# Current marriage and cohabitation status for women 15-44

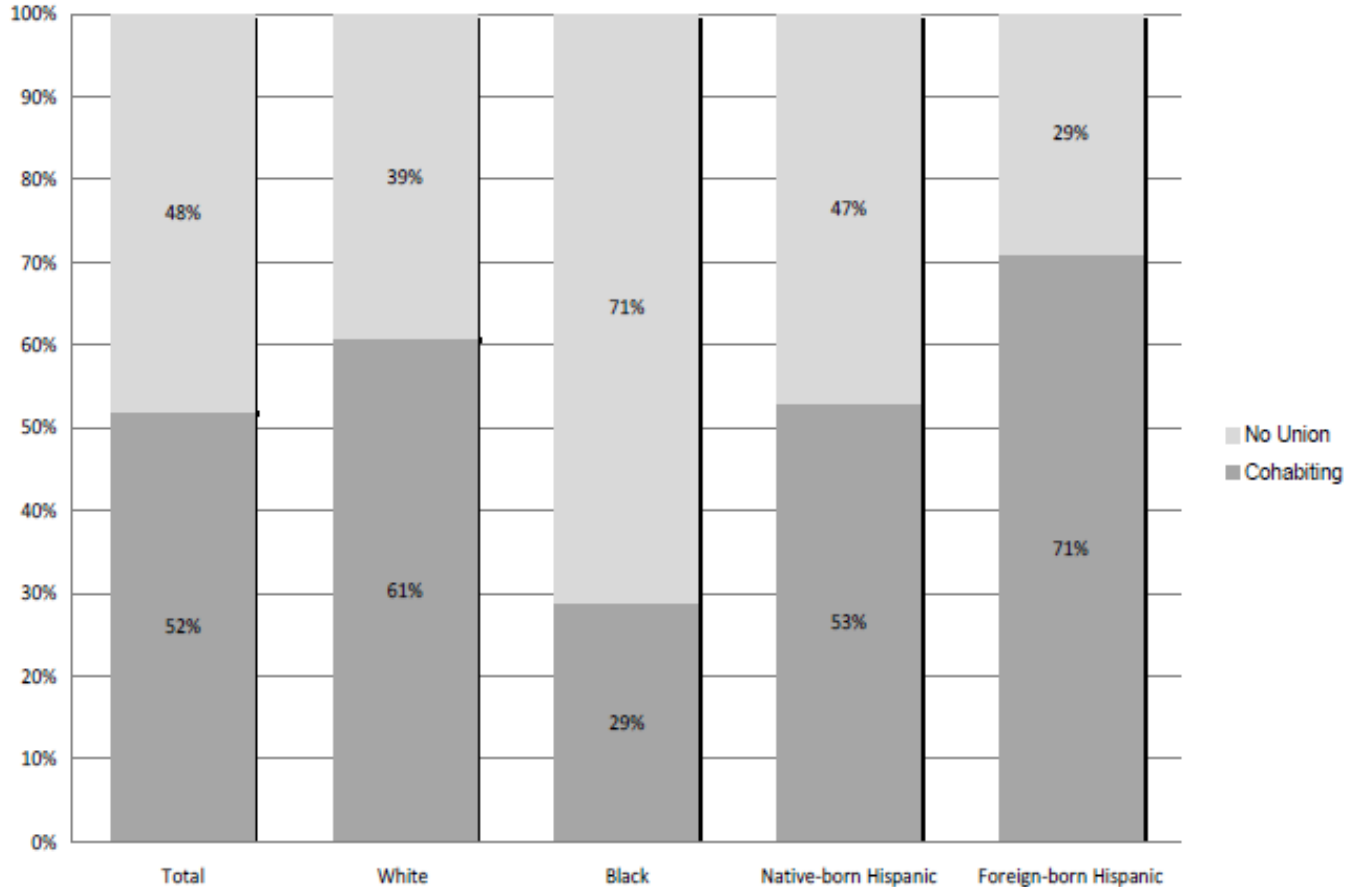
(Source: Copen et al, National Health Statistics Report #49, March 2012)



SOURCES: CDC/NCHS, National Survey of Family Growth, 2006-2010. Table 1 in this report.

# Percentage of nonmarital births occurring in cohabiting unions

(Source: Manlove et al., *Demographic Research*, 2010)



# **Sources of returns to marriage**

## **Weiss (1997, Handbook of Population and Family Economics)**

- (1) “Division of labor to exploit comparative advantage or increasing returns.” (specialization)
- (2) “Extending credit and coordination of investment activities.”
- (3) “Sharing of collective (nonrival) goods.”
- (4) “Risk pooling.”

# Other benefits of marriage

- Symbolic significance
- Social status/ adult status
- Taxes? Marriage penalty for some couples, bonus for other.
- Social security and other government benefits
- Health insurance

# Changing Meaning of Marriage - 1

- Over time, marriage and nonmarriage have become more similar.
- Financial child support obligations are now independent of marriage.
- Divorce is now readily available
  - unilateral (“no fault”) divorce
  - end of alimony
  - equitable distribution of (marital) property
- Reduced stigma associated with cohabitation and nonmarital fertility
- What is the relative importance of technology (the pill) law (including legalization of abortion), norms, and economic factors?

## Changing Meaning of Marriage - 2

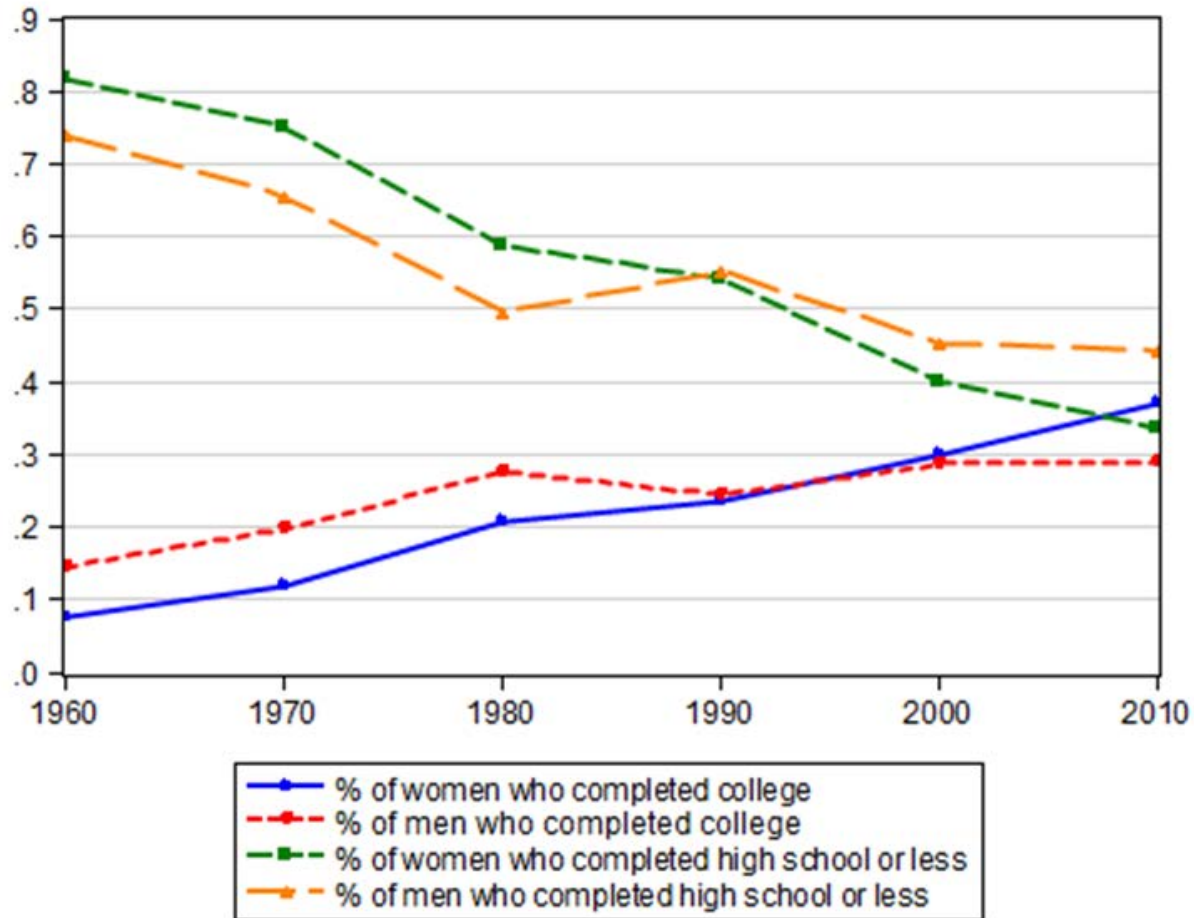
- Declining returns to the division of labor as the economic lives of men and women converge (Lundberg and Pollak, 2007)
- Sector specialization was once ubiquitous -- women, or at least married women, seldom worked outside the household. Now both husbands and wives work in the household and work in the market.
- Traditional role of marriage as an intertemporal commitment that provides security to the vulnerable spouse who has failed to accumulate market human capital diminishes.

## Changing Meaning of Marriage - 3

- Some drivers of reduced specialization
  - increasing relative education and labor market opportunities of women
  - improved household technology and development of markets that provide substitutes for household goods and services
    - also reduces the cost of living alone  
(Greenwood et al. 2012)

# Educational Attainment of Men and Women age 25+, 1960-2010

(Source: Census Bureau, Current Population Survey Historical Table A-1)





# What distinguishes marriage from cohabitation?

- Matouschek and Rasul (2008): Cost of exit
  - 3 models of gains to marriage—exogenous payoff, commitment device, signalling device
  - empirical evidence consistent with commitment
  - cost of exit encourages cooperation in couples with intermediate match quality
- But why intertemporal commitments?

# Back to the returns to marriage

## Weiss revisited

(1) “Division of labor to exploit comparative advantage or increasing returns.” (specialization)

The static version of comparative advantage that emphasizes the household production function does not require intertemporal commitment.

A dynamic version of comparative advantage that emphasizes human capital may require intertemporal commitment.

## Weiss - 2

(2) “Extending credit and coordination of investment activities.”

Credit and investment activities require intertemporal commitment

(3) “Sharing of collective (nonrival) goods.”

Sharing collective goods does not require intertemporal commitment.

(4) “Risk pooling.”

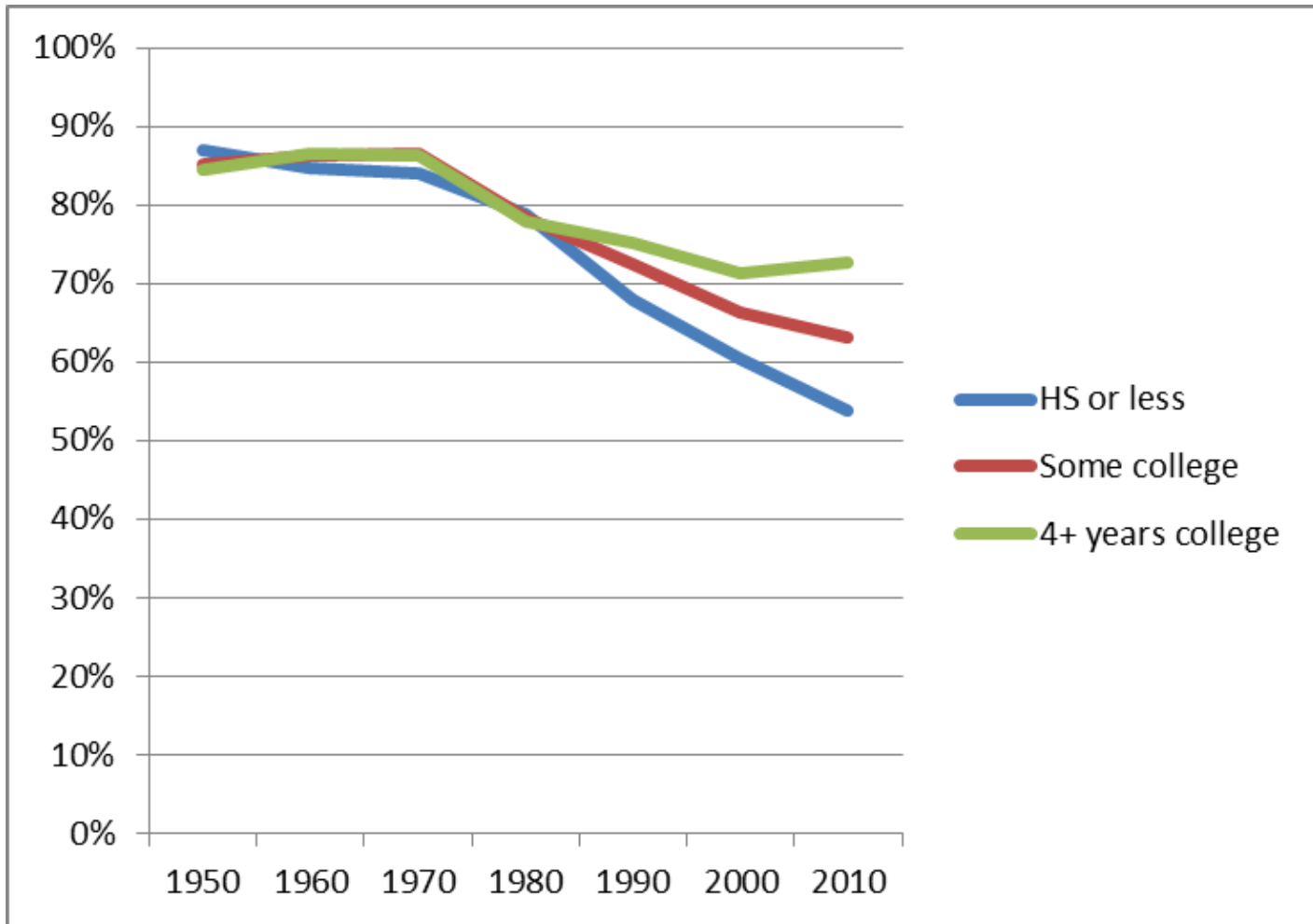
Risk pooling requires intertemporal commitment.

# Pronounced SES divergence in the retreat from marriage

- “Marriage and remarriage rates have risen for women with a college degree relative to women with fewer years of education.” (Isen and Stevenson, 2010)
- Fall in divorce rates has been more pronounced for the college-educated.
- Non-marital fertility is relatively rare among the college-educated.
- Charles Murray, *Coming Apart: The State of White America, 1960-2010*, (2012).

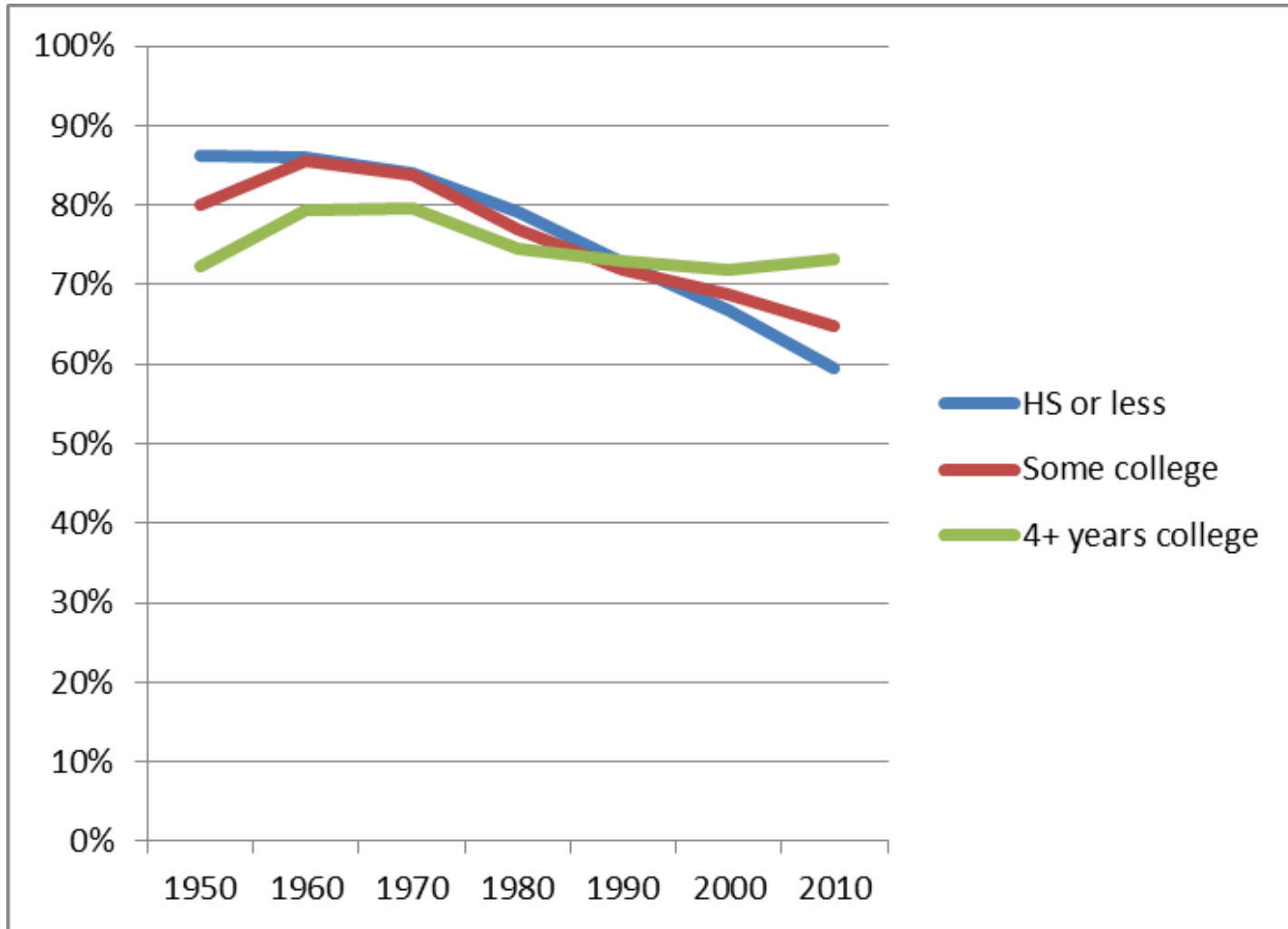
# Proportion of white men currently married, age 30-44

(Source: Census 1950-2000, American Community Survey 2010)



# Proportion of white women currently married, age 30-44

(Source: Census 1950-2000, American Community Survey 2010)



# Nonmarital births as a proportion of all births by mother's education, 2010

(Source: Centers for Disease Control and Prevention. National Center for Health Statistics. VitalStats. <http://www.cdc.gov/nchs/vitalstats.htm>. [November 12, 2012].

	White, Non-Hispanic	Black	Hispanic, All
High School or Less	53.6	83.5	59.6
Some College	31.0	68.7	45.3
College graduate or more	5.9	32.0	17.4

# Marriage and Children

- The economics of the family recognizes the link between marriage and the production and rearing of children, although the link is sometimes implicit rather than explicit.
- Becker: “Chapters 2 to 4 have argued that the main purpose of marriage and families is the production and rearing of own children...” (1991, *Treatise on the Family*, p. 135)
- Weiss: “From an economic point of view, marriage is a partnership for the purpose of joint production and joint consumption. The production and rearing of children is the most commonly recognized role of the family. But there are other important functions.” (1997, *Handbook of Population and Family Economics*)



# Unequal Childhoods

- Sara McLanahan, "Diverging Destinies: How Children Fare Under the Second Demographic Transition," (2004)
  - children born to most-educated mothers are gaining resources (parental time and money), while children of least-educated mothers are losing resources
  - due to trends in single parenthood, divorce, and maternal employment
- Compared with Europe, inequality in the U.S. is high and increasing, intergenerational mobility is low and decreasing.

*(Generational Income Mobility in North America and Europe, ed. Corak, 2011; Persistence, Privilege, and Parenting, eds. Smeeding, Erikson, Jantti, 2011)*

# Family Structure and Outcomes for Children

Does marriage cause good outcomes for children?

- Popular family structure literature assumes correlation implies causation
- Selection makes identifying causal effects difficult

Cherlin, et al. (1991 Science), using longitudinal data:  
children of divorce were doing badly before divorce

McLanahan and Sandefur, *Growing up with a Single Parent: What Hurts, What Helps* (1994)

Biblarz and Raftery (1999 AJS) included many controls

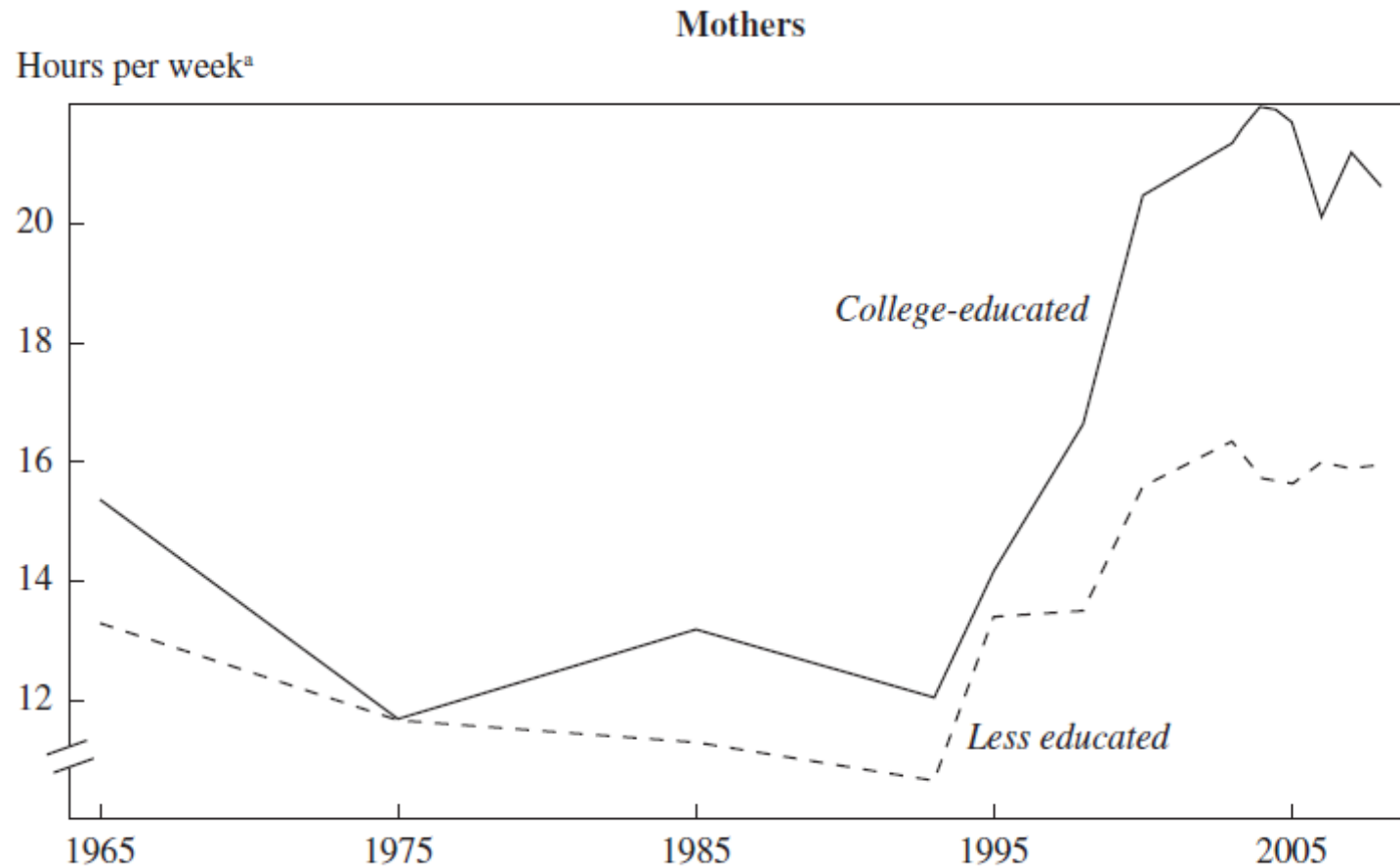
Blended families: Ginther and Pollak (2004); Gennetian (2005)

# Time with Children

- In the US and other developed countries, despite fewer children, the amount of time parents spend with children has increased since the mid 1960s. (Bianchi, 2000; Sayer, Bianchi, Robinson, 2004)
- Despite the higher opportunity cost of their time parents with more education spend a lot more time with children than parents with less education: “...mothers with a college education or greater spend roughly 4.5 hours more per week in child care than mothers with a high school degree or less.”  
Guryan, Hurst, and Kearney (2008)

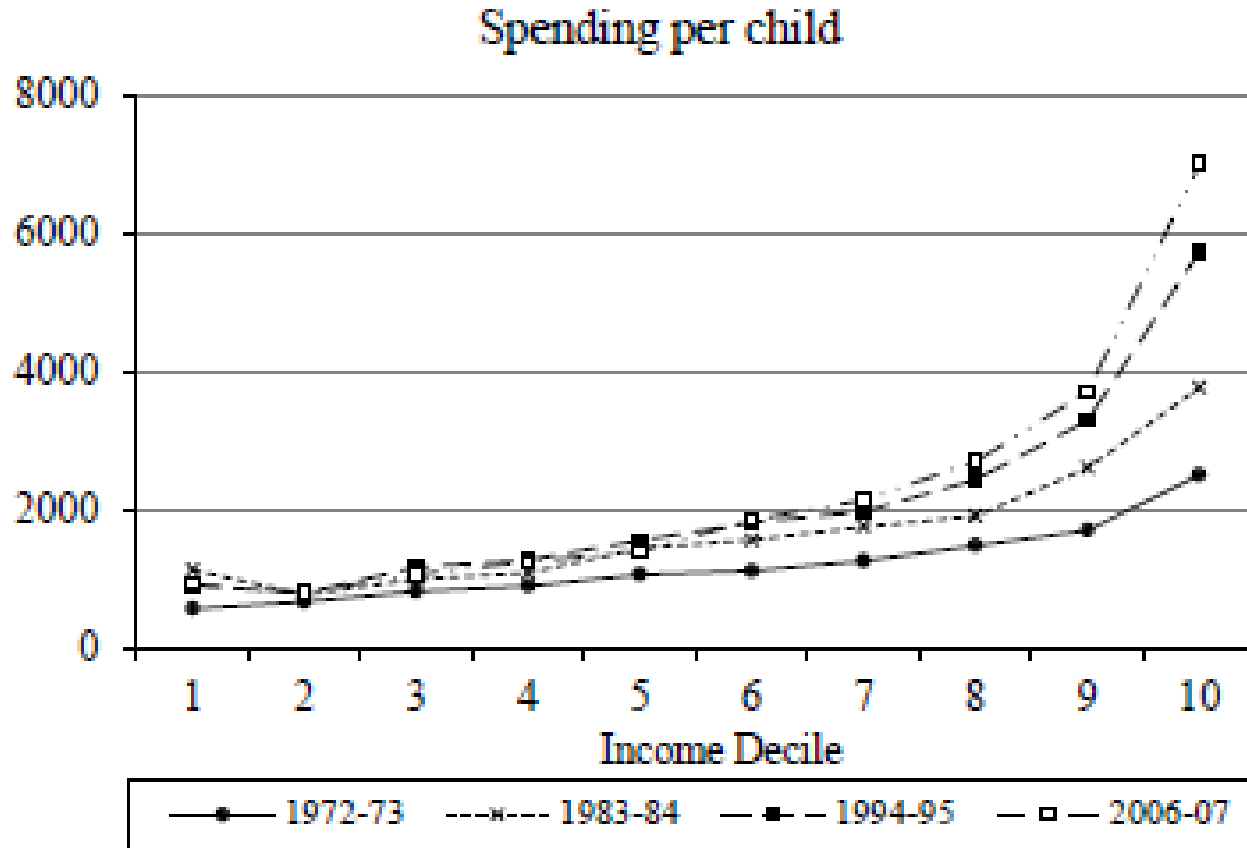
# Differences are growing over time: Mother's childcare time by education, 1965-2008

(Source: Ramey and Ramey, 2009)



# And this is also true of expenditures: Spending on children by income decile, 1972-2007

(Source: Kornrich and Furstenberg, 2012)



# Class differences in parenting practices

- Annette Lareau (2003, 2008): “Class-specific cultural orientations to child rearing”
  - Middle class parents engaged in “concerted cultivation” of children—heavily involved in schooling, development
  - Working class and poor parents: “accomplishment of natural growth”—children need to be cared for and protected, but will develop spontaneously.

# Why do parents choose different childrearing practices/time use/expenditures?

- Do these differences reflect differences in preferences for child outcomes or differences in parental capabilities, e.g., productivity of time with children?
- Why are college-educated women very unlikely to bear children outside marriage?

- Preferences
  - definition of “successful” children
  - parents may prefer children who are like themselves
- Technology
  - Are childrearing practices a technology (i.e., is this the only way parents know how to rear children) or are childrearing practices as a “production” technique that parents choose from a menu of techniques?
  - Middle class parents may be better able to rear children who are successful by conventional middle class standards (e.g., children who graduate from college)



# Economists' Stories about Marriage

- Specialization
- Household public goods
- Hedonic marriage: household public goods + shared leisure
- Investments in children as the key public good: rearing successful children

# Household Public Goods

- Lam (1988): If gains from marriage include both joint consumption economies and gains from specialization, marriage market equilibrium with positive assortative mating on wealth (and maybe wages)
- Also is consistent with positive assortative mating on tastes and education, but not class gradient in marriage or the need for intertemporal commitment.

# Do joint consumption economies imply a need for intertemporal commitment?

- Stevenson (2007): The adoption of unilateral divorce laws (reducing cost of divorce) should reduce incentives to invest in “marriage-specific capital”.
  - empirical evidence for fertility and specialization

# Hedonic (consumption-based) marriage

- Stevenson and Wolfers (2007), Isen and Stevenson (2011) emphasize shift from family as a locus for shared production to shared consumption.
- “Most things in life are simply better shared with another person: this ranges from the simple pleasures such as enjoying a movie or a hobby together, to shared social ties such as attending the same church, and finally, to the joint project of bringing up children.” (Stevenson and Wolfers, 2008)

# Hedonic Marriage - 2

- Consistent with strong positive assortative mating, cohabitation
- Class gradient in marriage?
  - are consumption gains increasing in time and resources?
- Need for intertemporal commitment?
  - only if joint consumption requires relationship-specific capital
  - most compelling if public good is not just caring for children, but rearing successful children

# Conclusion

Our argument is that marriage is a commitment device that facilitates rearing children who are successful by middle class standards.

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