



Marriage, Divorce, and the Work and Earning Careers of Spouses

Lee Lillard and Linda Waite

IB 2000-003

April 2000



Executive Summary

Social Security benefits depend on a person's own work and earnings history. Therefore, we need a good understanding of patterns of labor market participation in order to estimate the potential impact of Social Security policy on behavior. However, because of spousal benefits, an individual's benefits also depend, especially for women, on marital history and the work and earnings of his or her spouse. Thus, for a complete picture, we need to understand how marriage affects work and earnings patterns and vice versa for both men and women. We also need to look to the future to see how these patterns might be changing and understand the direction and impact of change.

This *Issue in Brief* summarizes a study that examines the marriage and work histories of men and women spanning the period from 1968 to 1992. Using data from the Panel Study of Income Dynamics (PSID), we first examine a group of unmarried people and ask how earnings, number of work hours, and wages affect the likelihood of getting married or remarried. We then turn to married people and examine the impact of earnings, number of work hours, and wages on the likelihood of divorce. Lastly, we look at the effect of marriage on men's and women's likelihood of being in the labor force. Given that they are in the labor force, we look at the effect of being married on earnings, wages, and annual hours of work. Overall, we find strong evidence for the interdependence of the marriage and earnings histories of both men and women as they reach retirement.

The Data

Data for this analysis comes from the PSID, which is a nationally representative sample of Americans who have been interviewed every year since 1968. For the purposes of our analysis, we eliminate from the data those who were never a household head or wife of a household head, those older than 65 at the first interview, younger than 25 at the last interview, and those who have no history of participation in the paid labor force. The resulting sample is still quite large: 7,645 males and 8,476 females for whom we have detailed information on marital and work histories. We look at outcomes separately for men and women and blacks and whites.

Summary of Major Findings

Effects of Career Success on Marriage

- Men who are successful in the labor market are more likely to get married. For white men, higher earnings, more hours of employment, and higher wages all increase the chances of marriage. For black men, only hours of employment predicts marriage. It may be that because employment prospects for black men are dimmer than those for white men, simply having a job, as measured by hours working, is a better indicator of their potential to be a breadwinner.
- Career success has a much smaller effect on the chances of marriage for women than for men. However, it does have some impact and is very different for white and

black women. For white women, higher earnings, more hours of employment, and higher wages all reduce the chances of getting married. This suggests that white women's career success makes it harder to make a match or that women with relatively high wages are less interested in getting married or have higher standards for a mate.

- On the other hand, for black women, earnings and hours worked have no effect on the chances of marriage, and the impact of wages is positive, meaning that black women earning higher wages are more likely to get married. Our results suggest that whites get married seeking labor market complementarities while blacks may be seeking similarities.

Effects of Career Success on Divorce

- For both black and white men who are married, higher earnings, higher hours of work, and higher wages all decrease the chances of divorce. Men who are high earners may be less likely to divorce in part because their wives earn substantially less than they do, or do not work, and therefore the costs of leaving the marriage are too high.
- The opposite is true for women, regardless of race. All three indicators of career success increase the chances of divorce for women. We speculate that women's labor market success may increase their chances of divorce for two reasons:

- it increases their financial independence so they can leave an unhappy marriage if they wish;
- it decreases the quality of married life for their husbands both by decreasing the amount of time spent caring for husbands and potentially by causing emotional distress for husbands by eclipsing their role as the family's main breadwinner.

Effects of Marriage on Career Success

- We see an increase in the number of hours of employment, in wage rates, and in earnings for both white and black men upon their entry into marriage. Looking across the 25-year span, we see no difference in this pattern for men born before and after 1945.
- The pattern is reversed for white women. White women are significantly less likely to participate in the labor force, and see a reduction in their wages and earnings upon entry into marriage.
- Black women do not show a reduction in participation, wage rates, or earnings. They show a slight decrease in number of hours worked (given that they are working), but much smaller than the decrease seen for white women.

- However, the world has changed for women in this 25-year period. For white women born after 1945, the tendency to reduce participation or quit the labor force is not as great as in earlier cohorts, but it is still a substantial effect. Younger black women actually show an increase in labor force participation upon marriage. These effects, for white and black women, stand in marked contrast to the unchanged impact of marriage on men's careers over time.

Effects of Parenthood on Career Success

- The effect of parenthood on the careers of men is generally to increase labor force attachment.
- The opposite is true for women: parenthood, whether they are married or not, tends to decrease women's labor force participation, wage rates, and earnings.
- For married women, we looked at the effect of the age of children on labor market outcomes. For all outcomes, the impact of children is largest for the youngest child and falls with increasing age so that the negative effect of children on participation, hours, earning, and wages, becomes smaller as children get older. By the time children are adults—age 19 and older, each additional child actually increases the mother's labor market outcomes.

Conclusion

We find relationships between the labor force participation and earnings of men and women and their marital choices. We also see strong effects of marriage and children on career success. These relationships are robust across several different measures of career success and across race.

Taken together, these findings reveal a pattern of gender specialization in marriage, especially for whites, with men moving toward and women moving away from more intensive and extensive employment upon marriage. Success in the labor market while single increases the likelihood of marriage for men and decreases it for women, especially whites. More work and greater financial rewards tends to stabilize marriage for men and destabilize it for women. Finally, our results show substantial change in the relationship between work and marriage for those born after 1945, but only for women. Younger women are less likely to alter their career paths in response to marriage than were their mothers and older sisters.

Lee Lillard was a Professor of Economics and the Director of the Michigan Retirement Research Center (MRRC) at the University of Michigan Institute for Social Research (ISR). Dr. Lillard died on December 2, 2000.

Linda Waite is a Professor of Sociology at the University of Chicago.

This work was supported by a grant from the Social Security Administration through the Michigan Retirement Research Center (Grant # 10-P-98358-5). The opinions and conclusions are solely those of the authors and should not be considered as representing the opinions or policy of the Social Security Administration or any agency of the Federal Government.

Michigan Retirement Research Center
Institute for Social Research
University of Michigan
426 Thompson Street, Room 3026
Ann Arbor, MI 48104-2321

Phone (734) 615-0422
Fax (734) 615-2180

<http://www.mrrc.isr.umich.edu>
mrrc@umich.edu

Regents of the University of Michigan

David A. Brandon, Ann Arbor
Laurence B. Deitch, Bingham Farms
Daniel D. Horning, Grand Haven
Olivia P. Maynard, Goodrich
Rebecca McGowan, Ann Arbor

Andrea Fischer Newman, Ann Arbor
S. Martin Taylor, Grosse Pointe Farms
Katherine E. White, Ann Arbor
Mary Sue Coleman, ex officio

The Michigan Retirement Research Center is supported by a grant from the Social Security Administration (grant number 10-P-98358-5)