

## Male Employment and Marriage

Avner Ahituv and Robert I. Lerman. 2007 "How Do Marital Status, Work Effort, and Wage Rates Interact?" *Demography*. August. 623-647.

### Executive Summary

This paper examines how marital status interacts with men's hours of work and men's wage rates. It generates new findings by estimating the linkages between flows into and out of marriage, work effort, and wage rates. These estimates are based on 23 years of panel data following young men from age 17 through age 40. One key question is whether commonly observed statistical relationships between marriage and men's earnings are the result not of marriage itself, but rather personal characteristics that lead some men to marry and remain married and lead others to remain single or divorced. Put another way, does the likelihood that more talented men become "selected" into marriage account for the positive link between marriage and earnings?

One way of answering the question is to control for a rich array of observed characteristics, including educational attainment, race, test scores, and family background. These controls are necessary but not sufficient because of the possibility that unobserved attributes, such as an attractive personality, might lead both to more marriage and higher earnings. The paper controls for these unobserved differences by looking at how changes in marriage for each individual affects changes in his earnings.

Key findings are:

- when men marry they quickly increase the number of hours they work.
- increases in hours worked stimulated by marriage are substantial, amounting to over 100 hours per year.
- marriage's effect on wage rates are positive but take place more slowly as men continue in marriage.
- marriage-induced increases in hours worked and wage rates generate feedback effects that in turn cause secondary increases in hours worked and wage rates.
- added together, the direct and indirect stimulus to hours worked and wage rates generate an 18-19 percent increase in male earnings, with about one-third to one-half of the marriage earning premium due to higher work effort.
- at the same time, higher wage rates and hours worked encourage men to marry and to stay married.
- finally, the hours and wage gains stimulated by marriage are remarkably similar among blacks and whites and among those with high and low test scores on skills. The positive impact of marriage on earnings is as high among black men as among white men.