

Title: Absolute versus relative earnings and cohabiting couples' transition to marriage

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A large body of research supports the claim that there is a positive relationship economic status and the transition to marriage, but that this association is gendered. There is a clear positive association between men's economic status and marriage, however the evidence regarding women's economic status is mixed: numerous studies find no relationship or only a weak positive relationship between women's employment characteristics and marriage but that women with higher levels of education are the more likely to marry (Clarkberg 1999; Lichter, Batson and Brown 2004; Lichter et al. 1992; Lloyd and South 1996; Manning and Smock 1995; Oppenheimer, Kalmijn and Lim 1997; Raley 1996; Sweeney 2002; Thornton, Axinn and Teachman 1995). There is reason to believe, however, that the relationship between men and women's relative economic status and marriage may be changing. In the 1980s and 1990s, stagnant wages and a shrinking labor market in the traditionally male dominated manufacturing sector have made men less economically attractive partners on average (Wilson 1987). Simultaneously, women's educational attainment, employment characteristics and wages have improved and begun to resemble those of men. In light of these economic and social changes, and as the gap in men's and women's labor market outcomes narrows, Oppenheimer (1988) and Sweeney (2002) suggest that men's and women's preferences in mates will become more similar—men, as well as women, will seek partners who bear traits associated with success in market work.

Qualitative research by Edin and Kefalas (2005) and Smock et al (2005) lends support to this converging preference theory. Their research on low-income, single mothers living in urban areas suggests that indeed men's economic circumstances matter, but women also consider their own economic stability and self-sufficiency to be a prerequisite for marriage. There are a number of theoretical explanations for this finding. If indeed the spousal preferences of men and women are aligning, women's economic status may be directly related to their marriage market competitiveness. Further, an increasing perception that marriage is a partnership of equals might require that both partners bring economic resources to the relationship. Alternatively, economic self-sufficiency may improve the likelihood that a woman has power within her relationship and a voice in family decisions (Edin and Kefalas 2005; England 2000). Finally, the importance of women's market success may be a response to the perceived fragility of marriage. Should a marriage fail to conform to expectations, a financially independent woman can "leave [her husband] without being 'left with nothing'" (Edin and Kefalas 2005: 204).

This paper considers whether the relationship between couple earnings and the transition to marriage is a function of the absolute level of couple earnings or the relative earnings of each partner. I specify relative earnings using an adaptation of Sorensen and McLanahan's dependency ratio, the measure of each partner's contribution to the couple's income (Sorensen and McLanahan 1987: 663). The modified ratio captures couple's earnings dependency and can be calculated as

$$DEP = EARNM / (EARNM + EARNW) - EARNW / (EARNM + EARNW)$$

where EARNM and EARNW are the man's and woman's earnings respectively. A dependency ratio of 1 indicates that all of the couple's earnings are contributed by the man, while a dependency ratio of -1 would indicate that all of the couple's earnings are contributed by the woman. A ratio of 0 would indicate equality of earnings. With this measure of the relative contribution of each partner, I will be able to determine if, at different levels of absolute earnings, particular relative earnings distributions within couples are associated with an increase in the odds of marriage.

Previous research into economic determinants of the transition to marriage among cohabiters found variation in the association between couple's earnings and the transition to marriage for across levels of education (Holland 2007). Holland found the relationship between couple's earnings and marriage to be linear for college graduates. For those with a high school degree or less, however, the relationship was non-linear, with a positive relationship between earnings and marriage only above an earnings threshold. This finding suggests that it is important to allow for variation in the effect of men's and women's relative earnings at different levels education.

The data used in this analysis are from the National Longitudinal Survey of Youth, 1979 cohort (NLSY79), from survey years 1979 through 2002. The NLSY79 is a nationally representative longitudinal survey of men and women born in the years 1957-64. In 1979, the sample consisted of a main sample of 6,111, an oversample of 5,295 minorities and poor whites, and 1,280 respondents in the armed forces, for a total of 12,686 respondents. Between 1979 and 1994, the survey was conducted annually, and biennially thereafter.

The information gathered includes information on respondent and partner earnings and income, household composition, and employment, relationship and fertility histories. To supplement the relationship histories recorded by the main survey, I make use of spouse/partner matching data. These data are available for all years through the 2000 interview and include identifiers for spouses and partners. This supplemental information allows for the identification of unique relationships and the calculation of relationship duration.

The sample consists of 2,949 individuals that are ever observed in a premarital cohabitation. Respondents are observed from first cohabitation to first marriage. Approximately one-half (46%) of the 2,949 individuals transition from cohabitation to first marriage between 1979 and 2002. Respondents are censored when they report that their cohabiting partner has left the household. Individual respondents may contribute multiple observations with multiple partners. Each respondent contributes one person-year for each survey year they are observed in a premarital cohabiting union. In total, there are 8,092 person-years available for analysis. The analysis sample is limited to opposite-sex cohabiting couples, with a respondent over the age of 18. Additionally, I limit the sample to those respondents with full information on partner and respondent earnings. The final sample consists of 6,254 cohabiting person-year observations among 2,524 unique individuals. In order to capture differences in dependency and the economic

bar across education status, the sample is further stratified by highest grade of education completed by the respondent: 1,593 less than high school person-years, 2,790 high school person-years, 1,192 some college person-years and 679 college person-years.

Because a number of the independent variables vary with time, particularly the key variable on earnings, I will estimate discrete-time hazard models to evaluate economic effects on the transition from cohabitation to first marriage. For these models I will use logistic regression. This method uses maximum-likelihood estimation to predict the likelihood of being in a certain category relative to the reference category. The dependent variable indicates whether the couple enters a first marriage in period $t+1$. Models will include couples combined earnings, the couple-level dependency ratio, and respondent, partner, couple-level and background characteristics. In addition to full-sample models, I will estimate separate models for the positive and negative components of the dependency ratio, corresponding to couples in which the male and female contribute the greater proportion of earnings respectively. Additionally, I will estimate the models for each educational sub-group separately to identify whether the associations between relative individual earnings, combined couple earnings and the transition to marriage varies by education. All results will be weighted using NLSY79 sampling weights and standard errors will be corrected for clustering.

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