

# For Love or Money

## Why Married Men Make More

By Abbigail J. Chiodo and Michael T. Owyang

Productivity, efficiency, specialization...these issues are not usually associated with marriage. Beyond love and commitment, however, these less-than-romantic factors can be important—at least to economists. Statistics show that married men earn approximately 11 percent more per hour than men who have never been married, even after controlling for work experience, education, age and other factors.<sup>1</sup> Economists also find that divorced or separated men make about 9 percent more than never-married men do. The wage gap, present at all ages, is even wider for those 45 and older. (See chart.)

Why does this premium occur? Some attribute it to employer discrimination. Others believe that married men make more money because marriage makes them more productive, while still others say that highly productive men are more likely to be married.

### Employer Discrimination?

A common perception is that employers' bias may be responsible for the fact that married men earn higher wages. According to this theory, employers take a man's marital status as a signal of how stable or responsible he is and discriminate accordingly. Alternatively, the employers might, either consciously or unconsciously, give preference to married men, all other things equal, when considering promotions and raises on the grounds that the married employee has a family to support.

This kind of behavior, like most discrimination, is hard to demonstrate. If one believes, however, that the social ideas of the importance of



marriage in the United States have changed (for example, marriage no longer implies the responsibility to support a family), it might be worthwhile to examine the wage premium over time. Indeed, economists McKinley Blackburn and Sanders Korenman reported in a 1994 study that the marital wage premium decreased by 10 percentage points between 1967 and 1988. Because the marital wage premium has decreased over time, it is possible that employer bias has, in fact, played a role and that changing social norms have led to a decrease in the premium.

### Does Marriage Make Men More Productive?

Another popular theory is that marriage makes men more productive through specialization. Some economists argue that it is efficient for one spouse to specialize in market production—a job that is paid a wage—while the other specializes in tasks relating to the household.<sup>2</sup> One spouse, therefore, can devote more effort to work-related responsibilities

if the other spouse is there to take up the slack at home. If a man spends less time on housework after he is married, then it makes sense that he would see an increase in his wages because the extra time and effort spent at work would increase his productivity and promotion chances.

But is there much difference between married men and single men when it comes to time spent on household chores? A study in 2000 by Joni Hersche and Leslie Stratton says no. They argue that while marriage does seem to make men more productive in the market (i.e., men begin making higher wages after marriage), household specialization does not seem to be the cause. They find little difference between married and unmarried men in the time they spend on home production.

If the productivity from marriage itself is not the result of decreased hours spent on housework, as Hersche and Stratton suggest, then where does that improved productivity come from? Because the earnings of divorced or separated men are higher than those of never-married men, the added productivity that accompanies marriage must be of two kinds: (1) productivity from the marriage itself and/or (2) advantages that remain even after the marriage is dissolved. Korenman and David Neumark argue in a 1991 study that the wage premium earned by divorced or separated men is attributable to the advantages gained while married. Their evidence is that wages grow more slowly in the years of divorce or separation.

On the other hand, economist Lawrence Kenny asserts in a 1983 study that a large portion of the wage premium for married men is due to the additional training, education or experience occurring during years of

marriage, which would presumably still be effective when the marriage ends.

### Do More Productive Men Marry?

Some economists have considered the possibility that the causality is reversed: Married men tend to make more money because the traits that make a man a high wage earner are also the traits that make him a good marriage partner. After all, the qualities listed as desirable for mates are often synonymous with desirable characteristics for an employee: responsible, honest, mature, logical, intelligent and efficient. Perhaps the tendency to take on responsibility at work indicates a tendency to take on responsibility and stability in his personal life. In an interesting twist, there is evidence that physical attractiveness—which is normally associated with desirability as a mate—also tends to have a positive effect on wages.<sup>3</sup>

A study in 2001 by economists Robert Nakosteen and Michael Zimmer finds evidence supporting this *selection hypothesis*. They find that men with higher earning potential are more likely to get married and that they are more likely to stay married. In other words, men who possess the qualities that make them good workers also possess the qualities that make them more likely to marry and stay married.

### Analysis

The choice between the competing theories depends on the direction of causality—i.e., does marriage increase a man's wages, or are men with higher wages more likely to marry? The fact that divorced men earn more on average than those who have never been married seems to discredit the idea that marriage itself causes higher wages. While it is possible that men gain marketable skills during marriage, the selection hypothesis is more reasonable. Consider the characteristics that a man possesses, including background, education, appearance, etc., which can be observed by a potential employer or a potential wife. These qualities can be used by either party to evaluate how "successful" the man might be in his career and in his marriage. But there are also characteristics that are important to his personal and professional success that cannot be observed. If these unobservable characteristics are more important for personal success than for professional success, we can explain why divorced men are paid more than never-married men.

To succeed in his job, a man's performance is based on his abilities that are specific to his career. In marriage, on the other hand, a man must deal with issues

in all areas of life. Unobservable characteristics, such as the way a man will deal with specific situations, are therefore more critical when it comes to marital success than professional success. A potential wife and a potential employer might consider similar observable characteristics to evaluate a man, but the potential employer has nearly all of the information he or she needs. Because of this, men with desirable observable characteristics are more likely to be married and to have a higher wage. If the marriage fails, the wages remain high, which would explain why divorced men make more than men who have never been married. This is consistent with the chart, which shows the wage gap growing after age 45, because most marital decisions have been made by this age and men have been sorted for the rest of their lives into the three categories of married, were married and single.

### Conclusion

The selection hypothesis offers the most compelling explanation of the marriage wage gap. We nevertheless cannot discount entirely the alternative explanations. Men might develop valuable skills while married that they retain even if the marriage breaks up. In addition, we cannot ignore that men who remain married tend to have higher wages than their divorced brethren. Will we ever know exactly why married men tend to make more money than single men do? Probably not. The causal link between marital status and wages might remain an enigma. It is then no guarantee that a man who becomes married will make higher wages, or vice versa.

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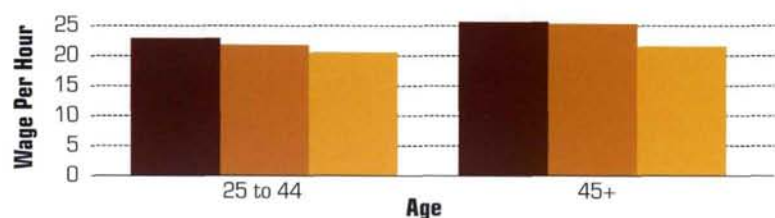
### ENDNOTES

- <sup>1</sup> Korenman and Neumark (1991) find these results using the National Longitudinal Survey (NLS) of Young Men. Other factors accounted for are survey year, union status, geography, non-spouse dependents, occupation and industry. These statistics are based on white men. However, similar trends have been noted for men of other races.
- <sup>2</sup> See Becker (1985) for details of the theory.
- <sup>3</sup> Hamermesh and Biddle (1994) find that more attractive employees make higher wages.

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## Male Marriage Premium



While the wage gap between married men and never married men exists in both the 25 to 44 age group and the 45 and older age group, the gap becomes even more significant after the age of 45, when most sorting into and out of marriage has taken place.

SOURCE: Current Population Survey, 2000.

- Married
- Was Married
- Never Married