Divorce Law and Women's Labor Supply

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Abstract

Divorce law changes made in the 1970s affected marital formation, dissolution, and bargaining within marriage. By altering the terms of the marital contract these legal changes impacted the incentives for women to enter and remain in the labor force. Whereas earlier work had suggested that the impact of unilateral divorce on female employment depended critically on laws governing property division, I show that these results are not robust to alternative specifications and controls. I find instead that unilateral divorce led to an increase in both married and unmarried female labor force participation, regardless of the underlying property laws.

JEL Codes: D1, J1, J2, K36, N3
Keywords: Marriage, divorce, household allocation, female labor force participation

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This project has drawn on the advice of many generous friends and colleagues, including Margret Brinig, Shelly Lundberg, Brigitte Madrian, Robert Pollak, and Justin Wolfers. I would also like to thank seminar participants at Cornell and conference participants at the Conference on Empirical Legal Studies and the annual meetings of the American Law and Economics Association and the American Economic Association. Special thanks to Adam Isen for excellent research assistance and Jeff Gray for sharing his programs. Generous funding from the Zull/Lurie Real Estate Center is gratefully acknowledged.

The 1970s witnessed two parallel changes: dramatic increases in the labor force participation of women and changes in the laws governing marriage and divorce. This paper assesses how the legal changes surrounding divorce contributed to the rise in women's labor force participation. Divorce laws change the value of exiting the marriage and thus potentially change bargaining within the household. These laws also potentially change the returns to specialization in household versus market production by reducing the amount of time women can expect to spend in marriage and by increasing the returns to investing in one's options outside of marriage.

Research has shown that women increase their labor force participation in the years prior to a divorce and that those who divorce have engaged in less household specialization (Johnson and Skinner, 1986; Lundberg and Rose, 1999). These studies do not suggest that female labor force participation causes divorce, but rather that the anticipation of a higher probability of divorce increases female labor force participation.

It was this relationship between divorce and labor force participation that led scholars to ask how the legal changes regarding the grounds for divorce may impact female labor force participation. Family law underwent tremendous change in the 1960s and 1970s as states began to consider reducing their role in divorce proceedings. In the first half of the 20th century, most states required evidence of marital fault before allowing a marriage to be dissolved. Beginning in the late 1960s, many states introduced "irreconcilable differences" as grounds for divorce, effectively ushering in a period of unilateral divorce—divorce upon the request of either spouse. In addition to the passage of unilateral divorce laws, many states removed fault as a consideration in property division and some states changed laws governing property division

subsequent to divorce. Currently, all but five states have some form of unilateral divorce and two-thirds allow unrestricted unilateral divorce.

Early results presented in Peters (1986) based on cross-sectional comparisons suggested that unilateral divorce led to a 2 percentage point rise in female labor force participation. Yet these results were argued to be erroneous in Gray (1998) who found that unilateral divorce had no independent effect on women's market work. Instead Gray's results suggested that unilateral divorce laws had very different effects depending on the underlying property division laws. Perhaps most controversially, Gray interpreted these results as suggesting that women engage in market work more when they gain bargaining power and less when they lose it. In contrast, Chiappori, Fortin, and LaCroix (2002) estimated a structural model in which divorce laws enter by shifting the bargaining positions of the spouses. They find that divorce laws that are favorable to women *reduce* married women's labor supply.

This paper revisits the question of how unilateral divorce impacts female labor force participation and makes 4 key contributions. First, I replicate earlier analysis by Gray (1998) using census data and propose a simple test for assessing the importance of property laws, re-running Gray's analysis separately for a group with substantial marital property—a home—and for those without. Paradoxically, I show that the finding of a decrease in women's labor force participation in states that adopted unilateral divorce where property laws favor men occurs only among those who do not own a home. Second, I show that the elimination of potentially endogenous individual level controls erodes the finding of a differential effect of unilateral divorce across states depending on their underlying property division laws. Replacing these controls with controls for state-level policy and demographic changes leads to a finding of a 1 percentage point rise in female labor force participation in states that adopt unilateral divorce.

Third, I show that the impact of unilateral divorce on female employment fades with marital duration indicating that divorce and shortened marital duration are key contributors to women's increased employed in unilateral divorce states. Finally, I put these results in a longer run perspective by comparing female labor force participation in states with and without unrestricted unilateral divorce over many decades. These specifications more fully exploit the timing of unilateral divorce and show that the timing of the rise in female labor force participation follows that of the legal change.

The results indicate that the incentives provided by unilateral divorce are independent of how property is divided—in a regime in which any party can exit at will there is a greater incentive to maintain one's options outside of marriage. Women seeking both insurance against divorce and greater bargaining power within marriage are thus more likely to engage in market work when states allow unilateral divorce irrespective of the underlying property division laws.

II: Divorce Reform and Married Women's Labor Supply

Unilateral divorce fundamentally changes the nature of the marriage contract by allowing either party to end the contract at will. This change impacts the bargaining position of each spouse—shifting bargaining power toward the party with the greatest options outside the marriage. Additionally, by allowing either spouse to leave unilaterally, these laws greatly reduce the ability of couples to bargain inter-temporally. Indeed Stevenson (2007) finds that newlywed couples in unilateral divorce states specialize less in their marriage and are less likely to support each other's human capital investments.

Divorce reform may affect female labor supply either because it changes the value of women's bargaining position in the relationship, or because it alters the returns to specialization

within marriage and thus the returns to market versus non-market work. Previous work has shown that the divorce rate rose only slightly with the adoption of unilateral divorce, but those who divorce do so quicker (Peters, 1986; Friedberg, 1998; Wolfers, 2007; Matouschek and Rasul 2008). Furthermore, marriage rates are lower with unilateral divorce (Rasul 2006). In sum, the empirical results point toward women spending more of their life outside of marriage in states with unilateral divorce and thus have a greater incentive to acquire market skills.

The theory behind why the divorce rate is largely unchanged in the face of a change in who has the right to divorce stems from the Coase theorem. Since the property right—the right to divorce—is fully assigned in both cases, couples should bargain to reach the efficient outcome. Regardless of whether both spouses must consent or whether one spouse can leave unilaterally, divorces should only occur when the joint utility of the husband and wife divorced exceeds that from remaining married. However, there are important distributional changes. In the case of mutual consent divorce, the person whose utility is greater if divorced must compensate their spouse in order to make divorce preferable to remaining married for both of them, while under unilateral divorce such a spouse would simply exit the marriage keeping all of the rents. These distributional changes point to why women in unilateral divorce states have greater incentives to preserve their options outside of marriage—the outside option both sets the relevant threat point for bargaining within marriage and determines the minimum utility that one would receive in the wake of a divorce.

In Gray's analysis he pointed to the role of laws regarding the division of property in establishing the bargaining position of husbands and wives in the wake of unilateral divorce. He classified each state into one of three largely stable regimes—equitable division, community property, and common law—which differ in how much of the property is typically allocated to

the wife upon divorce. Gray's interpretation was that women in states where the legal guidelines lead them to receive small settlements at divorce have less bargaining power under unilateral divorce laws than under fault-based divorce. However, this is only true if it is the husband who wishes to divorce. Indeed, under all types of property laws, women whose relative utility is higher inside the marriage than is their husbands—i.e. who prefer to remain married more than their husbands do—lose bargaining power to their husbands with a switch to unilateral divorce.

Laws regarding the division of property affect the legal parameters for the division of assets, but since spouses know these laws at the time they marry and make subsequent investment decisions, these laws do not uniquely determine which spouse has a higher value of exiting the relationship. For example, if the woman prefers to divorce then the passage of unilateral divorce laws transfers bargaining power to her regardless of the underlying property laws. If property division laws are stable during the transition to unilateral divorce, then the shock to bargaining is the transfer of the right to exit the marriage.

So how do we know whether women or men prefer to exit the marriage, and moreover whether this varies by the laws regarding the division of property? Empirical work has found that women are more likely to file for divorce: around two-thirds of those filing for divorce are women. Brinig and Allen (2000) argue that one reason for this is because women have a greater likelihood of getting custody of their children. Men who value living with their children may therefore value exiting the marriage less than their wife. Since property distribution laws don't apply to custody, concerns over custody may impact the value of exiting the marriage in a way that is uncorrelated with property division laws.

Moreover, the shift in bargaining power toward the person most interested in exiting the marriage changes the incentives for both married and unmarried women to acquire human capital

and labor market experience. These skills will now yield a greater return to women, even if they ultimately exit the labor market, simply because they raise women's outside options and thus bargaining power within a marriage. Yet, the incentive to raise one's outside options also increases the opportunity cost of exiting the labor market. This combination of incentives and bargaining jointly ensures that women will raise their labor force participation when divorce laws are unilateral regardless of how property is divided upon divorce.

III: Empirical Results

Turning to the empirical results, I start by replicating and extending Gray's results using the 1970 and 1980 Censuses of Population. The primary regression he runs is:

$$Employed_{i,s,t} = \alpha + \beta_1 Unilateral\ w/\ common\ law_{s,t} + \beta_2 Unilateral\ w/\ community_{s,t} + \beta_3 Unilateral\ w/\ equitable_{s,t} +$$
$$\delta Equitable\ Division_{s,t} + \chi Household\ nonlabor\ income_{i,s,t} + \phi Husband's\ Income_{i,s,t} + \sum_{k=1}^{2} \varphi_k (Kids\ Ever\ Born_{i,s,t})^k +$$
$$+ \gamma Any\ kids\ under\ 6_{i,s,t} + \eta Age_{i,s,t} + \mu White_{i,s,t} + \xi Education_{i,s,t} + \psi Urban_{i,s,t} + \lambda Year\ of\ Census_t + \sum_s \eta_s State_s + \varepsilon_{i,s,t}$$

where the β's are the coefficients of interest. The effect of unilateral divorce is estimated separately for the three property division regimes: common law, community property, and equitable division.[1] The same specification is also run replacing the three dummy variables with a single indicator variable for unilateral divorce regardless of the type of property division. Gray (1998) reports that one state in his sample changes from common law property division to equitable division over this period; he therefore includes the direct effect of adopting equitable

1 Gray (1998) codes all states as following into one of these three property division regimes. There is, however, some disagreement among legal scholars over this classification. For instance, this division ignores whether a state had eliminated fault from consider in property division. Additionally, Jacob (1988) goes through property division laws finding that by 1983 22 states had a provision to value the homemaking contribution of spouses, 19 states had "unequivocally eliminated fault from consideration in property division" (p.121), and 5 states had switched to "equal" distribution, 5 were ambiguous, while the remainder followed equitable division. For consistency, I follow Gray's coding of property division laws and his coding of unilateral divorce laws.

property division in his regressions.[2] Aside from state and year fixed effects, individual characteristics are included as controls, although many of these controls may themselves be changed by the adoption of unilateral divorce. For instance, existing research has shown an effect of unilateral divorce on fertility. Husband's income is particularly problematic as husbands and wives labor supply are jointly determined, presumably by household bargaining. Thus any policy change that impacts household bargaining may impact both wives and husbands earnings.

The first column of Table 1 reports Gray's primary specification (his Table 3, columns 2 & 3).[3] Panel A reports regressions where there are three dummy variables indicating whether a state has unilateral divorce with equitable division, common law, or community property division laws. Panel B reports regressions where the independent variable of interest is measured as a single dummy variable indicating whether the state has unilateral divorce. The second column replicates this specification using the same 1 in 1000 Censuses samples and follows his coding of both the dependent and independent variables.[4] The replication is nearly exact with coefficient estimates within rounding error at the third decimal place.[5]

The next several columns investigate the hypothesis put forward by Gray that the estimates of the response of married women's labor supply to the adoption of unilateral divorce is governed by how the state will divide property by considering the property that a couple owns.

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[2] I follow his sample which excludes 5 states that changed their divorce laws in the late 1970s. Only one state in his sample changed from common law property division to equitable division during this period. Thus equitable division is included as a control, common law is the excluded category, and community property is collinear with the state fixed effects and is therefore not included. Following Gray, the control for equitable division is not included when the three dummy variables for unilateral divorce are replaced by a single indicator variable.

[3] Gray (1998) reports t-statistics. I calculate the implied standard errors and show standard errors rather than t-statistics.

[4] ICPSR studies: 0018 and 8101.

[5] Robust standard errors are reported in parenthesis, calculated to be consistent with Gray (1998). Standard errors clustered at the state level are reported below in brackets. Somewhat surprisingly, clustering yields smaller standard errors.

The argument for why unilateral divorce affects women differently in common law states versus equitable division or community property states is that men typically hold title to property in common law states and thus have greater resources upon divorce. The most important asset that most couples divide at divorce is their home (and this asset is also easily held only in the husband's name). As such, we would expect to see differences between home owners and renters in the impact of unilateral divorce laws that vary by property regime, with the results shown in columns 1 driven by those who own property. What we see instead is that the negative relationship between married women's employment and the adoption of unilateral divorce in states with common law property division is driven largely by those who do not own a home. The change to unilateral divorce leads to a statistically significant 10 percentage point decrease among renters in married women's employment in states with common law property division. In contrast, among home owners unilateral divorce leads to a non-significant 2 percentage point fall. The coefficient on unilateral divorce with community property is similar across the two groups and the coefficient on unilateral divorce with equitable division is positive for both groups, albeit slightly larger for renters.

Similarly, we can disentangle the effects by race. Column 5 shows a large negative effect—a statistically significant decrease in married women's employment of 18 percentage points when unilateral divorce is adopted in states with common law property division. In comparison, among non-black married women the estimated coefficient indicates a statistically insignificant fall of 1.2 percentage points. For blacks there is also a statistically significant fall in married women's employment when unilateral divorce is adopted by states with equitable division property division laws. Looking at community property states, we see a large—10 percentage point—rise in married black women's employment when unilateral divorce is passed.

Among non-blacks there is a small increase in married women's employment in both community property and equitable division states that adopt unilateral divorce.

The results shown in columns 3-6 of Table 1 point to the potential for omitted variable bias to be driving the effects found in Gray (1998).[6] While many researchers have argued for the exogeneity of the adoption of unilateral divorce laws as they were adopted around the country largely as a procedure refinement to already existing divorce law, there have not been similar arguments made for the exogeneity of property division laws. Furthermore, in parsing this effect out across the three property division regimes there are fewer state changes to identify the effects and making it easier for other changes in state policies to be spuriously correlated with the adoption of unilateral divorce. For instances, by 1973 all community property states, except Louisiana, had adopted unilateral divorce. Thus, all of the identification of the effects of unilateral divorce in community property states relies on the assumption that there were no changes unique to Louisiana that would affect female employment. Among common law states, only 3 states changed their divorce laws to allow unrestricted unilateral divorce—Alabama, Florida, and Georgia. The majority of the states, 29, follow equitable division which had 4 states change their divorce law to allow unilateral divorce prior to 1970, 17 that changed between 1970 and 1980, and 8 that had not adopted unilateral divorce by 1980. The few states with community

[6] In tables available from the author on request I investigate two groups whose labor force participation should be unaffected by household bargaining: Never married men and women ages 40 to 65. This older group of never married individuals are unlikely to marry in the future (although it remains possible that being in this group is affected by unilateral divorce laws). The coefficients for never-married men are similar to those shown for married women. Never-married men are more likely to work when states that have community property laws or equitable division laws adopted unilateral divorce and less likely to work in states that adopted unilateral divorce with common law property division. Never married women are more likely to work when unilateral divorce is adopted regardless of the underlying laws governing property division. These findings point to the importance of investigating omitted variable bias and sample selection effects further.

property or common-law property division laws may also have had other policy changes during the 1970s. Abortion laws were changing, food stamp programs were being introduced and expanded, AFDC varied and was changing, including AFDC for married couples through the AFDC-Unemployed Parent program. If the adoption of any of these programs was correlated with the adoption of unilateral divorce under particular divorce regimes then adding controls for these programs would likely impact the estimated coefficient on unilateral divorce.

Table 2 seeks to reconsider Gray's results, eliminating the endogenous individual control variables, adding in control variables for state-level demographics and male unemployment, and finally adding in controls for other policy changes that impacted families and potentially married women's employment. Additionally, I use the 1 in 100 census files provided by IPUMS which both provide a larger sample and ensure uniform coding of variables across the years.

The first column shows that dropping the potentially endogenous variables attenuates the estimated coefficients (the remaining individual level controls include a quadratic for age, a saturated set of dummy variables for educational attainment, and race).[7] Panel A shows a negative relationship between married women's employment and unilateral divorce in common law states and a positive relationship for unilateral divorce in equitable and community property division states and Panel B shows no statistically significant effect of unilateral divorce when the effect is not allowed to vary by property laws. The next column adds controls for time-varying factors at the state-level, such as the natural log of state personal income per capita, age composition variables indicating the share of states' populations aged 26-40, 41-55, 56-65, and

[7] This includes correcting the coding of race. Gray coded Hispanics in only states sharing a border with Mexico as non-white in 1970 and all Hispanics were coded as non-white in 1980. This derives from using two different variables—Spanish surname and Hispanic—to define white. Since Hispanic is available for 1970 and 1980 a consistent coding is available for these two periods. However, it is not possible to code Hispanic in 1960 consistently across all states.

over 65, the share of the state's population that is black, and the male unemployment rate. The estimated effects in Panel A are now all positive, albeit not statistically significant. Panel B shows an effect of unilateral divorce on married women's labor supply of 0.4 percentage points that is imprecisely measured and thus would allow effects in either direction.

The third column adds controls for time-varying state-level policies such as the presence of a food stamp program, the presence of welfare for families with an unemployed parent, the maximum AFDC rate for a family of four, and whether a state allows abortion. Both Panels A & B now show statistically significant increases in married women's labor force participation of about one-percentage point when unilateral divorce is adopted—regardless of the underlying laws governing property division at divorce. Breaking this effect across the three property regimes shows coefficient estimates that are similar across the three types of property laws. The next column includes the states that were dropped from Gray's analysis: Massachusetts, Montana, Rhode Island, Wisconsin, and Missouri (Gray dropped them because they changed their divorce laws in the mid 1970s and therefore had less time to impact behavior). The estimated coefficients remain similar when these states are included. The next few columns show that the large differences in effects on renters versus non-renters and blacks versus non-blacks that were evident in Table1 are no longer evident once controls are added for time-varying state-characteristics.

Tables 1 and 2 point to the problem of omitted variable bias in determining whether unilateral divorce impacted married women's labor force participation. Table 3 considers whether selection into and out of marriage is affecting the estimates of the effect of unilateral divorce on married women's labor force participation by examining the impact by marital duration. These columns show that unilateral divorce has the largest impact on the labor force

participation of women married 5-15 years, the period during which many marriages are most likely to end. This relationship suggests that the threat of divorce is playing a role in the relationship between unilateral divorce and whether married women work.

The results thus far have not been able to adequately address pre-existing trends. The difficulty of establishing a relationship between unilateral divorce and marital outcomes given the pre-existing differences among states in changes in norms and behavior regarding marriage has led scholars to examine data sets that cover a long period and allow the dynamic response of the policy change to be explicitly mapped out. The difficulty with married women's labor force participation is that the Current Population Statistics groups several states together during the 1970s reducing the number of state-years available for analysis.

Figures 1a and 1b shows the aggregate labor force participation rates of married and all women respectively using annual data from the March CPS. These figures show that female labor force participation rose in the mid-1970s in states that adopted unilateral divorce relative to those that did not (while states vary in the timing of adoption, states are simply grouped into those that adopt unilateral divorce and those that do not). This rise for married women appears to last about 10 years. In contrast, the labor force participation rates for all women rose and remain about 2 percentage points higher in unilateral divorce states. This difference reflects the greater labor force participation rates for unmarried women as well as married women. This result is consistent with results that find lower marriage rates in unilateral divorce states; as a result, unmarried women have a greater incentive to invest in market skills.

Table 4 examines these results exploiting the variation that comes from differences across states in the timing of the adoption of unilateral divorce. Furthermore, the regression format includes leads and lags for unilateral divorce to see if the timing evidence supports a role for

unilateral divorce in increasing female labor force participation. The CPS is potentially problematic because several states are grouped together between 1968 and 1972 and others are grouped together between1973 and 1976. Only around a quarter of the states are separately identified over the entire period. I use all available state-years in the regressions shown in Table 4; however the results are similar when I include only states that can be individually identified each year between 1968 and 1995.

The specification in the first column examines the relationship between unilateral divorce and the employment of all women. By looking at all women, the total effect on women's employment is assessed—that stemming from changes in the incentives women face before, during, and after marriage, as well as that stemming from changes in marital duration and timing. The second column adds state-level aggregate controls. Both columns show a clear rise in female labor force participation that begins a few years after unilateral divorce is adopted. Adding controls increases the estimated coefficients and sharpens the estimates. Both specifications suggested that within 5 years of unilateral divorce female employment has risen by 2-3 percentage points.

Columns 3-4 in Table 4 show a less consistent pattern for married women. As was seen in the earlier tables, the relationship between unilateral divorce and married women's employment is sensitive to the inclusion of state-level aggregate controls. The first column does not include controls for other time varying state-level factors and we see a small and insignificant effect of unilateral divorce on married women's labor supply. Adding controls leads to statistically significant increase of 2-3 percentage points that is not seen in the years leading up to unilateral divorce and grows following the adoption of unilateral divorce.

IV: Conclusion

This paper examines how changing the laws governing divorce and property division change women's labor supply decisions. Divorce laws change the value of exiting the marriage and thus potentially change bargaining within the household. These laws may also change the returns to specialization in household production by reducing the amount of time women can expect to spend in marriage and by increasing the returns to investing in one's options outside of marriage. By increasing the value of the option outside of marriage unilateral divorce increases the return to acquiring experience and other human capital for women before, during, and after marriage.

In earlier work Gray (1998) argued that there was no direct affect of unilateral divorce on female labor supply; rather the impact of unilateral divorce depends on the prevailing laws governing property division. This paper shows that the inability to find an effect of unilateral divorce on female labor supply in this earlier analysis reflected omitted variable bias and heterogeneity in treatment for women based on marital duration. Moreover, the small number of states following common law property division and adopting unilateral divorce makes the finding of a negative effect on female employment in these states very sensitive to the sample and specification used.

This paper adds a richer set of controls for state level time-varying factors and finds that adding these controls yields estimates that imply an effect of unilateral divorce on female employment that is invariant across differing legal regimes for the division of property at divorce. These findings suggest that unilateral divorce led to a 1 percentage point rise in female employment. Considering martial duration leads to estimates that are double for those in the earlier years of marriage, with little effect found for those married for 15 years or longer.

Examining 25 years of data shows an increase in female employment for both married and unmarried women following unilateral divorce that reaches its peak 5 years after unilateral divorce is adopted and remains about 2 percentage points higher than that in states that did not adopt unilateral divorce. These findings point to divorce reform's broader impact on the behavior of individuals both within and outside of marriage.

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Figure 1a

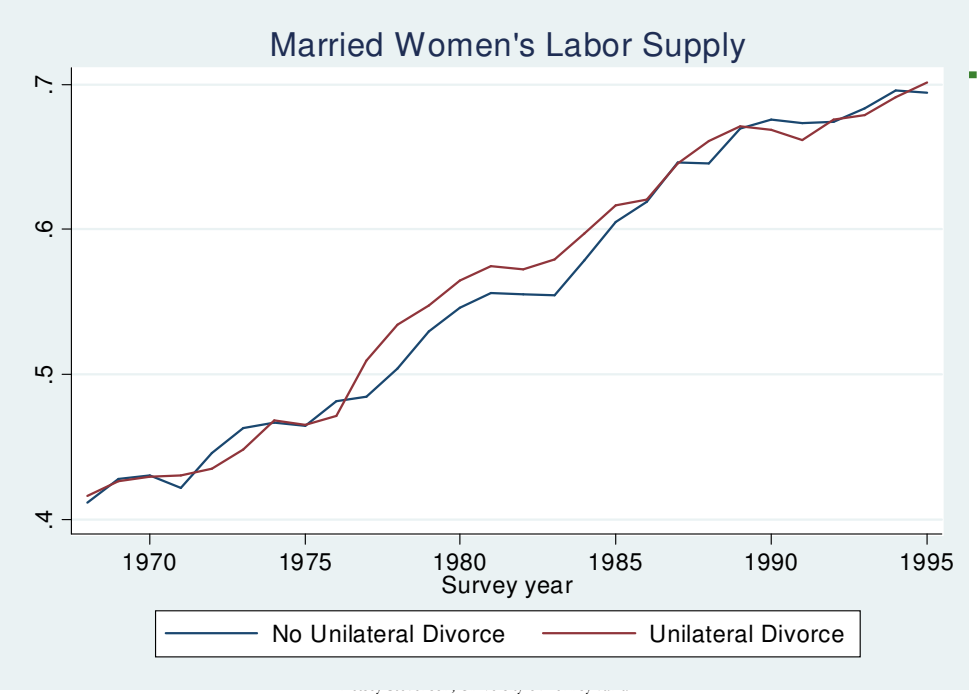

Figure 1b

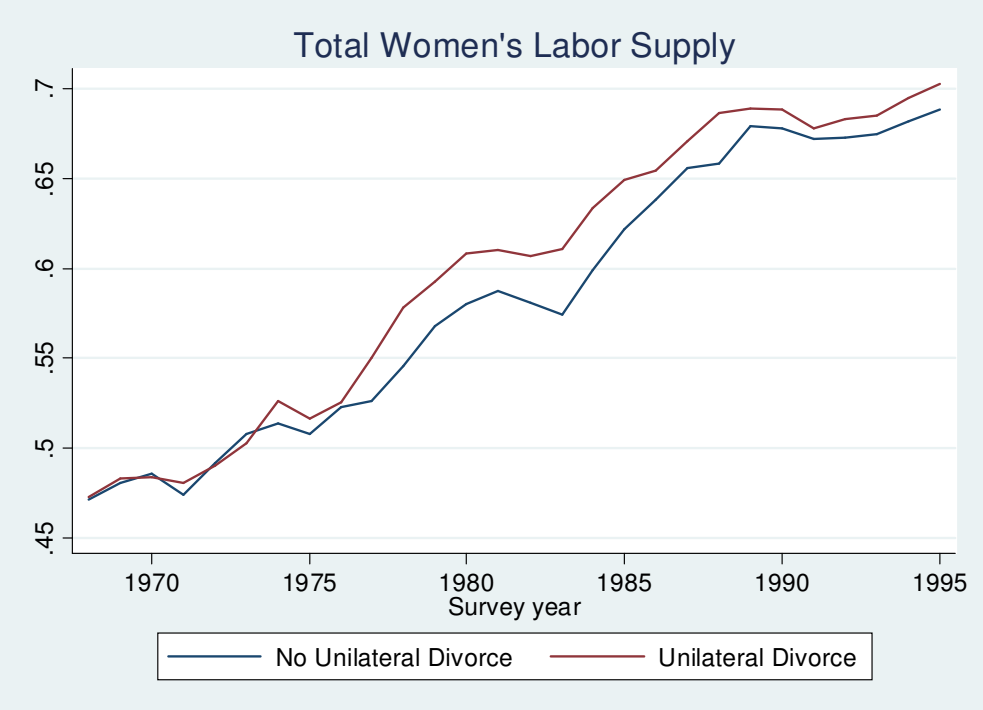

Table 1
Female Employment and the Adoption of Unilateral Divorce with Different Property Division Laws: Comparing Effects for Different Groups

	Gray (AER 1998)	Replication	Renters	Home Owners	Black	Non-black
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A						
Unilateral divorce w/ common law	-.036 (.015)	-.037 (.016) {.004}	-.100 (.032) {.012}	-.017 (.018) {.005}	-.178 (.046) {.022}	-.012 (.017) {.004}
Unilateral divorce w/ equitable distribution	.013 (.010)	.013 (.011) {.008}	.023 (.021) {.013}	.009 (.012) {.009}	-.026 (.048) {.018}	.011 (.011) {.008}
Unilateral divorce w/ community property	.023 (.012)	.024 (.012) {.005}	.023 (.021) {.011}	.028 (.014) {.008}	.113 (.043) {.020}	.022 (.012) {.005}
Panel B						
Unilateral	.006 (.008)	.006 (.008) {.007}	-.000 (.016) {.013}	.008 (.010) {.008}	-.053 (.031) {.036}	.010 (.009) {.006}
Sample size	63,615	63,615	16,842	46,622	4,977	58,631

Notes: All columns report Probit estimates, evaluated at the cell mean.

Robust standard errors are in parentheses. Standard errors clustered at the level of the state-year are in curly brackets.

Regression specification follows Gray (1998). Controls include state and year fixed effects, a dummy for non-hispanic white (Hispanics were not identified in most states prior to 1980), a dummy for urban status, non-labor household income, husbands income, number of kids ever born , kids ever born squared, any kids under 6, years of education, age.

Table 2
Female Employment and the Adoption of Unilateral Divorce with Different Property Division Laws: State-Level Controls

	Minimal controls (1% Sample)	+Aggregate state-level demographic controls	+Aggregate state-level policy controls	+Excluded states	Renters	Home Owners	Black	Non-Black
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A								
Unilateral divorce w/ common law	-.010 (.005) {.003}	.008 (.007) {.008}	.010 (.007) {.009}	.009 (.007) {.008}	-.003 (.013) {.015}	.011 (.008) {.007}	.011 (.021) {.077}	.011 (.007) {.010}
Unilateral divorce w/ equitable distribution	.005 (.003) {.006}	.005 (.004) {.005}	.012 (.005) {.007}	.013 (.005) {.005}	.005 (.010) {.008}	.017 (.005) {.006}	-.017 (.024) {.016}	.013 (.005) {.005}
Unilateral divorce w/ community property	.004 (.004) {.003}	.001 (.006) {.006}	.010 (.008) {.009}	.009 (.008) {.009}	.009 (.015) {.015}	.006 (.010) {.009}	-.030 (.043) {.025}	.011 (.008) {.010}
Panel B								
Unilateral	.001 (.003) {.003}	.004 (.003) {.004}	.011 (.004) {.006}	.012 (.004) {.005}	.003 (.008) {.008}	.014 (.004) {.005}	-.006 (.017) {.010}	.012 (.004) {.005}
Reduced set of controls	✓	✓	✓	✓	✓	✓	✓	✓
State-level demographic controls		✓	✓	✓	✓	✓	✓	✓
State-level policy controls			✓	✓	✓	✓	✓	✓
Sample size	656,375	656,375	656,375	695,488	185,876	509,612	51,755	643,725

Notes: All columns report Probit estimates, evaluated at the cell mean.
Robust standard errors are in parentheses. Standard errors clustered at the level of the state-year are in curly brackets.
The reduced set of controls includes dummy variables for white and black, a quadratic for age, a saturated set of dummy variables for education, along with state and year fixed effects.
State-level demographic controls include age composition variables indicating the share of states' populations aged 26-40, 41-55, 56-65, and over 65, the share of the state's population that is black, white and other the natural log of state personal income per capita, the unemployment rate.
State-level policy controls include the maximum AFDC rate for a family of four, existence of the AFDC unemployed parent and food stamp programs, and the Donahue and Levitt coding of whether a state has abortion access

Table 3
Female Employment and the Adoption of Unilateral Divorce with Different Property Division Laws: Heterogeneity and Selection

	Married 5 years or less	Married 5-10 years	Married 11-15 years	Married more than 15 years
	(1)	(2)	(3)	(4)
Panel A				
Unilateral divorce w/ equitable distribution	.017 (.010) {.007}	.014 (.013) {.008}	.013 (.013) {.010}	.016 (.007) {.008}
Unilateral divorce w/ common law	-.008 (.015) {.012}	.049 (.018) {.014}	.034 (.019) {.014}	-.007 (.010) {.010}
Unilateral divorce w/ community property	-.020 (.018) {.012}	.019 (.022) {.014}	.018 (.023) {.013}	.015 (.013) {.011}
Panel B				
Unilateral	.006 (.008) {.007}	.025 (.010) {.007}	.020 (.011) {.008}	.004 (.006) {.007}
State-level aggregate controls and reduced individual level	✓	✓	✓	✓
Sample size	125,050	100,499	89,211	283,765

Notes: All columns report Probit estimates, evaluated at the cell mean.

Robust standard errors are in parentheses. Standard errors clustered at the level of the state-year are in curly brackets.

The reduced set of controls includes dummy variables for white and black, a quadratic for age, a saturated set of dummy variables for education, along with state and year fixed effects.

State-level aggregate controls include the maximum AFDC rate for a family of four, existence of the AFDC unemployed parent and food stamp programs, the natural log of state personal income per capita, the unemployment rate, age composition variables indicating the share of states' populations aged 26-40, 41-55, 56-65, and over 65, the Donahue and Levitt coding of whether a state has abortion access, and the share of the state's population that is black, white and other.

Table 4
Effects of Unilateral Divorce on Female Employment

	All Women		***Married Women***	
Column No	*(1)*	*(2)*	*(3)*	*(4)*
1-3 years prior to change	*-.004*	*-.005*	*-.003*	*.000*
	(.008)	(.008)	(.010)	(.009)
Year of change	-.002	.008	-.002	.017
	(.010)	(.010)	(.013)	(.010)
1-3 years later	.010	.012	.001	.017
	(.008)	(.008)	(.010)	(.008)
4-6 years later	.016	.023	.010	.027
	(.007)	(.008)	(.008)	(.008)
7-9 years later	.015	.023	.006	.026
	(.007)	(.008)	(.010)	(.008)
10 years or more later	.016	.026	.004	.027
	(.008)	(.008)	(.010)	(.009)
Control variables				
State and year fixed effects	✓	✓	✓	✓
Economic, demographic and social policy controls[#]		✓		✓
Sample	All states 1968-1995 (some state-years missing)		All states 1968-1995 (some state-years missing)	
Sample size	1116		1116	

Dependent variable is the aggregate female employment rate in the state. Robust standard errors are in parentheses.

[#] Controls include the maximum AFDC rate for a family of four, existence of the AFDC unemployed parent and food stamp programs, the natural log of state personal income per capita, the unemployment rate, age composition variables indicating the share of states' populations aged 14-19, and then ten-year cohorts beginning with age 20 up to a variable for 90+, the Donahue and Levitt Effective access, and the share of the state's population that is black, white and other. (Employment status, age and race data are constructed from Unicon's March CPS files, and refer to the population aged 14 years or greater.)