

Business Day

N C1

THURSDAY, APRIL 19, 2007

The New York Times

Matrimony Has Its Benefits, and Divorce Has a Lot to Do With That

Divorce seems an unusual topic for economists, but decisions to end a marriage weigh costs and benefits and thus reflect economic reasoning. Justin Wolfers and Betsy Stevenson, both assistant professors of economics at the Wharton School at the University of Pennsylvania, have led the creation of new studies, which are surveyed in their working paper "Marriage and Divorce: Changes and Their Driving

ECONOMIC SCENE

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Forces."

The evidence suggests that married people — especially married men — are better off than the unmarried. But this doesn't mean that everyone should marry, or that no one should divorce. Sometimes a marriage no longer makes sense, or it didn't make sense in the first place.

In the year after a separation, most people report being less happy, at least in one major study based on British data. Nonetheless, one year after the divorce, both men

Tyler Cowen is a professor of economics at George Mason University and co-author of a blog at www.marginalrevolution.com.

and women are happier for their decisions (Jonathan Gardner, a business consultant, and Andrew J. Oswald, an economics professor at the University of Warwick, "Do Divorcing Couples Become Happier By Breaking Up?").

In the United States, the availability of divorce has increased with unilateral divorce, which allows either member of the couple to dissolve the union. The change has been associated with lower rates of female suicide and domestic violence, and fewer wives murdered by their husbands. Unilateral divorce shifts the bargaining power to the person who is getting less out of the marriage and thus is most likely to leave. The partner getting more from the marriage has to work harder to keep the other person around, which can be good for the marriage and good for the couple. In other words, unilateral divorce benefits victims and potential victims.

When unilateral divorce was adopted, divorce rates rose sharply in the two years that followed, reflecting a pent-up demand for divorce. But after 10 years had passed, the divorce rate went back to normal or in some cases, compared with states without unilateral divorce, it had fallen further.

Marriage rates are down, but not among those who gain the most from it.

In fact, the divorce rate for married couples peaked in the United States in 1979, when it was 22.8 per thousand married couples per year. Since then it has continued to decline, reaching 16.7 divorces per thousand married couples in 2005.

If matrimony as an institution has declined, it is because fewer people are marrying in the first place. Marriage is at its lowest rate in recorded American history, and marriages are shorter than before. If fewer weddings mean fewer divorces, individuals are probably making better matches. Perhaps there should have been fewer marriages in the first place.

One group more likely to be married today than ever before is Americans over age 65. Men are closing the life expectancy gap with women, and that means fewer widows, a comforting thought. The elderly are the

most likely to require marriage for assistance with medical problems, not to mention sex and companionship.

Consistent with economic reasoning, marriage is growing among groups who benefit from marriage the most. Furthermore, the women least likely to remarry are highly educated with a high income, namely those who are best able to handle single life. Women with the least resources are the most likely to remarry.

Unilateral divorce does make for less committed marriages. In states that allow unilateral divorce, a spouse is 10 percent less likely to be putting the partner through school. The obvious fear is that once the costly education is over, the beneficiary will leave the marriage. In states with unilateral divorce, adjusting for the relevant demographics, a couple is 6 percent less likely to have a child. Again, couples seem to be making decisions with the prospect of divorce in the back (or the front) of their minds. That may be one reason for the surge of female interest in higher education and advanced degrees.

Often, earlier approaches to marriage were based on the idea of a division of labor; the man would earn the income and the

woman would take care of the household. But as female earning power increases, this arrangement makes less sense. Men and women are more likely to pair off on the basis of similar education, similar interests and similar tastes in consumption. In other words, modern marriage is more fun.

And what about the children? Don't they suffer in happiness and future prospects from divorce? Maybe so, but Mr. Wolfers and Ms. Stevenson do not think the question has received a final answer. To be sure, it is better for a child to have happily married parents, but when the family is dysfunctional anyway, we don't know whether divorce harms the children. In any case, the number of children in a given divorce is, on average, declining. In 1968, the average divorce involved 1.34 children. By the 1990s, this had fallen to an average of less than one child per divorce. Since many people put off having children, and the average marriage is shorter, many divorces arrive before the children do.

By the way, Mr. Wolfers and Ms. Stevenson met in a labor economics seminar in graduate school and have been a couple for almost 10 years. They've yet to marry.