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ARE THE WEALTHY, HEALTHY, AND HAPPY MORE LIKELY TO MARRY?

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from BUSINESS LINE, March 19, 2007 Family is a familiar word. Only, it has been changing. "The theory of the family as originally developed was a theory of household formation rather than a theory of legal marriage," write two Wharton economists, Betsey Stevenson and Justin Wolfers, in a recent research paper titled 'Marriage and Divorce: Changes and their Driving Forces', on www.nber.org

The authors find, after studying the US data of over 150 years, that couples are "increasingly likely to form households without entering into a marriage". So? "To remain relevant to the 21st century, the theory of the family will need to push beyond the production of own children and traditional notions of specialisation, and must seek to uncover the forces that yield the modern family form." Which means "extending models of the family beyond the notion of a household-based firm, and toward emphasising motivations such as consumption, complementarities, and insurance as central to marriage," the authors suggest

Their research takes head-on a few common notions: That "on average, divorced people are worse off - and married people better off - financially, physically, and emotionally"; and that "all marital dissolution is welfare decreasing, and that all marriage is welfare increasing". Upsetting these views, the authors find "little hard evidence that preventing couples from divorcing is welfare-enhancing". It is important to differentiate between the average marriage, which is likely a happy one, and the marginal marriage, they insist

Another notion the research tests out is that marriage is most likely to occur when the potential gains from marriage are large. Such as: "Individuals with high earning potential have more to gain from domestic arrangements that allow them to specialise in market production; those with a 'love of fun' have more to gain from shared leisure and consumption; and those with good health have more to gain due to the greater potential longevity of their marriage." All these views may be wrong. For, there seem to be findings to contradict the expectations that the wealthy, healthy, and happy are more likely to marry. Stevenson and Wolfers discover that those who married experienced gains in happiness similar to gains experienced by those who didn't marry! "Similarly, Gardner and Oswald (2006) find that while people are less happy the year that they separate, a year after the divorce they are happier than they were while married." Lest you lose heart in the family institution, the paper concedes that purely observational studies cannot convincingly establish whether people are better or worse off as a result of marriage or divorce. "A number of factors linking well-being and marital status are unobservable to the researcher." Dark areas, so to say

Well, in conclusion, the authors make a case for 'a combination of empirical work, attention to causal inference, and general equilibrium theorising' to assess implications for 'aggregate well-being changes in marriage markets.' They hope that with the economics of the family now celebrating the 25th birthday of its foundational text ('A Treatise on the Family', Harvard University Press: Gary S. Becker, 1981) the next 25 years will provide progress toward this goal

It is quite likely that future studies too end up as equally foxed as now, because both the married and the divorced may succeed in keeping their best secrets out of the researchers' reach

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