Comparative Advantage of Married Couples

1. The Dual-Earner Married Family

Married-couple families in which both spouses are in the paid workforce earn the most income. In 2007, according to the U.S. Census Bureau, the median annual income among dual-earner married-couple families was $86,435. For households in which the wife did not work outside the home, the median annual income was $47,329.[1)] However, these data cannot quantify the economic value of the wife who works at home, and the economic tradeoffs for the family when she joins the labor force. For a provocative look at these tradeoffs, see the work of Aguirre.[2)]

Marital instability may be a driving force in a woman's decision to work or to earn more outside the home.[3)]

In Australia, a wife who works full-time experiences a decrease of 13 percent in her husband's hourly income. A man whose wife works full-time and who has a child under age five earns 10 percent less than a married man whose wife does not work outside the home and who does not have a child under age five. A man whose wife works full-time and who does not have a child under age five earns 7 percent less than a married man whose wife does not work outside the home and who does not have a child under age five. By contrast, a man whose wife does not work full-time and does have a child under age five earns 1 percent more.[4)]

Because many women do not work outside the home, comparing women's household income may provide a more accurate measure of economic well-being than a comparison of women's individual income. The family income-to-needs ratio (defined by the U.S. Census Bureau as a family's income divided by the poverty line) permits a household-oriented comparison. Again, under this form of analysis, the married woman fares best.

Continuously-married women had a median income-to-needs ratio of 3.87 between 1992 and 1994, nearly double that of divorced women who remained single, who had an income-to-needs ratio of 1.95 during the same time period.[5)] Mothers 65-75 years old who remained married the entire time they had children had an income-to-needs ratio of 4.2. Mothers who were single for less than 10 years had an income-to-needs ratio of 3.4, and mothers who took care of their children alone for at least 10 years had an income-to-needs ratio of 2.7.[6)]

2. The Inter-Spousal Division of Labor

The factors that make the intact married family an economic wonder, in addition to simply the pooling of resources of two people, stem from the unique contributions of a committed husband and wife that are diluted in other living arrangements. According to the Nobel laureate in economics, Gary Becker, marriage allows for a greater specialization of labor between husband and wife, which in turn leads to greater productivity.[7)] As University of Texas sociologist Mark Regnerus claims, "Marriage is an unbelievably efficient arrangement and the best wealth-creating institution there is."[8)]

2.1 Working Husbands

Married men earn significantly higher incomes than their peers who are single or divorced. In a 2008 review of the literature, Yale law professor Robert C. Ellickson found that marriage boosts a man's earnings by 10 to 30 percent.[9] A 2004 study in the American Economic Review estimated, after controlling for a variety of factors including heredity, the "marriage premium" on men's income at 27 percent.[10] The wage premium even benefits men who might be considered economically disadvantaged, as a 2007 study by Avner Ahituv and Robert Lerman found the effects of wedlock running "high or higher" among African-Americans, among men who have performed poorly on standardized tests, and among younger men.[11] Moreover, Linda J. Waite and Maggie Gallagher claim that this premium begins among young men who are engaged to be married and accelerates the longer that a man remains married.[12]

2.2 At-Home Married Mothers

(See Effects of Stay-at-Home Mothers on the Economy)

The big factor in the male marriage-wage premium is having a dependent wife at home. Her impact on the economy is three-fold: first, she raises the future labor force; second, her at-home labor saves the family money; and third, by tending to details on the home front, she both allows and motivates her husband to be fully committed to his occupation, job, or profession. The mother contributes to both the present and future economy, but especially the future economy through the more highly productive children she raises.

1)

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3)

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8)

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10)
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11)
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12)
Linda J. Waite and Maggie Gallagher, *The Case for Marriage: Why Married People Are Happier, Healthier, and Better off Financially* (New York: Random House, 2000), 100–01.

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