

**The Growing Economic Resemblance of Spouses:
Changes in Assortative Mating or the Division of Labor in Marriage?**

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Extended Abstract – PAA 2014

September 26, 2013

Income inequality in the United States has risen dramatically since the late 1970s and changes in family life have played an important role in this trend. Large increases in single-parent families and declining marriage rates mean that smaller fractions of people benefit from pooled incomes and economies of scale, thereby contributing to the growing gap between rich and poor families (McLanahan & Percheski, 2008). In addition, husbands' and wives' earnings have become more similar (Schwartz, 2010). This has also contributed to the rise in inequality since it means that there is less resource sharing between low- and high-earning spouses, and more pooling between spouses who are either both advantaged or disadvantaged. Previous studies have found that the increasing association between spouses' earnings accounts for between 17% and 51% of the increase in inequality in the U.S. (see Schwartz, 2010).

Despite the importance of the increasing resemblance of spouses' earnings for growing inequality, we know little about how these shifts are generated. Some studies have examined changes in assortative mating into marriage, finding an increased association between husbands' and wives' economic standing across cohorts (Sweeney, 2002; Sweeney & Cancian, 2004). These studies suggest that increased sorting into marriage may account for some of the rise in the socioeconomic resemblance of spouses, but they do not quantify the extent to which this is the case. Other studies have used data on wide cross-sections of currently married couples to

estimate the extent to which changes in the resemblance between spouses' earnings has contributed to family and household inequality (Cancian et al., 1993; Cancian & Reed, 1998; Hyslop, 2001; Schwartz, 2010). However, data constraints prevent these studies from estimating the extent to which shifts are due to sorting into marriage versus changes that occur after marriage.

Determining whether changes in assortative mating or the division of labor in marriage are responsible for the increased resemblance of spouses' earnings is especially relevant given recent findings that increases in educational assortative mating explain little of the rise in income inequality across households in the U.S (Breen & Salazar, 2010; Western, Bloome & Percheski, 2008). One of the primary rationales for studies of educational assortative mating is that increases in the educational resemblance of spouses should increase income inequality because of the link between education and earnings (Kalmijn, 1998). Thus, it is puzzling that some scholars have found that increased educational assortative mating has not translated into increased income inequality (Breen & Salazar, 2010; Western, Bloome & Percheski, 2008), but others have reported that the increased economic resemblance of spouses has (e.g., Cancian et al., 1993; Schwartz 2010). A potential reconciliation of these findings is that changes in the division of labor after marriage primarily explain the increasing economic resemblance of spouses rather than changes in assortative mating. Assortative mating scholars have overwhelmingly focused on how couples sort into marriage, but this is an area in which changes in spouses' characteristics that occur after marriage may be more relevant.

We evaluate these ideas by decomposing shifts in the correlation between spouses' earnings from 1970 to 2009 into parts due to changes in assortative mating and parts due to

changes the division of labor after marriage. This is the first study to quantify the extent to which changes in these two processes contribute to spouses' economic resemblance.

DATA & METHODS

We use data from the Panel Study of Income Dynamics (PSID) and the Survey of Income and Program Participation (SIPP). The PSID is a longitudinal study of American households that began in 1968. All persons living in PSID families in 1968 were interviewed yearly through 1997 and every other year since then. The SIPP is a continuous series of nationally representative panels that began in 1984. The duration of each panel ranges from 2½ years to 4 years, and households are interviewed approximately once every four months. Our PSID and SIPP samples are comprised of married couples in which one spouse is the head of the household.

We use the correlation coefficient to examine the association between married couples' labor income from 1970 to 2009. We adapt classic methods for decomposing differences into parts due to differences in rates and differences in population composition (Kitagawa, 1955). We are interested in the extent to which the increases in the correlation coefficient are due to changes in (1) the correlation at the time of marriage and (2) the correlation in the years after marriage. We simulate trends under various counterfactuals to determine how trends in the correlation would have changed had trends in assortative mating and/or division of labor remained constant.

PRELIMINARY RESULTS

Our preliminary decomposition results using the PSID reveal that changes that occur after marriage explain most of the increase in the correlation between spouses' earnings between 1970 and 2009, whereas increases in assortative mating into marriage explain only about 15% of the

increase. Thus, our study shows that changes in both assortative mating on earnings and changes in the division of labor importantly contributed to the increase the correlation between spouses' earnings, but that changes in the division of labor mattered more. These findings help clarify why educational assortative mating has not had more of an impact on economic inequality in the U.S. Our study suggests that one reason for this finding is that the increased correlation between spouses' earnings came more from changes that occur after marriage (i.e., women became much more likely to work after marriage) than from increased assortative mating into marriage. It also offers a life course perspective to the study of shifts in the economic resemblance of spouses across couples' married lives and examines how these experiences have changed since the late 1960s. Over the next several months, we will be adding the SIPP data to our analysis to (hopefully) corroborate our PSID results.

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