

A Structural Decomposition of the Marriage Premium

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1. Introduction

The wage gap has been under investigation for quite some time now. This particular research examines the wage gap that exists among men in their first marriage and never married men. This distinct wage gap is commonly referred to as the 'Marriage Premium.' To investigate this phenomenon, an income determination model was constructed. This income determination model consisted of three model segments: the individual, the structural, and the gender/race. The dependent variable of this study is annual earnings.

Each component of the income determination model has its own reasoning to explain why the marriage premium exists. At the individual level annual wage differentials are believed to be caused by human capital variables and issues such as perceived productivity and differences in ones selection into marriage (Becker, 1964, Gray, 1996, and Nakosteen and Zimmerman, 1986). The structural level arguments suggests that one's position within an organization or labor market has the most influence on his/hers potential annual income (Weitzman, 1989). At the gender/race level it is believed that women and minorities are devalued and sorted into lower paying jobs (Gupta, 1993).

2. Methodology

This study uses data from the 2002 National Study of the Changing Workforce (NSCW). The NSCW is conducted by the Families and Work Institute. To obtain its data, the NSCW utilized a computer-assisted telephone interviewing system (CATI). Telephone calls were made to a stratified unclustered random probability sample using a random-digit-dialing method. The official size was 3.504 individuals.

For this particular study, sample restrictions were implemented to fit the research design. The sample restrictions that were applied involved selecting males between the ages of 18 and 64 in their first marriage or never married. The final sample size was 719 individuals. When using the NSCW, a weight must be implemented before performing data analysis to insure that the sample reflects that of the universe population.

To analyze the data, univariate, bivariate, and multivariate statistics were used. Univariate statistics was performed to establish a descriptive account of the population and the sub-populations. These were in the form of means and standard deviations. Bivariate statistics will be conducted by using t-tests to establish if there are any statistical differences between married men and never-married men. A significance score of .05 or lower was used as a standard on all bivariate statistics along with an effect size of .20 or greater to determine if the difference between groups is meaningful. Multivariate analysis was implemented on the data in the form of OLS regression. This was used to determine which independent variables meaningfully altered the dependent variable.

Conclusion:

Table one shows the results for the OLS regression of the sample of men under analysis. Most importantly, OLS regression results indicate that men in their first marriage made \$3,186.05 more annually than do never-married men. This finding is concurrent with other's findings in recent literature, although exact numbers do differ slightly. Another significant finding relates to the variable that controls for age. Here the results are both statistically significant at the 0.001 level and are meaningful. Job tenure, occupational prestige and living with children under the age of six are also statistically significant and meaningful.

These findings are important because they reveal some of the major causal factors that contribute to the 'marriage premium.' Future research should be directed towards replicating this and other studies to improve the validity and reliability of these and other's findings. This information can be valuable for policy implications that could potentially be aimed at helping those who are not married find employment is equivalent with those who are married, and with the spread of this knowledge, discrimination patterns could be curtailed and then equality may be reached some time in the future.

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Table 1

OLS Regression Analysis for the Income Determination Model

(Dependent Variable = Weekly Earnings)

Variables:	Full Sample			Never Married Men			2	1st Marriage Men		
	unstd.	1	std.	unstd.	1	std.		unstd.	1	std.
Independent Variables:										
<i>Individual-level factors:</i>										
Labor Exp. (years)	\$402.77 ***		0.200	\$173.43		0.085		\$443.57 ***		0.219
Education (years)	\$2,682.76 ***		0.313	\$3,018.67 ***		0.369	^	\$2,538.78 ***		0.301
Rural (0,1)	-\$3,220.02 *		-0.063	-\$9,359.19 **		-0.178		-\$2,049.84		-0.041
South (0,1)	\$167.50		0.004	\$3,390.96		0.077		-\$666.87		-0.016
Job Tenure (years)	\$429.77 ***		0.179	\$745.76 ***		0.292	^	\$401.68 ***		0.172
<i>Structural-level factors:</i>										
Hours per Week (hours)	\$235.22 ***		0.136	\$272.33 **		0.183	^	\$230.33 ***		0.131
Government (0,1)	-\$2,198.99		-0.043	-\$943.17		-0.019		-\$2,198.18		-0.044
Union (0,1)	\$3,975.04 **		0.081	\$89.41		0.002		\$3,948.04 *		0.083
Company Size (12.5-10,000)	\$0.53		0.046	-\$0.51		-0.044		\$0.68		0.060
Goods-Producing (0,1)	\$1,161.53		0.027	\$4,245.20		0.096		\$301.65		0.007
Occupational Prestige	\$302.40 ***		0.208	\$437.14 ***		0.327	^	\$266.70 ***		0.184
Supervisor (0,1)	\$5,598.58 ***		0.134	\$6,412.46 *		0.163	^	\$5,418.31 ***		0.132
<i>Gender/Race-level factors:</i>										
Married (0,1)	\$3,186.05 *		0.062							
Minority (0,1)	-\$4,050.92 *		-0.080	-\$1,518.42		-0.036	^	-\$5,412.68 **		-0.105
Living w/ children under age 6 (0,1)	\$4,557.23 **		0.096	\$17,265.10 **		0.183	^	\$4,398.60 *		0.099
Occ. Sex-Segregation	-\$7,920.15 ***		-0.208	-\$8,961.62 ***		-0.252	^	-\$7,714.28 ***		-0.205
Total HH labor per week (hours)	-\$53.59		-0.053	-\$117.92		-0.095		-\$53.75		-0.056
(Constant):	-\$29,616.77 ***			-\$38,940.50 ***			^	-\$22,725.36 ***		
Adjusted R-SQ	0.452 ***			0.528 ***				0.407 ***		
Sample n	715			147				567		

1= *** p < 0.001; ** p < 0.01; *p < 0.05

2 Significant Difference Between Men in their 1st Marriage and Never Married Men at the .05 Level or Higher

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