

# “Physical Attractiveness and the Economic Return to Marriage”<sup>\*</sup>

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## Abstract

The purpose of this paper is to identify the causal effect of marriage on wages for male workers using Japanese panel data. We find that the marriage premium derived through OLS estimation is 15.1% and that this premium falls when using the fixed effects model. This result is consistent with the results of existing studies. In addition, using unique questionnaire items, we attempt to identify part of the heterogeneity that is generally unobservable for researchers, and that biases the premium upward. The results show that physical attractiveness, judged by factors such as height and looks, is important in heterogeneity, which brings bias. Lastly, we use IV estimation to overcome the other endogeneity problems, and show that the premium is 2.0% and statistically insignificant. It follows from this that marriage has little causal effect on the wages of male workers in Japan, and that the marriage premium found in cross-sectional analysis is brought about by unobserved variable and/or reverse causality. Controlling for the number of children, the premium decreases in all estimation methods.

**Keywords:** Marriage, wage, physical attractiveness

**JEL Classification Numbers:** J31, J12.

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