

Gender-specific labor market conditions and family formation

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Abstract

This paper investigates the effects of the gender-specific unemployment rates on American women's family formations and how the effects differ across women's age. Using the SIPP and the PSID, combined with the state level male and female unemployment rate from the CPS, I found the following results. First, younger women are more likely to marry when labor market conditions for women are relatively bad compared to the conditions for men. In contrast, older women's marriage hazard increases in the male unemployment rate and decreases in the female unemployment rate. Second, the gender-specific unemployment rates at marriage are not systematically correlated with the probability of divorce or the probability that both spouses have similar characteristics. Third, although the likelihood of having ever married in their mid-twenties is higher for women who have experienced worse labor market conditions for women and better labor market conditions for men when they are 19-22 years old, this effect fades away by their early thirties. To interpret these findings, I present a simple model of the marital search, which treats marriage as a mutual agreement between both spouses and allows the arrival rate to depend on the gain from marriages through search efforts.

Full paper will be available at <http://www.columbia.edu/~ak2258/>