An empirical analysis of the effect of increasing male wage inequality on female marriage behavior in Japan[*]

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ABSTRACT

This paper examines the effect of the greater inequality in the lower than in the upper tail of the male wage distribution on female marriage behavior in Japan, using a new analysis framework. I first formulated the analytical model applying the "median-preserving spread" method to a marriage search model and then analyzed the theoretical hypothesis empirically, using extensive individual Japanese data from the Employment Status Survey, which examined a large sample. The theoretical and empirical results show that the higher male wage inequality in the lower tail, which is due to an increase in the male non-regular employment rate, has a significant effect on the rising single-female rate. Furthermore, the increase in the "non-regular employment" rate, regardless of the employment contract period, also has a significant effect on the rising single-female rate, even where the increasing male wage in the lower tail is controlled for. These results suggest that policies to improve the income security of the low-income male and to promote a shift from non-regular to regular employment are needed to raise the female marriage rate.

Key words: higher male wage inequality in the lower tail, non-regular employment, female marriage behavior, search model, median-preserving spread

JEL classification: J12; J31; D31