

Relation between Relative-income and Marriage in Japan

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Abstract

When people make a marriage decision, they would rather refer to their relative status in the local reference group determined by their social features than their absolute social status. This paper investigates the effect of relative income on marital status, using Japanese data. For poor males, relatively low-income males among each reference group are more likely to marry when their income approaches around the 50th percentile point in his reference group's income distribution. If they earn a high income beyond that point, however, the effect of increasing income becomes very low.

At the first step, I put each individual into local reference groups and consider their group's median income to define relative-income. In the main analysis, I estimate the effect of relative financial status on marital status. I found that the ratio of income to the reference group median could be expected as a prediction of the marital status of the poor males in Japan.

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