

# Marriage and Female Wages: Do Married Women Pay a Penalty or Earn a Premium?

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## **Extended abstract**

In the sociological and economic literatures, the relation between marriage and men's wages has been well-documented (for a review, see Ribar, 2004). Studies examining this relation in a wide range of countries have consistently found that married men earn more than single men (e.g., Bardasi & Taylor, 2008; Datta Gupta, Smith, & Stratton, 2007; Killewald & Gough, 2013; Schoeni, 1995) - a phenomenon known as the 'male marital wage premium'. We know comparatively little however, about the relation between marriage and women's wages. Instead of focusing on marriage, research among women has mostly examined how motherhood affects wages (although one could argue that an effect of motherhood on wages could also be viewed as an indirect effect of marriage). Mothers are generally found to have lower wages than childless women (for a review see, Anderson, Binder, & Krause, 2002). Only a handful of studies have examined the relation between marriage and women's wages. These studies have produced mixed results: while some have found evidence of a marriage wage penalty for women (Hewitt, Western, & Baxter, 2002), others found that the association is insignificant (Hill, 1979; Korenman & Neumark, 1992), while yet others have found a modest wages premium for married women (Budig & England, 2001; Waldfogel, 1997).

Research examining the mechanisms underlying the wage penalty or premium for married women has been very limited (for an exception, see Killewald & Gough, 2013) and as almost all studies to date have been conducted in the United States, we know little to nothing about the relation between marriage and female wages in other countries. Not to mention what

cross-national variations exist and how to explain them. Research among men has found substantial cross-national variations in the effect of marriage on wages (De Hoon, Keizer, & Dykstra, 2013; Schoeni, 1995) and the same might be true for women.

In the present paper, we examine the relation between marriage and female wages across countries in Europe and in Australia, focusing on the following questions: do married women pay a penalty or receive a premium? And why? What cross-national variations exist? And how can these be explained?

To address these questions, we use micro-level data from the Generations and Gender Surveys (Vikat et al., 2007) in combination with a unique set of comparable legal and policy indicators from the MULTILINKS database, developed in the context of the European 7th Framework Programme (Dykstra & Komter, 2012).

**Theory and hypotheses.** As mentioned above, studies examining the association between marriage and women's wages have often been framed in the context of a marriage penalty. Expectations of a female marriage penalty are generally based on Becker's (1981) specialization hypothesis. In order to maximize household income, the couples allocate more time and energy of the male partner to market activities, while the female partner focuses on domestic activities. Whereas this intra-household specialization in market activities leads men to become more productive than single men (explaining why men earn a marriage premium), specialization in domestic activities leads women to become less productive and therefore pay a wage penalty. Given this specialization perspective *we hypothesize that marriage is negatively related to women's wages and that this relation is explained by the larger amount of household labor that married women perform.*

Alternatively, marriage may be positively related to women's wages. Gorman (2000) argues for instance that marriage leads both men and women to consider pay a more important job characteristic. This increased focus on pay could lead both men and women to direct more effort to getting higher pay, for instance by becoming more productive, or it could lead them to pursue a job in better paying sectors. This theoretical perspective leads to the hypothesis that

*marriage is positively related to women's wages and that this relation is explained by married women more often choosing higher paying sectors. Another explanation for a positive relation between marriage and wages is formulated by Waite and Gallagher (2000), who suggest that health benefits from marriage for men and women, resulting from social control of health behaviors, also lead them to be more productive at work and earn higher wages. In line with this perspective, we hypothesize that a positive relation between marriage and women's wages is explained by married women's better health.*

**Results and conclusion.** Preliminary results indicate that marriage is either unrelated to women's wages, or negatively so. Figure 1 shows the association between marriage and women's wages across the twelve countries we examined. These results suggest that there are large cross-national variations in the effect of marriage on female wages, ranging from a penalty of more than 40% in France to no substantial association in six of the countries we study. Further examination (results not reported here) indicates that specialization in household work accounts for part, but not all of the relation between marriage and wages in the countries where a penalty is found. In several countries, a negative interaction effect seems to exist of marriage and motherhood on women's wages, indicating that these indicators should be examined in tandem rather than separately. From a specialization perspective, this could be explained by the notion that a single mother cannot afford to be less productive and earn less, as she has to take care of her children financially. Being married and having a partner who provides for the family allows a mother to focus on her children, leading her to become less productive and earn lower wages.

Marriage seems to be a source of wage inequality within and across genders. As men's wages benefit from marriage, but women's wages are unaffected or even decreased, marriage contributes to the gender wage gap.

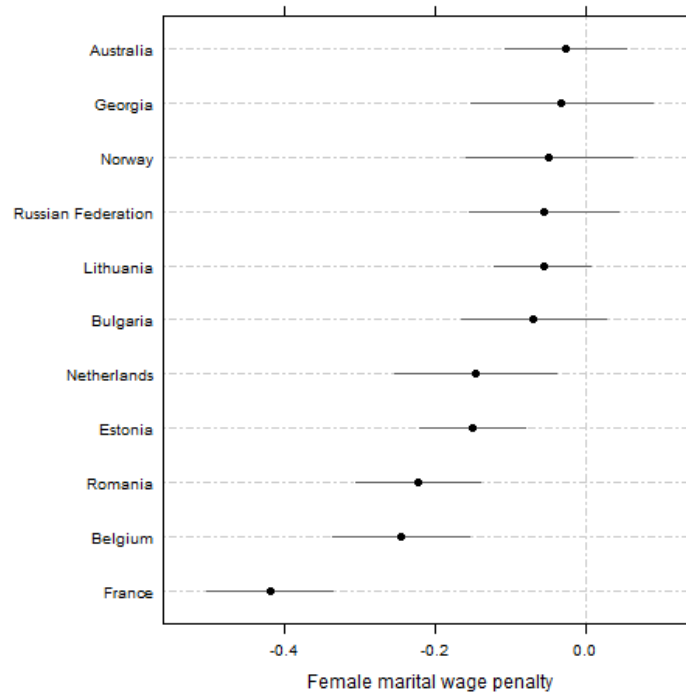


Figure 1. The relation between marriage and female wages across the twelve countries we examine.

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