

# Marriage and Economic Well-Being: The Economy of the Family Rises or Falls with Marriage

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The economic well-being of the United States is strongly related to marriage, which is a choice about how we channel our sexuality. The implications of sexual choices are apparent when comparing family structures across basic economic measures such as employment, income, net worth, poverty, receipt of welfare, and child economic well-being. In all of these the stable, intact married family outperforms other sexual partnering structures; hence the economy rises with the former and encounters more difficulties and inefficiencies as it diverges from it.

## Family Structures and Economic Outcomes:

- **Employment and Income.** *Married-couple families generate the most income, on average.* Young married men are more likely to be in the labor force, employed, and working a full-time job than their non-married counterparts. Cohabiting men have less stable employment histories than single and married men. Married families generally earn higher incomes than stepfamilies, cohabiting families, divorced families, separated families, and single-parent families. According to one study, married couples had a median household income twice that of divorced households and four times the household income of separated households.
- **Net Worth.** *Intact, married families have the greatest net worth.* A family's net worth is the value of all its assets minus any liabilities it holds. Married households' net worth is attributable to more than simply having two adults in the household: a longer-term economic outlook, thrift, and greater head-of-household earning ability (the marriage premium) all contribute to greater household net worth.
- **Poverty and Welfare.** *Poverty rates are significantly higher among cohabiting families and single-parent families than among married*

*families.* Over one third of single mothers live in poverty. Nearly 60 percent of non-teenage single mothers rely on food stamps or cash welfare payments.

- **Child Economic Mobility and Well-Being.** *Children in married, two-parent families enjoy more economic well-being than children in any other family structure.* Children in cohabiting families enjoy less economic well-being than children in married families, but more than children in single-parent families. The children of married parents also enjoy relatively strong upward mobility. By contrast, divorce is correlated with downward mobility. A non-intact family background increases by over 50 percent a boy's odds of ending up in the lowest socioeconomic level.

## **Married Families:**

Married men enjoy an income increase called the “marriage premium.” Married families also tend to save more, have higher net worth, and enjoy greater net worth growth from year to year. Furthermore, the presence of both parents at home is strongly beneficial for children, giving both parents myriad more options in devising their income and parenting strategies, resulting in increased economic well-being.

## **Remarried Families:**

Remarriage may improve women's incomes after divorce, though men who remarry after divorce have, on average, less net worth than continuously-married men. Many remarried spouses choose to keep money in separate accounts rather than pooling all their resources. Poverty is reduced by 66 percent among children whose divorced mothers remarry.

## **Divorced Families:**

The income decline that follows divorce, particularly among women, is well documented. Divorcing or separating mothers are 2.83 times more likely to be in poverty than those who remain married. Following a divorce, the parent with custody of the children experiences a 52 percent drop in his or her family income. The children of divorced mothers are less likely to earn incomes in the top third of the income distribution, regardless of where in the income distribution their parents' income fell.

## **Single-Parent Families:**

Single parents have a particularly difficult economic situation. Single mothers over age 20 more closely resemble teenage single mothers than they resemble married mothers their own age when their children are born. Single mothers have less net worth than married parents, single fathers, and stepfamilies; their net worth is comparable only to cohabiting couples. Over one third of single mothers

live in poverty. Children in single-parent households have less family income and are more likely to be poor than children in married-parent households.

## **Cohabiting Families:**

Cohabiting households generally have larger incomes than single-parent households but smaller incomes than married-parent households. Cohabiting women work more hours as their partner's income increases because they deliberately avoid an agreement to totally pool their incomes. Cohabiters who live together for less than four years are not likely to pool their incomes. Older cohabiters who have never been married have, on average, 78 percent less net worth than those in intact families. Furthermore, cohabiters have the lowest net worth growth of all family structures, comparable to that of widows and widowers.