

Young Women's Job Stability, Union Formation, and Contextual Conditions (Extended Abstract)

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Introduction

There is some consensus in the literature that good economic circumstances are linked to marriage and marital stability. There is less agreement about whether this is true for women and whether economic circumstances can similarly predict cohabitation. This study fills one gap by studying women in particular and including cohabitation as a competing risk for first union formation. This paper focuses on women during their young adult years, a time during which change and mobility are quite common. Given the instability characteristic of young adulthood, this paper uses a different but important measure of economic circumstance: *job instability* (Oppenheimer 2003 and Clarkberg 1999 are exceptions). Previous studies typically include education, employment, occupation, and earnings to capture economic circumstances (Smock & Manning 2005). Finally, this research links individual young women to their place of residence to consider the contexts (women's labor market opportunities and housing costs) in which they make life decisions. Similar studies including contextual effects on marriage have typically thought of context only as marriage markets and have not generally followed individuals through time *and* captured the characteristics of their changing contexts.

Background

Framed within specialization theory, we see empirical evidence that men's employment increases their likelihood of marriage. Part of this specialization theory assumes that women invest in housework and childcare while their husbands provide the income. This follows the perspective of men as breadwinners and women as home-makers. We know that more women today participate in the labor force and experience higher returns for their labor market participation. Based on Becker's gains-to-trade model (1973), higher earning women should have less incentive to marry and more marital instability. This is the basis of women's economic independence hypothesis (Oppenheimer 2000).

However, studies directly testing the economic independence hypothesis find mixed evidence. At the individual level, better economic circumstances for women either increase the likelihood of marriage (Clarkberg 1999; Lichter et al 1992; Sweeney 2002; Raley, 1996) or have no significant relationship (Sassler & Schoen 1999; Xie et al 2003). Furthermore, aggregate-level marriage-markets studies find better local economic conditions associated with lower marriage rates (Lichter et al 1991; Lichter et al 2002), though results vary by race-ethnicity. Oppenheimer's 1997 review of empirical studies testing the economic independence hypothesis states there is little supporting evidence. Smock and colleagues (2005) conclude that economic circumstances may be more important for men than women. This suggests a more complex situation for women and a need for further research.

The Theory of Marriage Timing (Oppenheimer 1988) extends previous theories by highlighting not only women's improving economic circumstances but emphasizing the changing economic circumstances of prospective male spouses. Oppenheimer's perspective emphasizes the important economic role men continue to play in the family. Her research suggests that if men have difficulty making a smooth transition into stable work careers, this will affect their ability to form marital unions.

Oppenheimer's research has brought the focus of marriage formation back to men citing the lack of attention on men's economic difficulties as it relates to marriage formation. Her recent work finds that cohabiting unions may be a response to such career uncertainties for men. I propose that research considering *women's* economic circumstances, specifically job stability, is timely. After all, women's transitions to stable work will also be an important factor as they make their own decisions about school, work, and marriage. Additionally, although there has been little research on the topic, the restructured economy has certainly affected the labor market conditions for women albeit in different ways than for men (Browne 2000).

Since the 1980s, the U.S. economy has experienced a decrease in higher paying manufacturing jobs and an increase in lower paying service sector jobs. The restructured economy has created a context which makes it difficult for young adults to achieve stable careers and become economically independent – an often cited prerequisite for marriage. Because many young adults spend these early years in various jobs rather than life-long careers, *job stability* is an important component to consider. This is especially true of those who may not have the necessary human capital for today's demanding labor market. Across disciplines, there have been many studies connecting economic circumstances to marriage formation. Few studies have considered the effect of *job stability* on union formation (Oppenheimer 2003 and Clarkberg 1999 are two exceptions). I contribute to the literature by more systematically investigating the job instability common among young adults and how it affects decisions about first union formation.

I further propose that economic changes have created local structural contexts which play a central role in affecting women's decisions about family formation. One of the major contributions of this research is to consider the contextual economic conditions in which women live and how this affects their decisions to form unions. Marriage theories suggest that an individual's economic situation plays some role in decisions to marry. Underlying these marriage theories is an assumption that a certain level of economic resources is necessary to form such a union, though this is less clear when predicting cohabitation or when considering the situation for women. The state of the labor market could send signals to women about what their future prospects may look like. This suggests the need to consider local labor market opportunities, specifically those for women. In addition, marriage and cohabitation are two specific types of household formation. Therefore, housing costs should have some affect on these decisions about union formation. I expect that labor market opportunities for women and housing costs play roles in decisions about marriage and cohabitation.

Other “context” studies have mainly concerned themselves with contextual variables by using aggregate-level units of analysis such as a Labor Market Area (LMA) or Metropolitan Statistical Area (MSA) (Fosset & Kiecolt 1993; Guzzo 2004; Hughes 2003; Lichter et al 1991; South & Lloyd 1992). The logic of such studies is that mate selection and labor market opportunities occur in a common bounded space. These studies are concerned with contextual conditions but primarily the ratio of available men to women with similar backgrounds (i.e. race, education, age). More recent studies of this type have also considered the effects of the restructured economy by hypothesizing that the difficulties among less educated men have decreased the pool of economically attractive spouses, especially for African-American women (Wilson 1987). These studies can be thought of more broadly as marriage market studies.

Furthermore, most of these studies use cross-sectional data which is available at one point in time, often the decennial census. Oppenheimer (1997) cites the serious limitation of using such cross-sectional data; one cannot necessarily conclude that better labor market conditions *cause* a decrease in marriage formation. Longitudinal studies, in which the same individuals are followed over time, are in a somewhat better position to make causal statements based on the availability of information about the timing of marital and cohabiting unions and residential mobility.

There are a few studies with individuals followed through time as the units of analysis linked to their macro-level contexts at one point in time. Sociologist Daniel T. Lichter and colleagues (Lichter et al 1992; Lichter et al 1995; McLaughlin et al 1993) and Lloyd and South (1996) have all used the National Longitudinal Survey of Youth and matched individuals to their place of residence using the PUMS-D file of the 1980 census at the LMA level. Raley (1996) has used the National Survey of Families and Households (NSFH) linked to 1990 census. These studies generally conceptualize macro-level measures in terms of marriage market prospects. A more recent study by Lichter and colleagues (2002) used pooled cross-sectional data from the 1986 – 1997 annual demographic supplements of the Current Population Survey (CPS) and link this to State-year specific economic indicators from the Regional Economic Information System.

This paper builds upon this area of research in several ways. First, there are few marriage studies that combine individual longitudinal data with macro-level variables. Second, I am not aware of any studies that have considered the *changing* context. That is, the contextual measures, generally the decennial census, have generally been from one point in time which assumes individuals have not moved residence and that contextual information remains constant throughout a decade. Third, I consider contextual variables as economic conditions affecting individual behaviors in a way other than merely the presence of available economically attractive partners. Fourth, I include cohabitation as an alternative first union to marriage. I do not know of any studies that combine the first three elements described with cohabitation.

In addition to labor market opportunities for women, this paper focuses on a second dimension of economic context: housing costs. The “cost” of marriage or cohabitation should also be associated with the actual costs of living in certain types of unions. In

other words the costs of living such as rent and utilities are part of factors that determine living arrangements. As Hughes (2003) points out, because housing is the primary expense in maintaining a household, it is an important consideration left out of most studies of household formation, especially marriage and cohabitation. Hughes' work appears to be the first study to consider housing cost and labor market conditions on several types of household formation including marriage, cohabitation, living with parents, living alone, or living with roommates. Using 1990 census data Hughes looks at a cross-section of young adults 18 to 30 years old and their local market which she measures by Metropolitan Areas (MA). Her results support her hypotheses that local housing market conditions affect the type of households young people create, with differences by race-ethnicity and gender among Blacks.

Although there has been little research on the effects of housing costs on marriage and cohabitation, Hughes' 2003 study finds there is a relationship and her intriguing *cross-sectional* results suggest a need for further research on the topic. My study fills this gap by examining the relationship between housing costs at an aggregate level on individual behaviors *over time*. Furthermore, my research will include individual-level economic circumstances, an important piece of the puzzle left out by Hughes in her analyses.

Research Questions and Expected Results

Research Question 1: How do individual economic circumstances (including job stability) affect first union formation among young women?

Given the inconsistent theoretical predictions for women's economic situation and union formation and the mixed empirical evidence, it is difficult to make straightforward predictions. However, I speculate on several possible relationships based on previous studies. I explore the following first union transitions for young, unmarried women:

- Single to Married
- Single to Cohabiting

Single to Married. Following empirical evidence from earlier studies, I hypothesize that women with greater labor market potential will have a higher likelihood of marriage than women with weaker labor market potential, relative to remaining single. Although we see women delaying marriage, researchers agree that marriage remains desirable (cf. Cherlin 2004). With the assumptions that 1) marriage is an ultimate goal for most individuals; and 2) women with better economic resources can "choose" the most desirable option, I expect economically independent women will choose marriage as their first union rather than remain single. Although specialization theory might predict that a woman with weaker labor market potential would be more likely to trade in her housework for a male partner's earnings, recent studies, reviewed earlier, suggest that this relationship may no longer be true. Women with greater labor market potential seem to be more likely to marry. It may be the case that an economically stable woman can choose to marry even when her potential partner is not financially ready. Alternatively, a woman with better labor market potential may be more attractive to young men as a marriage partner.

Single to Cohabiting. The relationship between economic circumstances and cohabitation as a first union type is difficult to predict. On the one hand, I expect women with less labor market potential will have a higher likelihood of cohabiting rather than remaining single. On the other hand, I can also foresee that women with better economic prospects will have a higher likelihood to cohabit than women with weaker labor market potential, relative to remaining single.

For women in worse economic situations, cohabitation could be a practical way to pool resources and share expenses such as rent and utilities while also forming romantic relationships. Additionally, cohabitation could be a temporary status until such women are economically ready to marry.

Women with better economic prospects may choose to remain economically independent but form a cohabiting union to test the compatibility of a potential husband. In this sense, better-off women can take the time to use cohabitation as a testing ground for a possible mate. They may use cohabitation as a trial union to learn more about their partners perhaps in terms of the division of household work and issues of trust. It is possible that there are threshold effects with some women needing to cohabit for financial reasons and other women who have reached a level of true economic independence using cohabitation as a marital search tool.

Research Question 1a: *Does the effect of individual economic situation (earnings and job stability) and education level on union formation differ by race/ethnicity?*

Looking at the individual-level economic and educational effects, we might expect group differences by racial-ethnic membership. We know that Non-Hispanic Whites marry at the highest rates, Non-Hispanic Blacks at the lowest rates, with Hispanics in between (Oropesa & Landale 2004). However, studies also suggest that some Hispanic sub-groups, such as Mexicans, marry at rates similar to that of non-Hispanic Whites despite their poor economic circumstances and lower levels of education. Theoretically, researchers point to the “familial cultural orientation” of Mexican Americans relative to Non-Hispanic Whites (ibid). I hypothesize that the effect of economic situation (earnings, job stability, and education) on union formation will matter less for Hispanic women, relative to white women.

Research on Black women on the other hand suggests that economic conditions may play a more important role in decisions to marry. Bulcroft & Bulcroft (1993) found Black women place more emphasis on economic supports when making decisions about marriage. Therefore, I expect the effect of individual economic situation on union formation to matter more for Non-Hispanic Black women relative to Non-Hispanic White women.

Research Question 2: *Do contextual economic conditions, including employment opportunities and housing costs, directly affect women’s decisions about union formation net of their own economic situation?*

Research Question 2a: Does the effect of individual economic situation and education level on union formation vary by economic context?

I expect that women consider economic conditions, specifically labor market opportunities and housing cost in making the transition to first union formation. In the first part of Research Question 2, I am assessing the *direct* effect of economic context. In other words, does living and being exposed to particular economic conditions directly affect decisions about marriage and cohabitation? Question 2a asks whether the relationship between individual-level effects and union formation differs depending on the contextual characteristics in which a woman resides.

Effect of Labor Market Opportunities. Similar to my hypotheses about individual-level economic circumstances, I hypothesize that better labor market opportunities for women increases women's likelihood to marry. Further, I believe that a woman's individual characteristics will matter more or less depending on the economic opportunities within her labor market. Put differently, labor market characteristics matter more for some women and less for others. I hypothesize that women with better economic circumstances will not be significantly influenced by contextual labor market conditions. If women have positive individual-level economic situations, they would have a higher likelihood of marriage regardless of the context. Women in this situation would be in better financial shape to form the type of unions they desire. Furthermore, I expect that women with more financial resources will be more mobile. Therefore, if there are fewer opportunities in their current labor market, they will be more likely to move for better jobs.

On the other hand, I expect women with fewer economic resources will be significantly influenced by these contextual factors. Women with poorer labor market potential living in labor markets with few appropriate job opportunities will have a lower likelihood of marrying, relative to remaining single. If a woman is already experiencing a difficult time in the labor market (low wages and job instability), living in poor economic conditions could further send signals about future economic success. When economically disadvantaged women live in poor economic contexts, it may be difficult to imagine future success.

Effect of Housing Costs. Similar to my hypotheses about labor market opportunities, I hypothesize that more affordable housing will have a positive direct effect on women's likelihood to marry. In other words, as the cost of rent or purchasing a home decreases, the likelihood of marriage should increase. Does housing cost affect different groups of women differently? Unlike economic opportunities, I believe housing cost affects women more universally. That is, women with different levels of earnings, job stability, and education will be affected by the housing market. However, I believe these effects may differentiate the type of first union formation. I hypothesize that women with better economic circumstances and higher education living in areas of more affordable housing will have a higher likelihood to marry relative to remaining single. I hypothesize women with fewer resources living in areas with more affordable housing, may have a higher

likelihood to cohabit relative to remaining single. These women may not be economically self-sufficient, well-educated, or have an abundant pool of economically attractive spouses, but with housing somewhat affordable, it is likely they may choose to cohabit as their first type of union.

Data and Methods

Data Sources

In this research, I combine several sources to create a longitudinal data file of individual women's characteristics and economic conditions of the counties in which they live across their young adult lives. I use the National Longitudinal Survey of Youth 1979 (NLSY79), a nationally representative sample of over 12,000 men and women who were 14 to 22 years old during the first round of interviews in 1979. Yearly interviews were completed from 1979 through 1994 and biennial interviews from 1996 through 2004.¹ The survey follows the same cohort through many important transitions to adulthood including schooling and employment trajectories as well as yearly union formation status (marriage and cohabitation).

Using the NLSY79 restricted geocode data I link the NLSY79 women to their place of residence at every round through Federal Information Processing Standards Publication (FIPS) codes. With the use of FIPS codes I link place of residence with other secondary data sources to create my own contextual economic measures. I use county-level data available through the U.S. Census Bureau's Population Estimates Program and the decennial US Census Bureau's Census of Population & Housing Summary Tape File 3. In addition, I link the respondents' place of residence to annual county-level economic conditions from the Regional Economic Information System (REIS). I describe these contextual variables below.

Sample and Main Variables

As I have described, I am interested in the behaviors of women during their young adult years, specifically in *first* union formation. Therefore, I restrict my analyses to women only and follow never married women between 18 and 34 years of age. Women who are married at the time of the first interview are excluded from these analyses of first union formation. I include only Non-Hispanic Black, Non-Hispanic White, and Hispanic-origin women.

My key measures are union formation and employment. I use a categorical variable describing *first* union status (i.e. marriage or cohabitation). My measure of union formation (cohabitation or marriage) comes from a respondent's current status at the time of each interview. Although more detailed information is available on date of marriage, it is not consistently available across all rounds or for both types of union formation.^{2,3}

¹ During the 2004 interview (released in April 2006) respondents are mid-thirties to late forties.

² For 1982 through present, there are a series of edited variables capturing beginning and ending dates of marriages. There are unedited data items in 1979 which include "Month/Year of 1st/Most Recent Marriage." For subsequent years, there are "Change(s) in Marital Status Since Last Interview" data available. However, for cohabitation information about the month and year the respondent and his/her opposite-sex partner began living together is available only from the 1990 and 1992–2002 surveys.

Information about labor market participation comes from NLSY79 retrospective data about weekly employment asked at each interview round (every year or every other year in later rounds). As many studies suggest, it is beneficial to capture several dimensions of economic circumstance. I create a time-varying measure of current earnings and several measures of job stability including part-time/full-time employment status; number of unemployment spells; and number of employers during this same time period. I use time-varying variables of enrollment status and highest grade completed. I include school enrollment as a dummy variable and attainment as a categorical variable with meaningful educational cut-offs. In addition, I make the college degree/no college degree distinction following recent research on marriage formation (Goldstein & Kenney 2001).

Using the NLSY79 geocode data, I attach county FIPS codes to respondents' place of residence by matching these identifiers to the secondary data sources described in the previous section (REIS, US Census Bureau's Census of Population & Housing, and U.S. Census Bureau Population Estimates). I use Regional Economic Information System data to create time-varying variables capturing broad industry information. From the decennial Census of Population & Housing I include county-level time-varying variables about the housing cost.⁴ Finally, using Population Estimates, I determine the county-level ratio of men to women of the same age-range (18 to 34 years of age) to approximate marriage markets, or spousal availability. This information is available annually and is included as a time-varying covariate. The baseline model includes race-ethnicity, age, presence of out-of-wedlock children, time between interviews, family background variables, and attitudinal/religiosity variables.

Quantitative Analysis Plan

I will first present descriptive information about first union status by age. I will include average age by which NLSY79 women married, cohabited, or entered into either union. I will also present a summary of employment histories (i.e. average number of jobs held, duration of employment, unemployment spells, etc) by age and race/ethnicity. I will then include descriptive statistics which consider employment, education, and union status simultaneously.

In my multivariate analyses I will use Multilevel Discrete-Time Logit Models. The analysis plan for this study is driven by several factors. First, I am interested in *first* union formation, whether it is marriage or cohabitation. Beyond the simple occurrence of union formation, I am also interested in the timing at which these events take place. Further, I am concerned with the relationship between individual circumstances that change with time and how this affects decisions to form unions. My methodological approach must therefore address my focus on individuals' changing economic situations (i.e. work status and earnings) on the timing and occurrence of union formation.

³ The exact date of all first union types in the NLSY79 is unavailable. One limitation of this lack of exact marital/cohabitation history data is that we are likely to underestimate cohabitation. Short-term cohabitation specifically will be undercounted as this information is not available between interview rounds.

⁴ These data are not available as regularly as the REIS data or the NLSY interviews. Therefore, if an individual lives in the same residence across her young adult years, contextual economic information about her county would only be updated every ten years.

Given this research agenda and the availability of longitudinal data through the NLSY79, Event History Analysis is the most appropriate choice. However, my research goes beyond the simple relationship between individual predictors and outcomes. I plan to study the contexts in which these women live. I hypothesize that structural conditions facilitate or constrain opportunities for making life decisions. To this end, I plan to study contextual economic variables that may impact employment, marriage, and cohabitation. This suggests a second “level” of analysis: county-level economic conditions affecting individual behaviors. However, as is the case in most research, I will not have precise measures of *all* economic conditions affecting union formation or individual economic circumstance. I therefore expect residual contextual effects and will use multilevel modeling techniques to account for it. I will further be able to determine the relative importance of context with this approach. With the need to study the timing and occurrence of events within certain economic contexts, I will combine Event History Analysis and multilevel modeling techniques in this research (cf. Barber et al 2000), or Multilevel Discrete-Time Logit Models.⁵

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⁵ While many applications of Event History Analysis can deal with events that happen at any time, there are some events that occur at a fixed interval of time. In the NLSY79, my measure of union status is measured at each interview (which is approximately annually and biannually in later rounds). Therefore, I will use what is called *discrete-time* event history modeling.

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