THE PHASE-OUT OF THE NUCLEAR FAMILY?

EMPIRICAL STUDIES ON THE ECONOMICS AND STRUCTURE OF MODERN SWEDISH FAMILIES

by

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1 Introduction

Swedish society has changed over the past four decades. As in the rest of Western Europe, the society of today is characterized by a high degree of specialization, which has made it possible to go to the market and purchase virtually whatever you need instead of producing it at home. In addition, the production that still takes place at home is typically more efficient, meaning that less time is spent in household production than before. Women have entered the labour markets and are as educated as men, and there are well-developed public child care systems. These developments have most likely affected the conditions under which (potential) partners make their choices and may, therefore, influence their decisions of whether to enter or to exit a relationship. Furthermore, the reallocation of resources and time within the household may have had an influence on the opportunities and behaviour of the children.

In Sweden, the number of marriages has decreased since the mid 1960’s, as can be seen in Figure 1 below. The extreme exception was 1989 when a change in the widow-pension-law was announced. Figure 1 also shows that the number of divorces has increased over the past forty years. The peak in 1974 was a consequence of a change in the divorce-law.

Figure 1. Divorce and Marriage Patterns in Sweden


At the same time as the number of marriages has decreased, another form of togetherness has become more common in Sweden. Today, it is more a rule than an exception to cohabit prior to marriage; in fact, many couples never get married at all, but continue their civil status as
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cohabitants. This trend has resulted in an increase in the number of out of wedlock births, and being born out of wedlock is no longer socially unacceptable. In 2005, as can be seen in Table 1 below, about one third of the children in Sweden were living with parents who were not married. Worth mentioning is that children living with parents that are not married are about twice as likely to be subjected to their parents separating than children whose parents are married.

Table 1. Share of Parents Living Together and their Civil Status, children 0-19 years old

<table>
<thead>
<tr>
<th>Year</th>
<th>Share of Parents Living Together</th>
<th>Married of those Living Together</th>
<th>Cohabiting of those Living Together</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>84</td>
<td>83</td>
<td>17</td>
</tr>
<tr>
<td>1996</td>
<td>81</td>
<td>78</td>
<td>22</td>
</tr>
<tr>
<td>2000</td>
<td>77</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>2002</td>
<td>77</td>
<td>73</td>
<td>27</td>
</tr>
<tr>
<td>2004</td>
<td>78</td>
<td>71</td>
<td>29</td>
</tr>
<tr>
<td>2005</td>
<td>78</td>
<td>69</td>
<td>31</td>
</tr>
</tbody>
</table>

Note: From Statistics Sweden, Barn och deras familj 2005.

Unilateral divorce and the possibility to leave an unsatisfactory relationship may be good for the adults involved, but it may have negative effects on the school performance and labour market outcomes of their children (e.g. Keith and Finlay, 1988, Gruber 2004). The fact that about 25 percent of Swedish born seventeen-year-olds have lived through a separation alone highlights the need for more research on why people decide to separate.

The role played by economic factors in separation decisions has so far largely been neglected in Sweden. Several interesting questions remain unanswered. Do unexpected changes in income have an impact on the probability of separation? Does unemployment of one spouse increase the probability of divorce? Is the effect of unemployment different depending on whether the unemployment is experienced by a man or a woman? Such factors have been found to be important in separation studies relating to other countries, for example in Aassve (2001) and Burgess et al. (2003), both using American data, and in Hansen (2005) using Norwegian data.

In economics, a child is sometimes considered as a household public good for its parents. Therefore, parents’ reallocation of time between household and market work, as well as the fact that separation is more frequent now than it used to be, may have changed their contribution towards this public good. How these changes affect the well-being of
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children is well worth studying. For instance, the greater participation in market work by mothers could, if the alternative child carer is not as good as the mother in providing for the child’s needs, affect the child’s well-being. In addition, the increased time spent in labour market production by mothers may also change the father’s role in contributing to the child’s well-being. It is quite possible that the role of the father as a child carer has become more important as mothers are spending more time away from home.

This thesis consists of three papers all connected to the economics of the family. The first paper concerns the effect of market work by parents on the educational achievements by their children. The two following papers deal with economic explanations for separation, with special focus on the role of unexpected events.

The reminder of the introduction is outlined as follows. Section 2 explains the economic incentives to engage in a relationship. Section 3 gives a short theoretical and empirical background to labour division within a couple and its consequences for the children involved. Section 4 gives a theoretical background to the economics of divorce and presents some previous empirical findings. Section 5 summarizes the three papers of the thesis.

2 Why Marry?

To most of us, marriage is believed to be connected to love. Love is certainly a good reason to get married, and a good ground for a lasting relationship. Love is likely to reduce the magnitude of any conflicts of interest that may arise in the relationship. If happiness of one’s spouse is a determinant of one’s own happiness, spouses who love each other share a common interest in keeping each other happy.

Although love is a good reason to get married, it might not be the only reason. Within economics, there are also assumed to be other, more tangible, reasons as to why it should be preferable for a person to live in a union rather than living alone. For example, living in a union allows for economies of scale, efficient public good provision for the union as a whole, risk sharing, coordination of investments, and division and specialization of labour, even though the need for the latter might be less obvious nowadays.

Within economics, the idea is that people get married when the expected utility from being married (where love is included) exceeds the expected utility from remaining single. The theory explaining this phenomenon
assumes that the utility obtained by an individual from being in a relationship depends on his or her own characteristics, the characteristics of the partner and the quality of the commitment match. The individual also obtains utility from commitment-specific capital that is accumulated during the relationship; for instance, relationships with mutual friends and the quality and quantity of children. In addition, the utility for an individual of being in a relationship naturally also depends on how the resources are allocated between spouses.

3 Division of Labour and the Child as a Public Good

The economic view of how the resource allocation decision within the marriage is carried out, once a couple has tied the knot, has changed over time. The traditional approach to studying the household supply and demand decision has been that the household maximizes a single utility function (see, for example, Samuelson, 1956, and Becker, 1974). The division of labour within the household, as well as between the household and the market, was determined by relative marginal productivities, and comparative advantage was the ground for an effective outcome.

The view of the family as one single decision unit emerged during a time when the husband was considered to be the breadwinner. Since then women have entered the labour market, and are as highly educated as males, which is one reason as to why the view of decision making has been modified. The newer, and nowadays more realistic, view of resource allocation within the family is based on the theory of bargaining, which recognizes that households may not behave as a single decision unit (see, for example, Manser and Brown, 1980, and McElroy and Horney, 1981).¹

Weiss and Willis (1985) were among the first to introduce the well-being of children as a household public good that enters the utility functions of the parents. One of the most widely used proxies for measuring the well-being of children is their performance in school. The spouses are not necessarily equally productive in providing the proper care the child needs to succeed in school, and the outcome will therefore be determined both by the time allocated to childcare, in terms of providing help with homework etc., and their productivity, which depends on, for instance, their own education. The educational

¹ See Bergstrom (1997) for a review on how economists’ view of decision-making within the family has developed over time.
achievement is also likely to depend on the productivity of the school attended by the child.

Many theories and hypotheses have been developed in the quest of trying to explain why some children succeed in life while others do not. One of the hypotheses that has gained a great deal of attention in previous research, focusing on the allocation of time between market and non-market work, is the “working mother hypothesis” (see, for example, Haveman et al. 1991). Labour force participation by mothers is said to have two offsetting effects on the school outcomes of a child. The mother working and contributing to family income may have a positive effect on the child’s future success, since higher family income could guarantee participation in better schools, living in better neighbourhoods or participation in extracurricular activities that are otherwise too expensive. At the same time, the mother’s absence from home may have a negative impact on the child’s development, for instance, if the alternative care giver is not as good at providing for the child’s needs as the mother. The working mother hypothesis was developed during a time period when the mother was still considered to be the prime care giver in many senses. Nowadays it is not as obvious that only the labour market activities by mothers should be of importance for the educational achievements of the child. The father’s hours of work could be equally important.

Paper [I] of this thesis studies the determinants of children’s educational achievement with special focus on the effect of market work by both parents.

3.1 Empirical Evidence on Parental Work and Child Success
When it comes to testing for the influence of parental work on children’s educational achievement, there is no evidence that the father’s work is of any importance, as long as he works. In fact, none of the previous studies has utilized extensive data on the father’s hours of work. When it comes to testing for the influence of the mother’s work on children’s educational achievement, the results are inconclusive.

Stafford (1987) analyses the relationship between family resources, market work by mothers, fertility, child spacing, and the grades reported by teachers. Using a sample of 77 American children, he finds a significant and negative effect of the mother’s market work on the teacher’s ratings of the child, and recognizes that there is a trade off between market work and household work, which is in line with the “absent from home” part of the working mother hypothesis. Total family
income is found to have a positive significant effect on teacher’s ratings, but the mother’s wage rate only has weak effects.

Haveman et al. (1991) estimate the effects of a variety of socioeconomic circumstances on children’s performance in school, measured as high school completion. Using a sample of 1300 American children, the authors find a positive relationship between market work by mothers and the child’s high school completion, but they are not able to separate between the number of years the mother worked and the income she contributed to the family. The mother working, and thereby contributing to family income, has a positive and significant effect on the probability of high school completion, if she works while the child is twelve to fifteen years old. The influence is smaller when the child is younger. The results found in this study are interpreted as contradicting the “absent from home” aspect of the working mother hypothesis and the authors argue that the positive effect of the mother contributing additional resources while working dominates the negative effect of her being absent from home.

Ermisch and Francesconi (2002) focus on the relationship between parents’ employment during the first five years of a child’s life and the subsequent educational achievement, measured as achievement of an “Advanced-level” qualification as a young adult. They are among the first to include any measure of the father’s hours of work. For a sample of young British adults, they find a negative impact on the child’s educational attainment if the mother worked full-time when the child was young. Part-time work by mothers had a less distinguished negative effect. For fathers, the authors distinguish between employment and unemployment and they find that, given income, the effect of employment is negative, although not always significant. Higher full family income increases the children’s educational attainment, but given full income, higher wage rates have negative impacts.

Öster (2006) studies the effect of parental unemployment on children’s performance in school. She uses a longitudinal sample of 35,550 Swedish upper secondary school graduates and studies whether the children move over GPA percentiles with parental unemployment. The findings are that children who are subjected to maternal unemployment during upper secondary school slightly improve their grades. Paternal short-term unemployment has a negative effect on the child’s grade, while no significant effect is found by long-term unemployment. This is interpreted as the shock of the unemployment wearing out with time.
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Studies concerning children’s well-being are numerous\(^2\), while those explicitly focusing on market work by parents and children’s educational achievements are more scarce. The role of fathers’ market work is to a large extent a neglected area, even though it is not clear that only the hours of work by mothers should be of any importance.

4 Why Divorce?

The economic theory of divorce is the opposite side of the economic theory of marriage and, therefore, the reason for divorce is explained as the opposite of the reasons for marriage. Thus, divorce occurs whenever the expected utility from remaining married falls below the expected utility from living as a single person. The pioneering article in the economic theory of divorce is Becker et al. (1977). It recognizes two reasons for divorce: the first is related to the quality of match, and the second to uncertainty about partner characteristics and future utility from the relationship.

Quality of match refers to how well your characteristics fit together with the characteristics of the partner you choose. As a result of this reasoning, search theory plays a substantial role. If the search for a partner is assumed to be costly, people will tend to search for a shorter period of time, which may reduce the quality of the match. Moreover, since meetings occur randomly, a marriage that is initially acceptable can become unacceptable, as a result of finding a better match. What you search for in a partner might differ between different types of societies, and in any given society it might evolve over time. In a society characterized by the more traditional division of labour, with the male as the sole breadwinner, so-called negative assortative mating might be dominating. In a society characterized by a more equal division of labour, such as Sweden today, positive assortative mating instead dominates. Negative assortative mating means that people seek somebody to complement the characteristics they possess to allow for the use of competitive advantages. Positive assortative mating, on the other hand, means that people are looking for their equal in terms of personal characteristics, such as age, education and income.

When you meet someone, certain characteristics are directly observable while others are not. This means that the decision to engage in a committed relationship will partly be based on the characteristics that

\(^2\) There are, for instance, many studies relating to drug abuse and the sexual behaviour of youths (e.g. Rashad and Kaestner, 2004), to children and poverty (e.g. Jolliffe et al., 2005) and to children and family structure (e.g. Winkelmann, 2006).
are observable and partly on the predictions you can make about unobservable characteristics. Hence, the decision will be associated with some degree of risk of disappointment, and new information or unexpected events can change the expected gains from staying in the relationship. Examples of unexpected events are changes in income, changes in money transfers or unemployment. This is, so far, the least explored part of the Becker et al. theory, although some empirical research exists.

Papers [II] and [III] of this thesis are concerned with the role of unexpected events for the probability of dissolution. Paper [II] focuses on the role of unexpected changes in short-run earnings and long-run earnings capacity, respectively, while Paper [III] instead studies the role of unemployment.

4.1 Empirical Evidence of the Role of Financial Surprises
Neither the theory, nor the existing empirical evidence gives any clear-cut answers as to how unexpected events will influence the risk of dissolution. For example, as long as there is some degree of income pooling, an unexpected increase in the earnings capacity of one spouse increases the value of the commitment for the other person, which would work towards a more stable commitment. At the same time, a higher earnings capacity increases the utility of being single, and increases the probability of meeting a match of higher quality that accepts you, which will, in turn, decrease the stability of the commitment.

Hoffman and Duncan (1995) study the role of changes in money transfers for the divorce rate among a sample of 1,098 American couples. They find that increases in AFDC (Aid to Families with Dependent Children) benefits slightly increase the probability of dissolution, while increases in the husband’s earnings and the wife’s wage rate slightly reduce the probability of divorce.

Weiss and Willis (1997) study the relationship between divorce and unanticipated changes in economic circumstances. Using a sample of 7,588 young Americans, they predict the long-run earnings capacity and analyse if differences between the predicted and observed value of earnings capacity affect the probability of divorce. They find that an unexpected increase in the husband’s earnings capacity reduces the probability of divorce, while an unexpected increase in the wife’s earning capacity tends to increase the probability of divorce.
Svarer (2005) instead predicts short-run earnings and analyses if deviations between observed and predicted values have an impact on the divorce hazard. The sample consists of 10,822 married Danish couples, and the results show that short-run deviations between expected and observed earnings do affect the risk of divorce in a way that is asymmetric between men and women. For women, deviations in either direction increased the divorce hazard while for men, positive deviations stabilize and negative deviations destabilize the marriage.

Others who focus on the role of income and unexpected changes in economic circumstances include Aassve (2001), Burgess et al. (2003), Böheim and Ermisch (2001), and Walker and Zhu (2006).

4.2 Empirical Evidence of the Role of Unemployment

Besides changes in income or changes in money transfers, unemployment can also be regarded as an unexpected event since it may be hard to foresee. Unemployment can stress the relationship in different ways. For example, unemployment will often lead to financial stress which may reduce the partner’s expected utility of staying in the relationship. Besides the monetary factors associated with unemployment, unemployment may lead to the perception of moral failure, either for the unemployed or for the spouse. In addition, unemployment is often connected to a deterioration in both psychological and physical well-being that can reduce the expected gains from staying in the relationship.3

As previously discussed, the results regarding unexpected changes in income or money transfers have been found to be asymmetric between males and females. When it comes to unemployment, the findings are once more different depending on gender. Jensen and Smith (1990) analyse a panel of 3,000 Danish couples and find male unemployment to have a positive and significant effect on the divorce risk, while there is no significant effect of female unemployment. This study was conducted some years ago and it is possible that female unemployment would play a more substantial role nowadays. However, similar results are found by Kraft (2001) who analyses the role of unemployment for the divorce risk of 7,300 German individuals. Even though the data is more up to date, the results show male unemployment to be more important than female unemployment. Male unemployment has a positive and significant effect on divorce, while for females, the magnitude of the effect is only half that of the male, and it is not significant in all specifications.

3 See, for example, Winkelmann and Winkelmann (1998).
Hansen (2005) is the only study finding female unemployment to be as important as male unemployment as a determinant of divorce. Analysing a panel of 8,933 Norwegian couples, he finds that the divorce risk increases, by the same magnitude, with both male and female unemployment.

Kraft (2001) and Hansen (2005) utilize panel data methods, in terms of fixed and random effects approaches, when analysing the effect of unemployment on the probability of dissolution. This seems reasonable since individual-specific effects could be present. However, they both treat unemployment as exogenous in the divorce equation. If unemployment is endogenous, the estimated parameters will be biased and the effect of unemployment on divorce will be misinterpreted.

5 Summary of the Papers

Paper [I]
Children’s School Achievement and Parental Work: An Analysis for Sweden

This paper examines the determinants of children’s educational achievement in Sweden. Special attention is given to the market work by mothers and fathers and their children’s educational achievement, measured as GPA from the ninth year of compulsory school and as GPA from the last year of upper secondary school, while controlling for a wide range of socioeconomic variables. The idea is that the child’s educational achievement is a household public good from which both parents derive utility. Both parents may contribute to the production of the household public good by allocating time to household production.

The empirical part of the paper is based upon a dataset that contains information on about 70,000 students graduating from compulsory school and entering upper secondary school in 1994. The dataset includes gender, nationality, age, place of residence, graduating GPA from the last year of compulsory school and the last year of upper secondary school, choice of educational programme in upper secondary school and finally, information about family structure and socioeconomic situation.

One of the contributions of the paper is that the empirical part is based up Swedish data instead of data from the US. The institutional and social environment in Sweden differs from that of the US. For instance, Sweden has a well developed public child care system. It is possible that differences in institutional setting or social environment could alter the
results of the so-called “working mother hypothesis”. Since there is information about the GPA both when the student graduated from compulsory school and when he/she graduated from upper secondary school, it is possible to analyse how the socioeconomic history of the child influences educational achievement during different stages of schooling. However, the most important contribution, pertaining from the richness of the data, is that the dataset contains information about the market work of both parents, making it possible to test if the work hours of fathers are of importance in explaining children’s educational achievements.

The analysis is carried out in three steps. First, the grade from the last year of upper secondary school is used as a dependent variable. This step captures the effects of parental market work on the children’s upper secondary school achievement. Second, the grade from the last year of compulsory school is used as a dependent variable. This captures the effect of parental labour market activities on the children’s school achievement until compulsory school graduation. As a third step, in order to isolate the effects on GPA during upper secondary school, i.e., the value added effects, the difference between upper secondary school GPA and compulsory school GPA is used as the dependent variable.

The main findings are that, in line with the working mother hypothesis, there is a positive effect of the mother’s income (conditional on hours of work) on the child’s performance in school. A higher income of fathers is also associated with higher GPA among children. The hours of labour market work by mothers influence the educational achievements of the children. If the mother works part time, this has a positive effect on the child’s grades as compared to if she works full time, which further confirms the existence of a working mother hypothesis. The effects are not only found in compulsory school, but are to some extent reinforced in upper secondary school, leaving quite an impact on the GPA when graduating from upper secondary school. There are no significant effects of the father’s hours of work on the compulsory school grades, but some evidence of a positive effect of part time work by fathers is found on upper secondary school GPA, which is in line with the effects of the mother. Therefore, the existence of a working father hypothesis cannot be rejected.

Another finding is that children whose parents are divorced obtain lower grades, which could be explained in the setting of under-provision due to the non-cooperative behaviour of parents following divorce.
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Paper [II]
Match Quality, Financial Surprises and the Dissolution of Commitments among Young Adults in Sweden

The two dominating theories of divorce are (i) that a good quality of match is crucial for the stability of marriage, and (ii) that deviations between expected and realised utility from marriage can cause divorce. This paper analyses the role of financial surprises for commitment dissolution among Swedish couples. Two approaches are used to study the role of financial surprises on the probability of dissolution. First, the effects of short term surprises are studied, where a surprise is calculated as a deviation between predicted and observed earnings, following Svarer (2005). Second, the effects of surprises in long-run earnings capacity are studied. Surprises in long-run earnings capacity are calculated as in Weiss and Willis (1997).

The empirical part is based upon a sub sample from a cohort of 110 000 individuals born in 1973 and registered in Sweden on December 31, 1990. The sub sample consists of those who were born in 1973 and committed to a partner who was also born in 1973 during the time period 1991-2002. A couple is defined to be committed if they are cohabiting with children or if they are married, with or without children. This leaves a sample consisting of 3 392 couples.

The analysis is carried out in two steps. The first step involves calculating surprises in short-run earnings and long-run earnings capacity. For short-run earnings this is done by predicting earnings in each subsequent year based on observed characteristics in the year before and then comparing the predictions to the observed values. If the deviation is larger than 20 percent, it is regarded as either a positive (if the observed value is larger than the predicted value) or a negative (if the observed value is smaller than the predicted value) surprise. For long-run earnings capacity a prediction, based on observables, about the earnings capacity at the last year of observation is made at the year of the start of the relationship. The prediction is then revised every subsequent year based on the information in that year. The new prediction is finally compared to the original one and if the deviation is larger than 20 percent, it is interpreted as a surprise. Once more, the deviations are divided into positive and negative surprises in the same way as above. Step two involves probit estimation on the probability of separation in every year while controlling for a wide range of determinants including the financial surprises calculated in the first step.
The results show that unanticipated changes in economic circumstances do influence the stability of relationships. Positive surprises in short term earnings, by either partner, are associated with an increased probability of dissolution. This suggests that the experience of a positive surprise in earnings for either partner seems to raise the values of outside options sufficiently for the relationship to end. If both partners experience a positive surprise at the same time, the effect is, instead, stabilizing. In this case, it seems as if the increased gain from staying in the commitment dominates the effect of a higher value of the outside alternative.

For surprises in long-run earnings capacity, an unexpected decrease in male earnings increases the probability of dissolution. However, if the female experiences a positive surprise at the same time as the male experiences a negative surprise, the effect is stabilizing. A possible explanation is that women, who are able to change their labour market activities when their expectations about their partners’ long-run earnings capacity are lowered, actually do so. Another possibility is that these effects are the result of a deliberate choice made by the couple, i.e. there is an agreement that the male should decrease his labour market activity for the female to be able to increase hers.

Other findings are that the relationship becomes more stable if the partners start their commitment when they are older. Couples who live in a city are more likely to dissolve their relationship than others. The presence of very young children stabilizes the relationship, while there are no effects of the number of children. Higher income has a stabilizing effect, as does a higher educational level in some of the models specified. Negative shocks, i.e. unemployment for females, unemployment for males and having to receive social assistance, give ambiguous results. It seems as if partners are providing some insurance for each other in the case of unemployment, but that being on social assistance tends to increase the probability of dissolution.

**Paper [III]**

The Role of Unemployment in the Commitment Dissolution Decision among Young Swedes

This paper studies the role played by unemployment, as an unexpected event, in the commitment dissolution decision among young Swedes. In previous literature, unemployment has been introduced as a control variable, which is assumed to be exogenous. This may be problematic, however. First of all, when using the actual divorce date in these types of studies, the unemployment may have taken place after the
relationship has gone bad, even though it is observed before the actual divorce, since there is often a time gap between the decision and the reinforcement. The role of unemployment would then be misinterpreted. Another reason why using unemployment as a control variable may be problematic is that there might be some, to the researcher, unobserved characteristic that influences the occurrence of both unemployment duration and probability of separation. An example might be the ability to live up to one’s obligations or promises. Such information is likely to influence both the number of days an individual will spend in unemployment in a given year and, at the same time, influence the probability that the individual will end up separating. If an individual who has, on average, longer unemployment spells also has a less serious view of relationships, the effect of unemployment on separation will be biased upwards if unemployment is introduced as an exogenous control variable.

Because of the above discussion, the model estimated in this paper is a two-step simultaneous equation model accounting for the possible endogeneity of unemployment. The possible appearance of additional individual-specific effects is accounted for by using a random effects method. The first step involves generalised least squares predictions of unemployment and the second step is a probit estimation of the separation equation.

The empirical part is based upon a sub sample from a cohort of 110 000 individuals born in 1973 and registered in Sweden on December 31, 1990. The sub sample consists of those who were born in 1973 and committed to a partner during the time period 1993-2002. A couple is defined to be committed if they are cohabiting with children or if they are married, with or without children. Only the first committed relationship of every individual in the sample is considered. Since it is possible that the effects of unemployment, or the correlation between unemployment and divorce, differ between men and women, the analysis is carried out separately for males and females. The final sub samples contain information on 18 764 males (with female partners) and 26 356 females (with male partners).

The findings are that unemployment is endogenous in the separation decision, and that the effect of unemployment on separation is biased when unemployment is assumed to be exogenous in the separation equation. When taking the endogeneity into account, the positive effect of unemployment on dissolution is greater for males than when unemployment is treated as exogenous. This means that the effect in the simple probit equation was underestimated. The interpretation is that
unobserved characteristics cause a downward bias. One example could be if you are a careerist, which would have a negative effect on unemployment but could, if you work long hours, have a positive effect on the probability of separating.

For females, the effect of unemployment on dissolution is instead negative. This result differs from earlier findings. One explanation could be the fact that, in previous studies, females have been found to initiate a separation more often than males, but that they are less likely to do so when they are unemployed. Another possible explanation may be that when females are unemployed, the non-market work is taken care of and the relationship becomes more stable. Unemployment may also reduce the double burden of market and non-market work for some females, which may act as stabilizing for the relationship. The effect could, naturally, also be the result of a deliberate choice of the couple regarding division of labour.
References


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