

Abstract:

We study US divorce rates, which despite the continuing rise in female labor force participation (FLFP), have been falling since the mid-1980s, reversing a two-decade trend. A cross section of U.S. states for the year 2000 displays a negative relationship between the divorce rate and FLFP.

Abstract We present theory and evidence in support of the view that these recent trends are the product of two distinct economic forces: relative to their non-career counterparts, career women display greater selectivity in the search for marriage partners and greater flexibility in sharing the benefits of a marriage with their partners.

Abstract Greater selectivity implies that career women will be older when they first marry and that their marriages will be of higher average “quality,” possibly making them less prone to breakup. Greater flexibility implies that it is easier for two-earner families to re-adjust the intrahousehold allocation to compensate for changes in outside opportunities, making marriages more resistant to “shocks.” Our evidence shows that both effects may be playing a role in generating the trends the trends.