

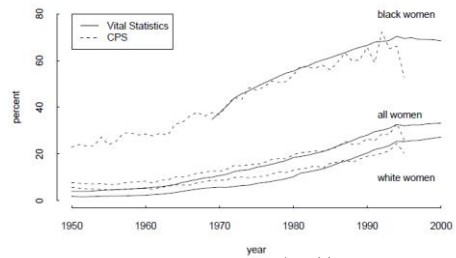
## Income Inequality, Labor Markets, and Nonmarital Births

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ASA Plenary Session:  
The Rise of Nonmarital Births

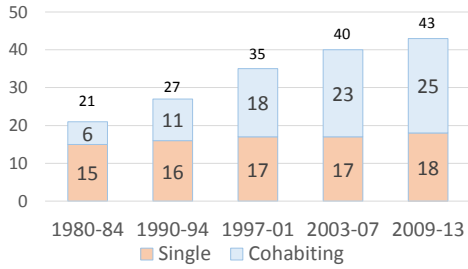
Chicago  
August 24, 2015

Percentage of births to unmarried women, 1950 – 2000.



Source: Lawrence L. Wu. *Demography* 45 (1) 2008: 193-207.

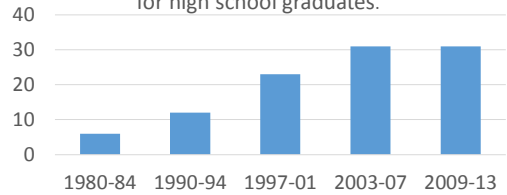
Percentage of Births to Single and Cohabiting Mothers under Age 40.



Source: Manning, Brown, and Stykes. 2015. FP-15—03. National Center for Family and Marriage Research.

For which mothers has increase in cohabiting births been greatest?

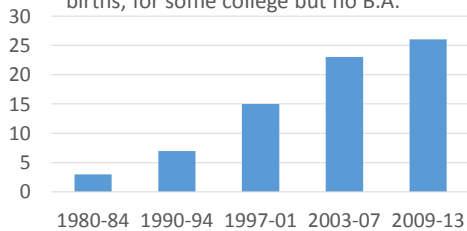
Percentage of cohabiting-parent births, for high school graduates.



Source: Manning, Brown, and Stykes. 2015. FP-15—03. National Center for Family and Marriage Research.

For which mothers has increase in cohabiting births been greatest?

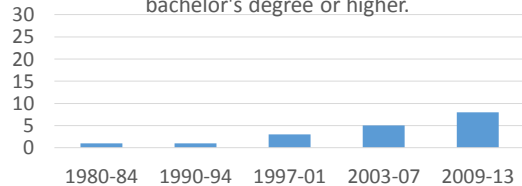
Percentage of cohabiting-parent births, for some college but no B.A.



Source: Manning, Brown, and Stykes. 2015. FP-15—03. National Center for Family and Marriage Research.

For which mothers has increase in cohabiting births been greatest?

Percentage of cohabiting-parent births, for bachelor's degree or higher.



Source: Manning, Brown, and Stykes. 2015. FP-15—03. National Center for Family and Marriage Research.

Takeaways:

- Most of the increase in nonmarital births since 1980 has been in births to *cohabiting* couples.
- The greatest percentage increases have occurred among mothers with a *moderate level* of education.

Q: Why do we care whether couples are cohabiting versus married at birth?

A: Because we are not (yet) European.

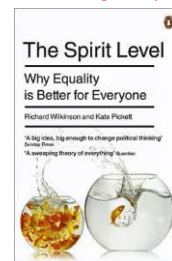
How can we explain this pattern of change in nonmarital childbearing?

Q: Starting around 1980, what new social forces might have affected moderately-educated young adults?

A: The transformation of the American economy.  
 AKA: The polarization of the labor market.  
 AKA: Rising economic inequality.

Inequality has been blamed for a lot of things lately.

Wilkinson and Pickett.  
 2009. *The Spirit Level: Why Equality is Better for Everyone.*



Income inequality causes (?) . . .

- Less social trust
- More mental illness
- More drug use
- Poorer physical health
- Higher teenage birth rates
- More exposure of children to family conflict
- Higher rates of imprisonment
- Less social mobility

Can we find micro-level evidence that economic inequality affects the marital context of births?

. . . and what does “inequality” really mean?

Research project with David Ribar and Suzumi Yasutake



The millennial generation. Born 1981 to 1985.

Followed from 1997 through 2011, when they were 25 to 30.

Most of their nonmarital first childbearing had occurred by then.

Research Design: Competing risk discrete-time hazard model.



- Unmarried and childless at age 16.
- Observe annually until:
  - First birth as a single parent
  - First birth as a cohabiting parent
  - Marriage prior to a first birth
- Then remove from the risk set.
- The result is a set of person-year observations.
- Estimate MNL hazard model.

Key time-varying variables appended to data file using confidential geocode information:

- Household income inequality in the local area of residence.
- Availability of “middle-skilled jobs” in the local area of residence.

In other words:

- Is income inequality in local area associated with circumstances of first birth?
- Does availability of decent jobs in middle of labor market partly explain this association?

Strongest results:

- Men in areas with greater inequality were **less likely to marry** prior to a first birth.
- Women in areas with greater inequality were **less likely to marry** prior to a first birth **and** **less likely to have first birth while cohabiting**.

More results:

- Men in areas with more middle-skilled jobs were **more likely to marry** prior to a first birth.
- Women in areas with more middle-skilled jobs were **more likely to marry** prior to a first birth **and** **more likely to have a first birth while cohabiting**.

Takeaways from our study:

- Income inequality is associated with less marriage prior to a first birth.
- For men, income inequality may be a marker for poorer access to middle-skilled jobs.
- For women, middle-skilled jobs matter, too, and may encourage not just marriage but also cohabiting births.

A Plausible Case?

Labor market trends have contributed to the recent (post-1980) increase in nonmarital births.

But this isn't the whole story:

Cultural change has played a role, too.