

Is the male marriage premium due to selection? The effect of shotgun weddings on the return to marriage

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Abstract. In standard cross-sectional wage regressions, married men appear to earn 10 to 20% more than comparable never married men. One proposed explanation for this male marriage premium is that men may be selected into marriage on the basis of characteristics valued by employers as well as by spouses or because they earn high wages. This paper examines the selection hypothesis by focusing on shotgun weddings, which may make marital status uncorrelated with earnings ability. We compare the estimated marriage premium between white men whose first marriages are soon followed by a birth and other married white men in the United States. The return to marriage differs little for married men with a premarital conception and other married men, and the results suggest that at most 10% of the estimated marriage premium is due to selection.

JEL classification: J31, J12

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1. Introduction

Research on the determinants of wages has found that married men appear to earn more than comparable single men (e.g., Korenman and Neumark 1991). Traditional estimates of this return to marriage range from 10 to 40 percent

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and have motivated several studies of its causes. Proposed explanations for the male marriage premium include employer discrimination and productivity differences due to specialization afforded by marriage. Selection bias may also account for the return to marriage; women may select spouses in part on the basis of characteristics that employers also value but are unobservable to econometricians. The measured marriage premium may simply reflect the return to these characteristics. Estimates of the marriage premium may also suffer from selection bias if men who have high wages or faster wage growth are more likely to marry.

This paper exploits a potentially exogenous cause of marriage among some men in order to control for selection bias in estimates of the male marriage premium. We use the dates of men's first marriage and their children's births to examine whether the return to marriage differs between men who have a child shortly after marriage and other married men. We assume that nonmarital conceptions followed by marriage, or shotgun weddings, make marriage a random event. If so, shotgun weddings allow econometricians to avoid the selection issues associated with traditional estimates of the male marriage premium.

We also explore whether wages affect men's marital status. If high-earning men are more likely to marry, as posited by Becker (1976), estimates of the marriage premium that do not control for the endogeneity of marriage will be biased upwards. Research on the relationship between the availability of "marriageable" men and women's marriage patterns indicates that men's average earnings and employment rates are positively correlated with the incidence of marriage among women in the U.S. (Lichter et al. 1991). Since women may be reluctant to marry low earners, men's earnings may affect their own marital status as well. To address this issue, we examine the effect of men's wages on the likelihood of marriage for both conventional and shotgun weddings.

The results indicate that both married men with a premarital conception and other married men earn significantly more than never-married men in cross-sectional wage regressions. The difference between the returns to conventional and shotgun marriages is small relative to the size of the marriage premium. The results suggest that the form of the marriage premium differs across the two types of marriages, with married men without a premarital conception receiving a larger immediate positive wage premium, as measured by the intercept, and a slightly smaller return to marriage over time than married men with a premarital conception. This indicates that the selection bias associated with cross-sectional estimates of the marriage premium is small or negligible. We assess the validity of our statistical experiment by examining the characteristics of men at the time of marriage and by estimating the effect of wages on the probability of marriage. These estimates indicate that higher-wage men are more likely to get married, suggesting that selection may play a role in marital status even if it does not underlie the majority of the marriage premium.

The remainder of this paper is organized as follows: Sect. 2 summarizes the literature, Sect. 3 explains the empirical methodology, Sect. 4 describes the data, Sect. 5 reports the empirical results, Sect. 6 examines the robustness of our estimation assumptions, and Sect. 7 concludes.

2. Summary of the literature

Although almost all previous research finds a significant return to marriage for men in cross-sectional wage regressions, studies using panel data have