

**Three Essays in Applied Microeconomics: Divorce,
Marriage Wage Premium and Health Insurance**
Dissertation Abstract

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My dissertation consists of three applied microeconomics papers on the role of economics in the family; specifically I look at individual's marriage and divorce decisions as well as the wage dynamics of married men. I use a detailed classification of divorce law reforms and a panel of state divorce rates to assess the impacts of divorce liberalization in the first essay. The second essay uses PSID data to examine wage dynamics of men around the time of marriage. The third essay describes a model of a marriage with health insurance.

In the first chapter I use an independent examination of divorce laws to estimate the effects of divorce reforms on state divorce rates and to reconcile contradicting empirical results. Previous studies have often focused on one specific divorce reform, but an independent examination of state divorce laws indicates that divorce reform cannot accurately be captured by any single variable. This paper provides a detailed classification of reforms based on state level divorce laws, revealing the complexity and problems of analyzing a single divorce reform variable. I use state level divorce rates from 1940-2005 to estimate the effects of various divorce reform variables. Previous studies using state divorce rates further have failed to account for an appropriate error structure in their analysis. Once an appropriate estimator is used, I find that none of the divorce reforms estimates has a statistically significant constant effect on divorce rates. After I included a flexible specification, I find weak evidence of a long-term effect on divorce rates.

In the second chapter (joint with Maurizio Mazzocco), I explore the effects of marriage on male wages. This project uses PSID data to examine a new empirical finding, namely that the male marriage wage premium can be explained by wage growth starting 4-5 years before marriage and ending 4-5 years after marriage. I attempt to understand which forces generate such wage growth in proximity of marriage. To that end I decompose the wage growth into two parts: labor supply growth and earnings growth. I find that both labor supply and earnings grow during this period, but earnings grow more rapidly. I then try to understand what generates this pattern in labor supply and earnings by looking at whether these changes occur within the same job or they are a consequence of switching to new jobs. The results indicate that wage growth is almost completely driven by individuals changing jobs. Lastly, I attempt to identify whether this wage growth is merely correlated with marriage and a result of selection or if this wage growth is caused by marriage and a result of specialization within the household.

The third chapter examines how a potential spouses' health insurance coverage affects an individual's decisions to marry. A survey by the Kaiser Family Foundation indicates that someone in 7% of all households decided to get married in order to be eligible for their spouse's health benefits. I include health insurance into a search model of the marriage market with risk adverse individuals to assess how much health insurance affects marriage decisions. I use this model to understand how changes to health insurance prevalence and policy coverage would affect marriage decisions and the marriage market.