

Selection or institutions?

Explaining the time use of married and cohabiting couples

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Abstract

While it is a well established fact that married men receive higher wages than unmarried ones, that premium is typically larger than that of cohabiters. In the German Socio-Economic Panel (GSOEP), a man who got married in the preceding year receives a 13% higher wage rate than a man who stayed single, whereas moving in with a partner is reflected in a cohabiting premium of 6.7%. There are also remarkable differences in time use between married and cohabiting couples.

The aim of this paper is to identify the sources of these differences and to answer the question whether there exists a “selection into specialization”, i.e. whether cohabiting partners who agree on a division of work have a higher probability of getting married (=selection hypothesis)? Or, alternatively, whether the institutional framework in Germany has a specialization-reinforcing effect on the time use of spouses once they are married (=institutions hypothesis)? By use of a non-parametric matching approach on different outcome variables of time use in the GSOEP, we investigate whether the institution of marriage increases specialization within formerly cohabiting couples.

Our longitudinal analyses of transitions from cohabitation into marriage between 1991 and 2008 show that there remain statistically significant differences in the intra-couple division of market work, housework and childcare between married and cohabiting couples even when controlling for selection into formal marriage. However, when taking account of the birth of a child, the differentials for housework and childcare become substantially smaller. We interpret this result as support for the selection hypothesis. Given the institutional framework for marriage in Germany, couples who plan to have a child and to specialize in time use evidently select into marriage. However, as there remains a significant gap in employment-related hours, our findings do not completely reject the institutions hypothesis, implying a role for selection *and* institutions.

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