

Marriage, cohabitation and women's response to changes in the male wage structure

René Morissette
Statistics Canada

Yuqian Lu
Statistics Canada

Feng Hou
Statistics Canada

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Abstract

Using micro data and grouped data that cover the period 1996-2006, we assess the extent to which cohabiting women adjust their labour supply to a lesser extent, if any, than married women in response to changes in male wages. Both micro data regressions and grouping estimators unambiguously indicate that cohabiting women respond less to variation in male wages than married women. However, the magnitude of the difference is not sizeable. Combined with the fact that married men's and cohabiting men's own-wage elasticities do not differ much, this explains why the impact of changes in male wages on family earnings ends up being very similar for married couples and cohabiting couples.

Keywords: Marriage, cohabitation, women's labour supply.

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