

Family Structure and Economic Well-Being

Summary

Individuals in married families generally experience greater economic well-being. This is true for men, women, and children. Not only do married families tend to earn more money but they also have greater savings and higher net-worth.

- **Poverty.** On average, married couples are less likely than cohabiting couples to be in poverty. The income-to-needs ratios, which measure family economic resources (family income divided by poverty threshold), were higher for married men and women than for cohabiting couples. The likelihood that married couples were in poverty was nine to 11 percent lower compared to cohabiting couples.¹
- **Family Income.** Over time, married couples—with or without children—have a higher family income, on average, than all other family structures. Between 1974 and 1994, married couples, with or without children, had the highest adjusted family income (i.e., income divided by the federal poverty line). Married couples without children had the highest adjusted family income compared to other family compositions — elderly couple households, single individuals, single-headed families with or without children, and married families with children. All three married couple-types (with children, without children, and seniors) increased their adjusted family income between 1974 and 1994 by at least one third, while other family structures had smaller increases (16 percent for singles), no increases (single mothers), or even declines (45 percent decline for single fathers).²
- **Net Worth.** Married-couple households have, on average, substantially greater net worth than households with other types of living arrangements. The mean net worth of married-couple households (\$187,102) was substantially higher than that of cohabitant households (\$77,093), male-headed households (\$92,045) and female-headed households (\$48,726), which was the lowest of all family structures.³
- **Family Income.** On average, married mothers have much higher per-capita family incomes than peers who are divorced, single, or cohabiting. On average, never-married and divorced mothers had much lower per-capita family incomes compared to married mothers regardless of their living arrangements. Cohabiting single mothers did the best among non-married mothers but still had lower per-capita incomes than married mothers.⁴
- **Child Poverty.** Children in married-couple families are less likely to live in poverty than their peers in non-married households. In 1998, 8.2 percent of married couples, 16 percent of cohabiting couples, 24.2 percent of single-parent households with more than one adult, and 38.1 percent of single-parent households with no other adults lived in poverty. Differences in the poverty

rate between married-couple households and other households were more pronounced among African-American and Hispanic households than among white households.⁵

- **Household Assets.** On average, married-couple families accumulate significantly more assets than female-headed households. The level of assets in married-couple households (both financial and non-financial) was nearly four times as great as the level of assets for female-headed households.⁶
- **Economic Status.** The economic status of adult single mothers is, on average, closer to that of teen single mothers than that of married peers. The economic status — as measured by the income-to-needs ratio and its derivative class statuses — in the year before and after a birth to single non-teenage (age 20 or older) mothers was more similar to that of teenage mothers than that of their married non-teenage peers. Furthermore, among the three groups of mothers, single non-teenage mothers were the most likely to use welfare in the year before and after giving birth.⁷
- **Men's Income.** Married men tend to have higher incomes than men in cohabiting relationships. Based on the 1990 census, the average income of males in married-couple families (\$34,533) was twice that of males in cohabiting couple families (\$17,889).⁸
- **Savings.** Married couples tend to save more than unmarried couples. Single couples saved less money (\$6,000 - \$6,500) over an eight year period (between 1984–1989 and 1989–1994) than married couples did.⁹

- **Economic Resources.** Following a divorce, the economic resources of mothers and children tend to decline substantially. Parental divorce is associated with declines in economic resources for women and children. After divorce, their household income is \$13,000 lower, their standard of living is 20 percent lower, and home ownership drops by 12 percentage points.¹⁰

Endnotes

- 1 Sarah Avellar and Pamela J. Smock, "The Economic Consequences of the Dissolution of Cohabiting Unions," *The Journal of Marriage and Family* 67, No. 2 (May 2005): 315-327.
- 2 Lynn A. Karoly, "Anatomy of the US Income Distribution: Two Decades of Change," *Oxford Review of Economic Policy* 12, No. 1 (1996): 76-95.
- 3 Michal Grinstein-Weiss, Yeong Hun Yeo, Min Zhan, and Charles Pajarita, "Asset Holding and Net Worth among Households with Children: Differences by Household Type," *Children and Youth Services Review* 30 (2008): 62-78.
- 4 Audrey Light and Manuelita, "Living Arrangements, Employment Status, and the Economic Well-Being of Mothers: Evidence from Brazil, Chile, and the U.S.," *Journal of Family and Economic Issues* 25, No. 3 (2004): 301-334.
- 5 Robert I. Lerman, "How Do Marriage, Cohabitation, and Single Parenthood Affect the Material Hardships of Families With Children?" *The Urban Institute*, (July 2002), <http://www.urban.org/publications/410539.html> (accessed on January 25, 2011).
- 6 Martha N. Ozawa and Yongwoo Lee, "The Net Worth of Female-Headed Households: A Comparison to Other Types of Households," *Family Relations* 55, No. 1 (January 2006): 132-145.
- 7 Michael E. Foster, Damon Jones, and Saul D. Hoffman, "How are Older, Single Mothers Faring?," *Journal of Marriage and the Family* 60, No. 1 (February 1998): 163-174.
- 8 Wendy D. Manning and Daniel T. Lichter, "Parental Cohabitation and Children's Economic Well-Being," *Journal of Marriage and the Family* 58, No. 4 (November 1996): 998-1010.
- 9 J. Lupton, *Marriage and the Economy: Theory and Evidence From Advanced Industrial Societies* (Cambridge, UK: Cambridge University Press, 2003), 129-152.
- 10 Thomas L. Hanson, Sara S. McLanahan, and Elizabeth Thomson, "Windows on Divorce: Before and After," *Social Science Research* 27, No. 3 (September 1998): 329-349.

