

Dissertation Abstract of Michael Snipes

This dissertation consists of three essays which develop both theoretical and empirical models that explore the relationships between spousal matching, intra-household allocation, and family welfare.

Chapter One develops a household allocation framework that analyzes how a child's health interacts with other important decisions, such as labor force participation, distribution of marital surplus, and divorce decisions. Many empirical studies take into account only a child's health and do not take into account possible interaction effects. Allowing the health of the child to interact with other variables reveals the channels through which a child's health affects the parent's decision to divorce. The main finding shows that so called "career couples", households where both parents work in the market, will divorce more easily in the presence of a child that requires a doctor's supervision under a unilateral divorce regime than couples where the one parent works at home. However, under a mutual consent regime, couples in which one parent works in the home divorce more easily in the presence of a child that requires a doctor's supervision. This is because under mutual consent laws, the mother is worse off in divorce and requires a higher post-divorce transfer from the husband. If the husband can not afford to offer a higher transfer, the couple will not divorce.

Chapter Two develops an empirical model that accounts for possible interaction effects in determining the decision to divorce; specifically, how the decision of both parents deciding to work full-time in the market, type of divorce legislation they are subject to, and the health of any children interact with each other and affect the decision to divorce. The main finding of this paper shows that there are not just direct effects but significant interaction effects. These interaction effects account for 24 percent of the total effect of having both parents working full time in the market and 49.8 percent of the total effect of having an unhealthy child. The direct effect of these shocks is also shown to be significant. The lower economic costs associated with divorce under a unilateral divorce regime coupled with the strains that come from both parents working in the market and the added costs and strain that come with an unhealthy child make divorce a more viable if not more attractive option for parents of unhealthy children. The interaction terms are included in order to test the significance of the cumulative effects of these shocks to the marriage. The data used is the National Longitudinal Survey of Children and Youth 1979.

Chapter Three develops a two-period model in which marriage and employment decisions affect the choice of location of residence. Models of this type often examine how the strength of the marriage market impact intra-household allocations. For younger couples, marriage markets and employment opportunities affect migration decisions; older couples usually take into account only effects of different employment opportunities. This chapter provides a framework that endogenously determines how the strength of the marriage market affects migration decisions both before and after the marriage decision. In the first period, individuals make migration decisions based on the relative number of single individuals residing in the city and their educational attainment. In the next period, individuals marry or remain single and then decide whether or not to migrate again based on potential employment opportunities. Subsequent moves depend not only on the attainments of the individual, but on the attainments of their partner as well.