

The Economics of Late Marriage

Chow Ho Yin & Leung Pak Man

The trend of late marriage is found in various countries across the world in recent years. Discussion on this matter in the past mainly explored the problem from a social-cultural perspective. This paper attempts a different approach by trying to look at the matter from the perspective of both man and women and explains the causes of their actions by applying some economic theory.

Statistics as evidence

Statistics from different countries provide solid evidence in support of an increasing trend of late marriage. In Australia, the median age for first marriage has increased gradually over time for both males and females. The data from the Australian Bureau of Statistics show that the median age at marriage has increased by 3.64 years for males and 3.58 years for females since 1989 (Australia Bureau of Statistics, 2009). Meanwhile, statistics obtained from Hong Kong show that the median age of first marriage for males has increased from 27.8 in 1971 to 31.2 in 2006 and from 22.9 to 28.2 for females (Census and Statistics Department, 2009). This upward trend is also observed in Japan and many other Asian countries (Ministry of Health, Labour, and Welfare, 2008), proving that late marriage has become a global issue.

Recent discussions on late marriage

In the past few years, there has been a spate of discussions pertaining to the phenomenon of late marriage. An article published in the Hong Kong Economics Times (Fong, 2007) states that the main cause of the trend is increasing independence among women. It observed that the number of women in the labor force increased in the last ten years with the number of professional women increasing from over 50 thousand in 1996 to 80 thousand in 2006. These better-educated and employable women tend to dedicate more of their time and attention on career advancement, which is a significant cause of the trend of late marriage (Fong, 2007).

A similar result was found in Japan. Junya Tsutsui (2005) states that it is rational for women to marry a man with a better financial position and education level in order to “match” with their own increased social status.

Ono (2003) provides another explanation for these observations. Based on the theory of specialization and exchange, the author states that the roles of men and women in a family are highly differentiated. Men are normally specialized for make a living, whereas women are specialized for dealing with housework. However, the potential for conflict arises as the ability of women to earn money has increased significantly in recent years. By comparing the relative opportunity costs, women could arguably be the ones who specialize for earning a household’s income nowadays. It is argued that this conflict in roles results in a negative emotion in the woman’s mind and discourages them from getting married.

Besides the woman’s perspective, Raley, Crissey and Muller (2007) suggest that sex and

romance greatly influence a male in the adolescent stage, which in turn affects their attitude of marriage. A man who enjoys sex and romance in their adolescent stage tends to cohabit in his adulthood rather than having a marriage, which is exactly what is happening nowadays. This gives another reason for the trend of late marriage observed in recent years.

The Economics of Late Marriage

In our view, the best way to look at the trend of late marriage using economic theory is to start by seeing marriage as any other market.

The marriage market

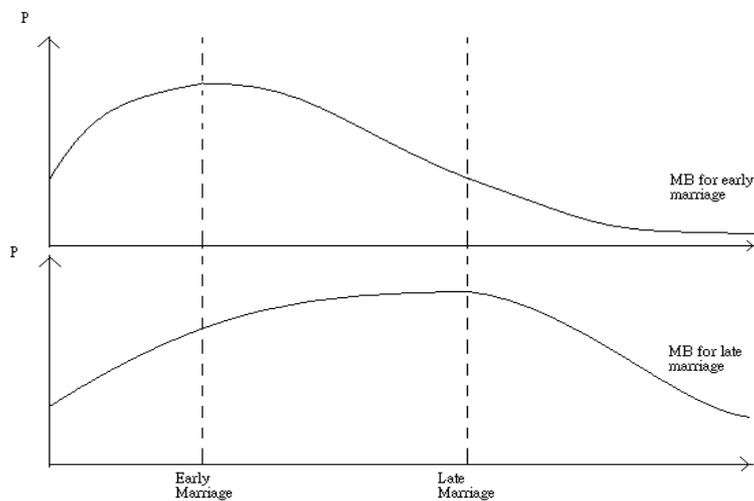
The marriage market is perhaps best characterized as monopolistic competition. There are many buyers and sellers (that is, males and females), with a relatively homogenous good (that is, marriage) being traded. Competition is mostly of the non-price variety, with characteristics such as appearance, wealth and education level playing a role.

Having a late marriage: from a 'contemporary' man's viewpoint

An argument presented above is that some contemporary men tend to enjoy sex and romance rather than commitment with their partners. Therefore, cohabitation, rather than having a marriage, has become their preferred choice. These men tend to marry late in their life in order to retain their freedom as well as avoiding the extra responsibility brought by the commitment made to their spouse. A marginal benefit curve would provide a useful illustration of this phenomenon. Below is a figure showing the difference in

marginal benefit between having an early and a late marriage as is likely being perceived by such men.

FIGURE 1: MARGINAL BENEFIT CURVE OF EARLY AND LATE MARRIAGE



The upper part of figure 1 shows the marginal benefit (MB) for an early while the lower part shows the MB of having a late marriage as perceived by the ‘contemporary man’. For both cases, the MB increases at a diminishing rate and men get married when their MB is highest. The MB increases until they have their marriage because the men are enjoying the love and romance brought by their partners. However, it is increasing at a diminishing rate, because the relationship becomes stable as time goes by, therefore the rate of increase in MB is diminishing.

After their marriage, such men may see a stable relationship as boring, since the MB

brought about by marriage is no longer as much as before as time goes by. With the extra responsibilities of family life, they may see having a marriage as inferior to staying single. Therefore, their MB may even fall to a lower level than before they were married.

What should be noted here is that having a late marriage indeed has increased the total benefit (that is, the area under the entire MB curve) for this kind of responsibility-averting male. From the illustration, we can see that the total benefit in the period between having an early and a late marriage is different and those who have a late marriage are having a higher TB. This higher level of TB may result from having more freedom or having fewer responsibilities over the entire course of their relationships.

Opportunity cost and the improved status of women

From the women's perspective, an improved social status implies that a greater opportunity cost is incurred if they get married too early nowadays. The opportunity cost of a choice is defined as the highest valued option forgone. Since women have now become better educated and have consequently started to occupy better positions in the work place compared to the past, their highest valued option forgone of getting married has also increased. This includes the financial gain from their work as well as the self-satisfaction and recognition gained from the society. Therefore, the 'contemporary female' tends to postpone marriage as well.

Opportunity cost can also be used to explain the increased search time of "Mr. Right" by women. As the education level and financial position of women have improved in recent decades, they have tended to look for men who have a similar background or a status that

can “match” their own. Therefore, women would ideally like to spend a longer time searching for their “Mr. Right”. However, time now has a higher opportunity cost for women. This gives another reason that causes the trend towards late marriage.

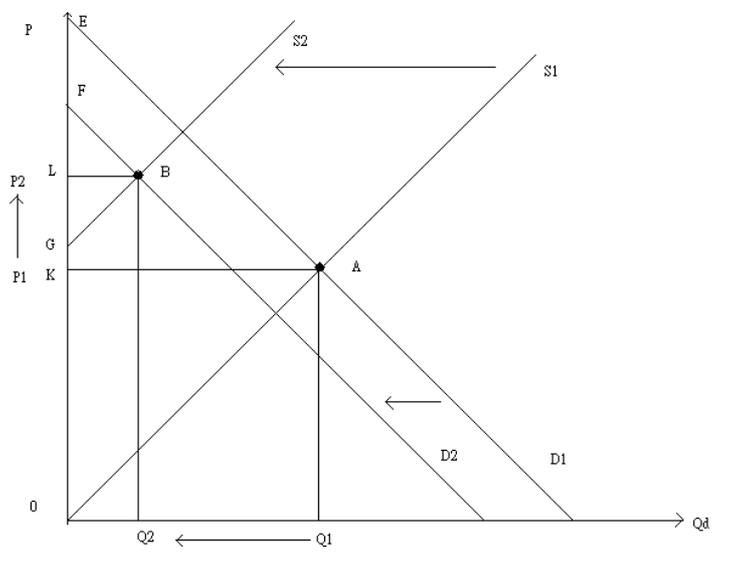
Using the demand and supply diagram as a summary

A demand and supply diagram can be used to summarize the effects that help explain the trend of late marriage. Figure 2 shows the demand and supply of the market for woman of marriageable age. In the diagram, supply equals to the women looking for a man and demand equals to men who are looking for a woman. The quantity transacted is interpreted as the number of marriages formed while the price can be interpreted as the price of a marriageable-age woman.

Both the demand for and supply of such women has decreased and shifted to the left (from D_1 to D_2 and S_1 to S_2) under the trend of late marriage. Both men and women nowadays would prefer to focus on their work commitments and retain their freedom. However, the improved status of women is arguably a more significant effect and more pronounced in recent decades, causing many more women to quit the market than males. This is depicted in the diagram as a greater shift in the supply of women than shift in demand by men. The overall consequence of these changes is that the total quantity transacted (that is, the number of marriages formed) has decreased sharply from Q_1 to Q_2 . Meanwhile, the cost of a man to look for a woman and form a marriage has increased from P_1 to P_2 . This increase in cost may include a longer search time even for men, as well as the cost to improve their ability in order to win in the non-price competition, such as

education and appearance.

FIGURE 2: DEMAND AND SUPPLY DIAGRAM OF THE FEMALE MARKET



Interestingly, figure 2 also implies that there has been a sharp decrease in total social welfare caused by the trend of late marriage. This is usually estimated simply according to the equation:

$$\text{Total welfare} = \text{Consumer surplus (CS)} + \text{Producer surplus (PS)}$$

CS = the difference between what a consumer (that is, a male) is willing to pay for a good (that is, forming a marriage) and what the consumer actually pays when buying it.

PS = the sum over all units produced (that is, female available for forming a marriage) of

the difference between the market price of the goods and the marginal cost of its production.

As seen in the diagram, the total welfare at equilibrium A equals to triangle EAO (sum of CS triangle EAK + sum of PS triangle KAO). Due to the trend of late marriage, the equilibrium has change to B and the total welfare has sharply decreased to triangle FBG (sum of CS triangle FBL + sum of PS triangle LBG). This loss in total welfare for males and females can be interpreted as the loss in total social welfare issuing from the theory of specialization. As mentioned, forming a marriage implies a specialization in roles, which increases the efficiency and productivity of a family and thus the society as a whole. Therefore, forming fewer marriages in a society implies that the total welfare of a nation decreases and arguably does additional harm to the economy of a nation.

Concluding thought

This paper used some economic theories to explain the causes of late marriage. The effect of having a late marriage is that, families have a narrower window for having children within the childbearing age of the wife and a smaller family size as a result. Looking at the bigger picture, this trend is one of the direct causes of a lower population growth rate and therefore fewer resources for a country to rely on. It is an important issue and every society and government should perhaps pay closer attention to sorting out a way to tackle this problem.

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