



## **What Money Can Buy: The Relationship between Marriage and Home Ownership in the United States**

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In the last several decades, the median age at marriage in the United States has risen dramatically. One of the leading explanations for this trend points to a series of economic transformations that has made attaining economic security more difficult for many and impossible for some. From this perspective, marriage is being delayed—and even forgone—because inauspicious economic context prevents individuals from reaching the minimum economic threshold required for marriage (Oppenheimer 1994; Wilson & Neckerman 1987).

Tracing changes in marriage to changes in economic conditions has tremendous face validity. And the evidence is convincing as far as it goes. However, the account is incomplete because it does not take into account the role of material aspirations.

The link between economic security and marriage is mediated by the material lifestyle, or standard of living—considered appropriate for the start of marriage. Historically, this standard was related to the minimum requirements for establishing a new household, since most young adults lived with their parents until marriage (Modell & Hareven 1973). Today, young people often form independent households, with or without a partner, prior to marriage (Goldscheider & Goldscheider 1993). Thus ideas about appropriate standards of living are not necessarily tied to the specific need to establish a household. Nevertheless, marriage appears to be more “expensive” than other living arrangements, suggesting it retains a higher material standard than other arrangements (Hughes 2003). In fact, the lack of a specific consumption goal, along with the availability of cohabitation, may mean that material standards for marriage are even higher than they were for previous generations.

I argue that young adults measure their income—and their economic readiness for marriage—against their material aspirations. This idea is similar to the thesis of Richard Easterlin (1980), who argued that young people assess their economic well being relative to the standard of living they enjoyed in their parents’ households. According to this model, when economic conditions are poor, young people’s ability to reach their parents’ standard of living deteriorates and they delay marriage and childbearing. Alternatively, when economic conditions are good, young people reach their parents’ standard of living more easily and form families earlier. Easterlin embedded his ideas about relative income in a broader theory in which relative cohort size drove fluctuations in wages and hence in relative income. Because this broader theory proved controversial, the central insight of relative income has received less attention than it deserves.

If material aspirations were constant, they would be largely irrelevant to explaining marriage change in the United States. However, a great deal of evidence suggests that material aspirations have increased steadily in the post war period. First, the sheer availability of consumer goods has increased each year (Brown 1994; Lebergott 1993). In addition, the quality of existing goods, such as cars, televisions, and housing, has also risen. These changes in availability and quality are linked to processes by which what is first a luxury becomes a necessity. In short, the bundle of goods that Americans consider necessary for a comfortable life has increased dramatically. Although the relative prices of many of these goods has declined as they became more common, the overall cost of the bundle has increased along with the number of goods.

Second, a number of scholars and social critics have discussed an apparent rise in the importance of material goods in people’s lives. Some commentators decry what they see as the rampant consumerism in American society (e.g. Ritzer 2001; Shor 2000). Other commentators are more neutral. For example, Easterlin and Crimmins (1991) find that young persons in recent cohorts rank material goals such as a high standard of living more highly than previous cohorts. A third set of commentators discuss increases in materialism under the umbrella of “post-materialist” or, more recently, “post-modernist” values. This viewpoint has been developed by Ronald Inglehart (1990; 1997), who argues that increases in the importance of consumption are due to a shift in values away from honoring traditional authority and towards personal fulfillment and self-expression. Consumerism is not mindless and destructive; rather it signals the power and creativity of people free to pursue individualistic goals. Ron Lesthaeghe (1995)

argues along these lines in his important piece on the Second Demographic Transition. Most of these scholars agree that some sort of shift towards consumerism has happened; what they disagree about are the causes and the consequences.

Increasing material aspirations may thus have interacted with changing economic context to produce delays in marriage. Economic security became more difficult to attain both because income was harder to come by and because the “price” of a middle class standard of living increased. At the same time, reaching this material standard became more important to people’s ideas of success and/or personal development.

In this paper, I assess the relationship between material aspirations and marriage by focusing on the relationship between home ownership and marriage over the last thirty years. The case of home ownership is an excellent concrete test of the potential relationship between increasing material standards and delayed marriage. Focusing on a specific good avoids the ambiguity that may arise in defining a bundle of goods or the price of a certain life style, especially given the swift changes in the goods available in the post war period. Moreover, study after study has shown that, in contrast to other nations, a large majority of Americans desire to own their own homes; ownership has always been a part of the American Dream. Thus a focus on home ownership sidesteps issues of changing motivations or preferences. Finally, housing quality—that is, the size and characteristics of homes, such as the number of baths or presence of central air conditioning—has risen dramatically in the postwar period. In fact, increases in housing quality are a prime example of increasing material standards (Gyourko 1998; Linneman & Megalugbe 1992).

However, beyond these practical considerations, there are solid theoretical reasons for using home ownership as a case study for the relationship between material standards and marriage. First, since ownership is so important to American ideas about success, purchasing a home is a central consumption event. Ownership represents a major transition point in people’s lives and life styles. The fact of ownership, as well as the qualities of the home, anchor one’s consumption life style and lead to other consumption. Second, the ability to achieve home ownership is an important marker of economic security. Housing equity is most people’s major component of wealth, so owning a home has important implications for future economic well being. In addition, housing prices are highly visible—reported in the media, discussed among friends and neighbors. Housing costs may thus provide a yardstick for measuring economic well being, taking on a symbolic, as well as actual meaning. Both measures are tied directly to ideas about just how much “home” one needs; the amount of money needed depends on what one is trying to buy with that money.

Third, we already know that home ownership is associated with marriage and family formation. A long literature, going back to Rossi (1980), describes the relationship between purchasing a home, marriage and childbearing (e.g. Chevan 1971; Haurin, Hendershott & Ling 1988; Kendig 1984; Murphy & Sullivan 1985; Rudel 1987). The bulk of this literature is cross sectional and shows quite clearly that of all households, married couple households are most likely to live in owner occupied housing. Some newer work in this area is longitudinal; however, marital status is typically taken as exogenous and used as a predictor variable to show, once again, that married couples are most likely to become owners. In fact, some studies of the transition to ownership examine *only* married couples (e.g. Clark, Deurloo & Dieleman 1994).

Most of this literature is based on a very mechanistic notion about need for space and the family “life cycle” and is quite outdated in its conception of the family. Home ownership is viewed as following directly from family growth. Families are described as moving through a relatively fixed set of life stages that each have specific housing needs (e.g. Clark & Deurloo 1996). This no doubt reflects the fact that most of these studies are interested in explaining home ownership. Thus marital and family status are variables to be controlled for, not explained. With some exceptions (e.g. Henretta 1987; Mulder & Wagner 1998), this literature is less focused on explaining the relationship between marriage and home ownership as a means to understanding family behavior.

Although this literature is limited from the standpoint of explaining marriage, it does support the idea that home ownership is central to marriage. The literature also does not address whether marriage may depend on home ownership – or the likelihood of attaining it – to some degree. If ownership is so strongly linked to marriage, it is reasonable to hypothesize that people evaluate their “readiness” for marriage with respect to their readiness for ownership. In short, marriage may depend on prospects for ownership and thus marriage may be endogenous to ownership.

## **RESEARCH QUESTION**

The relationship between home ownership and marriage provides a relatively direct test of the relationship between material aspirations and marriage. In this paper, I examine the link between marriage and home ownership in the U.S. over three decades. Specifically, I focus on the relationship between the cost of housing and marriage. In earlier work, I found that high housing prices appeared to constrain marriage. That is, in areas with higher housing costs, young adults were less likely to be married (and to live alone) and more likely to live with their parents, with roommates or a partner (Hughes 2003). However, this previous research was based on cross sectional data from the 1990 Census. In this paper, I test this relationship dynamically.

Housing quality and costs have not only changed over time; they are highly variable across space as well. I will use the leverage provided by this variation to answer three questions about the effect of housing costs on marriage.

First, in areas with higher housing costs is the transition to marriage less likely? If people assess their economic well being by whether or not they can afford a home or if people consider the near possibility of home ownership a contemporary prerequisite for marriage, we should see a negative relationship between the cost of housing and marriage.

Second, do changing housing costs explain any part of the decline in marriage over time? Housing quality has increased and housing cost inflation, holding constant housing quality, has outstripped overall inflation. If homeownership is an important part of the marriage process, we would expect that increasing housing costs explain some part of the observed declines in marriage.

Third, has the relationship between housing costs and marriage become stronger over time? If material aspirations and consumerism have increased, we might expect that home ownership – or a higher quality home – is a more important life goal. In turn, we should see that the relationship between housing costs and marriage becomes stronger over time.

## **DATA AND MEASURES**

### **Data**

The data I use to answer these questions are drawn from the Panel Study of Income Dynamics (PSID) a thirty-year longitudinal study of a nationally representative sample of American families. Because the PSID was designed to trace changes in the economic well-being of American families, the data collection contains detailed information about both family structure and economic circumstances, including housing arrangements.

The PSID began in 1968 with a sample of 18,224 individuals living in 4,802 families. The sample was drawn using a split sample methodology in which lower income families were over represented (Hill 1992). The initial response rate for the PSID was 76 percent; however, since 1969 reinterview rates have ranged from 97% to 100% (Hill 1992; Panel Study of Income Dynamics 1998). Sample families were reinterviewed each year through 1997 after which they were interviewed every two years. I use the entire set of single-year interviews, that is, interviews from 1968 through 1997.

The original PSID sample contains too few Latino households to provide reliable estimates; in addition, Latinos immigrating to the United States since 1968 are not represented. The PSID added a Latino sample in 1990; however, since the focus of this analysis is on time trends I do not use it.

Therefore, I limit my analysis to blacks and whites.

Each wave of the PSID contains information on both families and the individuals living in them. The unit of analysis in my study is the individual. One of the unique features of the PSID design is that a child born to a sample member becomes a sample member. In addition, sample members are interviewed even when they leave sample families. For example, a child born in 1969 to a sample family, who then moved out of her parents' household in 1989 at age 20 is a sample member, interviewed first as a part of her parents' household and then in her own independent household. These rules were designed to mimic the population's family building activity and produce a representative sample of families across time and at a point in time. For my purposes, they mean I can examine the links between marriage and home ownership in three decades, decades that differ widely in family behavior, economic context and housing conditions.

The PSID also collects information about the co-residents of sample members; although I do not include non-sample members in my analysis, I include them in household structure measures for sample members, ensuring full information about family and household structure for all sample members.

### **Analytic Sample**

I restrict my analytic sample to persons who were "at risk" of first marriage (i.e. never married) between the ages of 18 and 49. Respondents enter the analytic sample either when they join the study or, more usually, at age 18. They then remain in the analytic sample until they marry, turn age 51, leave the study, or the study ended (which for my purposes is 1997). Thus my analytic sample includes any member of the full sample who was between 18 and 49 and never married in at least one interview year. Another way of thinking about this design is that in any interview year the sample consists of unmarried persons between the ages of 18 and 49—people in that age range who are at risk of marriage in that year. I observe marriages across three decades – from 1968 to 1996.<sup>1</sup>

The basis of my argument about home ownership, marriage and material standards is that the processes of home ownership and marriage are intertwined. Home ownership is associated with marriage in people's minds because it indexes material well being and economic security. Conversely, buying a home is viewed as something only married people do – a part of settling down. These ideas lead to behavioral links between the two processes. In short, I am arguing that marriage and home ownership are endogenous. I have hypothesized that these links may be growing stronger over time.

Clearly, the most appropriate modeling strategy for this problem will be to use a method that tracks both processes at once. For these basic analyses, I chose to index my population by risk of marriage, since marriage is the substantive motivation for the paper.<sup>2</sup> Since I view home ownership as endogenous to marriage, putting ownership on the right hand side would be inappropriate.

My analytic sample contains 9,385 individuals. These individuals experienced 62,622 person years at risk of first marriage. Table 1 shows the characteristics of the sample individuals and Table 2 shows the characteristics of their person-years at risk.

One critical difference between my analysis and other analyses of housing and family structure using the PSID is that I do not limit my analysis to so-called splitoffs, children who have left their parents' household to establish independent households. I consider a sample member to be at risk as long as he or she is between age 18 and age 50 and never married, regardless of current living arrangement.<sup>3</sup> In other

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<sup>1</sup> Although I observed people through 1997, I am unable to calculate marriage transition variables for 1997 because marital status in 1998 is unobserved.

<sup>2</sup> In particular, do not restrict the sample to people who were non-homeowners when they entered the study. If I were to exclude people who are homeowners when they enter the study, I would remove persons who then marry after home ownership from the sample. Home ownership prior to age 18 is quite rare.

<sup>3</sup> Persons who were living in group quarters were "counted" in their family of origin.

words, my analyses are not conditional on prior household formation. Studies that limit the population at risk to persons who have already formed independent households may be distorted, because they assume that household formation and housing decisions are independent. Several studies show that the costs of housing constrain independent living (Chew 1990; Christian 1989; Haurin et al., 1993; Hughes 2003). Thus restricting my analysis to splitoffs would introduce selection bias.

Along the same lines, my unit of analysis is the individual, not the household. Many studies of home ownership or housing use the household as a unit of analysis, ignoring any endogeneity between household formations, notably marriage, and housing context.

## **Measures**

### *Marriage*

Data on marital status and marital events were drawn from the “clean process” files created by the late Lee Lillard and contributed in his memory to ICPSR by his colleagues. These data provide consistent marital history variables for nearly all PSID individuals from 1968-1992. Persons missing data in the clean process files were nearly all young adults living with their parents. I coded marital status for these persons based on information in the interviews about whether the individual was a member of a married couple or not. For the years 1993-1997, I used marital status data from the PSID files, cleaned to match the Lillard conventions as closely as possible.

One complication is important with regard PSID marriage data. In the first third of the study (1968-82), the PSID did not distinguish married couples from “long term” cohabitators. Cohabitators were not identified as such in the first interview in which they appeared in a sample family (they were treated as unrelated individuals). If they were still present in the following interview, they were coded as a spouse. Adjusting the data for this issue is possible for most respondents between 1977 and 1982. However in the interview years 1968-1976, long term cohabitators are treated as if they were married. This ambiguity should be borne in mind when interpreting the results. However, in this early period cohabitation was not as common as it is now and many of these “long term” cohabitators had probably married by the time of the second interview.

Although the Lillard data include estimated dates of marital transitions, my analysis depends only on knowing if the respondent married between interview waves. Because of this, and because the Lillard data only go through 1992, I base my measures of marital transitions on marital status from wave to wave. For example, if a person was never married in year  $x$  and married in year  $x+1$ , they were coded as having been married in year  $x$ . Most PSID interviews are in the first third of the calendar year and there is little correlation across years in the likelihood of a particular family giving a “late” interview. Thus this method seems to match calendar time best, since most events will have occurred in calendar year  $x$ . Since I include temporal housing cost data in my analyses, matching calendar time as closely as possible is important. The frequency of marriage in the sample and in the person years is shown in Tables 1 and 2, respectively.

### *Home Ownership*

Each year, the head of a PSID sample family is asked whether the family owns their dwelling, rents it, or has some other arrangement. Like all family-level information, this data is attached to the individual data records for each family member. For individuals who are the head of a sample family or the spouse of the head, using the information on home ownership is straightforward. However using home ownership information for persons who are not family head or spouse of head is more complicated. Since such persons are dependent, they are usually not the actual owner of the home; the ownership information refers to the family, not them. For example, a young adult living with his or her parents is nearly always living in their parents’ household. Although the home is owned, it is actually owned by the young adult’s parents not the young adult. To assign home ownership at the individual level correctly, I created a measure of living arrangements and used this to code whether or not some one was a homeowner. Home ownership is measured as a dichotomy, owning versus not owning.

From this information, I created a variable showing whether an individual made the transition to ownership in a given year. “Year” again refers to the interval between interviews. Thus a person who was not an owner at the 1979 interview but was an owner at the 1980 interview would be coded as making the transition to ownership in 1979. The frequency of the transition to ownership in the sample is shown in Table 1.

### *Housing Costs*

In my analyses, I include the median value of owner-occupied housing in the county where the respondent lived at a particular interview. This was possible using the PSID restricted files, which provide geographic codes for the respondents’ addresses at each interview. I drew the housing cost data from the 1960-2000 Decennial Census Summary Tape Files. Intercensal housing value data for all U.S. counties over the long period I am looking at is simply not available. I therefore used linear interpolation to estimate housing costs for the intercensal years. Descriptive statistics for housing values in counties where PSID respondents were living are presented for selected years in Table 3. The average housing cost for all person years in the sample are shown in Table 2. All housing values are in 1967 dollars.

### *Covariates*

I include a basic set of covariates that are known predictors of both marriage and home ownership. The distributions of these variables for the sample and for person years are shown in Tables 1 and 2. Age is coded in four-year intervals to capture non-linearities in the relationship between age and marriage. A dummy variable indicates gender. As described above, the sample is limited to black and white persons; black race is indicated by a dummy variable.

Education is coded in four categories: less than high school, high school only, some college, and college or more. Two design idiosyncrasies relating to PSID education data should be kept in mind.

First, although education of all family members is available for most years, in some situations it was necessary to fill in individual’s education. In the early years of the study (1968-1977) the education of persons living in others’ households, the vast majority of whom were children of the head, was not reported until and unless the person finished his or her education. From 1978 on, although education of each family member was collected regardless of school status, the education of family members in institutions was not recorded. Thus there are gaps in education histories for young adults. To avoid leaving out persons living with their parents in the early years of the study, I interpolated yearly education values for these persons.

Second, education of heads and wives is reported when they become head or wife and only updated at long intervals. To the extent that people continue education into adulthood, educational levels may be under estimated.

Income refers to the respondent’s taxable income in the calendar year prior to the interview. Thus, income in 1988 refers to income received in 1987. The slight lag in income avoids endogeneity between labor supply and marriage. The PSID did not collect detailed income information for persons who were not heads or wives in the early years of the study (1968-74). In these years, the income variable includes transfer income for household “others”; however only a minority actually received such income. Because data for 1994-2001 are available only as “Public Release I” data, which is not processed, income data for household “others” in these years is also limited. The amount recorded is for all household “others” combined. I divided this amount by the number of such others. I ran all analyses with and without these problematic years and the results – for the income variable and overall – were substantively identical. Income is also in constant 1967 dollars.

## **RESULTS**

I use these data to conduct discrete-time event history analyses of the transition to marriage over three decades. Event history analysis models the likelihood that a person will experience an event, marriage, as a function of elapsed time. The influence of covariates, for example race and education, on the likelihood

of the event can be modeled as well. This analysis has two “clocks”: age and calendar time (Raftery, Lewis & Aghajanian 1995). As people’s lives unfold biographical time, they are also embedded in historical time, which sets the social context for many decisions. This second clock is actually of central interest in these analyses, because I am interested in the relationship of changing housing context to changes in marriage.

Table 4 presents coefficients from four discrete-time event history models of the transition to marriage. Model 1 is presented for comparison purposes; it simply includes the covariates, all of which are important predictors of the likelihood and timing of marriage. We see the expected relationships. Females are more likely to marry and blacks less likely. Income is positively related to marriage, while education has a nonlinear effect, probably because many people in the “some college” category are in school. Age also has non-linear effects, with a peak that coincides with the median age of marriage over the period.

Model 2, in the second column of Table 4, adds housing costs, the predictor variable of primary interest. The evidence is clear: in areas with higher housing costs, people are less likely to make the transition to marriage, net of the most important predictors of marriage. The effect is comparable in magnitude to the effect of income. Both are measured in \$10,000 increments of 1967 dollars. A \$10,000 increase in income increases the likelihood of marriage by 15%; a \$10,000 increase in the value of owned housing decreases the likelihood of marriage by 16%.

The final columns in Table 4 present Model 3, which is simply Model 2 run for blacks and whites separately. The effects of housing values on marriage are similar for blacks and whites. To the extent that the relationship between housing values and marriage reflects a close symbolic connection between marriage and home ownership, the connection is shared by blacks and whites alike. This is somewhat surprising, given high levels of residential segregation that mean blacks and whites face essentially different housing markets. Moreover, ownership rates are on average lower for blacks, due both to socioeconomic disadvantage and persistent housing discrimination. Despite these barriers, the evidence suggests that the desire for ownership and its links to marriage are as strong among blacks as among whites.

In results not reported here, I compared the effects of housing costs on the likelihood of marriage by level of education, controlling for the same set of covariates. The effects were equally strong and similar to the effects reported in Table 4 among the three lower educated groups, if slightly more pronounced among persons who had not completed high school. However, among persons with college degrees, the relationship was much weaker (.94) and only of borderline (.08) statistical significance. This evidence suggests that part of the educational gap in marriage that is emerging in recent years is related to the “cost” of marriage. Persons with lower levels of education may simply be priced out of marriage given the deterioration in labor market prospects for lower-educated persons. In turn, cost issues are less of a constraint to marriage among the highly educated, who are advantaged in the labor market.

The models presented in Table 5 add variables indicating year of observation to the basic models introduced in Table 4. Over this period, family behavior was changing quite rapidly. In addition, housing markets underwent a series of shifts and shocks. In particular, in the 1978-1983 period housing price inflation combined with soaring interest rates to alter the character of American housing markets.

Model 1, in the first column of Table 5, includes the series of year dummies without the housing cost variable.<sup>4</sup> The series of period dummies shows the well-documented decline in marriage quite dramatically. The odds of marrying in the last period are about half what they were in the first period.<sup>5</sup>

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<sup>4</sup> Since single year dummies for this long a period are difficult to interpret, I use a set of three-year categories. These are less daunting to interpret than single year dummies but can still show rapid shifts.

<sup>5</sup> Because I defined my population with a relatively wide age range and first marriages are rare in the years beyond the early forties, I was concerned that some of these permanently single people were artificially pulling down the odds ratios

Model 2 adds housing values to Model 1. The coefficients for the time dummies all decline somewhat. This suggests that housing costs are a part, but certainly not all, of the explanation for declines in marriage. Increases in housing costs due to housing cost inflation (that is, increases in the cost of housing holding overall inflation constant) and increases in housing quality over this period may have dampened marriage to some degree. In results not shown, the attenuation of the negative time trend in the likelihood of marriage with the addition of housing costs was confined to the lower three education groups. This was because the time trend for college-educated persons was more or less flat. This finding further suggests that the rising cost of ownership has hit persons with lower education particularly hard.

Table 6 shows the coefficients for the housing value variable for models run for pairs of three-year intervals. These models directly test the idea that the rising importance of material aspirations will be reflected in the increasing constraint that housing costs place on marriage. If anything, the opposite is true: there is a gradual increase in the coefficients over time. In a model ran with interactions, the time trend was statistically significant, but distinguished two time periods: 1968-73 and 1974 on. The evidence about time trends is thus rather mixed. On the one hand, housing costs seem to have a weaker, if still rather large and statistically significant, impact on the transition to marriage than they did in the early 1970s. On the other hand, the effect has been constant since then, which does suggest that rising costs, if not increased effects, may play some role in changing marriage decisions. However, as we saw in the previous table, housing costs explain only a part of changes in marriage.

## DISCUSSION

In this paper, I have established a relationship between the costs of owner-occupied housing and marriage. The relationship appears to be quite strong, comparable to the effects of income. The effect is similar for blacks and whites and more pronounced among persons without a college degree. This finding supports the idea that homeownership is associated with marriage, either directly or as a yardstick for measuring economic well-being.

Housing costs appear to explain a part, but a relatively small part, of the decline in marriage over time. They are most important in explaining marriage trends among persons without a college degree, mainly because, among college-educated persons, the likelihood of marriage remained stable. These results suggest that persons without college degrees, who have been relatively disadvantaged in the labor market over this period, may have been caught between stagnant wages, on the one hand, and increasing housing costs, on the other.

Finally, the strength of the relationship between marriage and homeownership has not increased over time. If anything, the relationship was stronger in the 1968–1973 period than it was subsequently. This finding contrasts with my expectation that increasing material standards and the increasing importance of consumption goals would lead to a stronger relationship between home ownership and marriage. Instead, home ownership has been important throughout the period. Perhaps this reflects the importance of ownership as a life goal among Americans. I argued earlier that ownership was useful to study as a case study of material aspirations because the desire for ownership has been constant. But this very constancy may limit the extent to which patterns of ownership will reflect increasing material standards.

Taken together, my results suggest that home ownership, and by extension material aspirations, are a key part of the family formation process. Material aspirations shape people's ideas about what is necessary for a particular life transition, for example marriage. In turn, they scale people's assessments of their own readiness for the transition. In the case of marriage, people may assess their economic readiness for marriage in terms of their ability to afford a home.

These results suggest several directions for elaboration and extension of this analysis. First, and most important, thus far I have only tested the relationship between home ownership and marriage indirectly. I

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in the latter part of the period. However, when I limited the population at risk to persons under 45 and persons under 40, I saw nearly the exact same set of odds ratios

did not include home ownership as a predictor variable because theoretically I view ownership and marriage as endogenous. My claim that home ownership is affecting marriage is based on the link between housing costs and marriage. This link is logical. In addition, previous research and my own tabulations of PSID data (not shown) show that the events are quite closely linked in time. But a true test of the relationship will need to take actual ownership decisions into account. Modeling this process will be complicated, as ownership often (and increasingly) occurs before marriage as well as after marriage. Moreover, not all persons who marry buy homes and not all people who buy marry. Modeling ownership and marriage as joint processes will provide more solid evidence that costs are affecting marriage through ownership.

A second, task will be to elaborate the model of marriage I employ. I have included the most important predictor variables in these basic models. However, using the PSID I can also include background characteristics, such as parents' education and income, which are important to both marriage and ownership. Including statuses, such as being in school or working is also a good idea. Elaborating the model in this way is unlikely to attenuate the relationship between housing values and marriage, but it will provide a more realistic model of the marriage process. Including other county characteristics may be important as well; however, what other area characteristics could be driving the relationship I observe are unclear. Most important will be to investigate the timing of marriage. Many researchers have suggested that marriage is being delayed, not forgone. Thus the most important effects of costs may be on the timing of marriage, rather than the occurrence of marriage. These analyses focus at least implicitly on the eventual occurrence of marriage.

Finally, the analysis must take into account cohabitation. Over the time I observe, cohabitation emerged as a major new alternative form of couplehood. Preliminary evidence using these data suggests that cohabitators are increasingly buying homes as a step in the marriage process. An investigation of the role of cohabitation may clarify the time trend and material aspirations argument further – as well as illuminate cohabitation.

These results suggest that despite changes in the living arrangements of young adults, marriage retains a distinct set of consumption goals that shape people's ideas about readiness for marriage. They help to explain the importance of economic status in the transition to marriage – and why cohabiting couple say they “can't afford” to get married.

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**TABLE 1: Characteristics of Analytic Sample, Panel Study of Income Dynamics 1968-1996<sup>a</sup>**

Measure	Mean (SD) or Percent
Got Married	46.1
Age Married	23.0 (4.5)
Bought Home	36.2
Age Bought Home	25.8 (5.3)
Age When Entered Sample <sup>b</sup>	19.0 (3.5)
Female	47.6
Black	48.8
Education When Entered Sample <sup>b</sup>	
Less than HS	46.4
HS	45.4
Some College	7.2
College Graduate	1.0
Income When Entered Sample <sup>b</sup>	1,360 (7943) <sup>c</sup>
Year Entered Sample	
1968-1970	21.7
1971-1973	11.2
1974-1976	10.7
1977-1979	10.9
1980-1982	10.0
1983-1985	8.4
1986-1988	6.3
1989-1991	7.0
1992-1994	9.5
1995-1996 <sup>d</sup>	4.4
Years Observed	7.2 (6.0)
Why Censored	
Aged Out	3.3
Attrited	62.0
Study Ended	34.7

<sup>a</sup> Sample includes never-married white and black persons between the ages of 18 and 49 who were observed for at least two years (N = 9,385). Figures are unweighted.

—Value changes with time so entered as a time-varying covariate in all analyses.

<sup>c</sup> 1967 dollars.

<sup>d</sup> Persons who entered the sample in 1997 are excluded; however 1997 data for persons entering earlier is used to calculate transitions.

**TABLE 2: Descriptive Statistics for Person Years in Analytic Sample, Panel Study of Income Dynamics 1968-1996<sup>a</sup>**

Measure	Mean (SD) or Percent
Number of Marriages	4,323 (6.9%)
Female	48.2
Black	54.2
Age <sup>—</sup>	24.3 (6.5)
Education <sup>b</sup>	
Less than HS	26.2
HS	41.5
Some College	22.4
College Graduate	9.9
Income <sup>b</sup>	2,878 (8689) <sup>c</sup>
Year	
1968-1970	7.1
1971-1973	8.5
1974-1976	9.7
1977-1979	10.8
1980-1982	11.7
1983-1985	12.0
1986-1988	11.2
1989-1991	11.1
1992-1994	11.2
1995-1996 <sup>d</sup>	6.8
Median Cost of Owner Occupied Housing <sup>e</sup>	20,791 (12,149)

<sup>a</sup> Sample includes never-married white and black persons between the ages of 18 and 49 who were observed for at least two years. Sample members contribute 62,622 unmarried person-years. Figures are unweighted.

<sup>—</sup>Value changes with time so entered as a time-varying covariate in all analyses.

<sup>c</sup> In 1967 dollars.

<sup>d</sup> Persons who entered the sample in 1997 are excluded; however 1997 data for persons entering earlier is used to calculate transitions.

<sup>e</sup> For county where respondent was living at the time of a particular interview.

**TABLE 3: Median Value of Owner Occupied Homes<sup>a</sup> in Counties Where Persons in Analytic Sample Lived, Panel Study of Income Dynamics 1968-1996**

Year	Mean	SD	Min	Max
1968	14,463 <sup>b</sup>	4,807	5,602	33,430
1970	14,886	5,890	4,807	50,490
1975	17,620	6,382	6,212	44,086
1980	20,054	8,150	4,011	52,836
1985	22,256	11,895	5,992	78,971
1990	23,868	16,666	4,880	120,261
1995	23,419	15,679	4,582	157,067
1996	23,746	17,099	5,802	164,428

<sup>a</sup> Housing value data are drawn from the 1960-2000 Decennial Census Summary Tape Files. Intercensal values are estimated by linear interpolation.

—All values are in 1967 dollars.

**TABLE 4: Coefficients from Discrete Time Event History Models of the Transition to Marriage, Panel Study of Income Dynamics 1968-1996**

Predictor	Model 1	Model 2	Model 3	
			Whites	Blacks
Age				
18-21	.79**	.77**	.71**	.87*
22-25	--	--	--	--
26-29	.80**	.82**	.81**	.85*
30-33	.51**	.53**	.60**	.46**
34-37	.30**	.32**	.29**	.35**
38-41	.20**	.21**	.19**	.23**
42-45	.19**	.18**	.11**	.33**
46-49	.06**	.06**	.04**	.09**
Female	1.16**	1.17**	1.27**	1.03
Black	.50**	.48**		
Education				
Less than High School	.71**	.70**	.81**	.62**
High School	--	--	--	--
Some College	.76**	.79**	.75**	.92
College	1.06	1.13^	1.06	1.26
Indiv Taxable Income(\$10,000)	1.15**	1.15**	1.18**	1.12**
County Housing Costs (\$10,000)		.84**	.82**	.87**
N <sup>a</sup>	59548	59331	27239	32092
Log Likelihood	-14411	-14293	-8301	-5968
$\chi^2$	798	971	359	401
(df)	13	14	13	13

^  $p < .05$  \*\*  $p < .01$  \*\*\*  $p < .001$

<sup>a</sup> Standard errors calculated taking into account the clustering of the sample within counties.

**TABLE 5: Coefficients from Discrete Time Event History Models of the Transition to Marriage, Panel Study of Income Dynamics 1968-1996**

Predictor	Model 1	Model 2
Age		
18-21	.74**	.73**
22-25	--	--
26-29	.86*	.87*
30-33	.57**	.57**
34-37	.34**	.34**
38-41	.22**	.22**
42-45	.20**	.19**
46-49	.06**	.06**
Female	1.16**	1.16**
Black	.50**	.48**
Education		
Less than High School	.70**	.69**
High School	--	--
Some College	.79**	.81**
College	1.07	1.12
Individual Taxable Income	1.10**	1.11**
Year		
1968-70	--	--
1971-73	1.08	1.12
1974-76	.83	.88
1977-79	.74**	.80**
1980-82	.61**	.67**
1983-85	.64**	.71**
1986-88	.58**	.66**
1989-91	.52**	.59**
1992-94	.46**	.52**
1995-96	.51**	.58**
County Housing Costs		.87**
N <sup>c</sup>	59,548	59,548
Log Likelihood	-14294	-14294
$\chi^2$	1072	1072
(df)	22	22

<sup>^</sup>  $p < .05$  \*  $p < .01$  \*\*  $p < .001$

<sup>a</sup> Standard errors calculated taking into account the clustering of the sample within counties.

**TABLE 6: Coefficients for County Housing Value<sup>a</sup> From Discrete Time Event History Analysis of the Transition to Marriage By Year, Panel Study of Income Dynamics 1968-1996<sup>b</sup>**

1968-73	1974-79	1980-85	1986-91	1992-96
.71**	.83**	.79**	.85**	.91**

<sup>^</sup> $p < .05$  \*  $p < .01$  \*\*  $p < .001$

<sup>a</sup> Also included in the model are age, gender, race, education, and income (see Model 2 in Table 5).

— Standard errors calculated taking into account the clustering of the sample within counties.

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