

Married College Graduates Make More Money, Says Pew Report

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If you want a better chance of creating household wealth, earn a college degree -- and get married.

"Americans who already have the largest incomes and who have had the largest gains in earnings since 1970 -- college graduates -- have fortified their financial advantage over less-educated Americans because of their greater tendency to be married," wrote the authors of a Pew Research Center report that examined economic gains over the past four decades among U.S.-born men and women ages 30 to 44.

The big news about this report has centered on the fact that there's been a shift in gender roles. A larger share of men in 2007, compared with their 1970 counterparts, were married to women whose educations and incomes exceeded their own.

But there are some other very interesting statistics in the Pew report.

It found that having a working spouse often makes you better off financially. Before you single folk get your britches in a bunch, that's not to say you can't also achieve financial prosperity.

"There are plenty of single people doing great, and who can do well on their own and want to do well on their own," said D'Vera Cohn, co-author of the report.

Yet overall, married adults have made greater income gains over the past four decades than have unmarried adults. From 1970 to 2007, their median adjusted household incomes, the sum of financial contributions of all members of the household, rose more than those of the unmarried.

(You should know that all income trends in the Pew report are based on data that have been adjusted for inflation. Additionally, incomes were adjusted for household size and then scaled to reflect a three-person household.)

In adjusted numbers, unmarried men earned \$56,951 annually on average in 1970, increasing to \$65,849 in 2007. Unmarried women in 2007 earned \$30,597, increasing to \$48,738 in 2007.

Now let's compare that with married men and women. Married men earned \$45,785 in 1970. Nearly four decades later, their income rose to an average \$73,774. For married women, average income went from \$46,669 to \$74,642.

The report also verified what some marketers have long assumed: that high-earning women exercise more economic authority within the marriage over major purchases and household finances.



In another Pew survey conducted in 2008, couples were asked: "When you and your spouse make decisions about managing the household finances, who has the final say?"

In relationships where the husband earns more money, spouses are just as likely to say that husbands (35 percent) or wives (36 percent) make more decisions regarding household finances. Twenty-eight percent said they shared the financial decisions.

But when you flip that script -- when the wife makes more -- only 21 percent of spouses say that husbands make more decisions on household finances, compared with 46 percent who say that wives do. When wives make more, 33 percent of spouses said they share in the financial decisions.

Why would more wives make more of the decisions when they are bringing home more of the dough?

Could it be that the man feels intimidated? Could it be that higher-earning wives claim the financial clout to shut out their husbands? The report didn't say. But inquiring minds want to know.

Anecdotally, I've seen the financial destruction that can come when spouses feel that their larger paycheck gives them the power to dominate the financial decisions.

If you see marriage as a partnership, then it shouldn't matter who earns more. In a marriage, you should act as a well-functioning team, making decisions together.

So, what are the real-world applications for the Pew report?

We know education plays an important role in income. College graduates are more likely today to be married. This was not the case in 1970, when all education groups were about equally likely to wed.

Married adults have seen larger financial gains than unmarried adults.

"We are not telling people to get married to make money," Cohn said. "We are just explaining that marriage and higher education are increasingly part of a package." The Pew report shows that despite current trends away from marriage, there are good reasons to wed, especially if you're a man.

Decades ago, some men used to joke about marriage being a yoke around their necks, but the statistics today no longer back this up.

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