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THE EFFECT OF HUMAN CAPITAL
ON THE ECONOMIC STATUS OF WOMEN
IMMEDIATELY FOLLOWING DIVORCE OR SEPARATION

DISSERTATION

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of The Ohio State University

By

Teresa Ann Mauldin, B.S., M.ED.

* * * * *

The Ohio State University
1985

Reading Committee:                              Approved By
Kathryn Stafford, Ph.D.                          Nancy M. Rudd, Ph.D.
Frederick D. Stocker, Ph.D.                     Advisor
Nancy M. Rudd, Ph.D.                             Home Economics: Family
                                               Resource Management
DEDICATION

To CLF and Jack
I wish to express sincere appreciation to Dr. Nancy M. Rudd for her guidance, assistance, enthusiasm, and endless patience throughout the writing of this dissertation and my graduate study at OSU. Thanks is extended to Dr. Kathryn Stafford for her advice, support and encouragement. Thanks also goes to Dr. Frederick Stocker for his support, suggestions and comments.

Sincere appreciation is extended to Dr. Margaret Sanik and other members of the Family Resource Management Department for their interest and guidance throughout the time needed to complete this study. A special thanks is extended to Nancie Metzger, without whose patience and assistance this research would never have been completed. Thanks also to the graduate students in the department for their friendship, support and encouragement.

Finally, no words can express the love and gratitude that are extended to my parents for their support and encouragement of my graduate study.
VITA

1976.................B.S. UNC-Greensboro, Greensboro, North Carolina
1977-1978...........Graduate Teaching Assistant
                   UNC-Greensboro, Greensboro, North Carolina
1978.................M.Ed. School of Home Economics,
                   UNC-Greensboro, Greensboro, North Carolina
1978-1982............Assistant Professor, Home
                   Economics, Hood College,
                   Frederick, Maryland
1982-1985............Graduate Research Associate
                   College of Home Economics
                   The Ohio State University
                   Columbus, Ohio

PUBLICATIONS

Longstreth, Molly; Stafford, Kathryn; and Mauldin, Teresa. Self-employed Women's Use of Time. Western Regional Family Economics Home Management Proceedings, Nov. 7-9, 1984.


FIELDS OF STUDY

Major Field: Family/Consumer Economics

Minor Field: Economics
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Women have been at the center of dramatic demographic, social and economic changes during recent decades. The most notable of these changes are the increase in marital disruption through separation and divorce and the steady increase in women's labor force participation. From 1970 to 1983 the divorce ratio increased by 143 percent from 47 to 114 divorced persons per 1,000 married persons living with their spouse (U.S. Department of Commerce, 1983). Labor force participation by women increased by 173 percent between 1947 and 1980 (U.S. Department of Labor, 1982). These changes have had considerable social and economic impact on the family.

As would be expected, divorced women are more likely to be in the labor force than married women. In 1984, 74.3 percent of divorced women were participating in the labor force compared to only 52.8 percent of married women (Hayghe, 1984). Divorced women are also more likely to be employed full time. However, the income of female-headed families is only 46.2 percent of that received by married
couple families. This results in part from the female-headed household's dependence on the female's wages—wages which are generally lower than those of males with comparable education (Bianchi & Spain, 1984).

Numerous studies have found that the female-headed family is severely disadvantaged (Bane & Weiss, 1980; Cherlin, 1981; Corcoran, 1979; Duncan & Morgan, 1981; Espenshade, 1979; Hoffman, 1977; Hoffman & Holmes, 1976; Pearce, 1978; Weiss, 1984). For example, the poverty rate for families maintained by female householders is considerably higher than that for families maintained by married couples. In 1983 female householders had a poverty rate of 36.3 percent compared to only 7.6 percent for married couple families (U.S. Department of Commerce, 1985). While only 11.3 percent of all families were maintained by female householders in 1983, these families accounted for 47 percent of the families in poverty (U.S. Department of Commerce, 1984; U.S. Department of Commerce, 1985).

While many studies have found that female-headed families experienced a reduction in their level of living following disruption, one study (Kohen, Brown, & Feldberg, 1979) found that women with the lowest marital incomes in their sample experienced an increase in their level of living after divorce. In these cases the husband contributed little or nothing financially. The husband was just one more person to support, thus impoverishing the family.
Many studies have cited the dramatic decline in the economic well-being of families that results from marital disruption, as well as the factors that contribute to this decline. Among these factors are: (1) loss of spouse's income; (2) loss of economies of scale; (3) greater prevalence of divorce and separation among poor families; (4) low and/or irregular levels of alimony, child support and public assistance; (5) fewer adult earners; (6) fewer opportunities for female heads of families to work; (7) lower wages than men when they do work; (8) the failure of the legal system to consider inflation when ordering support awards; (9) the refusal or inability of the regulatory agencies to enforce compliance; and (10) the major responsibility of children falling on the mother (Bane, 1976; Corcoran, Duncan, & Hill, 1984; Duncan & Morgan, 1981; Masnick & Bane, 1980; Seal, 1979; Weitzman, 1981).

Less often cited factors that affect the economic well-being of maritally disrupted women are: (1) the lack of career commitment in women (Seal, 1979); (2) inappropriate work plans of young women (Rudd & Sanik, 1983); and, (3) lack of investment in market related human capital (Firebaugh & Deacon, 1979; Hauserman, 1983; Rudd & Sanik, 1983; Smith & Beninger, 1982; Weitzman, 1981). When women underinvest in market skills, as a result of placing emphasis on nonmarket work, serious economic consequences can result.
when the need arises for them to enter the labor market (Firebaugh & Deacon, 1979). Not only will they lack sala-
ble skills, but they will also have little notion of how to get a job, career counseling or job training (Weitzman, 1981). Compounding this lack of investment in market work in deference to investment in nonmarket work is the problem of a lack of legal and social recognition for nonmarket work contributions. Women invest in nonmarket activities which are considered important but are given only meager, if any, recognition in the financial settlement when the marriage dissolves (Hauserman, 1983; Smith & Beninger, 1982; Weitzman, 1981).

Since market work is a major source of income for female-headed households, and thus of major importance to the economic well-being of these families, it is important to determine what factors affect maritally disrupted women's abilities to provide for their families. The purpose of this research is to determine whether work-related human capital is a significant determinant of the post-disruption economic status of women. If it is found that women's stock of human capital is a significant determinant of their post-disruption economic status, then support will be provided for further efforts encouraging women to invest in themselves instead of risking reliance on the lifetime economic support of a husband. But if women's human capi-
tal stock makes little difference in their post-disruption economic status, then support will be provided for the notion that women's work-related human capital investments are poorly rewarded by the labor market. If this is the situation, divorce settlements emphasizing equal sharing of marital assets and child support will promote poverty among households headed by divorced women.

Specifically, the objectives of this study are:

1. To determine the effect of a woman's work-related human capital on her per capita family income during the first year following marital disruption, controlling for pre-disruption economic status and selected background variables.

2. To determine whether the level of a woman's work-related human capital prior to disruption differs among the following groups:
   a. those women who were non-poor prior to and after disruption;
   b. those women who were non-poor prior to disruption and poor after disruption;
   c. those women who were poor prior to and after disruption;
   d. those women who were poor prior to disruption and non-poor after disruption.
3. To determine whether the effect of a woman's work-related human capital on her per capita family income during the first year following marital disruption differs among the following groups:

a. those women who were non-poor prior to disruption and continued to be non-poor (non-poor/non-poor) following disruption and those who were non-poor prior to disruption and became poor (non-poor/poor) following disruption;

b. those women who were poor prior to and following disruption (poor/poor) and those women who were poor prior to disruption and non-poor following disruption (poor/non-poor).

Work-related human capital will be defined to include work experience, education, job training, attitudes toward women working, and health.
Chapter II
MARITAL INSTABILITY AND ITS EFFECT ON WOMEN'S ECONOMIC STATUS

Empirical research on divorced women has focused on the social, psychological and economic causes and consequences of divorce (Albrecht, 1979; Becker, Landes & Micheal, 1977; Bernard, 1966; Bumpass & Sweet, 1972; Cherlin, 1978; Coombes & Zumeta, 1970; Goode, 1956, 1963; Hannon, Tuma & Groeneveld, 1977; Levinger, 1965; Lewis & Spanier, 1979; Mott & Moore, 1979; Norton & Glick, 1979; Rasmussen & Farraro, 1979; Santos, 1975; Scanzoni, 1979; Schoen, Greenblatt, & Mielke, 1975; Weiss, 1975; Winch, et. al, 1977; Wright & Steton, 1978). Several studies have focused on the economic consequences of marital disruption on women citing the drastic reduction in their income/need ratios compared to that of their former husbands. Few studies have looked at factors that affect a woman's ability to provide for her family following marital disruption.
CENSUS DATA

Data from the National Center for Health Statistics (1984a) indicated that 1,179,000 couples divorced in 1983 and the divorce rate was 5.0 per 1,000 population. The divorce rate began to climb in the early 1960's. The total number of divorces was 413,000 in 1962. By 1972 the number of divorces per year had more than doubled, after which the rate of growth slowed.

In 1984, 74 percent of divorced women were in the labor force. Children did not deter their divorced mothers from labor force participation except when they were under 6 years old. In 1984, the labor force participation rate for divorced women with children ages 6 to 17 was 84 percent, for those with children under age 6 68 percent and for those with children less than 3 years old approximately 56 percent. Not only was there a high rate of participation among these women but most of those employed were employed full time. Age of children had little affect on whether employed divorced women worked full time; 87 percent of employed divorced women with children under 6 years old were employed full time (Hayghe, 1984).

The median income of divorced women who were heads of households in 1981 was $12,380. This was about half the median income of married couple households (U.S. Department of Commerce, 1983b).
THE ECONOMIC CAUSES OF MARITAL DISRUPTION

Despite the large body of literature that exists on marital disruption, there is no generally accepted theory of divorce. Within the economic literature, Becker, Landes & Micheal (1977) have posited a testable theory of divorce. According to this theory, economic factors are hypothesized to both strengthen and dissolve a marriage. Those that are hypothesized to strengthen marriage, known as "income" effects, include such factors as high earning husband, husband continuously employed and high unearned income. These factors will create a disincentive for the woman to dissolve her marriage. Those factors which are hypothesized to dissolve a marriage are known as "independence" effects. These would be such factors as high personal earnings potential of the wife, access to personal assets and no small children at home. Given an unsatisfactory marriage, these "independence" effects would encourage a woman to dissolve her marriage (Becker, Landes, & Micheal, 1977; Cherlin, 1977; Mott & Moore, 1979; Ross & Sawhill, 1975).

Tests of this theory have found that these economic variables are only moderately useful in explaining divorce. Results indicate that demographic and social variables may be more important in predicting marital dissolution (Mott & Moore, 1979).
Despite their limited usefulness in explaining divorce, certain economic variables do appear to be significant in explaining marital dissolution. Cherlin (1978) found that lack of savings and more positive attitudes toward work caused probabilities of dissolution to nearly double. Prolonged unemployment of the husband was also found to be a significant cause of divorce (Cherlin, 1978; Ross & Sawhill, 1975).

ECONOMIC CONSEQUENCES OF MARITAL DISRUPTION

Previous research has found that divorce has detrimental economic effects on women. Women are more likely to experience large financial losses compared to their husbands (Duncan & Morgan, 1981; Mott & Moore, 1978; Spanier & Casto, 1979; Weitzman, 1981). Duncan and Morgan (1981), using data from the Panel Study of Income Dynamics (PSID), found that one-third of the women living in families with incomes above the poverty line prior to marital disruption were in poverty after divorce. In contrast, men were affected far less by this change in family structure (Duncan, 1984).

Shaw (1978), using data from the National Longitudinal Surveys (NLS) Mature Women Cohort, found that over 25 percent of white women and over 40 percent of black women were poor after marital disruption. For most white women this
was a new condition but black women had frequently been poor before disruption. Following disruption very few white women showed any improvement in their economic status and at least half of the black women were continuously poor or just above the poverty line.

In a study by Mott (1979), female-headed households showed a massive movement into poverty after disruption. For mature white women the poverty rate increased from 10 to about 35 percent; the rate for comparable blacks increased from 38 to 51 percent. Young women experienced similar transitions into poverty. Mott (1979) suggested that this movement into poverty was the result of the female householder's inability to earn near enough to compensate for the loss of her husband's earnings. Mott also found that as the number of children in the household increased so did the likelihood of poverty but that remunerative employment could dramatically reduce poverty.

Using an income/need ratio, Hoffman (1977) found that for women who became divorced between 1967 and 1973 real family income/need ratio fell by 6.7 percent while that of divorced men increased by 16.5 percent. Hampton (1975) found similar results. Twice as many former husbands were in the top three income/need deciles as wives. Thirty-four percent of the wives were in the three lowest income/need deciles while only 15 percent of the former husbands were
in these groups. Duncan (1984) found that from 1971 to 1978 women who remained married experienced a 7 percent annual growth rate in family income/need ratio. For women who divorced or separated the annual growth rate in income/need ratio declined by 5.3 percent.

Weitzman (1981), using a measure of per capita income, found that divorced men had a much higher per capita income than their former wives at every level of pre-divorce family income. The higher income families showed greater discrepancies. Where pre-divorce income had been $40,000 or more per year, the wife and children were living at 48 percent of their former per capita income while the husband lived at 200 percent of his former per capita income.

In looking at various aspects of adjustment to marital dissolution by 50 divorced men and women, Spanier and Casto (1979) found that economic adjustment was the only area in which there was a significant difference by sex. The vast majority of men reported themselves as well off as before disruption but over half of the women indicated that they were substantially worse off.

Corcoran (1979), who studied women in their middle years from the Panel Study of Income Dynamics, found that income declined more than 40 percent for maritally disrupted women. This decline occurred even though these women increased their paid work, increased use of transfer pay-
ments and utilized income from other household members more often.

The reduction in income due to disruption is greatest for women whose marital income had been the greatest, according to Weiss (1984). But these women continued to have higher household incomes after separation and divorce than those with lower economic status prior to disruption.

Kohen, Brown and Feldberg (1979) studied 30 divorced mothers to determine the disadvantages as well as the advantages of being divorced. Questions were asked about economic factors, authority allocation, child care, household management, and social and psychological support. Most of these women saw a drop in their level of living following marital dissolution. Those women with the highest marital incomes experienced the greatest decrease in status. This study also found that the economic status of a few women improved following divorce. This occurred among those women with the lowest marital incomes in the sample. In these families, it appeared that the husband had contributed little or nothing financially. Thus dissolution meant one less family member to support.

Studies measuring the effects of no-fault divorce have not found that divorce rates have been altered as a result of this legal change (Bahr, 1983; Sepler, 1981; Wright & Stetson, 1978). But changes in the divorce laws stressing
an equitable division of assets have had economic effects. Studies have found that the amount of child support awards has decreased, and the frequency and duration of spousal support awards has declined significantly (Bahr, 1983; Dixon & Weitzman, 1980; Giraldo, 1980; Seal, 1979; Weitzman, 1981). The trend toward more equal division of assets has come at a time when equality does not exist in areas of employment and career preparation. The inequity is compounded by the undervaluing of nonmarket work.

Women who are divorced or separated have several alternative means of providing for their family, but the majority choose to enter the labor force or increase their level of participation (Corcoran, 1979; Hoffman & Holmes, 1976; Mott & Moore, 1978). Mott and Moore (1978) found the labor force participation rate of divorced women without children to be rapidly approaching that of never-married women. Also, the participation rate of divorced women with children rose, but not as much as that of women without children. White divorced women were more likely to be employed after disruption than black divorced women. Mott and Moore indicated that the most effective way for divorced women to maintain their income at a satisfactory level was to be employed year round at a satisfactory wage rate. Shaw (1978) found that without their own earnings female householders were likely to be below or near the poverty threshold.
For most divorced women the major source of income is their own earnings. Other sources are available to them and do provide some help in alleviating the economic burden. For those higher income households, Weiss (1984) found that earnings were more likely to be supplemented by alimony and child support. In lower income households members were more likely to depend on means-tested public assistance.

When spousal support (alimony) and child support are awarded they are rarely sufficient to cover costs (Weitzman, 1981). The duration of spousal support has declined since the passage of no-fault divorce laws. The support award at the time of divorce can significantly affect a woman's employment prospects. When there is a minimal amount awarded for a short period of time, she is more likely to forego retraining and take a job that does not pay well simply for the assurance of a steady paycheck (Mott, 1979; Weitzman, 1981).

Given a sharp decline in family income many divorced women must turn to income-maintenance programs. Those who are more likely to be on welfare are separated women, black women with children and those women with lower education attainment, fewer job skills and fewer outside financial resources (Bane & Weiss, 1980; Mott & Moore, 1978; Rainwater, 1979). Shaw (1978), in a study of maritally disrupted
women (divorced, separated, and widowed), found that nearly one third of white maritally disrupted females and one half of black maritally disrupted females who were poor received welfare income. Metzger (1980) found that 13 percent of the white divorced women in her study received welfare. Hampton (1975) also found that 13 percent of the women in the PSID study who were divorced received ADC, AFDC, or some other welfare assistance. Bane and Weiss (1980) found that among the separated women in their study almost half received some support from public assistance programs. Divorced women were not as likely to use welfare.

FACTORS WHICH AFFECT ECONOMIC WELL-BEING AFTER DISRUPTION
Various factors have been identified which affect the economic well-being of women after marital disruption. Among these are the fact that on average women earn less than men, children typically live with their mothers following disruption, and child and spousal support payments are low and received infrequently (Duncan, 1984). Other factors include the loss of economies of scale, greater prevalence of disruption among poor families, and loss of spouse's income (Bane, 1976; Masnick & Bane, 1980; Seal, 1979; Weitzman, 1981). Lack of career commitment in women, inappropriate work plans of young women and lack of investment in human capital have also be cited as factors that affect
the economic well being of women after disruption but little empirical evidence related to these factors is available (Firebaugh & Deacon, 1979; Hauserman, 1983; Rudd & Sanik, 1983; Seal, 1979; Smith & Beninger, 1982; Weitzman, 1981).

Only one study was identified which looked at the relationship of human capital to income sources in recently divorced and separated women. Larson (1984) found that women's employment activity before disruption is important to post-disruption income. Women's post-disruption earnings were also significantly related to number of children, age, city of residence, and former husband's income. Race was not significant in explaining variation in women's post-disruption earnings.

SUMMARY
Previous research shows that marital disruption has a dramatic negative effect on the economic well-being of women. To maintain some satisfactory level of living, divorced and separated women depend on their own earnings to a great extent and to a lesser extent on spousal support, child support, and public assistance programs. The reasons for this drastic reduction in economic well-being include the divorce settlement itself, loss of former spouse's income, and lack of investment in human capital.
Two related concepts, human capital and comparative advantage, are relevant in explaining the economic status of women following marital disruption. Human capital theory hypothesizes a process by which people make decisions as to investments in their human capital. Comparative advantage in the division of labor in the household identifies the process by which households make decisions as to investments in market and nonmarket human capital.

**HUMAN CAPITAL THEORY AND WOMEN**

According to Schultz (1961), direct expenditure on education and health, foregone earnings to attend school or on-the-job training, and taking advantage of better job opportunities all constitute investment in human capital. Through investment in human capital the productive efficiencies of the individual rise. Net returns from investment in human capital are seen in terms of market earnings. Earnings potential increases over the individual's lifetime partly as a result of investment in human capital (Mincer, 1974).
Becker (1962) stated that the embedding of resources in people by learning new skills and perfecting old ones is a process that raises future productivity. Thus, individuals invest in themselves for the sake of future pecuniary and nonpecuniary returns. But these improvements can be achieved only at a cost. Resources are utilized in the present for an increase in resources in the future. For example, earnings foregone while undertaking a college education are given up in the present for increased earnings in the future. Individuals will undertake this investment as long as deferred earnings compensate for current outlay and foregone earnings (Mincer, 1970).

Time is an input in individuals' investments according to Becker (1962). As their human capital accumulates, there is an increase in the value of their time. Benefits from investment later in life will be smaller since returns can only be accumulated over a shorter period. Therefore, investment activities should be concentrated in the early years to reap the greatest returns. Postponement of investments will result in higher earnings foregone since productive efficiency increases in the form of higher earnings as the result of accumulated capital stock (Ben-Porath, 1967). Thus at older ages, costs rise and returns fall resulting in reduced investment.
Optimal decisions in human capital investment for all family members must account for the human and financial constraints in the family as well as the future utilization of skills which are acquired during investment. Expectations of future home and market activities are important in determining the level and form of investment for particular individuals. Future allocation of time influences present investments in human capital, whereas the current distribution of human capital affects the present allocation of time within the family (Mincer & Polachek, 1974).

Human capital theory suggests that certain factors need to be considered in examining the economic well-being of maritally disrupted women. Education, training, work experience, and expectations of future employment will influence a woman's productive efficiencies in the home and marketplace. For maritally disrupted women, the greater their productive efficiencies the higher their wage rate is likely to be and the greater their post-disruption income.

Women who anticipate discontinuous labor force participation and expect their primary role to be that of wife and mother will make a lower investment in their education (Landes, 1978; Beninger & Smith, 1982). These women may also accept lower earnings so that they can be closer to home and available during nonschool hours. According to
Mincer and Polachek (1974) and Polachek (1975a) any group expecting low lifetime labor force participation will invest less. These factors are likely to result in fewer years of work experience and have a negative impact on a woman's earning power. With fewer years of experience and lower earning power, income is likely to be lower following marital disruption.

Mincer and Polachek (1974) found that time out of the labor force resulted in a net depreciation of earning power. They found that net depreciation amounts to about 1.5 percent per year for home time associated with marriage or birth of the first child. Net depreciation for home time increased with the educational level of the woman. For the woman with some college education, net depreciation was 4.3 percent per year. Schultz (1961) would agree with Mincer and Polachek that human capital deteriorates when it is not used. Sandell and Shapiro (1978) also found that home time results in depreciation of earning power for married women but they only found minimal support for the hypothesis. They found that the net depreciation for home time to only be .5 percent per year.

These results have been criticized by several researchers. England (1982) found that women are not penalized for time out of the labor force. Sandell and Shapiro (1978) criticized Mincer and Polachek for the methodological weak-
nesses of their study. Corcoran and Duncan (1979) and Corcoran (1979), using PSID data, did not find that discontinuous labor force participation by women was useful in explaining wage differences between men and women.

Polachek (1975a) suggested that women's intermittent labor force participation results in their entering occupations requiring less training and in their training less when they are in occupations typified by on-the-job training. In other words, intermittent labor force participation causes women to be over-represented in low-paying, "female" occupations. England (1982) disputes this notion and, using the National Longitudinal Survey sample of women 30 to 44 years of age in 1967, found that women who spent more years out of the labor force were no more likely to be in predominantly female occupations than women who were employed more continuously.

In 1979, the labor force participation rate for college educated women was 67 percent while that of women with a high school education was only 57 percent. Thus, the more education a woman receives, the more likely she is to be employed. Divorced, separated, and single women with a college education are more likely to be employed than married women with the same educational level (Bianchi & Spain, 1984). Thus, employed divorced or separated women with higher educational attainment should have higher earnings and be less likely to be poor, ceteris paribus.
COMPARATIVE ADVANTAGE AND WOMEN

The family as an economic unit is involved in the consumption, production, allocation, and investment of resources subject to constraints. For example, families allocate resources to market and nonmarket work thereby investing in the human capital of their members. Because relationships in household production among family members are both complementary and substitutable and because family members have differing skills and earnings power, a division of labor emerges (Mincer & Polachek, 1974).

The division of labor within the household must take into consideration the skills of members, differences among their goals, and the earnings powers of each member. According to the theory of comparative advantage, resources of household members should be allocated according to their comparative efficiencies. The comparative advantage of a member can be determined by the relation between the ratio of his/her marginal products in the market and household sectors and the ratio of other members. Therefore member I has a comparative advantage in the market sector relative to member J if, and only if, the ratio of the marginal product in market work of member I to the marginal product in market work of member J is greater than the ratio of the marginal product in household work of member I to the marginal product in household work of member J (Becker, 1981).
Thus, the theory of comparative advantage implies that those members having a comparative efficiency in the market sector will invest in market work only and those with comparative efficiency in the home sector will invest in home work only.

Since men have higher work attachment and thus greater investments in market work, they have a comparative efficiency in market work relative to home work. Since women possess greater knowledge and abilities related to home production as a result of socialization and biological investments in children, they will have greater comparative efficiencies in home work. Thus comparative advantage justifies the decision within the household that men work in the market and do no home work and women specialize in home work. This traditional division of labor reflects the sex differentials of relative efficiencies in the market and home (Polachek, 1975b).

This explanation of the traditional division of labor has been criticized by Ferber and Birnbaum (1977). They point out that division of labor in households has been determined by tradition and that there is no indication that this division was based on rational economic thinking. Berk and Berk (1978) also indicated that, based on their study of the division of household tasks, the division of household labor is not a primary function of comparative
efficiencies. The point remains, though, that decisions regarding human capital investment by the family will be largely determined by expectations of future home or market activities of each member (Mincer & Polachek, 1974).

For divorced or separated women the notion of comparative advantage can have serious implications. If these women have invested in the household sector prior to marital disruption, their work-related human capital stock will be limited. Upon marital disruption this limitation could result in lower wages and lower occupational level jobs with no advancement. Economic hardship could result.

CONCLUSIONS
In the past decade, courts have discarded the notion of a wife's economic dependence on her husband in favor of a notion of the equality of individuals in a marriage (Hauserman, 1983). As a result, self-support after divorce is encouraged. But for the woman who has specialized in nonmarket work self-support may be difficult. Many courts fail to recognize the value of the homemaker's nonmarket work and the deterioration of her human capital related to market work during marriage, and yet at the same time view market employment as a major alternative to post-divorce support (Hauserman, 1983; Landes, 1978; Smith & Beninger, 1982; Weitzman, 1981). This view does not take into con-
sideration the difficulty the wife-homemaker may have in finding an adequate job that will support her and her children or women's low wages and occupational status.

During the course of a marriage, a wife who specializes in home work may have abandoned or postponed her own education for that of her husband. She may have quit work to follow her husband's career or used her nonmarket skills to help advance his career. While the couple is investing in his market skills, the erosion of her market skills is overlooked (Weitzman, 1981).

The concepts and empirical results discussed in this chapter suggest that stocks of human capital need to be considered when examining the economic status of maritally disrupted women. Women who have invested in work-related human capital such as education, training and work experience have increased their productive efficiencies in market work. In so doing they may increase their earnings potential and future income and thus reduce the likelihood of being poor following marital disruption. For women who have invested primarily in the household sector lower earnings and income are likely following marital disruption. Thus the "rational decision" implied in the notion of comparative advantage may not be so rational when a marriage ends.
Chapter IV

HYPOTHESES

The theories of human capital and comparative advantage, as well as empirical studies, suggest that a woman's income is more likely to be inadequate immediately following marital disruption, as a result of either separation or divorce, if she has invested little in work-related human capital. Investments in work-related human capital such as work experience, education, and occupational training will increase a woman's productivity thereby increasing her potential earnings. Poor health and negative attitudes toward working women are likely to reduce a woman's labor force participation and in turn her market productivity.

In summary, the following relationships are hypothesized:

1. Post-disruption per capita family income will vary directly with:
   a. work experience
   b. education
   c. occupational training

2. Post-disruption per capita family income will be less if a woman has:
   a. poor health
b. negative attitudes toward working women.

Other factors that might influence a woman's ability to provide for her family need to be considered. These include current employment status, presence of children under 6 years old, race, region, pre-disruption economic status, and type of marital disruption. Current employment is likely to be a woman's major source of income and a major determinant of her ability to provide for her family. The presence of young children could limit a young woman's ability to work if adequate child care is unavailable thus reducing her earning potential. Empirical studies also suggest that black women and women from the South who head households are more likely to be poor.

To control for the effect of a woman's prior economic status on per capita family income, pre-disruption husband's income, as measured by husband's income prior to disruption, must be considered. Whether a woman is separated or divorced may have an effect on a woman's income following marital disruption. Women who are divorced may have higher incomes than those who are separated because divorce suggests that resources are available to legally terminate the relationship. In summary, the following relationships are hypothesized:
1. Post-disruption per capita family income will be less if:
   a. children under 6 years old are present
   b. the woman is black
   c. the woman lives in the South
2. Post-disruption per capita family income will be greater if:
   a. the women is employed
   b. the woman is divorced rather than separated
3. Post-disruption per capita family income is differentially affected by pre-disruption husband's income.

The level of human capital stock possessed by maritally disrupted women is expected to be different between the four groups—women who were not poor before or after disruption (non-poor/non-poor), women who were poor before and after disruption (poor/poor), women who fell into poverty after disruption (non-poor/poor), and women who got out of poverty after disruption (poor/non-poor). The following hypotheses are posited.

1. The level of human capital stock possessed by non-poor/non-poor women will be greater than that possessed by non-poor/poor, poor/poor and poor/non-poor women.

2. The level of human capital stock possessed by poor/non-poor women will be less than that possessed by
non-poor/non-poor women and greater than that possessed by poor/poor and non-poor/poor women.

3. The level of human capital possessed by non-poor/poor women will be less than that possessed by non-poor/non-poor and poor/non-poor women and greater than that possessed by poor/poor women.

4. The level of human capital possessed by poor/poor women will be less than that possessed by non-poor/non-poor, poor/non-poor and non-poor/poor women.

The variables identified above are expected to have differential affects on per capita income of the four subsamples to be compared—women who were not poor before or after disruption (non-poor/non-poor), women who were poor before and after disruption (poor/poor), women who fell into poverty after disruption (non-poor/poor), and women who got out of poverty after disruption (poor/non-poor).

Since no research has been done on these relationships, there is little empirical basis for predicting what these relationships will be. Therefore the following hypotheses are posited.

1. Post-disruption per capita income of non-poor/non-poor women and non-poor/poor women is differentially affected by:
   a. work experience
   b. years of education
   c. occupational training
d. current employment status

e. health

f. presence of children under 6 years old

g. race

h. region

i. pre-disruption husband's income

j. type of marital disruption

2. Post-disruption per capita income of poor/poor women and poor/non-poor women is differentially affected by:

a. work experience

b. years of education

c. occupational training

d. current employment status

e. health

f. presence of children under 6 years old

g. race

h. region

i. pre-disruption husband's income

j. type of marital disruption
Chapter V
METHODOLOGY

THE DATA
Data from the National Longitudinal Surveys of Work Experience of Young Women (NLS) were utilized in this study. The NLS contains data on a nationally representative sample of young women which were obtained through personal and telephone interviews by the U.S. Bureau of the Census. Initially 5,159 young women aged 14 to 24 in 1968 were interviewed. Of these young women 3,638 were white and 1,459 were black. Surveys were administered in each year from 1968 through 1973, then in 1975, 1977, 1978, 1980, and 1982. The surveys included detailed information on young women's employment, education, training, income and family experience. Other questions periodically asked included marital histories, information on child care arrangements, and attitudes. The same questions were not included in every survey (Center for Human Resources, 1981).
SAMPLE
A subsample of women from the National Longitudinal Survey was used in this study. This sample consisted of 768 young women who experienced marital disruption through divorce or separation for the first time between the years 1969 and 1980. It was required that no previous disruption had been indicated and that the woman was still separated or divorced in the survey following first report of disruption. Those women indicating marital disruption in 1968 and 1982 were excluded from the sample because of the lack of pre- and post-disruption economic status information, respectively. Only 620 cases were used in the final analyses due to missing data.

SELECTION AND MEASUREMENT OF VARIABLES
Variables used in this analysis are based on the conceptual model and past research. These variables include income, work experience, years of education, occupational training, current employment status, attitude toward women working, health, presence of children under 6 years old, race, region, pre-disruption economic status, and type of marital disruption. The measurement of these variables is dependent on when the woman identified herself as either separated or divorced for the first time. If a woman indicated, for example, that she was divorced or separated in
1973, relevant information from the 1972, 1973, and 1975 surveys was used to calculate pre- and post- disruption variables. Surveys were not conducted every year and thus information related to a particular variable had to be obtained from the survey closest to the year of marital disruption.

**VARIABLES**

**Per Capita Family Income**

Per capita income is the dependent variable in this study. Income was measured in the year of marital disruption. (1) Income was a continuous variable based on information collected on the woman's income from wages and salary and income from other sources such as AFDC, alimony, and child support. Originally, only sources of income from wages and salary and from business or farm were included in the survey. Therefore the accuracy of the income measure increased with each survey.

Since maritally disrupted women are likely to be sharing their income with others, namely children, it was important to take this into consideration. Therefore per capita income—or income divided by the number of household members—is used as the measure of economic status. Once

(1) Women were interviewed at the beginning of a calendar year. Thus, the income reported for that year, obtained during the survey following disruption, should reflect the first year of post-disruption income.
this figure was calculated, per capita income was deflated to 1967 dollars in order to make comparisons across years valid.

Since per capita income takes into account the number of children in the household, number of children was not included as an independent variable. Table 1 shows a categorical distribution of per capita income among the women in this study.
Table 1

Per Capita Income

(Income in 1967 dollars)

<table>
<thead>
<tr>
<th>PER CAPITA INCOME CATEGORY</th>
<th>NUMBER OF WOMEN</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1000</td>
<td>207</td>
<td>33.39</td>
</tr>
<tr>
<td>1000-1999</td>
<td>150</td>
<td>24.19</td>
</tr>
<tr>
<td>2000-2999</td>
<td>90</td>
<td>14.52</td>
</tr>
<tr>
<td>3000-3999</td>
<td>46</td>
<td>7.42</td>
</tr>
<tr>
<td>4000-4999</td>
<td>39</td>
<td>6.29</td>
</tr>
<tr>
<td>5000-5999</td>
<td>22</td>
<td>3.55</td>
</tr>
<tr>
<td>6000-6999</td>
<td>24</td>
<td>3.87</td>
</tr>
<tr>
<td>7000-7999</td>
<td>16</td>
<td>2.58</td>
</tr>
<tr>
<td>8000-8999</td>
<td>13</td>
<td>2.10</td>
</tr>
<tr>
<td>9000-9999</td>
<td>3</td>
<td>0.48</td>
</tr>
<tr>
<td>10000-14999</td>
<td>7</td>
<td>1.13</td>
</tr>
<tr>
<td>15000-19999</td>
<td>1</td>
<td>0.16</td>
</tr>
<tr>
<td>20000 or more</td>
<td>2</td>
<td>0.32</td>
</tr>
</tbody>
</table>
Work Experience

Literature indicates that work experience is a key variable in the accumulation of human capital. One measure of work experience is the number of weeks worked over time. In most jobs, though certainly not all, some gain in productivity can be expected as time spent at work increases. One possible measure of weeks worked for this study was the sum of weeks worked from the 1968 survey until disruption. However, this variable was extremely limited by truncated records before 1968 and every-other-year surveys. For those women who divorced early in the surveys and for those at the oldest end of the cohort who could have worked up to six years before the surveys started, truncated records posed a serious problem. Because of the existence of alternate year surveys after 1973, younger women would show fewer weeks worked than they may have actually worked. Thus measurement error would be high with this variable.

An alternative, predicted-weeks-worked, was estimated by regressing actual weeks worked in any year on years of education, occupational status, age, race, husband's income and number of children for all respondents in that year. For a more detailed description of this variable see Appendix A. By estimating weeks worked, measurement error introduced by using actual weeks was reduced, but stochastic error was introduced and efficiency was lowered (Maddala, 1977).
In preliminary analyses predicted-weeks-worked was almost perfectly correlated with occupational status \((r=0.91925)\). Therefore, occupational status is as likely to be a good indicator of a woman's work experience as predicted-weeks-worked. Occupational status was based on the woman's reported occupation in her current or last job during the year of disruption, as measured by the Duncan Index. The Duncan Index ranks occupations from 1 to 99 with the higher status occupations receiving higher ranking. Service workers and blue-collar workers would rank in the lower half and professionals would rank in the upper half of the Duncan Index. For women who were not employed, occupational status was coded zero (0). Because this variable was so highly correlated with predicted-weeks-worked but lacked its statistical problems, occupational status was used as a measure of work experience rather than weeks worked.

**Years of Education**

Literature shows that education increases the human capital stock of women. Education not only affects a woman's market and home productivity but also her preferences for market and non-market work. Studies show that college educated women are more likely to be employed than women with only a high school education. Education was measured by the highest grade completed by the women in the year prior to marital disruption.
Pre-Disruption Husband's Income

Pre-disruption husband's income was measured by husband's income in the year prior to marital disruption. If husband's income was missing in that year, information was obtained by searching through the two prior surveys. This continuous variable was deflated to 1967 dollars in order to allow comparisons across years.

Occupational Training

In each survey, women were asked if they had taken occupational or job training during the past year. If women received training in any year prior to disruption, the variable was coded one (1). If they did not receive training in any year prior to disruption, the variable was coded zero (0). This variable does not indicate whether training was completed or whether it was used in the woman's current job. Investment in occupational training, as a form of human capital, should increase a woman's future income.

Employment Status

Current employment status was measured in the year of disruption. If women indicated that they were working or had a job but were not at work during the survey week, they were considered to be employed. If women indicated that they were looking for work or laid off, going to school, keeping house, or unable to work, then they were considered
to be non-employed. The variable for current employment status was coded one (1) if a woman was employed; otherwise it was coded zero (0).

For maritally disrupted women, current employment and the income it provides are vital to the economic well-being of the family. Studies have found earnings from employment to be the most effective means for a maritally disrupted woman to maintain her family above the poverty level.

**Attitude Toward Women Working**

Attitudes about working women were assessed by the response to the statement "Woman's place is in the home," which was asked in 1972 and 1978. Responses ranged from strongly agree to strongly disagree on a 5-category response scale. For those women who were 22 years old or older in 1972 the 1972 response was utilized. For those women who were younger than 22 in 1972, the 1978 response was used. This variable was recoded such that those women who disagreed were coded one (1); otherwise they were coded zero (0). Presumably, those women who disagreed with the statement would be more inclined to work and be more likely to invest in work-related human capital. The inclusion of this variable was important given the survey years—years which saw many changes in the views toward working women.
Health
A woman's health might be an indication of her ability to work. Problems that would prevent a woman from working would limit her investment in work-related human capital as well as her ability to provide for her family after marital disruption. Human capital theory suggests that investments in health increase productive capacities of the individual.

A dummy variable was created to measure whether health limited the amount or kind of work a woman could do. The variable was coded one (1) if health limited the amount or kind of work a woman could do; otherwise it was coded zero (0). The variable was measured in the year of disruption to indicate whether health would limit a woman's current ability to work.

Presence of Children Under 6 Years Old
Young children in the home have been found to deter mothers' labor force participation. Census data indicate that labor force participation is lower among divorced women with children under 6 years of age than other divorced women. Therefore, a dummy variable was created to indicate presence of children under 6 years old in the household. The variable was coded one (1) if children under 6 were present; otherwise it was coded zero (0).
Race
Previous research has indicated that black women are more likely to experience poverty than white women (Metzger, 1980; Mott & Moore, 1978; Shaw, 1978). Therefore, a dummy variable for race was included in this study. The variable was coded one (1) if the woman was black and zero (0) if the woman was white.

Region
Census data indicate that the incidence of poverty is greater in the Southern region of this country than other regions. A variable was included in this study to control for this regional difference. A dummy variable was created such that one (1) equaled South and zero (0) equaled non-South.

Type of Marital Disruption
Empirical studies indicate that there is a difference in the economic well-being between separated and divorced women. It has been suggested that this difference is the result of divorced women's coming to grips with change so that remarriage is possible (Bane & Weiss, 1980). Divorce may also indicate that resources are available for the legal termination of the relationship.

To determine whether there was a difference in income between divorced and separated women in this study, a dummy
variable was created. If marital disruption was through divorce, the variable was coded one (1). If marital disruption was through separation, the variable was coded zero (0).

**PRE- AND POST-DISRUPTION POVERTY STATUS GROUPS**

Post-disruption poverty status was measured as a dummy variable (zero-one). If family income fell below its relevant poverty threshold then the family was considered to be in poverty; otherwise it was not. Family income was a continuous variable based on information collected on the woman's income from wages and salary and from other sources.

The poverty threshold statistics published by the Bureau of the Census were utilized to compute the poverty status variable. The poverty threshold defines as poor any family or individual whose income is not sufficient to purchase a minimally adequate diet, assuming one-third of income is spent on food. Originally, these thresholds varied by family size, the age and sex of the family head, and whether it was a farm or nonfarm family. The most recent revisions in the poverty threshold in 1980 abolished separate thresholds by sex of the household head and the farm/nonfarm differential. Before 1980, thresholds were defined up to 7-or-more persons. Revisions established thresholds for families of 8- and of 9-or-more persons.
The measure of poverty status used in this study, then, is a ratio of actual income to some established minimal income for a certain number of family members.

Pre-disruption poverty status was created in basically the same way as post-disruption poverty status but information for the year prior to disruption was used. Husband's income was also included in the measure of family income.

Once pre- and post-disruption poverty status were determined, the various groups to be studied were defined as follows:

1. Non-poor/Non-poor women did not fall below their relevant poverty threshold either prior to or following disruption.
2. Poor/Poor women fell below their relevant poverty threshold both prior to and following disruption.
3. Non-poor/Poor women fell below their relevant poverty threshold following disruption but not prior to disruption.
4. Poor/Non-Poor women fell below their relevant poverty threshold prior to disruption but not following disruption.

Table 3 shows the number of women who fell into the groups defined above.
Table 2

Number of Women in Comparison Groups

<table>
<thead>
<tr>
<th>GROUP</th>
<th>NUMBER</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-poor/Non-poor</td>
<td>377</td>
<td>60.80</td>
</tr>
<tr>
<td>Poor/Poor</td>
<td>68</td>
<td>10.97</td>
</tr>
<tr>
<td>Non-poor/Poor</td>
<td>144</td>
<td>23.23</td>
</tr>
<tr>
<td>Poor/Non-poor</td>
<td>31</td>
<td>5.00</td>
</tr>
</tbody>
</table>

METHOD OF ANALYSIS

A series of steps was utilized to test the proposed hypotheses regarding per capita income. To determine the pattern of relationships between the dependent variable and each independent variable while controlling for others, the independent variables as a group were regressed on the dependent variable. Specifically, the following model for per capita income was posited:

\[
PCNCOM = b_0 + b_1 EDUC + b_2 OCCUPST + b_3 EMPSTAT
+ b_4 WORKATT1 + b_5 AGECHILD + b_6 RACE
+ b_7 JOBT + b_8 HEALTH + b_9 PRHUSY
+ b_{10} MARITAL + b_{11} REGION + e
\]

where: PCNCOM = per capita income;

\( b_0 \) = constant (intercept);
\( b_1 \) to \( b_{11} \) = regression coefficients;

EDUC = actual years of schooling;

OCCUPST = occupational status

(proxy for work experience);

EMPSTAT = employment status (1=employed);

WORKATT1 = attitude toward women working
(1 = negative attitude);
AGECHILD = presence of children under 6
(1 = children present);
RACE = race (1 = black);
JOBT = occupational or job training
(1 = had training);
HEALTH = health (1 = health problem);
PRHUSY = pre-disruption husband's income;
MARITAL = type of marital disruption
(1 = divorced);
REGION = region (1 = South);
e = error term.

A one-tailed test of significance of the explanatory variables will be conducted where direction is hypothesized.

In order to determine whether human capital variables explained per capita income, equations were estimated with and without human capital variables and a Rao's F statistic was computed to test the statistical significance of the set of human capital variables. Rao's F tests for the significance of the proportion of variance explained by a subset of variables (Maddala, 1977).

To determine whether the effect of a woman's work-related capital on her income during the first year following marital disruption differed between non-poor/non-poor and non-poor/poor women and between poor/poor and poor/non-poor women, a series of steps was taken. First a one-way analysis of variance (ANOVA) was conducted to indicate whether there were differences in levels of and variances of variables between the four poverty groups. To determine whether there were differences in the effect of variables
on per capita income between the groups, the regression coefficients of a set of interaction variables were tested for significance using a Rao's F (Maddala, 1977).

To construct the test statistic, two dummy variables were created such that those women who experienced a change from pre- to post-disruption poverty status took on a value of one (1), while those women who did not experience a change in pre- and post-disruption poverty status and whose pre-disruption status was the same as those experiencing changes were coded zero (0). Thus one dummy variable took a value of one (1) for non-poor/poor women and a value of zero (0) for non-poor/non-poor women. The other dummy variable took a value of one (1) for poor/non-poor women and a value of zero (0) for poor/poor women. Human capital variables were then multiplied by the appropriate group dummy variable and this set of interaction variables was added to the regression.

For example, to determine differences between non-poor/non-poor and non-poor/poor women the following model was posited:

\[
PCNCOM = b_0 + b_1 \text{EDUC} + b_2 \text{OCCUPST} + b_3 \text{EMPSTAT} \\
+ b_4 \text{WORKATT1} + b_5 \text{AGECHLD} + b_6 \text{RACE} \\
+ b_7 \text{JOBT} + b_8 \text{HEALTH} + b_9 \text{PRHUSY} \\
+ b_{10} \text{MARITAL} + b_{11} \text{REGION} \\
+ b_{12} \text{INTOPOV*EDUC} + b_{13} \text{INTOPOV*OCCUPST} \\
+ b_{14} \text{INTOPOV*JOBT} + b_{15} \text{INTOPOV*WORKATT1}
\]
where: PCNCOM = per capita income for interaction model;
$b_0$ = constant (intercept);
$b_1$ to $b_{16}$ = regression coefficients;
EDUC to REGION = variables indicated in per capita income model;
INTOPOV*XX = dummy variable times indicated independent variable;
e = error term.

Since direction of the coefficients is not hypothesized a two-tailed test of significance will be conducted.

The coefficients of the multiplicative dummy variables indicate whether the explanatory variables have equal effects for the two groups (Gujarati, 1970). If the interaction variables are significant at the .05 level, the effect of the explanatory variables on per capita income differs between the group experiencing change and the group experiencing no change.

**SELECTIVITY BIAS**

Because women who divorce or separate may "select" into this group and thus have different characteristics from women who choose to remain married, the potential for selectivity bias exists. However, the sample of maritally disrupted women is neither censored nor truncated which would lead to selectivity bias. To avoid selectivity bias, generalization of results cannot be made beyond maritally disrupted women.
Chapter VI
RESULTS

CHARACTERISTICS OF TOTAL SAMPLE

Means and standard deviations for the total sample for the variables studied are presented in Table 3. The mean education level was 11.98 years. Sixty-eight percent of the women worked and their mean occupational status was 28.69. In general, these women had a positive attitude toward women working. Only 19 percent agreed that a woman's place was in the home. Only 7 percent had children under the age of 6 present in their households. Thirty-six percent of the women were black. Most were healthy; only 12 percent had health problems that prevented them from working. The average income of husbands prior to disruption was $5,838.91 (in 1967 dollars). Women were more likely to be separated (61 percent) than divorced and they were also more likely to be from a non-South region (60 percent). The mean per capita family income after disruption was $2,484.83 (in 1967 dollars).
### Table 3

**Means and Standard Deviations (S.D.)**

(PRHUSY AND PCNCOM in 1967 dollars)

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDUC</td>
<td>11.98</td>
<td>2.26</td>
</tr>
<tr>
<td>OCCUPST</td>
<td>28.69</td>
<td>26.78</td>
</tr>
<tr>
<td>EMPSTAT</td>
<td>0.68</td>
<td>0.47</td>
</tr>
<tr>
<td>WORKATT1</td>
<td>0.19</td>
<td>0.39</td>
</tr>
<tr>
<td>AGECHILD</td>
<td>0.07</td>
<td>0.26</td>
</tr>
<tr>
<td>RACE</td>
<td>0.36</td>
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<td>2807.46</td>
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**NUMBER=620**

EDUC = education  
OCCUPST = occupational status  
EMPSTAT = employment status  
HEALTH = health  
WORKATT1 = attitude toward women working  
AGECHILD = presence of children under six years old  
RACE = race  
JOBT = job training  
PRHUSY = pre-disruption husband's income  
MARITAL = marital disruption type  
REGION = region
TEST OF THE EFFECT OF HUMAN CAPITAL ON PER CAPITA FAMILY INCOME

The first objective of this research was to determine the effect of a women's work-related human capital on her per capita family income during the first year following marital disruption. It was hypothesized that per capita family income varied directly with work experience, education, job training, current employment status and being divorced instead of separated. It was also hypothesized that per capita family income would be less for women with poor health, negative attitudes toward working women, and children under 6 years old present, and who were black and were from the South. It was posited that pre-disruption husband's income would have a differential effect on per capita family income.

To test for the effect of human capital on per capita family income, controlling for selected background variables, the independent variables were regressed on the dependent variable. The results of the regression for the total sample are presented in Table 4. (Correlations for this model are presented in Appendix B.) For the total sample, education, occupational status, employment status, presence of children under 6 years old, and race had significant regression coefficients as indicated by their t values.
Table 4
Regression Results, Full Model, Total Sample
(Coefficients expressed in 1967 dollars)

<table>
<thead>
<tr>
<th>VARIABLE</th>
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<tr>
<td>F-Value</td>
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*significant at .05 or less
**one-tailed test of significance

EDUC = education
OCCUPST = occupational status
EMPSTAT = employment status
HEALTH = health
WORKATT1 = attitude toward women working
AGECHILD = presence of children under six years old
RACE = race
JOBT = job training
PRHUSY = pre-disruption husband's income
MARITAL = marital disruption type
REGION = region
Each year of education added $305 to per capita family income. For the women with 16 years of schooling this meant an additional $1,220 per year per person compared to women with only 12 years of education. Each additional unit of occupational status increased per capita family income by $29. This meant an additional $1,450 per person for a woman with an occupational status of 75 compared to a woman with an occupational status of 25. Women who were employed received an additional $565 per person per year compared to women who were not employed. Presence of a child under 6 years old reduced per capita family income by $855. Post-disruption per capita income was reduced by $725 when the woman was black.

Standardized regression coefficients indicated that occupational status, the proxy for work experience, had the greatest impact on per capita family income. This was followed by education level, race and current employment status. Of the statistically significant variables, presence of children under 6 years old had the least impact on per capita family income. The eleven variables in the model explained 36 percent of the variance in post-disruption per capita family income as indicated by the adjusted $R^2$.

Both education and pre-disruption husband's income were tested for nonlinearity by introduction of squared terms. The squared term for pre-disruption husband's income was
not significant. The introduction of education squared caused signs of the other explanatory variables, as well as the education variable, to behave contrary to what theory predicts. Therefore, both variables were dropped from the final model. In addition an interaction term between occupational status and predicted-weeks-worked was tested in place of occupational status. Results were nearly identical to those obtained for the model described above.

Findings for the total sample support the directional hypotheses regarding per capita family income and education, occupational status, current employment status, presence of children under 6 years old and race. The hypotheses regarding job training, health, marital status, and region were not supported since these variables failed to attain statistical significance. However, the signs of the coefficients are in the hypothesized directions. Pre-disruption husband's income also was not statistically significant. Though not significant, the sign of the coefficient was small and positive. A comparison of the hypotheses and regression results is presented in Table 5.

To determine whether the human capital variables (education, occupational status, work attitude, health and job training) as a group were significantly different from zero a Rao's F was computed. As described in chapter 5, regressions were run on the coefficients of the non-human capital
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<thead>
<tr>
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<th>ACTUAL</th>
<th>HYPOTHESES</th>
<th>HYPOTHESES</th>
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<td>DIRECTION</td>
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<tr>
<td>EDUC</td>
<td>+</td>
<td>+</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>OCCUPST</td>
<td>+</td>
<td>+</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>HEALTH</td>
<td>-</td>
<td>-</td>
<td>X(NS)*</td>
<td></td>
</tr>
<tr>
<td>JOBT</td>
<td>+</td>
<td>+</td>
<td>X(NS)</td>
<td></td>
</tr>
<tr>
<td>WORKATT1</td>
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<td>+</td>
<td>X(NS)</td>
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</tr>
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<td>NON-HUMAN CAPITAL</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>EMPSTAT</td>
<td>+</td>
<td>+</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>AGECHILD</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>RACE</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>PRHUSY</td>
<td>0</td>
<td>+(NS)</td>
<td>X</td>
<td></td>
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<tr>
<td>MARITAL</td>
<td>+</td>
<td>+</td>
<td>X(NS)</td>
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<td>REGION</td>
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<td>X(NS)</td>
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</table>

NS = not significant

EDUC = education
OCCUPST = occupational status
EMPSTAT = employment status
HEALTH = health
WORKATT1 = attitude toward women working
AGECHILD = presence of children under six years old
RACE = race
JOBT = job training
PRHUSY = pre-disruption husband's income
MARITAL = marital disruption type
REGION = region
variables (restricting the human capital variables to zero) and all the variables. The residuals from these regressions were used to compute an F-ratio. Results from the regressions on the non-human capital variables are presented in Table 6. Computation of the F-ratio is presented in Appendix C.

In the non-human capital variable model, current employment status, race, presence of a child under 6 years old, and pre-disruption husband's income were statistically significant as indicated by their t values. Pre-disruption husband's income had not been significant in the model containing both human and non-human capital variables. As indicated by the adjusted $R^2$, the non-human capital variables explained 24 percent of the variance in post-disruption per capita family income.

The F-ratio ($F_6, 608 = 20.68$) indicated that there was a 99 percent chance that the human capital variables made a significant contribution to the explained variance in per capita family income beyond that of the non-human capital variables. Human capital variables were useful in explaining post-disruption income, increasing the explained variance from 24 percent to 36 percent.
Table 6

Regression Results, Non-Human Capital Variables

(Coefficients expressed in 1967 dollars)

<table>
<thead>
<tr>
<th>VARIABLE</th>
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<td>PRHUSY</td>
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F-Value 33.097*

*significant at .05 or less
**one-tailed test of significance

EMPSTAT = employment status
AGECHILD = presence of children under six years old
RACE = race
PRHUSY = pre-disruption husband's income
MARITAL = marital disruption type
REGION = region
DIFFERENCES BETWEEN COMPARISON GROUPS OF WOMEN

Analysis of Variance

To determine whether the levels of human capital stock possessed by these women differed among the four groups—non-poor/non-poor, non-poor/poor, poor/poor, and poor/non-poor—a one-way analysis of variance was performed. If significant at the .05 level, a least square means procedure was used to identify the statistically different groups. Results of the least square means are presented in Table 7.

The education levels of all four groups were statistically different from one another. The non-poor/non-poor women had the highest mean level of education (12.74) and the poor/poor women the lowest mean level of education (10.25). Women who were poor prior to disruption and non-poor following disruption had a mean education level of 11.68 while non-poor/poor women had a mean education level of 10.86.

Occupational status was different for all four groups. Non-poor/non-poor women had the highest mean occupational status of 40.02, while the mean for the poor/non-poor women was 26.68, for the non-poor/poor 10.92 and for the poor/poor 4.46.

There were fewer significant differences between the groups with regard to their attitude toward working women.
Table 7

Results of Least Square Means Comparison

(1=NP/NP, 2=P/NP, 3=P/P, 4=NP/P)

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<th>GROUP</th>
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<th>STD ERR</th>
<th>LSMEAN</th>
<th>HOILSMEAN</th>
<th>EDUCLST</th>
<th>STD ERR</th>
<th>LSMEAN</th>
<th>HOILSMEAN</th>
<th>EDUC</th>
<th>STD ERR</th>
<th>LSMEAN</th>
<th>HOILSMEAN</th>
<th>EDUCLST</th>
<th>STD ERR</th>
<th>LSMEAN</th>
<th>HOILSMEAN</th>
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<th>LSMEAN</th>
<th>HOILSMEAN</th>
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<td>0.0001</td>
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<td>0.00013</td>
<td>0.0001</td>
<td>0.0001</td>
<td>10.6611111</td>
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EDUC = education
OCCUPST = occupational status
HEALTH = health
WORKATT1 = attitude toward working women
JOBT = job training
The non-poor/non-poor were less likely to agree that a woman's place was in the home than non-poor/poor and poor/poor women (14 percent, 25 percent, and 38 percent, respectively). Poor/poor women were more likely to agree that a woman's place is in the home than poor/non-poor women (38 percent and 19 percent, respectively). Poor/poor women were also more likely to agree that a woman's place is in the home than non-poor/poor women (38 percent and 25 percent, respectively). Non-poor/non-poor women and poor/non-poor women did not differ in their attitude toward women working. Also there was no difference in the attitudes of poor/non-poor and non-poor/poor women.

All groups were significantly different in their participation in job training except the non-poor/non-poor women and the poor/non-poor women. These two groups were more likely to have participated in job training than the other two groups. Thirty-nine percent of the non-poor/poor women had participated in job training compared to only 22 percent of the poor/poor women.

The poor/poor women were most likely to have a health limitation (29 percent) and differed significantly in this regard from the other three groups. The non-poor/non-poor women were more healthy than the non-poor/poor women (7 percent and 17 percent, respectively had a health limitation). Clearly the four poverty status groups differed in hypothesized ways with regard to levels of human capital.
Differential Contributions of Human Capital Between Comparison Groups

The third objective of this research was to determine whether the effect of work-related human capital on per capita family income during the first year following disruption differed between: (1) women who were non-poor prior to and following disruption and women who were non-poor prior to disruption and poor following disruption; and (2) women who were poor prior to and following disruption and women who were poor prior to disruption and non-poor following disruption.

Non-Poor/Non-Poor and Non-Poor/Poor Comparison

To determine the nature of the differences, if any, in the effect of human capital variables on per capita income between the non-poor/non-poor and non-poor/poor women, an interaction model, as described in chapter 5, was tested. The results of the interaction regression model are presented in Table 8. Of the interaction variables, occupational status and education had significant t values. The null hypotheses regarding the remaining interaction variables could not be rejected. The 13 variables explained 39 percent of the variance of post-disruption per capita family income as indicated by the adjusted R^2.

(2) Because of the lack of significance of work attitudes and region in the regression on the total sample these two variables were dropped from the interaction models in order to increase degrees of freedom.
The effect of occupational status on post-disruption per capita family income went from being significantly positive for non-poor/non-poor women to significantly negative for non-poor/poor women. For women who moved into poverty following disruption, a one unit increase in occupational status reduced per capita family income by $9. Thus, there was a $36 difference in the effect of occupational status on the per capita family income between non-poor/non-poor and non-poor/poor women. An examination of the mean per capita income by occupational categories indicated that non-poor/poor women with Duncan Indexes greater than 50 (only 11 women) did, in fact, have lower per capita incomes than non-poor/poor women with Duncan Indexes below 50. Possible reasons for this negative relationship among the non-poor/poor women might be greater financial assets or access to income that was not measured by the income variable.

Other things held constant, an additional year of education increased post-disruption per capita income by $296 for non-poor/non-poor women. But for women who moved into poverty following disruption, an additional year of education only increased per capita income by $212 per person per year. This was a difference of $84 per person per year. Means for these two groups indicated that the non-poor/non-poor women had on average achieved a higher level
of education, were more likely to be employed and had a higher occupational status than non-poor/poor women. As a result of marital disruption the disadvantages of lower educational achievement became apparent, causing non-poor/poor women and their families to fall into poverty.
Table 8

Regression Results for Interaction Model for NP/NP and NP/P Women

(Coefficients expressed in 1967 dollars)

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>COEFFICIENT</th>
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<th>NP/NP MARGINAL EFFECT</th>
<th>NP/P MARGINAL EFFECT</th>
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<td>296.325</td>
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<tr>
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ADJ $R^2$ .3924
NUMBER 521
F-Value 26.75*

*significant at .05 or less
**two-tailed test of significance

EDUC = education
OCCUPST = occupational status
EMPSTAT = employment status
HEALTH = health
AGECHILD = presence of children under six years old
RACE = race
JOBT = job training
PRHUSY = pre-disruption husband's income
MARITAL = marital disruption type
INTOPOV*XX = Change in economic status interacted with human capital variables
Poor/Poor and Poor/Non-Poor Comparison

The interaction model was also used to determine differences in the relationship of human capital variables to per capita family income between women who were poor prior to and following disruption and women who were poor prior to disruption and non-poor following disruption while controlling for other variables. The results of the second interaction model are presented in Table 9. Of the interaction variables only educational attainment had a significant t value. The hypotheses for the remaining variables cannot be rejected. The adjusted $R^2$ indicated that 58 percent of the variance was explained by the 13 variables in this model. Since only one variable achieved significance, the high R and the significant F-value (11.17) for the model could be attributed to implicit interaction among the explanatory variables.

Other things held constant, education increased per capita family income to a greater extent for the poor/non-poor women than for the poor/poor women. The interaction term indicated that per capita family income would increase by an additional $170 per person for each additional year of education for the poor/non-poor women compared to the poor/poor women.

For the poor/non-poor women, there were factors that prevented them from benefiting from their education prior
Table 9

Regression Results for Interaction Model for P/P and P/NP Women

(Coefficients expressed in 1967 dollars)

<table>
<thead>
<tr>
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<th>COEFFICIENT</th>
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<th>P/P MARGINAL EFFECT</th>
<th>P/NP MARGINAL EFFECT</th>
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<td>OUTPOV*HEALTH</td>
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CONSTANT  | -271.177 |
ADJ R²     | .5805   |
NUMBER     | 99      |
F-Value    | 11.17*  |

*significant at .05 or less
**two-tailed test of significance

EDUC = education
OCCUPST = occupational status
EMPSTAT = employment status
HEALTH = health
AGECHILD = presence of children under six years old
to disruption and/or their husbands were an economic burden on the family. Means for these two groups indicated that the poor/non-poor women had on average achieved a higher level of education. As a result of marital disruption the advantages of additional education became apparent, allowing these women to pull their families out of poverty.

**Contribution of Interaction Variables**

A Rao's F was computed to determine if the human capital interaction terms in the two models were significantly different from zero. Results of the regression without human capital interaction terms and computations of the F-ratios for the two models are reported in Appendix E. Rao's F for the non-poor/non-poor and non-poor/poor model is 14.31 and 9.83 for the poor/poor and poor/non-poor model. In both models, the F-ratio indicates that there is a 99 percent chance that the interaction terms as a group make a significant contribution to the explained variance in per capita family income beyond that of the human and non-human capital variables. This suggests that a woman's human capital stock is important in preventing a family from falling into poverty following disruption or increasing the possibility that a family can move out of poverty following disruption.
Chapter VII
SUMMARY AND DISCUSSION

SUMMARY
The purpose of this study was to determine whether a woman's stock of work-related human capital was a significant determinant of her economic status in the first year following marital disruption. In addition the study sought to determine whether a woman's level of human capital stock and the effect of a woman's work-related human capital on her income during the first year following marital disruption differed between: (1) women who were non-poor prior to and following marital disruption compared to women who were non-poor prior to disruption and poor following disruption; and (2) women who were poor prior to and following disruption compared to women who were poor prior to disruption and non-poor following disruption.

Literature on the economic status of maritally disrupted women has indicated that they were severely disadvantaged following disruption. Many reasons have been cited for this decline in economic status. The human capital stock of women as a factor that might affect a woman's economic
status following disruption is mentioned infrequently. Only one previous study has examined the effect of human capital on the post-disruption economic status of women. No previous research was identified that compared women whose economic status did not change as a result of marital disruption with women who did experience a change in their economic status following disruption. This study sought to fill in some of these gaps in our knowledge of factors that affect the economic status of maritally disrupted women.

The data base for this study was the National Longitudinal Survey of Work Experience of Young Women. Sample data consisted of 620 young women who experienced marital disruption through divorce or separation for the first time between the years of 1969 and 1980.

It was theorized that measures of work-related human capital would affect the income of women immediately following marital disruption. Pre-disruption husband's income and selected background variables were also included as controls.

Post-disruption per capita family income was the dependent variable studied. Independent variables were work-related human capital stock as measured by education, occupational status (as a proxy for work experience), attitude toward working women, job training and health—and other variables including predisruption income, race, presence of
children under 6 years old, current employment status, region and type of marital disruption.

It was expected that a woman's work experience, education, and occupational training would increase her per capita family income following disruption. Poor health and negative attitudes toward working women were expected to decrease per capita family income. It was also expected that per capita family income would increase with current employment and being divorced, while presence of children under 6 years old, and being black and southern were expected to decrease per capita family income. It was expected that per capita family income would be differentially affected by pre-disruption income. The four groups—non-poor/non-poor, poor/poor, non-poor/poor, and poor/non-poor—were expected to be differentially affected by the independent variables studied.

Models were estimated by regression analysis. To determine the effect of human capital on a woman's income immediately following disruption a Rao's F was used. To test differences in work-related human capital and its effect on income differences among the four groups, least significant differences in means and Rao's F statistic were computed.

For the total sample, per capita family income was associated with education, occupational status, current employment status, presence of children under 6 years old and
race. Per capita family income increased with education, occupational status and current employment status. Presence of children under 6 years old and race decreased per capita family income.

A one-way analysis of variance indicated substantial differences in the stock of work-related human capital possessed by women in the four groups. There were also a few differences in the way these variables were related to per capita income. For non-poor/poor women an increase in occupational status actually decreased per capita income suggesting that higher occupational status women in this group either had greater financial assets or had access to income that was not measured by the income variable. Lower educational achievement among non-poor/poor women reduced the positive effect of education on per capita income.

Educational attainment differentially affected the income of poor/poor women and poor/non-poor women with the latter group benefiting more from their human capital. It is likely that husbands were an economic burden on the poor/non-poor families. This suggests that divorce or separation might provide greater economic security for children of poor/non-poor women. The advantages of higher educational attainment allowed the poor/non-poor women to pull their families out of poverty following disruption.
STRENGTHS AND LIMITATIONS

Before discussing limitations of the study, it should be noted that even with measurement problems, particularly with regard to work experience, high $R^2$'s and strong support for hypotheses were obtained. The models explained from 24 to 58 percent of the variance in post-disruption per capita family income, and, at least in the model for the total sample, variables were significant in the hypothesized direction. The findings thus indicate that efforts to encourage women to invest in human capital will have positive long-term effects.

While the National Longitudinal Survey of Work Experience of Young Women is a rich source of information, it has several limitations. These limitations caused measurement error in the variables chosen for analysis. Also, because questions were not asked in every survey, certain variables that might influence a woman's economic status following disruption could not be included. For example, the value of family assets was only available in three survey years. The value of these assets may have prevented some women from experiencing economic hardship following disruption but there is no way of knowing if this was the case. The women were too young, however, to have been in marriages in which large amounts of assets were accumulated. Information on alimony and child support was only obtained in the
most recent survey years. Thus, variables included were a function of the available data.

Any measure of income has limitations. The income measure in this study is no exception. Information on income was asked in every survey, but each year more detailed information on various sources was obtained. In the first years of the survey only income from wages and salary, farm or other sources was obtained. In later years income from alimony, child support and AFDC was also included. As a result the income variable became more accurate over the years of the survey.

The limitations of the income variable may have led to some inaccuracy in the separation of respondents into the four poverty status subgroups. Error may have also been introduced by the method used to determine poverty. Poverty thresholds are based on the assumption that one-third of a household's income is spent on food. At higher income levels this is probably an unrealistic assumption. Also, since the absolute poverty threshold cutoff was used, women whose income was $1 above the poverty threshold were considered non-poor. This narrow distinction possibly overlooks the difficult economic situation of many women.

An additional problem was the small sample sizes for the poor/poor and poor/non-poor groups. These sample sizes limit the generalizability of the results and made it more difficult to obtain statistically significant results.
As indicated in chapter 5, the measures available for work experience have several limitations. A better measure of actual work experience is needed so that the impact of work experience on a woman's ability to provide for her family following disruption can be more accurately predicted.

**DISCUSSION AND IMPLICATIONS**

In recent decades the divorce rate has risen rapidly. Only recently has that rate begun to slow down. Also in the last decade a change in divorce laws has had serious economic consequences for women. This change has resulted in reduced spousal support and payments of limited duration. Changes in divorce laws may force women into the labor market when they are ill-prepared and cannot take the time to search rationally. They not only receive an equal share of marital assets but an equal share of debts as well. Unfortunately for many women, these changes come at a time when equality is lacking in areas such as employment and earnings.

Though many women have been entering the labor force in recent years, the need for spousal support and child support does not necessarily decline. Women choose to invest in both market and non-market human capital and their investments in non-market human capital and its economic
value to the family are only beginning to be recognized by the courts. If investments have been primarily in non-market human capital, spousal support is extremely important to women who now need to prepare themselves to support their families.

The results of this study indicate the importance of the stock of work-related human capital possessed by women. Regression analysis indicates that educational attainment has a significant impact on a woman's ability to provide for her family. All efforts that encourage women to invest in education need to be given support. This effort needs to begin in the public schools where young women are encouraged to continue their education. They should be encouraged to prepare themselves to care for themselves and a family, not to risk reliance on a husband.

It is important to note that current employment of women immediately following disruption has an effect on their per capita income. But their investment in occupational status and education has a greater impact. Benefits from current employment can only be enhanced by education and previous work experience.

Although work experience was not measured directly in this study, its high correlation with occupational status, which was significantly related to per capita income, suggests that it is extremely important to a woman's ability
to provide for her family. Efforts need to be made to encourage women to work during marriage given the high probability of marital disruption. If human capital depreciates during periods of non-employment, such as the early child bearing years, adequate and low-cost child care arrangements and adequate maternity leave would help facilitate employment during these years.

Of particular relevance to public policy is the significant contribution to the explained variance in post-disruption income by the human capital variables. Most of the non-human capital variables can not be influenced by public policy. Conversely, most of the human capital variables can be influenced by public policy. Public policy can provide funds specifically for women's higher education, low cost health services, and low cost child care services. Governmental agencies and industry groups can carry out job training programs for women. The federal government can eliminate or reduce the marriage penalty in the tax laws. Any or all of these policies could be carried out so that women can increase their stock of human capital so that they are better prepared to provide for their families in case of marital disruption.

The differences among the four groups—non-poor/non-poor, non-poor/poor, poor/poor and poor/non-poor point out the advantages of a woman's stock of human capital. Limit-
ed work experience and low educational attainment can cause a woman to move into poverty following marital disruption. Thus, work-related human capital can serve as "insurance" against poverty if marital disruption occurs. Education and occupational status can pull a woman out of poverty when marital disruption occurs and the husband has been an economic burden on the family.

Risking reliance on the lifetime economic support of a husband and investing more in non-market human capital (when courts give little recognition to its value) than work-related human capital can be detrimental to the economic well-being of women and their families if marital dissolution occurs. The results of this study indicate the importance of providing a realistic picture of the future for young women. They must learn to balance market and non-market investments taking into consideration both short-term and long-term benefits and costs. Most importantly, young women must recognize the importance of investing in education, career development and work experience prior to marriage and during marriage. Young couples must recognize the importance of a wife's work-related human capital to the economic security of a disrupted family, particularly of the children, if marital disruption occurs.
DESCRIPTION OF PREDICTED WEEKS WORKED VARIABLE

The basic model used to predict weeks worked is based on Bowen and Finegan's (1969) model of labor force participation of married women. Their independent variables included, race, number of children living in the household, housing circumstances, age of the wife, schooling of wife, occupation of wife, other family income, employment status of husband, and husband's occupation. For this study, years of education of the woman, occupational status of the woman, age, race, number of children and husband's income were the independent variables. There were no consistent measures of housing circumstances in the NLS data, nor was there a measure of husband's employment status. There was a large amount of missing data for husband's occupational status. Since housing circumstances were found to be insignificant in Bowen and Finegan's model and husband's income should be closely related to his employment status and occupational status the model in this study is not severely limited.

The sample used for predicting weeks worked was the divorced and separated women. Each year from 1969 to 1980 was used as a separate observation on this sample. This resulted in a total of 5,059 observations for analysis. This way information was obtained for these women in various marital situations.
A logistic function (or the log of the odds ratio) was utilized so that predictions would be constrained to 52 weeks per year. Otherwise predictions would be outside the feasible range. The dependent variable was:

\[ P = \frac{\ln \frac{P}{1-P}}{1 + \ln \frac{P}{1-P}} \]  

where: \( P \) = actual weeks worked during the past year.

In order to recover predicted-weeks-worked (\( P \)) the following computations were made after regressing weeks on the independent variables.

\[ P = \frac{\text{antilog } I}{1 + \text{antilog } I} = \frac{e^I}{1 + e^I} \]  

where: \( I = b_0 + b_1 \text{ Education} + b_2 \text{ Occupational status} + b_3 \text{ Age} + b_4 \text{ Race} + b_5 \text{ Number of children} + b_6 \text{ Husband's income.} \)
Table 10

Regression Results for Logistic Function For Weeks Worked

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*p<.05  
**p<.0001  
R2=.7360  
F value=2346.051**
Table 11
Correlation Coefficients for Total Sample

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Correlation Coefficients
Table 12

Correlation Coefficients for NP/NP and NP/P Women

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<td>0.2207</td>
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<td>0.0051</td>
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<td>0.0195</td>
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</table>

Note: The table shows the correlation coefficients for various variables including PCMOP, EDUC, OCCUPST, EMPSTAT, WKRATT1, AGEC0D, RACE, JURT, HEALTH, PRMUST, MARITAL, and REGION.
Table 13

Correlation Coefficients for P/P and P/NP Women

<table>
<thead>
<tr>
<th></th>
<th>PCHCCH</th>
<th>EDUC</th>
<th>OCCUPST</th>
<th>EPPSTAT</th>
<th>WERKATT1</th>
<th>AGECHILD</th>
<th>RACE</th>
<th>JOBT</th>
<th>HEALTH</th>
<th>PRHUSY</th>
<th>MARITAL</th>
<th>REGION</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCCHC</td>
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<td>-0.095</td>
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<td>-0.087</td>
<td>0.324</td>
<td>0.262</td>
<td>-0.110</td>
<td>0.135</td>
<td>-0.172</td>
<td>0.084</td>
</tr>
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<td>EDUC</td>
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<td>1.000</td>
<td>0.367</td>
<td>-0.105</td>
<td>0.189</td>
<td>0.095</td>
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<td>0.234</td>
<td>0.135</td>
<td>0.262</td>
<td>0.084</td>
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<td>-0.105</td>
<td>0.189</td>
<td>0.095</td>
<td>0.234</td>
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<td>-0.172</td>
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<td>0.189</td>
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<td>0.189</td>
<td>0.095</td>
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<td>0.189</td>
<td>0.095</td>
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<td>0.189</td>
<td>0.189</td>
<td>0.095</td>
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<td>-0.105</td>
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<td>0.189</td>
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<td>1.000</td>
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<td>0.189</td>
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</table>
F-RATIO COMPUTATION FOR FULL MODEL, TOTAL SAMPLE

Table 14

F-Ratio Computation

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>Pooled Residuals</td>
<td>3060512917</td>
</tr>
<tr>
<td>Non-Human Capital Residuals</td>
<td>3685061442</td>
</tr>
<tr>
<td>Number of Restrictions</td>
<td>6</td>
</tr>
<tr>
<td>Number Non-Human Capital Model</td>
<td>620</td>
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<tr>
<td>F</td>
<td>20.68</td>
</tr>
<tr>
<td>$F_{6,608}$</td>
<td>2.80 (significant at .01)</td>
</tr>
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</table>
### REGRESSION RESULTS AND F-RATIOS WITHOUT INTERACTION TERMS

Table 15

Regression Results for NP/NP and NP/P Women Without Interaction Terms

(Coefficients expressed in 1967 dollars)

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>COEFFICIENT</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDUC</td>
<td>360.88</td>
<td>6.17*</td>
</tr>
<tr>
<td>OCCUPST</td>
<td>24.53</td>
<td>3.86*</td>
</tr>
<tr>
<td>EMPSTAT</td>
<td>789.95</td>
<td>2.27*</td>
</tr>
<tr>
<td>AGECHILD</td>
<td>-1039.06</td>
<td>-2.61*</td>
</tr>
<tr>
<td>RACE</td>
<td>-862.85</td>
<td>-3.61*</td>
</tr>
<tr>
<td>JOBT</td>
<td>293.46</td>
<td>1.33</td>
</tr>
<tr>
<td>HEALTH</td>
<td>-172.97</td>
<td>-0.48</td>
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<tr>
<td>PRHUSY</td>
<td>0.03</td>
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<tr>
<td>MARITAL</td>
<td>105.98</td>
<td>0.48</td>
</tr>
</tbody>
</table>

**CONSTANT** -3042.95*

**ADJ R^2** .3284

**NUMBER** 521

*significant at .05
Table 16

Regression Results for P/P and P/NP Women Without Interaction Terms

(Coefficients expressed in 1967 dollars)

<table>
<thead>
<tr>
<th>VARIABLE</th>
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</thead>
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<tr>
<td>EDUC</td>
<td>120.70</td>
<td>2.15*</td>
</tr>
<tr>
<td>OCCUPST</td>
<td>42.22</td>
<td>4.15*</td>
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<tr>
<td>EMPSTAT</td>
<td>-326.11</td>
<td>-0.86</td>
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<tr>
<td>AGECHILD</td>
<td>51.42</td>
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<tr>
<td>RACE</td>
<td>-170.63</td>
<td>-0.62</td>
</tr>
<tr>
<td>JOBT</td>
<td>124.77</td>
<td>0.46</td>
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<td>HEALTH</td>
<td>-85.52</td>
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<tr>
<td>PRHUSY</td>
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<tr>
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</table>

*significant at .05
Table 17

F-Ratio Computation for NP/NP and NP/P Women

Interaction Model Residuals = 2602231266.5
Non-Interaction Model Residuals = 2893698893.17
Number of Restrictions = 4
Number for Non-Interaction Model = 521

\[
F = \frac{72866906.8}{5092429.02} = 14.31
\]

\[
F_{4,511} = 3.32 \quad \text{(significant at .01)}
\]
Table 18
F-Ratio Computation for P/P and P/NP Women

<table>
<thead>
<tr>
<th></th>
<th>Interaction Model Residuals</th>
<th>Non-Interaction Model Residuals</th>
<th>Number of Restrictions</th>
<th>Number for Non-Interaction Model</th>
</tr>
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<tr>
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<tr>
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<td>$F_{4, 88}$</td>
<td>3.51 (significant at .01)</td>
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</table>
BIBLIOGRAPHY


