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Racial Inequality in Wealth and the Racial Disparity in Marital Happiness

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Racial Inequality in Wealth and the Racial Disparity in Marital Happiness

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Racial Inequality in Wealth and the Racial Disparity in Marital Happiness

Abstract

Previous research has found that Blacks experience lower levels of marital happiness than Whites. In this paper, I approach the racial disparity in marital happiness from a structural perspective focused on the structures of privilege and oppression which reward Blacks and Whites unequally. Guided by Family Economic Stress theory (Conger et al 1990; 1994), I explore how racial inequality in wealth and the resulting differences in financial satisfaction explain the racial disparity in marital happiness. Using Ordinary Least Squares regression with Wave 2 (1993-1994) data from the National Survey of Families and Households, I find that inequality in net financial assets mediates the racial disparity in marital happiness, net financial assets has an independent effect on marital happiness, and financial satisfaction mediates the relationship between net financial assets and marital happiness. Implications of this research for future projects are also discussed.
Acknowledgements

I would like to thank the members of my committee for their valued direction and input. Their diligence and patience was an inspiration to me. Additionally, I would like to thank the numerous friends and colleagues who offered advice, asked clarifying questions, and gave emotional support through this process. Thank you all!
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**Introduction**

The fact that Blacks and Whites experience different levels of marital happiness has been well documented. Blacks, in comparison to Whites, have reported lower levels of marital happiness (Goodwin 2003), marital well being (Broman 1993; 2005; Goodwin 2003), marital satisfaction (Dillaway & Broman 2001; Aldous & Ganey 1999), marital quality (Adelmann 1996), and marital stability\(^1\) (Verhoff, Douvan, and Hatchet 1995). Scholars have used both cultural and structural explanations for this disparity. Cultural explanations often attribute racial differences to sub-cultural differences in communication styles and behavior norms. Structural explanations attribute racial differences to inequality in power and economic opportunity. While both perspectives address real and important aspects of racial differences, I view cultural differences as an expression of and adaptation to the different structural locations of Whites and Blacks. In this paper, I approach the racial disparity in marital happiness from a structural perspective focused on the structures of privilege and oppression which reward Blacks and Whites unequally. More specifically, I argue that structural explanations of the racial disparity in marital happiness, because they have ignored wealth inequality, are incomplete. In this paper, I explore how racial inequality in wealth and the resulting differences in financial satisfaction explain the racial disparity in marital happiness.

**Racial Differences in Marital Well-Being**

The body of research devoted to examining how race is related to marital outcomes, while small, has consistently found that Whites are happier (Goodwin 2003), more satisfied (Dillaway & Broman 2001; Aldous & Ganey 1999), and report higher

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\(^1\) All of these dimensions of marriage relationships are scales constructed from items where married people evaluate and report on their marriages.
levels of marital quality (Adelmann 1996), and marital well being (Broman 1993; 2005; Goodwin 2003) than Blacks. These results persisted when controls for gender, age, number of children, and duration of marriage were entered into models. More specifically, Aldous and Ganey (1999) observed a racial disparity in marital happiness using General Social Survey data from 1972-1993. Using data from the 1986 wave of American’s Changing Lives Survey, Broman (1993) divided the concept of marital well-being into the components of marital harmony and marital satisfaction. He found lower well-being for Blacks than for Whites in both marital harmony and marital satisfaction even after controlling for age, sex, education, family income, employment, and number of children.

Using different scales and items from the American Changing Lives Survey, Adelmann and colleagues (1996) also documented a racial disparity in marital well-being regardless of how long couples had been married. Instead of viewing marital well-being in terms of harmony and satisfaction Addelman and colleagues divided marital well-being into positive (marital satisfaction and marital interdependence) and negative (marital discord and negative spouse behavior) quality. They found that Blacks reported lower positive marital quality and higher negative quality than Whites.

An analysis of young married women yielded similar results. Using data from the Early Years of Marriage Study 1986-1990, Goodwin (2003) found young Black women in their first marriages reported lower levels of marital well-being than their White counterparts. Goodwin’s marital well-being scale included measures of marital happiness, marital certainty, marital stability, marital satisfaction, and thoughts of marital dissolution.
Researchers have also found a racial gap in marital satisfaction in dual-earner households. This persisted even when race and gender differences in domestic labor participation were taken into account. (Dillaway & Broman 2001)

**Economic Inequality and the Racial Disparity in Marital Happiness**

Theories of how social structures influence marriage relationships often consider the family’s access to resources (Conger et al. 1990; Boss 2002.) In a study of the effects of economic stress on marriages during an economic crisis, Rand Conger and colleagues (1990, 1994), found that resources are very important to the quality of marital relationships. Using an all White sample from the Iowa Youth and Families Project, they observed that economic hardship (a combination of one’s income, debt to asset ratio, work instability, and family income loss), through economic strain (feelings of worry and stress about one’s economic situation) positively influenced hostility between spouses and negatively influenced spousal warmth. These changes in the ways couples interacted caused husbands and wives to report lower marital quality.

Replications of these studies in Finland (Kinnunen and Feldt 2004) and Korea (Kwon et al., 2003) that examined the effect of families’ economic hardship in times of national economic crisis have corroborated Conger and colleagues findings: those with less economic resources have greater amounts of stress during times of economic crisis than those with more economic resources. Further supporting Conger and colleagues’ findings, these studies in Finland and Korea also found that when married people experienced high levels of stress they were more hostile to each other and their interactions were less warm. Again, this difference in interactions resulted in diminished marital happiness. Could this pattern be related to the racial disparity in marital happiness?
A relatively small body of research has considered the impact of economic factors on the racial disparity in marital happiness. This research considered two main economic factors – self reports of actual income at a given time and subjective evaluations of one’s financial situation. Self reports of income represent the present flow of objective resources. Subjective evaluations are typically measured by asking how much one worries about money or how happy one is with his/her financial situation. In previous research, income has not fully mediated the relationship between race and marital happiness (Aldous and Ganey 2001; Broman 1993; Dillaway and Broman 2001). In these studies results were not presented in a way that one could determine if income partially mediated the negative relationship between race and marital happiness. In contrast, the subjective evaluation of financial strain has been shown to partially mediate the racial disparity in one investigation (Broman 1993) but not in another (Adelmann 1996).

Findings that the level of one’s income did not mediate the relationship between race and marital happiness were consistent with income’s small independent effect on marital happiness in general. In a *Journal of Marriage and Family* decade in review article on economic circumstances and family outcomes, White and Rogers (2000) reported that numerous investigations demonstrated that income had little, if any, effect on marital happiness. While income fails to explain the racial disparity in marital happiness, subjective evaluations may provide an explanation. Indeed, subjective evaluations have been shown to have a strong independent effect on marital happiness (White and Rogers 2000). Subjective economic stress has been shown to have a negative effect on marital happiness among Whites, Blacks, and Latinos (Gomel et al.
When scholars have investigated the effect of financial satisfaction on the racial disparity in marital happiness, they have observed contradictory findings. Using path analysis, Broman (1993) found that financial satisfaction partially mediated the relationship between race and marital well-being (measured as marital harmony and marital satisfaction) when income and education were held constant. On the other hand, Adelmann and colleagues (1996) found no significant effect of financial strain on the racial disparity in marital well-being (measured as positive and negative quality). This contradiction is somewhat puzzling since both studies used the American Changing Lives Survey and these measures of marital outcomes have considerable overlap. This conflict could be partially resolved with the investigation of another data set.

The fact that income has been mostly unrelated to marital happiness while subjective evaluations of economic conditions are related to marital happiness perplexes scholars. In their article reviewing a decade of research on economic circumstances and family outcomes White and Rogers (2000) said the lack of a relationship between income and marital happiness in findings is puzzling given income’s role in predicting divorce and its relationship with subjective evaluations of financial situations. One of the steps they call for is an investigation of whether other
objective economic factors are directly related to marital happiness. In this study I take up this call by examining the effects of wealth on marital happiness in general, and on the racial disparity in marital happiness specifically.

**Wealth Inequality and Marital Happiness**

Although one might expect income to be highly predictive of wealth holdings, typically operationalized as assets minus debts, empirically, wealth has demonstrated statistical independence from income and other measures of socio-economic status. For instance, previous research has found only a moderate correlation between wealth and income (Keister 2000.) This means that there is a substantial amount of variation in wealth within each income level. Furthermore, wealth has been shown to be less strongly correlated with measures of socio-economic status such as education and occupational prestige than is income (Keister 2000; Conley 1999; Oliver and Shapiro 1995). This means that when researchers have only considered income they have missed much of the variation in couples’ economic conditions. Additionally, while wealth holdings vary greatly from family to family, wealth is relatively stable in particular families (Oliver and Shapiro 1995). This is due to another important property of wealth: it is cumulative. The stable and cumulative character of wealth, in contrast to income, may mean it is related to marital happiness in a way that income is not.

Research suggests that wealth is a component of economic stress, which has important implications for marital quality (Conger et al 1990, 1994). Indeed, the stability of wealth makes it a crucial aspect of financial security. Because wealth holdings do not fluctuate to the degree that income does (Keister 2000), it may buffer against fluctuations in income as well as be used to meet unexpected expenses. It is
this component of financial security that Conger and colleagues (1990, 1994) tap into when they examine income loss and wealth as components of economic stress. One can easily imagine a scenario where wealth makes the difference between a couple being in financial crisis versus merely hitting a bump in the road. For example, in a time of prolonged unemployment, couples with little wealth may miss mortgage payments and lose their homes, while a couple with enough wealth will simply spend down their assets. Stressful economic events and conditions have been shown to impact marital happiness through the stressful feelings these conditions cause (Conger 1994; Murry 2002). Wealth provides a buffer for this felt stress by providing the basis for feelings of security and stability when a couple’s income is not enough to meet a particular crisis or when income itself is disrupted.

Moreover, since both assets and debts accumulate over time, wealth reflects couples’ economic histories in a way that income does not. In other words, wealth not only inspires feelings of security when present but, unlike income, is also shaped by the number of times a couple has had to use wealth to confront difficult situations. Since wealth is partially reflective of stressful events, one could say that in part, wealth is a proxy for events and conditions for which we do not have data on. To the extent that marital happiness is also cumulative and influenced by economic stress (Conger 1990; 1994 and Murry 2002), wealth is likely to be an important factor in this marital outcome. Consequently, I expect wealth to relate to marital happiness.

In sum, the cumulative and stable character of wealth makes it a better indication of one’s stable economic position than income. Therefore, I expect that wealth will have a stronger relationship with marital happiness than income.
Wealth Inequality and Race

The features that make wealth more important to marital happiness also make it more reflective of racial inequality than income. Wealth varies more than income along racial lines and better captures the historic effects of different locations in an economic hierarchy since it is transmitted across generations (Oliver and Shapiro 1995; Conley 1999.) Wealth summarizes the economic impact of historic and contemporary racial oppression in which public policy and private practices have denied Blacks equal access to wealth and wealth creating systems (Massey and Denton 1993; Oliver and Shapiro 1995; Conley 1999; Franklin 2000.)

While racial inequality in income is considerable, racial differences in wealth holdings are vast. For example, the median income in 1988 for Whites was $25,384; the median income Blacks was almost ten-thousand dollars less at $15,630. In that same year, the median net worth (total assets minus total debts) for Whites ($42,800) was over 11 times the median net worth among Blacks ($3,700). Analysis of net financial assets in 1988 showed that the median net financial asset (liquid assets minus consumer debts) for Blacks was $0 compared to $6,999 for Whites. When researchers have compared White married couples to Black married couples, the income and net worth gaps lessen substantially but the net financial asset gap increases with Blacks staying at $0 and Whites increasing to $11,500 (Oliver and Shapiro 1995).

This wealth inequality reflects the aspects of the American economic system that have advantaged Whites and disadvantaged Blacks in wealth accumulation. Specifically, these aspects have been racial differences in income, home ownership and value, parent’s wealth, inheritances, occupational stability, occupational prestige, age structure of the groups, education, and types of investments. Simply put, Whites have
had more favorable opportunities to inherit and amass wealth, and they have received
better returns for their investments than Blacks. Racial differences in saving and
consumption have had no bearing on this inequality when one controls for income
(Oliver and Shapiro 1995; Conley 1999; Keister 2000.)

In conclusion, wealth is important to understanding both racial inequality and
marital happiness. Wealth is empirically unique from all other measures of socio-
economic status. Wealth is a component of socio-economic status that mitigates
against economic stress. Therefore, wealth is important to marital happiness because it
pertains to a couple’s financial stability and is sensitive to previous financial crises.
Furthermore, wealth inequality may also be important to understanding the racial
disparity in marital happiness because wealth inequality is greater than income
inequality for Blacks and Whites. Given these facts it is plausible that an analysis of
wealth inequality could illuminate our understanding of the racial disparity in marital
happiness.

**Hypotheses**

First, based on the consistent findings of a racial disparity in marital happiness, I
expect that Blacks will report lower levels of marital happiness than Whites. This
expectation is formalized in Hypothesis 1.

H1: Marital happiness will be lower for Blacks than Whites.

Second, assuming that wealth (more specifically net financial assets) is a better
measure of objective economic situations than income, wealth will have a positive
effect on marital happiness net of control variables. This is formalized in hypothesis 2.

H2: Net financial assets will be positively related to marital happiness.
Third, given that there is greater racial inequality in wealth than in income, and given that I expect wealth to be related to marital happiness, I expect wealth should significantly mediate the racial gap in marital happiness. This is formalized in hypothesis 3.

H3: Net financial assets will significantly mediate the racial gap in marital satisfaction.

Fourth, since previous research demonstrates that the effect of objective economic conditions on marital outcomes occurs through subjective strain (Conger et al. 1994) and that subjective strain is more proximal to marital outcomes than are objective financial situations (White and Rogers 2000), I expect that financial satisfaction will mediate the effect of wealth on marital happiness. This is formalized in hypothesis 4, shown here:

H4: Financial satisfaction will mediate the effect of net financial assets on marital happiness.

Data
The data come from waves 1 and 2 of the National Survey of Families and Households. Wave 1, collected from 1987-1988, consisted of a sample of 13,007 randomly selected respondents from 9,637 households, and contained an over-sample of Blacks, Puerto Ricans, and Mexican Americans, as well as single-parent families, families with step-children, cohabiters, and recently married couples. Wave 2, collected in 1992-1994 retained 10,007 of the original respondents, 5,671 of whom were married. From this group, I eliminated those who did not identify as Black or White, reducing the sample to 5,308. From this racially dichotomous group of married
persons, I retained only cases with all data for analysis. This left me with 4,212 respondents who were married, and either Black or White.

Regarding the 1096 missing cases, 824 had missing net financial asset data. I experimented with imputing the median amount of net financial assets and controlling for the imputed cases by dummy coding the cases with imputed values. Upon doing this I found that including the missing cases had no impact on the focal relationship. Thus, cases with missing data were simply eliminated.

The remaining missing cases were due to missing data spread across other variables. This included 71 missing on financial satisfaction, 44 missing on marital happiness, 16 missing on duration of marriage, and the remaining 141 scattered about the remaining 8 variables. Missing data analysis showed that Blacks, men, the more highly educated, and the older respondents, were more likely to have missing data than their counterparts.

**Measures**

Race is a dummy variable with Blacks coded '1' and Whites coded '0'. The dependent variable is a continuous scale of marital happiness ranging from 1 to 7. The scale is comprised of 8 items (each ranging from 1 to 7) gauging respondents' happiness with different aspects of their marriages: (1) the marriage in general, 2) understanding, 3) love and affection, 4) time together, 5) demands the spouse makes, 6) sexual relationship, 7) spouses’ spending, and 8) spouses’ amount of housework. Factor analysis of these items shows a unidimensional scale. The alpha reliability is .89. To preserve data, cases that were missing on the full scale but had valid data on 4 or more items were given the mean of the valid items. This preserved 1126 cases. Descriptive statistics for variables in the analysis are presented in Table 1.
Of the two most common types of wealth measures (net worth and net financial assets), I use net financial assets because it is more relevant for day to day consumption than net worth and it is the most pronounced area of racial inequality for married couples (Oliver and Shapiro 1995). Net financial assets is a continuous variable constructed by subtracting total debts from total assets using the process described next. First I created total assets by counting the value of two items. The first item asked about the value of saving accounts, bonds, Independent Retirement Accounts, money market funds, and CDs. The second item asked for the value of any other investments. The response categories for these variables were categorical. Each category was recoded to be assigned the value at the midpoint of the category. The values of all the items were summed to create a total assets variable.²

I next created a total debt variable from 8 items asking respondents to report the actual dollar amount they owed on various sources of debt, including credit cards, installment loans for major purchases, educational loans, personal loans from financial institutions, personal loans from friends or family, home improvement loans, other bills that the respondent had owed for more than two months, and any other sources that had not been mentioned. These items were summed to produce an estimate of total debt. Finally, total debt was subtracted from total assets to produce an estimate of net financial assets.

² For both of these variables, the categories were $0; $1-$1499; $1500-$2999; $3000-$4,999; $5000-$9999; $10000-$19999; $20000-$49999; $50000-$99999; and $100000 or more. Before summing the measures I assigned the middle number of each of these categories, except for those in the highest category who were assigned the value of $100000, to the respondent to produce an estimate of a dollar value. Assets could range then from $0 to $200000.
Subjective economic standing is measured by financial satisfaction. This measure is comprised of two items assessing 1) respondents’ satisfaction with their financial situation and 2) how often they worry about not having enough money (reverse coded). This variable ranges from 2 to 12 and has an alpha reliability of .73.

In keeping with previous research (Broman 1995; 2000; Addelman 1998), the control variables are household income, gender, age, duration of marriage, education, and number of children in the household, as these have all been shown to be correlated with marital happiness and some are correlated with race and the mediating variables. Household income was constructed by the principle investigators at the University of Wisconsin and incorporates reliable data on income from various sources reported by all the respondents in the household. In the sample, income ranges from $0 to $853,600. Gender is a dummy variable with women coded as ‘1’ and men coded as ‘0.’ Age is a continuous variable coded in years. Duration of marriage is the number of years that the couple has been married. Education is a quasi-continuous variable where 0-11 = grade in school completed, 12 = high school diploma/GED, 13 = some college, 14 = associates degree, 16 = bachelor’s degree, 18 = master’s degree, and 20 = doctorate or professional degree. Number of children is constructed from items asking if people in the household were biological children of the respondent.

Methods

I analyzed the bivariate correlations of all variables in the models and then used Ordinary Least Squares regression in a nested analysis to estimate four models testing the hypotheses. OLS assumes a certain level of normality for the variables. I tested all

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3 Research indicates that an increase in the proportion of income that a spouse contributes is related to an increase in marital happiness (Rogers and DeBoer 2001). Any impact this would have on the racial disparity would be accounted for by controlling for gender.
the variables for skewness and none are skewed to the point of violating this assumption. In model 1, I test hypothesis 1 by regressing marital happiness on race. In model 2, I add the control variables of age, gender, duration of marriage, education, and number of children. In model 3, I test hypotheses 2 and 3 by adding net financial assets. Lastly, in model 4, I test hypothesis 4 by adding financial satisfaction.

When using the second wave of a panel study, there is the possibility that sample attrition is biasing the estimates if respondents did not leave the sample at random. Attrition analysis showed that Blacks, men, the older, and the single respondents at wave 1 were more likely to have left the sample than their counterparts. For an estimate of the effects of sample attrition on the results, see the adjusted models presented in the Appendix.\(^4\) Compared to the adjusted models, the unadjusted models presented here are conservative estimates of the racial disparity in marital happiness. Additionally, the nature and strength of the effect of the mediating variables (net financial assets and financial satisfaction) are unchanged in the attrition analysis.

**Results**

Correlations for variables in the analysis are shown in Table 2. As expected for Hypothesis 1, race and marital happiness are negatively correlated. Race is also negatively correlated with net financial assets, income, and financial satisfaction. In accordance with the expectation that net financial assets is a stronger predictor of financial satisfaction than income; there is a moderate correlation between net financial assets and financial satisfaction (\(r=.40\)), and a lower correlation between income and financial satisfaction (\(r=.26\)). The rest of the bivariate relationships shown have lower

\(^4\) I examined the impact of attrition from wave 1 to wave 2 by running two types of models: controlling for the probability of attrition by entering the predicted value of a probit model predicting attrition and a Heckman selection model.
correlations except age and duration of marriage, which are highly correlated (r=.80). To examine potential multiple-collinearity problems I computed Variance Inflation Factors. The highest factor was for age and duration of marriage at 3.67, which suggests that multicollinearity is not a problem for this analysis (Pedhazer 1997). I also ran models excluding age and models excluding duration of marriage. Substantive results are robust to these different specifications.

----Table 2 About Here----

Results for the regression of marital happiness on race alone are shown in Model 1 of Table 3. As shown in the correlation matrix (see Table 2), race is negatively related to marital happiness. In Model 2, I introduce the control variables of income, gender, age, duration of marriage, education, and number of children. Income, education, and duration of marriage are not significantly related to marital happiness while gender, age, and number of children are. More importantly, these variables have no effect on the negative relationship between race and marital happiness.

--Table 3 About Here--

Model 3 tests Hypothesis 2, that net financial assets will be positively related to marital happiness and Hypothesis 3, that net financial assets will mediate the relationship between race and marital happiness. In Model 3 I find modest support for hypothesis 2. For each $100,000 increase in net financial assets, marital happiness is increased by 0.12 units (approximately 10% of the respondents held over 100,000 dollars in net financial assets.) This is significant at the .01 level. However, it is important to note here that model 3 (r-squared = .0392) offers only a .0022 increase in
the proportion of variance explained from model 2 (r-squared = .0374). While this increment to r-squared gain is small it is statistically significant, at p< .01.

Regarding hypothesis 3 I also find support, net financial assets mediates the relationship between race and marital happiness in these unadjusted models. This supports the theory that racial stratification in net financial assets explains the racial disparity in marital happiness. However, since this model is a conservative estimate of the magnitude of the race effect on marital happiness, one must be cautious about asserting more than a partial mediation. Although in the adjusted models the magnitude of the mediation is about the same; net financial assets does not fully mediate the racial relationship. See Appendix A for further discussion.

In model 4, I introduce a subjective measure of perceived financial satisfaction to test Hypothesis 4. I find perceived financial satisfaction is positively related to marital happiness. Financial satisfaction also fully mediates the effect of net financial assets, demonstrating that variation in financial satisfaction corresponds to real wealth inequality and that financial satisfaction explains marital happiness.

Notice that while the remaining racial relationship is statistically equal to 0 in Model 3, the reduction in the effect size from Model 2 to Model 3 is very small, from -.14 in Model 2 to -.12 in Model 3. This coefficient in Model 2 reflects a p-value that is marginally insignificant at the .05 level. In Model 4, financial satisfaction further reduces the magnitude of the racial relationship to -.06. This offers support for White

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5 At this stage of the analysis, I also tested for a host of interaction effects among the financial variables and between the financial variables and race, to see if the effect of income varied by NET FINANCIAL ASSETS, vice-versa, or if financial factors differed by race. I found no significant interactions.
and Rogers (2000) notion that subjective perceptions are a more proximal cause of marital happiness than are material conditions.\(^6\)

In sum, this analysis provides support for the claim that an individual’s location in the racial structure (i.e. whether one is Black or White) has small but reliable effects on one’s marital happiness. The effect of this location in the racial structure is realized primarily through wealth stratification. The fact that net financial assets demonstrates a stronger relationship with marital happiness and financial satisfaction than income does suggests that wealth stratification is more pertinent to marital happiness than income stratification.

**Discussion**

This project is the first to find that wealth mediates the racial disparity in marital happiness. It is also the first to present the independent effect of wealth on marital happiness. This project does not explain the effect of race away with class, but rather, it shows the effect of racial stratification in wealth on the racial disparity in marital happiness. Race, like class, is a set of social relations that produce a stratified outcome in wealth. This stratification has far reaching implications for differences between racial groups. This study demonstrates that marital happiness is one place where the effects of racial inequality are realized. In particular, I find that wealth is related to marital happiness and the racial differences in wealth mediate the racial disparity in marital happiness. Moreover, I find that differences in wealth holdings are reflected in

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\(^6\) In model 4 one notices that upon holding financial strain and education constant a negative relationship between income and marital happiness is observed. This is most likely a spurious association due to a work stress factor or the time the couple spends together, but indicates that at each level of financial satisfaction those with higher incomes are marginally less happy.
evaluations of financial satisfaction, and that financial satisfaction mediates the effect of wealth on marital happiness.

My findings contrast to those of Broman’s (2005) investigation that showed subjective financial satisfaction only partially mediated the race effect on marital happiness. In his investigation, the race effect on marital happiness was fully mediated by evaluations of spousal behavior. In essence, he showed that Blacks are more dissatisfied with their spouses’ behaviors than Whites and that this dissatisfaction accounted for lower levels of marital happiness among Blacks. The source of the contradiction between his results and mine may reside in the differences in our data sources. The National Survey of Families and Households Wave 2 is more than twice as large as the American Changing Lives Survey. This larger sample gives me more statistical power and enables me to find significant relationships of lesser magnitude than those found in the Americans Changing Lives Survey.

In a broader sense, this research touches on two large topics: the sources and effects of racial inequality and the causes of variation in marital happiness. My findings are similar to those of previous research showing that racial inequality is related to racial differences in marital outcomes. Yet race and race-related factors explain only a small proportion of the variance in marital happiness. For instance, my most powerful model explained only 10% of the variation in marital happiness by using financial satisfaction, assets, and controls (see table 2). This is consistent with or better than previous studies. For instance, in the American Changing Lives Survey, Adelman et al. (1996) explained 2% of the variance in marital happiness by regressing marital happiness on race and duration of marriage. When financial factors were added to the
model, the amount of explained variance modestly increased. Adelman et al. also presented a model incorporating family income, financial strain, and the presence of children producing, an r-squared of 5%. Also using ACLS data, Broman (2005) explained 8% of the variation in marital satisfaction by using age, gender, race, number of children, and subjective financial satisfaction (this is prior to including spousal behavior measures). Although these projects only explain a small proportion of marital happiness; these findings demonstrate the roles that social structure and stratification play in the most personal aspects of married life.

While my investigation of the effects of economic factors on marriage is important to understanding the racial gap in marital happiness, it is not a comprehensive treatment of the determinants of marital happiness or of the effects of racial inequality on marital relationships. Similarly, there is much more to racial inequality than economic inequality, and economic factors are not the only influences on marital happiness. In addition to the economic cost and ensuing stress of structured racial inequality, Blacks are under more emotional stress from the psychic impact of discrimination. Blacks pay a tremendous psychological cost for the discrimination they endure. Blacks are more likely to be angry and depressed than Whites because of this stress (Feagin 2000.) Additionally, research has found that perceived discrimination amplifies the negative effect of economic stress on family relationships (Murry et al. 2001) and that Black families collectively share the burdens and strains of racial discrimination (St Jean and Feagin 1998). These are factors that White couples do not encounter and impact every aspect of life for people of color. With these issues in mind, future research towards a more comprehensive understanding of the racial
disparity in martial happiness and other relational outcomes should account for the
effects of discrimination as well considering the systemic character of marital
relationships. In the future, I hope to see data and research that includes items
regarding personal experiences of discrimination as well as perceptions of
discrimination in general.

In future examinations of marital relationships in general a more comprehensive
model would consist of measures at no fewer than three levels. The first is at the level
of couple interaction - this is the most proximal to marital happiness. One level
removed would be the attributions and evaluations one has concerning his/her spouse
and his/her marriage situation. One level removed from this would be the objective
constraints and realities that married people face. These constraints are shaped by
structural factors such as race, class, and gender inequality. At every level of the
system, the structures that distribute economic resources come to bear and at every
level other factors and individual agency also comes to bear. More research is needed
to understand how social structures influence other aspects of the marriage system.
Table 1. Means, Standard Deviations, and Alphas By Race

<table>
<thead>
<tr>
<th></th>
<th>Black (n=423)</th>
<th>White (3,789)</th>
<th>Total (n = 4,212)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>S.D.</td>
<td>Mean</td>
</tr>
<tr>
<td>Marital Happiness</td>
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<td>1.29</td>
<td>5.45</td>
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<td>Race (1=Black)</td>
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<td>0.09</td>
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<td>Financial Satisfaction</td>
<td>7.02</td>
<td>2.54</td>
<td>7.87</td>
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<tr>
<td>Proportion Female</td>
<td>0.54</td>
<td>0.5</td>
<td>0.54</td>
</tr>
<tr>
<td>Age</td>
<td>44.66</td>
<td>12.74</td>
<td>44.65</td>
</tr>
<tr>
<td>Duration of Marriage (in years)</td>
<td>18.35</td>
<td>13.43</td>
<td>19.48</td>
</tr>
<tr>
<td>Education</td>
<td>12.38</td>
<td>2.86</td>
<td>13.34</td>
</tr>
<tr>
<td>Number of Children</td>
<td>1.17</td>
<td>1.23</td>
<td>1.02</td>
</tr>
</tbody>
</table>

*p<.05; **p<.01
Table 2. Correlation Matrix

<table>
<thead>
<tr>
<th></th>
<th>Marital Happiness</th>
<th>Race (1=Black)</th>
<th>Net Financial Assets</th>
<th>Household Income</th>
<th>Financial Satisfaction</th>
<th>Gender (1 = Female)</th>
<th>Age</th>
<th>Marital Duration</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race (1=Black)</td>
<td>-0.04 *</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Financial Assets</td>
<td>0.08 **</td>
<td>-0.14 **</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household Income</td>
<td>-0.02</td>
<td>-0.07 **</td>
<td>0.43 **</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Satisfaction</td>
<td>0.29 **</td>
<td>-0.10 **</td>
<td>0.40 **</td>
<td>0.26 **</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender (1 = Female)</td>
<td>-0.07 **</td>
<td>0.00</td>
<td>-0.07 **</td>
<td>-0.01</td>
<td>-0.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.15 **</td>
<td>0.00</td>
<td>0.35 **</td>
<td>-0.03</td>
<td>0.25 **</td>
<td>-0.08 **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital Duration</td>
<td>0.10 **</td>
<td>-0.02</td>
<td>0.26 **</td>
<td>-0.07 **</td>
<td>0.19 **</td>
<td>0.00</td>
<td>0.80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>-0.04 *</td>
<td>-0.08 **</td>
<td>0.27 **</td>
<td>0.40 **</td>
<td>0.12 **</td>
<td>-0.07 **</td>
<td>0.16</td>
<td>0.18 **</td>
<td></td>
</tr>
<tr>
<td>Number of Children</td>
<td>-0.14 **</td>
<td>0.02 *</td>
<td>-0.19 **</td>
<td>-0.01</td>
<td>-0.18 **</td>
<td>0.02</td>
<td>0.40</td>
<td>0.19 **</td>
<td>0.08 **</td>
</tr>
</tbody>
</table>

*p<.05; **p<.01
Table 3. Unstandardized OLS Regression Coefficients Predicting Marital Happiness (n=4212)

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race (1=Black)</td>
<td>-0.14 (0.06)</td>
<td>* -0.14 (0.06)</td>
<td>* -0.12 (0.06)</td>
<td>-0.06 (0.06)</td>
</tr>
<tr>
<td>Net Financial Assets ^</td>
<td></td>
<td></td>
<td>1.17 (0.04)</td>
<td>** 0.07 (0.04)</td>
</tr>
<tr>
<td>Financial Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td>** 0.15 (0.01)</td>
</tr>
<tr>
<td>Household Income ^</td>
<td>0.00 (0.04)</td>
<td>0.00 (0.04)</td>
<td>-1.90 (0.04)</td>
<td>**</td>
</tr>
<tr>
<td>Female</td>
<td>-0.13 (0.04)</td>
<td>** -0.13 (0.04)</td>
<td>** -0.132 (0.04)</td>
<td>**</td>
</tr>
<tr>
<td>Age</td>
<td>0.01 (0.00)</td>
<td>** 0.01 (0.00)</td>
<td>** 0.011 (0.00)</td>
<td>**</td>
</tr>
<tr>
<td>Duration of Marriage (in years)</td>
<td>0.00 (0.00)</td>
<td>-0.002 (0.00)</td>
<td>0.003 (0.00)</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>0.00 (0.01)</td>
<td>-0.01 (0.01)</td>
<td>0.011 (0.01)</td>
<td></td>
</tr>
<tr>
<td>Number of Children</td>
<td>-0.10 (0.02)</td>
<td>** -0.1 (0.02)</td>
<td>** -0.075 (0.02)</td>
<td>**</td>
</tr>
<tr>
<td>$r^2$</td>
<td>0.0013</td>
<td>0.0374 †</td>
<td>0.0392 †</td>
<td>0.1114 †</td>
</tr>
</tbody>
</table>

*p<.05; **p<.01  † significant change in r-squared, p<.01
^ coefficients presented in hundred thousands
Bibliography


Van Laningham, Jody; David R. Johnson; and Paul Amato. 2001. “Marital Happiness, Marital Duration, and the U-Shaped Curve: Evidence from a Five-Wave Panel Study.” *Social Forces* 79: 1313-1341


Appendix

Below is a presentation of models that predict marital happiness with 10 explanatory variables: Race, Net Financial Assets, Financial Strain, Household Income, Gender, Age, Education, Duration of Marriage, Number of Children, and the Probability of Attrition. This analysis replicates model 4 from the thesis for the purposes of estimating the effect of sample selection on the final analysis. The table presents the unadjusted model, a Heckman selection model that adjusts the estimates for attrition from Wave 1 to Wave 2 by controlling for the probability of attrition, and a Heckman selection model where selection into the final analysis is adjusted for with the Heckman command in STATA. The unadjusted model was discussed in the body of the paper. The model controlling for attrition incorporates the estimated probability of leaving the sample from wave 1 to wave 2 from a probit model. In the probit model, I entered race, gender, education, number in the household, marital status, and age from wave 1.

---table about here---

The second Heckman model estimates the likelihood of being selected into the final analysis, and adjusts for this. I entered race, gender, education, number in the household, marital status, and age from wave 1 into this model as well. While the previous model only adjusts for attrition, this model also accounts for censoring through missing data, and selection into marriage.

These models demonstrate that the unadjusted model is a conservative estimate of the magnitude of the race relationship. The coefficient for the unadjusted is -.06, -.15 for the model controlling for attrition, and -.10 for the second Heckman model. The ability of net financial assets to fully mediate the race relationship is called into question. It does not do this in either of the adjusted models, so models without
financial strain were not presented. However, there are contrasting results with the incorporation of financial strain. Financial strain does fully mediate the race relationship in the second Heckman model, but not in the attrition model. However, the independent effect of financial satisfaction seems relatively unaffected by attrition and selection with coefficients of .15 for each model. While these results are inconclusive regarding the extent that net financial assets and financial strain mediate the race relationship, there is strong support that these factors do mediate this relationship to some degree.

### Appendix A. Original Model and Models Adjusted for Attrition

<table>
<thead>
<tr>
<th></th>
<th>Unadjusted</th>
<th>Control for Attrition</th>
<th>Selection into Final Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race (1=Black)</td>
<td>-0.06 (.06)</td>
<td>-0.15 (.06) *</td>
<td>-0.10 (.06)</td>
</tr>
<tr>
<td>Net Financial Assets^</td>
<td>-0.07 (.04)</td>
<td>-0.06 (.04)</td>
<td>-0.07 (.04)</td>
</tr>
<tr>
<td>Financial satisfaction</td>
<td>0.15 (.01)  **</td>
<td>0.15 (.01)  **</td>
<td>0.15 (.01)  **</td>
</tr>
<tr>
<td>Household Income^</td>
<td>-0.19 (.04)  **</td>
<td>-0.18 (.04)  **</td>
<td>-0.18 (.04)  **</td>
</tr>
<tr>
<td>Female</td>
<td>-0.13 (.04)  **</td>
<td>0.04 (.06)</td>
<td>-0.14 (.03)  **</td>
</tr>
<tr>
<td>Age</td>
<td>0.01 (.00)  **</td>
<td>0.00 (.00)</td>
<td>0.00 (.00)  *</td>
</tr>
<tr>
<td>Duration of Marriage (in years)</td>
<td>0.00 (.00)</td>
<td>0.00 (.00)</td>
<td>0.00 (.00)</td>
</tr>
<tr>
<td>Education</td>
<td>0.01 (.01)</td>
<td>0.04 (.02) *</td>
<td>-0.01 (.01)</td>
</tr>
<tr>
<td>Number of Children</td>
<td>-0.08 (.02)  **</td>
<td>-0.06 (.02)  **</td>
<td>-0.06 (.02)  **</td>
</tr>
<tr>
<td>Probability of Attrition</td>
<td>3.07 (.81)  **</td>
<td>3.07 (.81)</td>
<td>3.07 (.81)  **</td>
</tr>
<tr>
<td>$r^2$</td>
<td>0.1114</td>
<td>0.1137</td>
<td>.1344(lamda)</td>
</tr>
</tbody>
</table>

*p<.05; **p<.01

^ coefficients in hundred thousands