

Wage Dynamics of Single and Married Men

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A well-known result is that married men earn wages that are higher than the one earned by single men. Using the Panel Study of Income Dynamics (PSID) we document that the difference arises gradually during a period of 7-8 years. Specifically, wages start to increase around three years before marriage and continue to increase until around the fourth year of marriage. When we decompose this gradual change into earnings dynamics and labor supply dynamics, we find that both variables increase during this period of transition, but earnings increase more than proportionally. In the paper we explore which factors generate the gradual increase in wages. The preliminary results indicate that part of the explanation is accumulation of human capital. But the largest fraction of the increase appears to be a consequences of switching to jobs that require longer hours of work and pay earnings that more than compensate the increase in hours.