

# Effects of Cohabitation on Financial Stability

## 1. Income

Cohabiting men have, on average, less stable employment histories than single and married men.<sup>1)</sup> Cohabiting fathers are [less likely](#) to have consistent, full-time work than are married fathers, and are less likely to work long hours. Half as many (16 percent) cohabiting fathers worked 45 hours or more per week in 1997, compared to married fathers (32 percent).<sup>2)</sup>

Cohabiting households have higher incomes than [single-parent households](#) but lower incomes than [married-parent households](#).<sup>3)</sup> In 2004, over 60 percent of cohabiting U.S. working men earned less than \$25,000 annually, and only 6 percent earned at least \$50,000.<sup>4)</sup> The median income among U.S. men that year was \$40,700.<sup>5)</sup>

Mothers who cohabit have lower incomes than mothers in a [stepfamily](#) who are married to a man other than the father of their children,<sup>6)</sup> but cohabiting unmarried women work more hours as their partner's income increases.<sup>7)</sup> Furthermore, cohabiting couples in the United States are 3.6 times more likely to keep separate bank accounts than married couples are.<sup>8)</sup>

During the late 1980s and early 1990s, positive economic circumstances for men tended to decrease a cohabiting couple's odds of separating and accelerate their marriage. [Greater earnings for a man](#) increased the likelihood he and his cohabiting partner would marry.<sup>9)</sup>

## 2. Net Worth

Older cohabiters who have never been married have, on average, 78 percent less net worth than those in intact families. Cohabiters who have been divorced once or widowed once have 68 percent less [net worth](#) than intact families.<sup>10)</sup> Cohabiters have the lowest net worth growth of all family structures; their net worth growth is comparable to that of widows and widowers.<sup>11)</sup>

## 3. Poverty

[Poverty rates](#) are significantly higher among cohabiting families than among [married families](#). Analysis of the 1997 and 1999 waves of the National Survey of America's Families showed that the poverty rates of cohabiting parents were 7.5-15.4 percentage points higher than those of married, two-parent families.<sup>12)</sup> The rate of poverty was 12.7-23.8 percent higher for [single-parent families](#) with another adult present than for married-parent families.<sup>13)</sup>

## 4. Impact on Children

Children in cohabiting families enjoy a higher economic status than children in single-parent families, but less than [children in married families](#).<sup>14)</sup> Following a [divorce](#), poverty is decreased by 40 percent

among children whose mothers cohabit, though 29 percent of children whose mothers cohabit after divorce remain impoverished.<sup>15)</sup> Nearly 25 percent of children in cohabiting households receive [public assistance](#) (compared to less than 5 percent of children in married-parent households).<sup>16)</sup>

<sup>1)</sup> Marin Clarkberg, "The Price of Partnering: The Role of Economic Well-Being in Young Adults' First Union Experiences," *Social Forces* 77, no. 3 (1999): 962.

<sup>2)</sup> B.V. Brown, "The Single-Father Family: Demographic, Economic, and Public Transfer Use Characteristics," *Marriage and Family Review* 29, (2000): 203-220.

<sup>3)</sup> Adam Thomas and Isabel Sawhill, "For Love and Money? The Impact of Family Structure on Family Income," *The Future of Children* 15, no. 2 (2005): 68.

Anastasia R. Snyder and Diane K. McLaughlin, "Economic Well-being and Cohabitation: Another Nonmetro Disadvantage?" *Journal of Family and Economic Issues* 27, no. 3 (2006): 570.

<sup>4)</sup> J.B. Brown and Daniel T. Lichter, "Poverty, Welfare, and the Livelihood Strategies of Nonmetropolitan Single Mothers," *Rural Sociology* 69, (2004): 282-301.

<sup>5)</sup> Daniel H. Weinberg, *Evidence From Census 2000 About Earnings by Detailed Occupation for Men and Women: Census 2000 Special Reports* (Washington, D.C.: Bureau of the Census, 2004).

<sup>6)</sup> Elizabeth Thomson, Thomas Hanson, and Sara McLanahan, "Family Structure and Child Wellbeing: Economic Resources vs. Parental Behaviors," *Social Forces* 73, no. 1 (1994): 227.

<sup>7)</sup> Lorien C. Abrams and Frances K. Goldscheider, "More Work for Mother: How Spouses, Cohabiting Partners and Relatives Affect the Hours Mothers Work," *Journal of Family and Economic Issues* 23, no. 2 (2002): 159.

<sup>8)</sup> Kristen R. Heimdal and Sharon K. Houseknecht, "Cohabiting and Married Couples' Income Organization: Approaches in Sweden and the United States," *Journal of Marriage and Family* 65, no. 3 (2003): 534.

<sup>9)</sup> P.J. Smock and W.D. Manning, "Cohabiting Partners' Economic Circumstances and Marriage," *Demography* 34, (1997): 336

<sup>10)</sup> Janet Wilmoth and Gregor Koso, "Does Marital History Matter? Marital Status and Wealth Outcomes among Preretirement Adults," *Journal of Marriage and Family* 64, (2002): 261.

<sup>11)</sup> Julie Zissimopoulos, "Gain and Loss: Marriage and Wealth Changes over Time," *Michigan Retirement Research Center, Working Paper* (2009): 9.

<sup>12)</sup> , <sup>13)</sup> Robert I. Lerman, "Impacts of Marital Status and Parental Presence on the Material Hardship of Families with Children," *Urban Institute* (2002): 14.

<sup>14)</sup> Adam Thomas and Isabel Sawhill, "For Love and Money? The Impact of Family Structure on Family Income," *The Future of Children* 15, no. 2, (2005): 68.

<sup>15)</sup> Donna R. Morrison and Amy Ritualo, "Routes to Children's Economic Recovery after Divorce: Are Cohabitation and Remarriage Equivalent?" *American Sociological Review* 65, (2000): 570.

<sup>16)</sup> Peter D. Brandon and Larry Bumpass, "Children's Living Arrangements, Coresidence of Unmarried Fathers, and Welfare Receipt," *Journal of Family Issues* 22, (2001): 3-26.

Wendy D. Manning and Daniel T. Lichter, "Parental Cohabitation and Children's Economic Well-Being," *Journal of Marriage and the Family* 58, (1996): 998-1010.

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