THE EFFECT OF WOMEN’S LABOR FORCE PARTICIPATION ON THE DISTRIBUTION OF INCOME IN THE UNITED STATES

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Abstract

Because the wives of highly paid men participate less in the labor force, the earnings of working wives make the distribution of pretax, money income more equal for families than it might otherwise be. Although there is considerable speculation that future developments in women’s labor force participation may foster greater inequality, the empirical results are mixed. To assess the impact of women’s labor force participation on the distribution of well-being, future research will need to consider the implications of taxes, job-related expenses, fringe benefits, and the value of homemaker services. Future research would also benefit from linking empirical research to an implicit sociological theory of family income-getting—one that recognizes the motivational structure of household decision-making as well as the changing environment that families face. Rising housing costs, poorer economic prospects of young men, and women’s higher wage rates, for example, make wives’ paychecks more salient, but family dependence on married women’s earnings means secondary earners become a less viable way of coping with unemployment.

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INTRODUCTION

Few trends in American society are as striking as the postwar rise in women's labor force participation. This development is driven largely by the entry into the labor force of women who traditionally worked only in their own homes—wives, mothers, and, more recently, mothers of preschool children. In 1984, 52.8% of married women worked in the marketplace as compared to only 22.5% in 1947 (US Bureau of the Census 1984). Many empirical studies document these trends and identify the determinants of this growing work force involvement (Bowen & Finegan 1969; Cain 1966; Sweet 1973; Kreps & Clark 1975; Waite 1976, 1981; Oppenheimer 1970, 1982). Among the consequences studied are the effects of women's employment on children (Hoffman 1974, Leibowitz 1977), on the division of labor between husbands and wives (Huber & Spitze 1983, Geerken & Gove 1983, Farkas 1976, Berk & Berk 1979), and on spouses mental health (Kessler & McRae 1981). No consequence is as immediate as the impact of the wife's paycheck on family finances. Sociologists, economists, and demographers have offered both speculation and empirical evidence on how working wives affect the distribution of income among families.

Writing in a 1960 Census monograph, Herman Miller (1966:22) was among the first to consider the impact on family income inequality of increasing labor force participation by women. Observing that families with working wives have more nearly equal incomes than families without working wives, he reasoned that "the sizeable increase in the proportion of families with working wives has therefore tended to decrease income inequality. . . ." Although others (e.g. Sweet 1971) have pointed out that the dynamics of family income inequality are a good deal more complicated than Miller's logic implied, a growing body of research agrees with his basic conclusion: Married women's rising labor force participation has been a force for equalizing the pretax money income of husband-wife families. Many unanswered questions remain about the broad implications of women's labor force participation for the distribution of economic well-being.

To lay the groundwork for later discussions, this paper begins by summarizing the technical studies on how women's labor force participation has affected the distribution of income among husband-wife families. The overall conclusion is that working wives have reduced income inequality to date. Turning to studies forecasting future inequality, however, there is some support for the notion that higher rates of involvement of married women in the work force eventually will lead to greater income disparities among white husband-wife families. These generalizations, however, do not hold for black families; a separate section deals with black working wives.

While informative, these studies have a number of limitations, which are
detailed in the second half of this paper. We note, for example, that projections have rested on tenuous assumptions about the future course of women's labor force participation and the future wage rates of husbands and wives. To simplify analysis, studies have often limited attention to husband-wife earnings to the exclusion of other income sources and while ignoring the value of homemaker's services. Given the limitations of empirical studies, we open up the discussion to examine the widespread contention that working wives are propping up the middle class, cushioning unemployment, and offsetting effects of inflation. Lastly, we address the implications of women's labor force participation for the economic situation of female-headed families.

NINE STUDIES CONFIRM AN EQUALIZING EFFECT

Study after study agrees that greater work force involvement by married women has had an equalizing influence on family incomes in the United States. This consensus is all the more impressive because the different studies tackle the research question with different data, measures, and methodologies. Table 1 summarizes nine investigations, their approaches, and findings. Each arrives at the conclusion that working wives equalize income—at least among the white population.

The diversity among these studies cannot be overemphasized. Despite a common focus on married couples, several studies restrict the population in one way or another. Lehrer & Nerlove (1984), for instance, limit consideration to couples where the wife is less than 45 years old and either has had or plans to have children. Horvath (1980) excludes families without earnings and those where the husband is self-employed, a student, a farmer, 65 or older, or without earned income.

Measures of inequality employed range over the Gini coefficient, Theil's information-based measure, the standard deviation, the coefficient of variation, and the log variance of income. All these studies use inequality measures like the Gini coefficient that summarize income dispersion at all points on the income distribution. The fortunes of the rich, the poor, and those in between are evaluated with reference to the entire distribution of income. This is in contrast to the poverty line or interquartile range—measures that focus on only one point or segment on the overall distribution. The Gini coefficient, for example, plots cumulative shares of income against cumulative shares of families; the resulting Lorenz curve is then compared with the 45° line of perfect equality (i.e. where 10% of families get 10% of income, 20% get 20%, and so on). Many other inequality measures exist, although the others lack the intuitive appeal of the Gini. The definitions and properties of various inequality measures are reviewed by Allison (1978) and Kakwani (1980). Since the studies in Table 1 use many different measures, it is important to
### Table 1  Effect on family income inequality of wife’s employment in the United States

<table>
<thead>
<tr>
<th>Study</th>
<th>Population</th>
<th>Data</th>
<th>Design</th>
<th>Income distribution</th>
<th>Inequality measure</th>
<th>Results</th>
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<tbody>
<tr>
<td>Betson &amp; van der Gaag 1984</td>
<td>Nonaged, married households with one or two earners</td>
<td>1968–1980 CPS</td>
<td>Time series</td>
<td>Household income &amp; wife’s earnings</td>
<td>Theil’s coefficient</td>
<td>Equalized</td>
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<td>Horvath 1980</td>
<td>Spouse present, husband-wife families except those with no earnings or with a self-employed, farmer, student, 65+, or zero-earner husband</td>
<td>1978 CPS</td>
<td>Cross-section</td>
<td>Earnings of husband &amp; wife</td>
<td>Standard deviation</td>
<td>Equalized</td>
</tr>
<tr>
<td>Lehrer &amp; Nerlove 1984</td>
<td>Married couples, wife &lt; 45, who have or expect to have children</td>
<td>1973 National Survey of Family Growth</td>
<td>Cross-section</td>
<td>Earnings of husband &amp; wife</td>
<td>Coefficient of variation</td>
<td>Whites: equalized if no children and less equalized if childen</td>
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<tr>
<td>Author</td>
<td>Study Type</td>
<td>Years</td>
<td>Dataset Type</td>
<td>Measure</td>
<td>Measure Type</td>
<td>Equalization</td>
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<td>Mincer 1974</td>
<td>Married spouse</td>
<td>1960 PUS</td>
<td>Cross-section</td>
<td>Family income &amp; husband's</td>
<td>Log variance</td>
<td>Equalized</td>
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<td></td>
<td>present families</td>
<td>I/1000</td>
<td></td>
<td>earnings</td>
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<tr>
<td></td>
<td>families</td>
<td>PUS I/100</td>
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<td>Blacks: slightly</td>
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<td></td>
<td></td>
<td>equalized</td>
</tr>
<tr>
<td>Sweet 1971</td>
<td>Nonfarm married</td>
<td>1960 PUS</td>
<td>Cross-section</td>
<td>Family income &amp; family</td>
<td>Gini</td>
<td>Nonblacks: equalized</td>
</tr>
<tr>
<td></td>
<td>couples, wife &lt; 60</td>
<td>I/1000</td>
<td></td>
<td>income less wife's earnings</td>
<td></td>
<td>Blacks: No effect</td>
</tr>
<tr>
<td>Treas 1983</td>
<td>Husband-wife</td>
<td>1948–1977</td>
<td>Time series</td>
<td>Total family income</td>
<td>Theil's coefficient</td>
<td>Equalized</td>
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<td>CPS</td>
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<tr>
<td>Treas &amp; Walther 1978</td>
<td>Husband-wife</td>
<td>1951–1974</td>
<td>Time series</td>
<td>Total family income</td>
<td>Theil's coefficient</td>
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note that the measure itself can lead to different conclusions regarding trends and differentials in inequality, if only because different measures assign different weights to different points on the income distribution. In Table 1, however, the results are very consistent.

The studies draw on diverse data sources spanning different years and including the Public Use Samples from the Decennial Censuses, published tabulations from the replicated cross-sectional Current Population Surveys, the longitudinal Panel Study of Income Dynamics, and the specialized 1973 National Survey of Family Growth. The diverse data sets employed by the studies have given rise to different analytic strategies and methods, too.

With individual-level data, researchers call on two strategies. One strategy asks whether total income for families with working wives is more equally distributed than is the income of their husbands alone or, alternately, of total family income less wife’s earnings (Sweet 1971, Danziger 1980, Betson & van der Gaag 1984, Horvath 1980). A second strategy decomposes overall family income inequality into that due to wife’s earnings and that due to other family income sources (Mincer 1974, Harris & Hedderson 1981, Lehrer & Nerlove 1984, Smith 1979, Shorrocks 1983).

With aggregated data, two other approaches apply. First, observed inequality may be compared with an “expected” measure of inequality; this expected measure is calculated by weighting family income distributions for working wives and homemakers according to the proportions of wives working and not working in an earlier, baseline year (Treas & Walther 1978). Second, the measure of inequality for husband-wife families may be regressed on annual time series of women’s labor force participation rates and other explanatory variables (Treas 1983).

Despite their differences in data, time frames, populations, inequality measures, and analytic approaches, these studies reach the same conclusion. All agree that American working wives make the distribution of income among husband-wife families more nearly equal than it might otherwise be. Other researchers report compatible results for Israel (Gronau 1982) and Great Britain (Layard & Zabalza 1979).

This is not to say that family income inequality has actually declined as women’s labor force participation has increased. Most evidence suggests that inequality has been fairly stable since World War II. Regressing Theil’s measure of inequality for husband-wife families on time, Treas & Walther (1978) find only glacial change between 1951 and 1974; the regression results imply an annual decline of only .001 for husband-wife families as contrasted with a more substantial .005 drop for female-headed families. Charting trends in the Panel Study of Income Dynamics, Harris & Hedderson (1981) even report a slight increase in inequality for husband-wife units between 1968 and 1977. Although women’s growing labor force involvement did not result in
major reductions in inequality, it blunted the impact of other factors which, if unchecked, might have led to widening income differences among husband-wife families. Such unequalizing forces include the declining labor force participation of older men (Treas 1983) and growing inequality in male earnings (Dooley & Gottschalk 1982).

HOW WORKING WIVES AFFECTED INEQUALITY

Understanding inequality for husband-wife families depends on knowing something about husband’s earnings, wife’s earnings, and the relation between them. Mincer (1974) put this rather formally, showing that family income inequality could be expressed as a function of the variances and covariance of two sources:

$$\sigma_F^2 = \sigma_H^2 + \sigma_W^2 + 2\text{Cov}_{HW},$$

where $F$ is the family income, $H$ is the husband’s earnings, and $W$ is the wife’s earnings.

This sort of decomposition of overall family inequality by income source calls attention to the factors that may reshape the distribution of income. The dispersion in husbands’ earnings, for example, may be sensitive to shifts in their age structure, changes in the education and experience of this workforce, transformations of the economy, altered patterns of labor supply, and economic cycles. The dispersion for women is dominated by the zero earnings of homemakers and the part-time employment of many working wives. Factors influencing the labor force participation of married women overwhelm wage rate determinants as influences on inequality. The covariance for spouses’ earnings is influenced by trends in marital homogamy and in the selective labor force participation of wives. Beginning with the association of husband-wife earnings, let us consider each of the three components of family inequality in turn and relate them back to studies in Table 1.

The Association of Husband-Wife Earnings

Two contradictory determinants are at work in the covariation of husbands’ and wives’ earnings. As Mincer (1974: 122–3) points out, “The sign of the covariance depends partly on the correlation between the earning power . . . of family members, and partly on their labor supply functions. The correlation between earning power, which is positive . . . , tends to impart a positive sign to the covariance; however, . . . the labor supply relation tends to influence the covariance in the opposite direction.” In other words, men with high earnings tend to be married to women with relatively good earnings prospects,
but their wives are less likely to be working than women married to less well paid men.

A positive association of spouses’ wage rates has been long observed (Carroll 1962). On the one hand, it reflects marital homogamy, the tendency of men and women of similar schooling and social origins to wed one another (Blau & Duncan 1967). On the other hand, it reflects the fact that husbands and wives share the labor market advantages and disadvantages of their common social network and community of residence (Sweet 1973). Educational homogamy complicates the relation of spouses’ earnings. Attenuating the positive correlation in earning power is the fact that highly educated professional men have often married women with less education (Oppenheimer 1982). Attenuating the negative labor supply relation is the fact that the positive effect of the wife’s education on her labor force participation offsets the negative influence of her husband’s earnings (Waite 1976).

The observed correlation between the earnings of husbands and wives is miniscule, as shown by the .08 reported for spouses’ incomes in 1978 (Harris & Hedderson 1981). Even with the labor supply relation taken into account, the correlation is modest. Jencks and associates (1972:233) found a correlation of .19 between the 1959 earnings of northeastern husbands and wives who worked full-time and full-year. Lehrer & Nerlove (1984) estimate the correlation of spouses’ latent earning capacity (i.e. what they would make if each worked full-time) to range from .10 to .25 over various race and life cycle groups.

There are some reasons to suspect that the covariation in spouses’ earnings might increase. The rising age at marriage, for example, means that men and women have better information on which to gauge potential mates’ earning power. Higher divorce rates might promote a higher covariation both by removing the more divorce-prone heterogamous couples from the married population and by fostering second marriages where men wed working partners who can pay their own way (Oppenheimer 1982). Using an alternative decomposition for the coefficient of variation for family income, Harris & Hedderson (1981) did find that the correlation between husband’s and wife’s income increased between 1967 and 1976. The correlation was only one component of inequality, however. Also contributing to the observed increase in inequality were widening income disparities among husbands, but women’s labor force participation partially offset these unequalizing developments.

**The Dispersion in Husband’s Earnings**

Several analyses of income inequality (Miller 1966, Treas & Walther 1978, see also Bartlett & Poulton-Callahan 1982) have rested on the simplifying assumption that families with and without working wives have very similar
income distributions before the wife’s earnings are added in. Since husband’s earnings dominate family income, this assumption is akin to saying that the same earnings disparities exist for the husbands of working women as for those of homemakers. Drawing on individual level data from the 1960 Census of Population, Sweet (1971) shows that this is not the case. The families of nonblack, married women in the labor force have incomes that are more equal to start with—a conclusion that holds whether one compares just husband’s income or total family income less wife’s earnings. This finding is not unanticipated. Husbands with high incomes are underrepresented in the group of families with a working wife, because their wives are less likely to be in the labor force. To be sure, married women’s labor force participation does have some equalizing effect; total family income for these women is more equally distributed than is the income of their husbands or, indeed, family income less wives’ earnings. However, wives’ earnings alone do not account for the greater equality of families with working wives; they were more equal to start with.

Betson & van der Gaag (1984) update these results. Between 1968 and 1980, the equalizing impact of married women’s labor force participation actually increased, offsetting a noteworthy rise in the inequality of household income before wife’s earnings. Not counting the wife’s paycheck, household inequality increased for families whether or not the wife worked. While Betson & van der Gaag do not address husband’s earnings inequality per se, their results are compatible with studies showing growing dispersion in the inequality of men’s earnings (Dooley & Gottschalk 1985). While inequality was growing among families of both working wives and homemakers, the overall income distributions of the two groups became more similar; and between-group differences made less contribution to overall inequality among husband-wife families. Presumably, as working women became more ubiquitous, other household income became less and less of a predictor of who worked and who did not. The working and nonworking groups encompassed more socioeconomic diversity and resembled one another more in terms of other income.

**Dispersion in Wives’ Earnings**

In Mincer’s formulation, the wife’s earnings, themselves unequally distributed, contribute to the observed inequality of income among families. In general, the earnings of women are less equally distributed than those of men (Henle & Ryscavage 1980), because homemakers have zero earnings. Even when comparisons are limited to those who are working, women display more dispersion in earnings, because many women have low earnings due to part-time employment. When this tendency toward part-time jobs is taken into account by looking only at full-time workers, women are more, not less,
equal in income than men are (Horvath 1980). This is because few women have high earnings and because women have tended to work in occupations (e.g. clerical) where the income range is fairly narrow (Henle & Ryscavage 1980). As more women enter the labor force or work more hours, one component of overall inequality—the variance of their earnings—could be expected to narrow. This assumes, of course, that the rising number of women in the labor force does not affect the basic distribution of their wage rate.

When we consider the components of inequality, it is clear that both equalizing and unequalizing factors have been at work. This may be described in terms of a declining variance in women’s earnings partially offset by increases in both the variance in husband’s earnings and the correlation between spouse’s earnings. Alternatively, it may be phrased in terms of a narrowing family income gap between homemakers and working wives offset by growing disparities within the two groups in family income before wife’s earnings. Recent dynamics in the income distribution are a matter of record. In the coming decade, however, the rising numbers of working women (previously an equalizing force) may come to exacerbate inequality.

INEQUALITY IN THE FUTURE

Everyone agrees that married women’s labor force participation has had an equalizing influence on the distribution of family income. Many suspect that future developments in women’s work and wages may lead to more inequality, not less. A number of sociologists, economists, and demographers have joined this speculation over the years.

Much of the concern centers on the prospect that the women who will be drawn into the labor force in the years ahead will be those already married to men with high earnings. Because these women can probably command relatively high wages themselves, their earnings could double the advantage of couples at the upper tail of the income distribution. Ross & Sawhill (1975:120, see also Ignatius 1978, Thurow & Lucas 1972:8) articulate this reasoning:

If there is an influx of relatively well-educated, high earning women into the labor force—women who in the past have married well and worked less frequently than wives in lower income families—then greater inequality would ensue in the future.

Yet another pessimistic prospect is voiced by Rivlin (1975:2) who suggests that the distribution of income for working women could become even more unequal as women adopt career patterns more like men.

As long as wives have been secondary earners in every sense of the word, their earnings have had a generally equalizing effect on family income. But this effect would be reversed if a major increase occurred in the proportion of wives with a permanent, lifelong
attachment to the labor force and an earnings distribution similar to that of their husbands, and this tendency might well be increased if job status became a more central part of the average woman's life.

England & Farkas (1986: 182) predict that the work force involvement of women could lead to a stronger association between the earning power of spouses due, in part, to greater age similarity between spouses.

To the extent that women's employment and earnings continue to increase, they may come to weigh men's earning power less heavily, and place greater importance on emotional or sensual attributes. Men may pay greater attention to a woman's earning power, leading them to weigh youth, beauty, and traditionally feminine emotional qualities less heavily. By this reasoning, as well as by a simple extrapolation of recent trends, we predict that the ages of men and women at first marriage will continue to converge. As these changes occur, the positive correlations between partners' traits that are the hallmark of assortative mating will increase. Applying this to earnings suggests increased inequality in the distribution of family incomes as the tendency for high-earning women and men to marry one another increases.

Only Jencks and associates (1972: 211) dismiss such concerns, arguing that the distribution of income for all wives, as opposed to working wives, would be more equal were all zero earners to bring home a paycheck.

If all wives worked, the distribution of income would probably be more equal than it is now. This is because the elimination of noneamers would make the distribution of income between wives more equal than it is now. In addition, husbands with high incomes would often have wives with low incomes and vice versa.

Few scholars have ventured beyond speculation. Bergmann and associates (1980), however, chart the course of future inequality. Their findings lend support to those who expect that further growth of the female labor force would cease to promote family income equality. They begin with the strong assumption that the ratio of wives' earnings to other family income is constant across time and income groups. While dubious, this assumption permits a straightforward simulation of the path of inequality under two different scenarios.

In the first, wives, ranked by other family income, enter the labor force in descending order with the richest going first. In the second, the poorest go first in ascending order—a pattern closer to documented trends in women's labor force participation. When the poor go first, the Gini coefficient falls until it reaches the point at which 60% of women are working, and then it rises. When the rich go first, inequality rises until 40% of wives are in the labor force, and then it declines. These rises and falls are more pronounced if wives are assumed to contribute more to overall family income. The two scenarios predict the same level of inequality, of course, when 100% of wives work.

Rather than imposing assumptions about how much wives will contribute to family income, one can ask what wages homemakers might command if they
were employed. Smith (1979) takes this tack. Since working wives are a select group, their wage experience is not an unbiased indicator of what nonworking wives could hope to earn. Correcting for this censoring bias using the technique suggested by Heckman (1976), Smith produces hourly wage rate estimates for all women based on education, Southern residence, and market experience. At least for whites, it appears that there would be greater variance in working wives’ earnings, a larger positive correlation between spouses’ wages, and thus, more overall family inequality if all married women worked.

Lehrer & Nerlove (1984) use a similar methodology to estimate what women and their husbands could earn if they each worked full-time. They consider three life cycle stages—before the first birth, while there are preschool children, and after all children are school age. Because men tend to work less at higher income levels, actual earnings for men are more equally distributed than their earnings capacity. Because women who can earn more work more, the distribution of female earnings is markedly less equal than their earnings capacity. Were their full earnings capacity realized (i.e. if they both worked full-time), the combined earnings of husbands and wives would be more unequally distributed only among couples with preschool children. This, of course, is the life cycle stage where women with relatively good wage prospects and the richest husbands are likely to opt out of the labor force.

In sum, there is mixed support for the notion that higher and higher levels of labor force participation will lead eventually to greater inequality in family incomes. As with all efforts to foresee the future, these estimates and projections are only as good as the assumptions on which they are built. At a later point, we examine these assumptions more critically.

RACIAL DIFFERENCES IN THE EFFECT OF WIVES’ WORK

Black husband-wife families are distinguished by higher rates of women’s labor force participation and by income disadvantages. They also evidence more income inequality than do white families. This inequality reflects the greater income disparities among black men, the greater income disparities among black women, and the larger positive correlation between black spouses’ earnings. Since the income and labor supply of black families is distinctive, many researchers have undertaken separate analyses of whites and blacks. Their conclusions suggest that black wives’ labor force participation reduces inequality (although this may be a recent phenomenon).

Sweet (1971) finds that wives’ employment had almost no effect on black family income inequality in 1960. Other income received by these families (e.g. earnings by other family members, social welfare, income from in-
vestments) actually leads to more inequality, especially for couples without children under 18. Smith (1979) finds that earnings of wives promoted greater inequality among black families in both 1960 and 1970. Lehrer & Nerlove (1984) do report some reduction in black family inequality for those families of working wives, but this reduction is smaller than that for white families and does not occur at all for couples who have not yet had children.


The earnings of black women and their husbands evidence a higher, positive correlation than is the case for white spouses (Lehrer & Nerlove 1984; Smith 1979). The potential earning power of black partners seems to be more highly correlated to begin with—a finding that has been attributed to stronger assortative mating by schooling among blacks (Lehrer & Nerlove 1984). This association of latent wage capacities expresses itself more readily in observed wages, because black women are not deterred from working even if their husbands have high incomes.

Smith (1979) argues that wives’ employment fulfills different functions in black than in white families. White working wives compensate for their husbands’ earning inadequacies, but black wives seem not to base decisions about how much they will work on their husband’s paycheck. Since black married women’s labor force participation is not currently selective of women with highly paid or poorly paid spouses, universal work force involvement would have little effect on overall black family inequality. If all black women worked, it is estimated that the log variance in black family income would be virtually the same as that actually observed for all black families today (Smith 1979). The black population has much lower rates of marriage and higher rates of marital dissolution than does the white population. This may contribute to the distinctive labor force behavior of black wives, but it also suggests they are a more selective group—one whose earnings might be quite sensitive to changes in marriage patterns.

LIMITATIONS OF STUDIES

Sociologists, economists, and demographers agree that married women’s labor force participation has narrowed income differentials among husband-wife families. The women who have yet to be drawn into the labor force,
however, tend to be married to the more successful husbands and might command relatively good wages themselves by virtue of advantages in education, social networks, and so on. Were all these wives to work, labor force participation of wives could emerge as a cause of greater inequality, rather than a means to spread income more evenly across American families. This result, however, is by no means inevitable. Although empirical studies reaching these conclusions differ in many ways, they share some common limitations. Their conclusions should not be accepted without question or qualification.

Consider efforts to project the future course of women’s labor force participation and inequality.

How realistic is it to assume that all wives could work (Bergmann et al 1980) or that all wives might work full-time (Smith 1979, Lehrer & Nerlove 1984)? Although “what if” exercises are instructive, these extreme case assumptions pose scenarios that will never be played out. While the course of women’s labor force participation continues upward, other societal developments assure that not all wives will be working wives.

Labor force projections for married women are not readily available. For all women 25–54, the Bureau of Labor Statistics forecasts 1995 participation rates in the range of 73.6 to 86.9, depending on economic growth assumptions (Fullerton & Tschetter 1983). Since work rates for younger, older, and married women will undoubtedly be lower, universal employment of women does not seem to loom on the horizon. Even in the long run, it seems highly unlikely that all wives will be full-time workers for several reasons.

First, women are going to school longer or returning to school later in life (US Bureau of the Census 1984). Second, the 1970s saw the emergence of a trend to early retirement among women (Treas 1981). Labor force participation rates for women between 55 and 64 years of age fell off, particularly among women with 16 or more years of schooling. Relatively well-educated women married to well-paid men, of course, are just the sort slated for higher work rates under scenarios predicting an unequalizing impact of wives’ labor force participation. Third, macroeconomic cycles are apt to determine women’s employment by affecting their job opportunities and the opportunity costs of staying home to keep house and raise children (Butz & Ward 1979). Fourth, the factors that inhibit women’s labor force participation today will continue to discourage women’s labor force participation in the future (although the influence of these factors may decline over time). There will always be women whose family situation cannot accommodate the demands of a full-time job, who are too sick to work, who cannot command employment commensurate with their family’s social standing, and so on.

Even if we assume all wives will work, how well can we estimate the wage rates of women who may enter the labor force in coming decades? Smith
(1979) and Lehrer & Nerlove (1984), for example, both rely on Heckman's (1976) technique in correcting for censoring in order to estimate the wage prospects of wives who are not now working. Although the wage rates nonworking women might receive are not knowable, Ferber & Green (1985) asked homemakers how much they thought they could earn if they had a job. Although homemakers do not expect to earn as much as their counterparts in the labor force, they do report anticipated wages that are higher than estimated with the Heckman technique.

Of course, if all wives went to work tomorrow, all bets about their wage rates would be off. To date, studies of family income inequality have not incorporated changes in the female income distribution that might result as a consequence of higher work rates. The experience of the baby boom demonstrates that a glut of new job seekers translates into lower and less equal earnings for men—at least in the short run (Welch 1979). Something similar might be expected if women were to surge into the workplace. Women's wages have long been depressed by their "crowding" into traditionally female occupations (Bergmann 1974), but as Oppenheimer (1972) noted, these occupations could not be expected to grow fast enough to absorb all the women who might enter the job market. Female workers have already begun to move into traditionally male jobs (Rytina & Bianchi 1984)—a development that might raise their incomes and alter their income distribution.

Women workers might well depress the incomes of men with whom they compete. Dooley & Gottschalk (1985:31) invoke this explanation to account for growth at the lower tail of the male earnings distribution. There is evidence that declines in men's earnings are associated with occupations with growing numbers of women (Snyder and Hudis 1976). Furthermore, as more wives become workers, men's income distribution could also be affected, because some husbands adjust their labor supply. On the one hand, husbands might work less—passing up overtime in favor of leisure, adapting their schedules to work more around the house, or dropping out of the work force to enroll in school for a time. On the other hand, husbands may work more, putting off retirement until the wife is eligible (Clark et al 1980).

Aside from labor supply effects, employed wives may give more men the luxury of working in jobs like farming that pay poorly and involve an element of risk (Rosenfeld 1985). Pfeffer & Ross (1982) argue that men's wage rates may be depressed to the extent that working wives thwart social expectations, are too busy to help the husband with his career, or eliminate financial need appeals in salary-setting practices. Although the authors find no evidence for an effect on husbands' occupational status, their analysis of annual salaries and wages may confound labor supply and wage rate effects. Although one study of academia shows that spouse's employment is associated with lower salary, net of other factors (Gregorio & associates 1982), wives may work...
because husbands have low incomes, rather than vice versa. Certainly, working wives might lower their husbands’ wages to the extent they discourage geographic mobility (Lichter 1982). We can only speculate about how men’s labor supply and their employers’ wage policies might respond to universal labor force participation of married women. Men’s income distribution might well be affected by working women—a prospect not addressed by the existing literature gauging the distributional impact of more working wives.

If rising work rates for women feed back to affect the earnings distributions of husbands and wives, the relationship of spouses’ earnings could also change. The correlation would probably rise above its currently low level. If women take home paychecks comparable to men’s, a woman’s earnings could become a more valued asset in the marriage market—facilitating a better match. At first blush, it would seem that the correlation would be attenuated were higher earnings to prompt more divorce by making women more independent financially. Second marriages are not as homogamous (e.g. by age). The potential economic contributions of a wife, however, seem to factor even more heavily in the marriage market calculations of divorced men who must often support two households (Oppenheimer 1982).

In short, neither the variation nor the covariation of spouses’ earnings can realistically be assumed to be constant. Both may change if women’s labor force involvement changes. These changes augur changes in the distribution of family income which are not addressed by mechanistic exercises estimating future levels of inequality.

Even efforts to evaluate the present are fraught with problems. To simplify analysis, studies have typically restricted attention to the earnings of husbands and wives. Other influences on the money income distribution—welfare and entitlement benefits, private transfers (e.g. gifts and child support payments), and returns on investments—receive no more than passing mention. Decomposing household inequality, Shorrocks (1983) shows that income from capital ranks ahead of wives’ income as a component of income differences. Indeed, investment income, pensions, and taxable income of family members besides the head and wife all drifted upwards as components of inequality between 1967 and 1976. Studies that have failed to take account of these developments are obviously incomplete.

First, unless the husband’s earnings are highly correlated with the omitted income sources, the results of these analyses are problematic. Studies show that married women’s labor force participation has contributed to earned income equality because the wives of men with low earnings are more likely to work. Working wives would not necessarily be giving a boost to low income households if these men and their families had substantial unearned income that went uncounted. Men with low or zero earnings are, indeed, good candidates to be receiving some types of unearned income; unemployment
insurance, retirement pensions, and even very high investment income come to mind.

Second, other income cannot be assumed to be independent of the wife’s work effort. Wife’s employment could be a substitute for the employment of teenage children and other family members. It could make the family ineligible for social welfare benefits on which they might otherwise draw. Thus, neither husband’s earnings nor family income less wife’s earnings are completely reliable indicators of the income working wives’ families might have if they did not work. Conclusions regarding the distributional impact of wives’ work might or might not be invalidated were analyses to include other income sources and to model their dependence on the labor force participation of married women. Certainly, the substantial underreporting of unearned income poses barriers to such analyses (Radner 1982). Current studies, however, have been incomplete and may well err in estimating the magnitude of the equalizing effect.

THE DISTRIBUTION OF FULL INCOME

In most instances, we are interested in the distribution of money income for what it tells us about the distribution of economic well-being. How well off a family is depends on both the time and the money it has at its disposal. Economists have lumped these two resources together under the rubric of “full income.” Studies of the impact of women’s labor force participation on the distribution of family income have largely sidestepped the question of full income.

Obviously, working women trade off time for money. Women perform many valued services around the home (e.g. housekeeping, meal preparation, child care, entertaining, emotional support). When the wife goes to work, the family must either forego some of these services, find another family member to provide them, or spend money to purchase them in the marketplace (e.g. on restaurant meals, babysitters). The wife also incurs job-related expenses for union dues, transportation, clothing, and the like. Focusing only on the wife’s earnings without recognizing lost services and extra expenses leads to an overestimation of the advantages of working (and perhaps to an overestimation of the equalizing impact of women’s labor force participation). Although no study has undertaken a comprehensive examination of the impact of women’s labor force participation on the distribution of full income, existing research is suggestive.

Working women spend less time on housework than do homemakers (Walker & Woods 1976, Farkas 1976, Berk & Berk 1979, Geerken & Gove 1983). They typically cut down on leisure time to get chores done, they may manage to become more efficient at some tasks, and they skip some jobs...
altogether. They don’t succeed at getting their husbands to shoulder much of the burden of housekeeping, however. Their families wind up doing without some services taken for granted by the homemaker’s family or settling for services of lower quality. Following economic theory, women would not be working if they and their families valued their home contributions more highly than their earnings. The poor, however, may not have the luxury of weighing a home-cooked meal against a restaurant meal, because the alternative is apt to be no meal at all. The working wife’s family does without some services; especially at the bottom of the income distribution, where women’s labor force participation is less discretionary and money less available to purchase substitutes, valued services may be foregone altogether, with significant implications for economic well-being.

Costing out the value of wives’ services has pitfalls, because results are sensitive to different approaches and assumptions. For example, estimates of what it might cost to replace the wife’s services with market substitutes are apt to lead to a different figure than would estimates of the opportunity costs of homemaking in terms of foregone earnings. Evaluating the cost of home-produced commodities, Gronau (1980) reports that household production of goods and services suffers little if the working woman has no small children in the home; when there are youngsters, however, losses in home production virtually wipe out the wife’s extra earnings. Lazear & Michael (1980) use a “revealed preference” approach that uses direct information on market expenditures to derive dollar amounts necessary to make the families of working wives and homemakers equivalent. They are more pessimistic about the value of working for the young, childless renters whom they study. They estimate that dual earner couples receive 20% more income after taxes, but they would need 30% more to achieve the same standard of living as comparable couples without a working wife!

These findings suggest that working wives do not move up as far in the distribution of economic well-being as money income would suggest—a clear break in the equalizing potential of women’s paid employment. Gronau’s estimates show that the wives of better educated men are more productive in the home and have more to lose by working. If the overstatement of gains from working is greatest for the well-to-do, fears about working women fostering growing inequality are overblown. These estimates, of course, are only suggestive and point to the need to bring household services into the distributional picture in an explicit way. They are also cross-sectional. A life cycle perspective will be necessary to assess whether short-run losses are offset later in a career by higher pay resulting from continuous job experience.

Working wives incur extra expenses, too. Vickery (1979) used the 1972 Consumer Expenditure Survey to estimate how families with and without working wives compared in their spending patterns. The two groups were
very much alike although the families of working women had fewer assets and were less likely to own a home. Taking account of assets, taxes, children, and life cycle stage, working wives spent more on transportation, clothing, and Social Security—expenses related to the job. It is interesting that Vickery does not find much indication that working wives buy market substitutes for their work at home. They may spend slightly more on meal preparation and dry cleaning, but not, apparently, on child care.

Gains from married women’s employment are also overstated if taxes are not taken into account. If we accept the assumption that wives are secondary workers predicating their employment on their husband’s employment situation, then the extra dollars working wives contribute to the family are taxed at a higher marginal rate than their husbands’ earnings. Social security taxes present another complication (Treas 1981, Gordon 1979). If the one-earner and the two-earner couple have the same total earnings and if that total exceeds the ceiling above which no extra payroll taxes are levied, the single-earner couple escapes taxes that their two-earner counterpart must pay. As Gronau (1982) has demonstrated for Israel, the particulars of the tax structure (joint versus separate income tax filing, for example) can substantially modify the distributional impact of married women’s labor force participation.

Although focusing on pretax money income may ignore some of the costs of women’s employment, it also misses noncash benefits such as health coverage, free or subsidized meals, and pensions. Two-earner couples may have some duplication of benefits, gaining little, if anything, from a second health insurance plan, but counting fringe benefits would undoubtedly raise the incomes of working wives and their families. Working women in higher income classes would probably gain more than less well-paid women. When these fringe benefits are added in, women’s labor force participation is probably a less progressive force for income equalization. These benefits typically go to full-time workers in the core sector of the economy who have worked for the same employer for some minimum period of time. In short, they go disproportionately to high-income groups (Smeeding 1985).

Pensions are a case in point. As more women work and as their worklives lengthen, women will increasingly qualify for public and private retirement benefits in their own right (Treas 1981). This suggests a scenario of greater late-life income disparities. Although social security favors the low-income worker in benefit calculations, private pensions do not. Women who qualify for second pensions are apt to be those in stable, highly capitalized sectors of the economy where firms can afford to pay their workers well and to fund and administer pension plans. Given educational similarities between spouses and their common residence in a local labor market, the husbands of these women are also likely to work for firms with pensions. Because of these factors—the nonprogressive nature of private pensions, the limited eligibility of low-paid
workers, and the similarity of spouses' employment—it is easy to imagine a polarization between affluent, dual-earner couples with two or more second pensions and other couples (either single-earner or dual-earner in peripheral industries) who get by on little more than social security.

Empirical investigations of the effect of women's labor force participation on the distribution of family income have focused almost exclusively on pre-tax, money income. Until researchers take account of taxes, noncash benefits, employment-related expenses, and the value of homemaker's services foregone when the wife takes a job, the real impact of working wives on equality of economic well-being will be largely a matter of speculation.

THE MIDDLE CLASS

To this point, we have focused largely on fairly mechanical decompositions of changing inequality measures. These changes, however, transpired within a dynamic demographic and economic context. In the 1970s and 1980s, American families were buffeted by several forces undermining their financial security. Runaway inflation of the 1970s priced some goods and services, particularly home ownership, out of the reach of many. Coupled with an on-going restructuring of the American economy, the recessions of 1980–1982 cost many workers their jobs. Surprising numbers of men, especially young men, found themselves with low earnings. A polarization of the income distribution seemed to be endangering the middle class.

While the wife's employment is a time-honored mechanism for meeting economic adversity at all income levels, there is a growing sentiment that the wife's paycheck is what enables many families to maintain a toehold on the middle rungs of the income ladder (Levy & Michel 1985; Steinberg 1983). The fate of the middle class extends beyond concerns with an equitable distribution of economic rewards. The middle class is popularly identified with the mass market that fuels prosperity and the mass citizenry that promotes democracy. How well women's paid employment enables families to maintain middle class consumption standards, to respond to the loss of a breadwinner's income, and to cope with men's lower wages is a matter of considerable interest.

A mounting body of evidence establishes that the wage distribution has become more polarized. For example, the proportion of men with low earnings rose between 1967 and 1978 (Dooley & Gottschalk 1985). Lawrence (1984) reports that the proportion of workers with middle class earnings fell from 50% to 46% between 1969 and 1983. Of these, a group amounting to 3% dropped into the lower earnings class and a group amounting to 1% climbed into the upper class. Any decline from the middle class, however, was limited to men. Women actually shifted into the middle class from the ranks of low earners (Lawrence 1984). Although income gains for women are
a very recent phenomenon (Smith & Ward 1984), earnings inequality for men is documented for earlier decades as well (Henle & Ryscavage 1980, Hirschman 1977).

Both a fundamental restructuring of the economy and demographic changes in the workforce are blamed for men's eroded earnings.

The "deindustrialization of America" is thought to be menacing middle-income workers in particular (Bluestone & Harrison 1982). Well-paid, unionized jobs in manufacturing are lost to countries with lower labor costs. Plant closings ripple across hard-hit communities, leading local businesses and government to lay off still more workers. Rather than creating new jobs, capital investment is either siphoned off into unproductive corporate acquisitions (Bluestone & Harrison 1982) or spent on robots, computers, and automation that cost workers' jobs (Leontief 1983).

Although the service sector is booming, many people doubt that service industries will be able to prop up the middle of the income distribution. The recent growth in service sector employment was fueled not by workers moving out of dying industries but rather by new entrants to the labor force (Kutscher & Personick 1986, Urquhart 1984). Future growth of the service sector seems sure to slow (Leontief 1983). Even if service jobs continue to be created at a fast clip, wages in these industries have usually been lower than in manufacturing (Kuttner 1983). In fact, service industries are often portrayed as a "two-tier" system of jobs and pay (Population Today 1985). Beneath the well-paid professional and managerial jobs are armies of fast-food workers, hospital orderlies, and office clerks.

An alternative explanation for men's worsening income position emphasizes demographic changes in the composition of the male workforce. Specifically, the big cohort of baby boomers competing for entry-level jobs has driven down the earnings of young men (Welch 1979, Russell 1982, Freeman 1979). The growth in the low-earner population was, indeed, concentrated among young men (Dooley & Gottschalk 1985). Young men's relative earnings vis-a-vis those of middle-aged men in the same occupation also declined for the 1959–1969 period (Oppenheimer 1982).

Since earnings disadvantages are concentrated among the young, this raises the hope that men's earnings picture will improve as the baby boomers work their way past the bottle-neck of entry-level positions (Welch 1979, Smith & Welch 1978) or are succeeded by other, smaller cohorts (Easterlin 1980). In emphasizing a fundamental transformation of the economy, sectoral explanations hold out little encouragement that the trend to lower earnings will soon be reversed.

Empirical studies offer surprisingly little support for the idea that a restructuring of industry is behind declines in earnings. Rosenthal (1985) insists that the earnings distribution did not become polarized. Analyzing 416 detailed occupations between 1973 and 1982, he found that the whole dis-
tribution of employment shifted up from lower and middle earning occupations to better-paid ones. Lawrence (1984) discounts sectoral explanations for the fate of men's wages, too. Industries with few middle-class jobs did not grow faster than other industries. While sectoral explanations meet with some skepticism, neither have demographic explanations proven entirely satisfying. Dispersion in men's annual earnings increased even within education and experience categories, and more and more men reported no earnings at all during the year (Dooley & Gottschalk 1982).

Whatever the reason, men's earnings have been under assault, young men have been particularly hard hit, and it is not certain that an end to this trend is in sight.

Family income has fared better than have men's earnings. Initial impressions that middle-class families were losing ground were based, in part, on an error in the income tabulations published by the US Bureau of the Census (Levy & Michel 1985). A mistake in converting to real, inflation-adjusted dollars led to the erroneous conclusion that the middle-income ranks were shrinking. The percent of families in the middle income categories did decline slightly between 1979 and 1983 but subsequently stabilized—a development that Levy & Michel (1985) attribute to the influence of two-earner families.

If trends in men's earnings put family income under pressure, changes in women's earnings may have worked to fill the gap between income and aspirations. From 1980 to 1984, the wages of working women rose from 60% of men's to 64%, a development Smith & Ward (1984) attribute largely to an increase in the schooling and work experience of women in the labor force. Studies of occupational sex segregation have also commented on the movement of women into fields that have been dominated by men—a development likely to raise female earnings (Rytina & Bianchi 1984, Treiman & Hartman 1981, Beller 1982).

Wage improvements were greatest for young women (Smith & Ward 1984)—those whose spouses were presumably feeling the brunt of male earnings declines. Among two-earner married couples in 1983, one third of those earning more than their husbands were 25–34 (US Bureau of the Census 1986:7).

Bearing in mind that middle-aged women have dominated the postwar rise in women's labor force participation, the impetus for younger wives to work becomes apparent. Young husbands, who can expect only entry level wages in any case, have had the bad fortune to be born in a large cohort reaching working age in an era of economic dislocation. If this did not place them at a serious enough disadvantage, vis-à-vis their middle-aged counterparts, the older families also typically draw on the earnings of a wife whose children no longer require her attention (Oppenheimer 1982). Lastly, improved earnings
prospects offer an additional incentive for women’s paid employment (Smith & Ward 1984).

INFLATION AND UNEMPLOYMENT

Wives work not to achieve a certain level of income but rather to insure a suitable standard of living. Aspirations for middle-class living standards were thwarted in the late 1970s when rapid inflation outpaced wage gains (Schumann 1984). Home ownership came to be priced beyond the means of more and more families. The young, facing their first home purchase, were especially vulnerable. As the cost of owning a home rose faster than the typical incomes of young married couples, the working wife became essential if the couple was to afford a house. Estimating a logistic model of home purchases by couples in which the wife was between ages 25 and 30, Myers (1985) finds that the net effect of wife’s earnings on home-buying increased between 1974 and 1980.

Working wives are also thought to have cushioned the impact of unemployment in the 1980s. In 1984, for example, 67% of unemployed husbands could count on at least one family member, usually the wife, to have a job (US Bureau of the Census 1984: 407). In 1960, the comparable figure had been only 40%. Unfortunately, a female employment pattern designed to meet the family’s day-to-day consumption requirements is ill-suited to cushion family finances against unanticipated contingencies. As more couples work, married couples’ dual employment has become a less and less effective means of coping when one partner is out of a job or unable to work.

First, the family is apt to have pegged its living standard to two incomes. When families come to rely on the wife’s income for essentials, her paycheck is a necessary complement to, not a substitute for, her spouse’s earnings. The dominance of dual-earner couples, according to Carlson (1986), even undermines the historical “family wage” concept (i.e. the idea that breadwinners’ earnings ought to be adequate to support a family). Two-earner families imply a dependence not only on a certain level of income, but also on a given patterning of expenditures. They are apt to commit to lifestyles that make them somewhat more dependent on purchased goods and services (Vickery 1979). The working family may lack the time and even experience to practice small economies—darning socks or shopping garage sales. Other spending patterns can be changed only at the cost of disrupting family routine; few would want to give up the family car or take the kids out of nursery school just to meet a short-run shortfall of income.

Second, women experience joblessness, too. Unemployment is more likely to strike married women than married men although the differential has narrowed in recent years (Klein 1983). To be sure, men’s unemployment rates
are more sensitive to a downturn in the economy (Klein 1983), and future growth projected for industries employing women is apt to insulate women workers still further from joblessness (De Boer & Seeborg 1984). Today, however, families are about as likely to face the loss of the wife's pivotal paycheck as the husband's. When the husband is out of work, there is no guarantee that the wife will be able to keep her job either. Unemployment runs in families. Because of assortative mating and co-residence, couples typically share the disadvantages of limited schooling, a depressed local labor market, and the like. In fact, the unemployment rate is three times higher for those whose spouse is unemployed rather than employed (Klein 1983).

Third, many wives with reasonable earnings prospects are working full-time already. Perhaps for this reason, unemployed husbands in 1984 were slightly less likely than their employed counterparts to have a wife in the labor force—a reversal of the earlier pattern (US Bureau of the Census 1984: 399). When the husband loses his job, relatively few homemakers are available to be drawn into the workforce anew, and working wives cannot greatly increase their economic contributions to the family.

Empirical evidence supports the notion that wives' labor force participation does relatively little to make up for income losses when the husband is out of work. Gramlich & Laren (1984) draw on 1967–1980 data from the Panel Study of Income Dynamics to estimate the extra earnings generated by other family members in response to the unemployment of the head. They report that unemployment has only weak effects on the labor incomes of secondary earners. Indeed, these effects are largely swamped by the discouraged worker effect whereby high unemployment keeps other family members from venturing into the workforce. Also using the Panel Study of Income Dynamics, Nakamura & Nakamura (1985) find that a drop in husband's income from the previous year has no statistically significant effect on hours of work by wives who were not already working.

To sum up, the economic prospects of young men deteriorated at a time when young women commanded higher wages than ever. Labor force participation by married women undoubtedly permitted young families to achieve middle class consumption standards that would have been impossible on one paycheck alone. The trade-off was that families lost some of their flexibility to field additional earners, should the the main bread winner become unemployed.

**IMPACT ON WOMEN NOT IN HUSBAND-WIFE FAMILIES**

The implications for inequality of women's labor force participation reach beyond the consequences for husband-wife families. The relative economic situation of female-headed families (and, indeed, women living apart from
families) has also been shaped by women's greater involvement in paid employment. Consider the feminization of poverty. Poverty rates among female-headed families stood at a startling 35 per 100 in 1984 (US Bureau of the Census 1985). Women's growing labor force participation did little for the economic situation of these women. Indeed, the feminization of poverty was due to two factors in which women's employment was at least indirectly implicated (Garfinkel & McLanahan 1985).

First, other groups moved out of the poverty population, leaving women behind. For example, the poverty rate for persons in male-headed families was cut in half—from 18.2 in 1959 to 9.3 per hundred in 1983 (Hare 1985:17). The rate for those in families headed by women declined only modestly from 49.4 to 40.5. Male-headed families fared better over the long haul because men's earnings are higher and more responsive to economic growth than are women's (Plotnick & Skidmore 1975). The wife's earnings also increasingly buoyed husband-wife families. If working wives narrowed the gap between homemakers' families and their own, they undoubtedly placed female-headed families at an even greater relative disadvantage.

Second, women's share of the poverty population grew because female-headed families became more prevalent among all families. Although no one cause of the growth of female-headed families can be singled out, many researchers have pointed to an "independence effect" of married women's labor force participation (Cherlin 1979, Hannan et al 1977). If a job gives a woman the financial means to end an unhappy marriage and avoid a precipitous remarriage, rising employment rates of wives are apt to have contributed to the increase in divorce and the growth of female-headed families.

Married women's labor force participation has been a social innovation narrowing income disparities among husband-wife families. From the perspective of female-headed families, however, the rise in working women may exacerbate inequality. On the one hand, higher work rates for women add extra earners to the already advantaged husband-wife units. On the other hand, women's paid employment contributes to divorce and the formation of new, characteristically low-income, female-headed families.

A FINAL ASSESSMENT

Research is clear on one point. Working wives have been an equalizing influence on the pretax, money income of husband-wife families. This influence has probably become even more significant in the face of other, unequalizing developments—older men's declining labor force participation, young men's earnings disadvantage, and general cutbacks in social welfare benefits. Besides blunting overall inequality, women's greater work force involvement has worked to smooth out income disparities between age groups, between generations, and even over the life cycle. For example,
young families, facing the high cost of a first home and relatively low male wages, have benefited especially from women's rising wage and work rates. As more and more women work, however, the working wife doesn't help a family move up financially so much as she keeps it from losing ground to others.

We have noted deficiencies in existing studies of the distributional impact of women's labor force participation. In moving beyond previous work, future researchers face three challenges.

First, consideration of the distribution of well-being calls for moving beyond pretax money income to considering a full range of costs and benefits associated with working. Basic conclusions about the equalizing role of working wives would undoubtedly be altered were studies to incorporate taxes, the value of homemakers' services, job-related expenses, and fringe benefits. The issue is not merely one of improved measurement of economic well-being. Valuing the homemaker's work hinges on the resolution of theoretical and conceptual questions about how families and individuals come to define "the good life" and go about achieving it.

Second, a satisfying theoretical account would place women's economic activities within a broad social and economic context. To date, studies of the impact of women's labor force participation on the distribution of income have been largely descriptive exercises—informative, technically competent, and even sophisticated, but largely atheoretical. Theory driven analyses would require firmer understanding of the recruitment, allocation, and remuneration of women workers in the marketplace as well as the effect of women workers on the employment opportunities and wage rates of men. The changing opportunity structure for earnings and other income (e.g. social welfare benefits) facilitates and constrains family efforts to generate income. Given this context, a theoretical perspective on women's work and family income inequality calls for a unified theory of family income-getting.

Although the limitations of the "new home economics" are now widely recognized by sociologists and others (Berk & Berk 1983, Hannan 1982, Sawhill 1977), microeconomic theory has provided key notions such as those of rational decision-making, opportunity costs of employment, and benefits from task specialization. In sociology, work by Oppenheimer (1982) has focused attention on the uniquely sociological components of female work force decisions. For instance, she emphasizes the occupational reference group which shapes consumption aspirations; the taken-for-granted strategies of income-getting in response to predictable imbalances between peak career earnings and peak family needs; and the importance of social status considerations in women's labor force participation.

Another useful element in a theory of income-getting takes account of the unobserved heterogeneity of women's work force decisions. Whether women
work or not depends on how highly they value housekeeping activities, workplace friendships, having a "career," and other personal preferences reflecting gender socialization, cultural norms, and the like. Nakamura & Nakamura (1985), for example, distinguish wives who see themselves working only temporarily to meet short-run needs; wives who are motivated by the family's economic need but expect to work most of their lives, and wives who are motivated not by financial need but rather by a desire for a career or an avocation. Since differing orientations are likely to influence whether a woman works and how much she earns if she does, motivational aspects of family income-getting would ideally figure in efforts to unify the macro and micro contexts of family decision-making giving rise to the distribution of income.

Third, descriptive studies make clear that the distributional effect of working wives varies by race and life cycle stage. Racial differences in particular have been changing over time. Especially within the context of the theoretical and measurement advances we forecast for studies of family inequality, subgroup analyses are a very promising avenue for research.

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