Why divorce is bad for the economy

Productivity and wage gains in men have decreased in recent decades following a divorce, contributing to economic slowdowns.

Could a healthy marriage be the key to a healthy economy? That is the finding of a new study, which found that high divorce rates have a negative impact on the economy. That's because divorce negatively affects productivity, which, in turn, places a burden on the economy.

Research by the Marriage and Religion Research Institute found that marriage is a key contributor to human capital, or the ability a person has to contribute to economic value through the knowledge and skills they have to perform their job. Since human capital is also a contributor to economic growth, the research found a positive link between marriage and a healthy economy.

"Marriage causes economic growth," Henry Potrykus, MARRI senior fellow and co-author of the study, said. "Married men experience greater rates of income increase than single men, and the rate of income increase for a newly divorced man drops almost to that of his always-single counterparts through the divorce. Because of this, the explosion of divorce in this country has resulted in a loss in productivity growth. The divorce revolution has undermined growth in the United States economy."

The research also found that when divorce rates increased in recent decades, productivity and wage gains in men decreased. This, in turn, led the researchers to conclude that divorce hurt economic growth, particularly in men. [Men are Happier at Work Than Women, Survey Finds]
"Besides population effects originating in the 1960s and 1970s, there are no other consequences of policy change that have had a greater effect in slowing economic growth than the divorce revolution," Potrykus said.

Not only is divorce bad for the economy, but previous research finds it's bad for the Earth, too. According to Livescience report that was based on research by the Proceedings of the National Academy of Sciences, rising divorce rates in recent decades has resulted in a rise in the number of households with fewer people around the world.

"Not only the United States, but also other countries, including developing countries such as China and places with strict religious policies regarding divorce, are having more divorced households," said co-author Jianguo Liu of Michigan State University. "The consequent increases in consumption of water and energy and using more space are being seen everywhere."

The MARRI is a project of the Family Research Council, a conservative Christian group. The information in this report was part of a paper titled "The Divorce Revolution Perpetually Reduces U.S. Economic Growth: Divorce Removes a Fourth of Head-of-Household Productivity Growth."

Reach BusinessNewsDaily staff writer David Mielach at Dmielach@techmedianetwork.com. Follow him on Twitter @D_M89.

Related on BusinessNewsDaily:

- 5 Funny Fast Food Marketing Flubs
- 'World's Most Ethical Companies' Revealed
- The Best Online Legal Form Services

Copyright 2012 BusinessNewsDaily, a TechMediaNetwork company. All rights reserved.

You might also like:

- What is causing the waves in California to glow?
- Study: Abstaining from alcohol significantly shortens life
- The 8 happiest dogs on YouTube
- Here comes the fuzz: 6 crime-stopping cats

Related Topics: Economy

Comments

View: All (1) Follow this conversation Add your comment

This is true 03/20/2012 23:04 PM
I know-- I experienced it personally.

Like (0 Likes) | Reply Report This Post

ADD YOUR COMMENT