Data Statement

Data source and samples
IPUMS International, which offers harmonized microdata from national population censuses, is the source of my data. I study marriage, divorce, and women's labor market outcomes in two major middle-income Latin American countries using female person-level samples from Mexico and Brazil, with a focus on working-age women.

Countries and years

- **Mexico:** 1990 and 2000 census samples

- **Brazil:** 1991 and 2000 census samples

These years allow a two-period comparison within each country and a cross-country comparison over a similar time window.

Sample restrictions and unit of analysis
The individual woman serves as the analytical unit. Using IPUMS case selection, I limit the extract to women between the ages of 18 and 65. To ensure comparability across nations and years, I will apply consistent filters in R. As explained below, I will eliminate missing or implausible values from my final analytical samples.

Key variables
 The main variables of interest include:

- **AGE** (age in years)

- **MARST** (marital status)

- **EMPSTAT** (employment status)

- **INCEARN** (annual earned income)

- **YRSCHOOL** (years of schooling)

- **CHBORN** (children ever born)

- **GEOLEV1** (first subnational level, consistent boundaries)

I construct a binary indicator **employed** equal to 1 if **EMPSTAT == employed** and 0 otherwise. I also use **CHBORN** and **YRSCHOOL** as key controls and for heterogeneity analysis.

Income cleaning
Following IPUMS coding conventions, I will inspect the upper tail of **INCEARN** within each country-year. If extremely large values represent top codes or special missing values, I will create a cleaned measure and define:

ln_earnings = log(INCEARN_clean) + 1

Questions I might ask
 Using these data, I plan to explore the following questions:

1. **Marital status and employment:**
   What are the differences in employment rates between single, married, and divorced individuals in Mexico and Brazil, and did these differences change between the early 1990s and 2000?

2. **Marital status and earnings:**
   How do log earnings differ by marital status among working women, and are the earnings gradients comparable between the two nations?

3. **Heterogeneity and constraints:**
   Do women with more children or lower levels of education have greater employment and earnings gaps based on their marital status, which is consistent with differences in outside options and bargaining constraints?

Theory Statement

Research focus

This study looks at how women's employment and earnings vary by marital status in Brazil and Mexico, as well as how these trends change over the course of two census periods in each nation. The objective is to evaluate whether observed changes over time are consistent with changing institutional contexts and economic opportunities by interpreting these results through the prism of household bargaining and outside options.

Theoretical framework

The distribution of power within households and the benefits of specialization are both reflected in marriage outcomes, which is a central theme in family economics. Each spouse's behavior and allocation in cooperative bargaining models are determined by their external option or threat point, as in Nash-bargaining approaches to household decision-making that model marriage as a cooperative agreement with divorce as the outside option (Manser and Brown 1980; McElroy and Horney 1981). Increases in women's options outside the home can affect labor supply decisions and change intra-household allocations, because higher potential wages or better employment prospects raise women's threat points in the bargaining process (Manser and Brown 1980; McElroy and Horney 1981). According to this framework, divorce laws can have an impact because they make it easier for women to leave their marriages, which could improve their negotiating position, while human capital and labor market conditions influence the viability of an independent economic life and thus the distribution of resources and labor within marriage (Gray 1998).

The role of legal institutions in marital behavior has been highlighted by empirical research conducted in the United States, which has demonstrated that unilateral divorce and related divorce-law changes affect both divorce rates and the intra-household bargaining environment by altering the expected payoffs to remaining married versus exiting (Gray 1998). According to related research, married women's labor supply may be impacted by changes in divorce laws through bargaining channels; however, the direction and extent of this impact may vary depending on the economic environment and the decision to marry and divorce, which reinforces the idea that outside options, institutional context, and labor-market opportunities jointly shape women's labor supply and earnings within marriage (Gray 1998; Manser and Brown 1980; McElroy and Horney 1981).

Predictions

Based on these models and findings, I expect three broad patterns:

1. **Marital status gaps in labor supply:**
    Due to household specialization and limitations on market work, married women will typically have lower employment rates than single women. Given their increased reliance on their own income following a divorce, divorced women may be more employed than married women.

2. **Outside options and earnings patterns:**
    Due in part to the fact that women with greater earning potential may be better able to leave marriage and because post-divorce economic necessity increases attachment to paid work, divorced women's earnings may be higher than married women's earnings conditional on employment.

3. **Cross-country and over-time differences:**
    The magnitude of marital-status disparities may vary between Mexico and Brazil due to differences in labor market structures, gender norms, and institutional trajectories. Even in the absence of a single, significant national legal breakthrough, I anticipate that gaps will eventually close if women's educational and career opportunities increased during the 1990s.

How the data will test these predictions

In order to control for age (and flexible age polynomials), education, fertility, and subnational fixed effects, I will estimate regression models of women's employment and log earnings on marital status indicators. In order to compare changes over time and between Mexico and Brazil, I will run parallel specifications by country and year. In order to determine whether bargaining-related patterns are more noticeable among women with more severe resource constraints, I will also test heterogeneity by education and number of children.

References

- Manser, Marilyn, and Murray Brown. "Marriage and Household Decision-Making: A Bargaining Analysis." *International Economic Review*, vol. 21, no. 1, 1980, pp. 31–44.
- McElroy, Marjorie B., and Mary Jean Horney. "Nash-Bargained Household Decisions: Toward a Generalization of the Theory of Demand." *International Economic Review*, vol. 22, no. 2, 1981, pp. 333–349.
- Gray, Jeffrey S. "Divorce-Law Changes, Household Bargaining, and Married Women's Labor Supply." *American Economic Review*, vol. 88, no. 3, 1998, pp. 628–642.