Examining The Impact of Marriage and Divorces

According to the CDC, more adults have been holding off on marriage. Looking at data from 2008-2018, the marriage rate per 1,000 people has steadily declined from 7.1%-6.5%. Marriage has been an important part of the American culture, thus the reason why it's important to examine the relationship between marriage and divorce statistics and various economic data.

First thing to look at is the household disposable income annual growth rate, which is the income minus the personal current taxes for households. From 2008-2018, the average household disposable income annual growth rate is 2.11%. The only year we saw negative growth was in 2013 where we experienced a 1.14% decrease in disposable income for households. The marriage and divorce rates remained fairly constant at 6.8% and 3.4%, respectively.

After witnessing minimal changes, we examine the years where there was a noticeable drop in the marriage rates, 2009 and 2018. In 2009, the marriage rate dropped from 7.1% to 6.8% and in 2018, the marriage rate dropped from 6.9% to 6.5%. During these years, the household spending growth rate was -0.21% and 2.71% respectively. It seems like the change in marriage rate has a big influence on the economic data.

Looking at the divorce rate from 2008-2018, we see a gradual decline from 3.5% to 2.9%. This along with the steady increase in multiple economic data like household spending, household net worth, and household savings could show us some sort of relationship between divorce and the economy. It would make more sense, according to the data, that the conditions of the economy can have an impact on the amount of divorces that occurs. This would be a reasonable assumption due to various studies like the American Psychological Association study that indicates that financial stress is one of the leading causes of divorces in America.

Coming off a major recession in 2008, the divorce rate would remain around 3.5%, but the decrease in the unemployment rate reasonably helped with Americans across the country, which helped keep more families together. Thus, from this study we can conclude that it is the economy that has an effect on marriages and not the other way around.