The Impact of No-Fault Unilateral Divorce Laws in Mexico

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Between 2008 and 2017, Mexican states introduced no-fault unilateral divorce, which allowed married individuals to seek a divorce without the consent of their spouse. In this paper, we exploit variation in the state-level adoption of the reforms to investigate the consequences of the change in divorce laws. Using an event-study design, our results suggest that no-fault divorce dramatically increased divorce rates in the three years following the reform. We next consider how the reform impacted divorce filings and divorce settlements. We find that no-fault divorce increased individual divorce filings, especially among women, and lowered the frequency of spousal alimony payments.

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1 Introduction

How does the liberalization of divorce laws affect divorce rates? A large body of research has documented an increase in divorce rates following the passage of no-fault unilateral divorce laws in the United States and Europe (Friedberg, 1998; Wolfers, 2006; González and Viitanen, 2009; Kneip and Bauer, 2009), but few studies have examined whether these findings can be generalized to a developing-world context such as Mexico. In comparison to the United States and Europe, Mexico suffers from weakly enforced alimony laws, unreliable social support systems, and fewer labor market opportunities for women. As a result, women's options outside of marriage may be limited. These differences suggest that policymakers cannot immediately apply existing results from the United States and Europe to Mexico. We fill this gap in the literature by studying whether the introduction of unilateral divorce in Mexico led to an increase in divorce rates. We, then extend the existing literature to consider whether the legislation affected the gender of the filing spouse and the distribution of alimony payments and child support.

Obtaining a divorce in Mexico has historically been an arduous process as state-level family laws offered limited legal grounds for divorce, and traditionally both spouses were required to consent to obtain a divorce. While there were a series of reforms throughout the 1990s, these changes were relatively conservative and still required the filing spouse to prove cause to exit the union. In 2008, more radical reforms began when Mexico City established no-fault divorce for the first time. By 2017, these reforms had spread to the majority of Mexican states. This legislation dramatically altered the entire divorce process as one spouse could secure a divorce without the need to prove cause or obtain consent.

In this paper, we exploit the exogenous variation in the timing and adoption of no-fault divorce legislation throughout Mexico. We combine divorce legislation dates from state-level family and civil codes with aggregated state-level divorce filings provided by the Instituto Nacional de Estadística y Geografía (INEGI). This novel data set includes individual divorce characteristics covering all divorces in Mexico from 2005-2017 at the quarterly level. The INEGI provides the type of divorce, the cause for divorce, who filed the divorce, the existence of alimony and child support payments (not the amount), as well the couple's demographic information. We use this data to study the direct effects of the reform on the decision to divorce, as well as indirect effects on divorce settlements.

We begin by analyzing state-level divorce rates using a flexible event-study design

which compares changes in divorce rates to the quarter before the legislation went into effect. We find that divorce rates increased by more than 30 percent in the three years following the reform. These results are robust to the inclusion of state-specific linear and quadratic time trends. Moreover, there is no evidence that couples anticipated the reforms by decreasing divorce filings in the periods leading up to the legislation. Our results are consistent with the short-run findings in the United States (Wolfers, 2006) and Continental Europe (González and Viitanen, 2009).[1]

Next, we examine the relationship between divorce liberalization and the characteristics of the spouse filing for divorce. More specifically, we test how the introduction of unilateral divorce affected filings by gender and employment status of the person filing. Our results suggest that women became significantly more likely to initiate divorce under the unilateral no-fault regime. Moreover, we show that while divorce filing rates increased for both employed and unemployed spouses, the increase was more substantial for working spouses.

Outside of the direct effects on the frequency and type of divorce, the legislative reforms may have also affected divorce settlements. Due to data availability, we focus specifically on whether the settlement granted spousal alimony. Before the introduction of unilateral no-fault divorce, men may have needed to compensate their partner financially to obtain their consent. As a result, men who instigate the dissolution of the marriage post-reform are likely to have lower alimony payments (Peters, 1986). Moreover, women who terminate their marriage may appear less sympathetic throughout the judicial process, resulting in fewer alimony payments. Our empirical results largely support these hypotheses, as the frequency of spousal alimony payments immediately declines post-reform. While the spouses may have lower income transfers post-reform, children appear to be somewhat protected from this loss of income as child support payments are unchanged.

Our paper makes two main contributions to the existing divorce literature. First, we are one of the first papers to study the effects of no-fault divorce in a developing country. While there have been many papers considering the effect of the unilateral reforms on divorce rates in the United States and Continental Europe (Friedberg, 1998; Wolfers, 2006; González and Viitanen, 2009; Kneip and Bauer, 2009), there have been

[1]Unlike these other studies, we are unable to determine whether the increase in divorce persists over time due to data limitations. We, therefore, are unable to either confirm or reject the finding in Wolfers (2006) showing that the uptick in divorce rates in the United States reversed after a decade. Unfortunately for us, most law changes occurred within the last five years, and none earlier than Mexico City in 2008. At the end of Section 5.1, we attempt to determine whether the increase in divorce rate varies by marriage length, suggesting pent-up divorces from poorly matched couples. If this were the case, we could infer that the divorce rate would decline over the long run, but we do not find evidence for this effect.

few studies considering the introduction of no-fault divorce laws outside of developed countries. The paper most closely related to our study is Lew and Beleche (2008), who document the effect of the 1990-2000 Mexican divorce reforms on divorce rates. These reforms introduced divorce *with cause* in addition to facilitating mutual consent divorce. We build upon Lew and Beleche (2008) by focusing on unilateral no-fault divorce in Mexico.

Second, we are one of the first studies to document the effect of no-fault divorce on the divorce process. To the best of our knowledge, we are one of the first studies to examine the effect of unilateral divorce laws on the characteristics of the filling spouse. While past work has examined the determinants of which spouse files for divorce (Brinig and Allen, 2000; Kalmijn and Poortman, 2006; Sayer et al., 2011), there has been less focus on how these determinants are affected by unilateral divorce laws. Furthermore, we contribute to existing work on the relationship between unilateral divorce laws and alimony payments (Weitzman and Dixon, 1980; Weitzman, 1985; Peters, 1986). This focus differs from the literature on the impact of *alimony laws* on household behavior (Rangel, 2006; Chiappori et al., 2017).

Related theoretical work has also examined how divorce laws impact intra-household dynamics. Becker (1993) suggests that divorce rates should remain unchanged with the introduction of more liberalized divorce laws based on an application of the Coase theorem. Instead, bargaining power is simply reallocated within the marriage. Chiappori et al. (2015) has more recently shown that the Becker-Coase theorem only holds under strong assumptions over whether utility is transferable within the marriage. This theory has been tested empirically in Peters (1986), Gray (1998), Chiappori et al. (2002), Rangel (2006), Voena (2015), among many others.

The remainder of this paper is organized as follows. We first provide a background of divorce reform in Mexico throughout the past 30 years in Section 2. We then present the data in Section 3 and the event-study design in Section 4. The main results are discussed in Section 5.1, where we analyze the effect of no-fault divorce laws on divorce rates. In Section 6 we present additional results pertaining to divorce filings and divorce settlements. Section 7 concludes.

2 The Mexican Context

Prior to 1917, Mexico offered few options for divorce. The country aligned with Catholic Church doctrine and solely allowed legal separation, which prohibited re-

marriage. In 1917, Mexico underwent its first significant set of reforms and states instituted mutual consent divorce, divorce with cause, and remarriage post-divorce. Acceptable grounds for divorce with cause were limited to extreme life events, such as adultery, mental illness, bigamy, or incurable disease. Divorce laws remained relatively unchanged until the 1990s when individual states expanded the legal causes for divorce to include incompatibility, domestic violence, and separation.[2] Despite a trend towards higher divorce rates, recent work by Lew and Beleche (2008) suggest that these changes were not due to the legislative reforms, but rather preexisting state-specific time trends. The lack of an effect of the pre-2008 reforms was likely because the filing spouse still had to prove grounds for divorce, which could be a long and arduous process.

As another option, couples could attain a mutual consent divorce through an administrative process. These divorces were generally quick and easy to obtain, however, both partners had to agree to the dissolution of the marriage. If the couple could not agree on the division of assets, or the couple had children, they instead had to endure a lengthy judicial process which could last one to two years.

Beginning in 2008 Mexico City implemented *no-fault unilateral divorce*. Under this divorce regime, the husband or wife could unilaterally divorce their spouse without the need to prove cause. This legislation was soon adopted by Hidalgo in 2011, and the majority of other states by 2017. For state-by-state information covering the timing of the divorce legislation and the legal codes enacted, see Table 1.[3]

Following the passage of no-fault divorce in 2008, the possible divorce types in Mexico are outlined as follows:

1. ADMINISTRATIVE DIVORCE: if spouses mutually consent, have no children, and agree on the division of assets, they can file for an expedited divorce that is usually completed within 15 days.
2. JUDICIAL DIVORCE: if spouses do not mutually consent to divorce, or if they have joint assets that are not easily divided, they must go through the judicial system and obtain one of the following divorce types.
    a) Divorce with cause (necessary divorce), where causes for divorce might include domestic violence, abandoning the home, incurable illness, or adul-

[2]Most of these reforms were implemented between 1990 and 2008.

[3]Table 1 shows the progression of the unilateral reform by year for each Mexican state. The table also includes the location of the legislation in each state's legal code, including whether the reform was printed in family or civil law. States with blank years represent states that have not clearly passed the unilateral reform as of 2017, the last year of our sample. The geographic distribution of divorce rates and divorce laws are presented in Panels A and B of Figure I, respectively.

tery.

b) Voluntary or mutual consent divorce

c) Unilateral divorce, otherwise known as no-fault, uncaused or express divorce (*Beginning in 2008*)

To summarize, administrative divorce, unilateral divorce with cause, and mutual consent divorce were legal in most states prior to 2008. The subsequent divorce legislation from 2008 to 2017 resulted in the introduction of no-fault unilateral divorce. To the best of our knowledge, there were no other changes to divorce law during this time period. In what follows, we study the impact of the rollout of no-these laws throughout Mexico.

3 Data

Divorce Legislation Data

To measure the timing of the divorce legislation, we collect the quarter-year passage of no-fault unilateral divorce from the state-level civil and family laws. Table 1 shows the year the reform was passed, as well as the location of the reform in the state's legislation. Certain states record divorce proceedings in civil codes, and others record divorce legislation in family codes. For states that do not show evidence of having a unilateral divorce law, the years are blank. We confirm the accuracy of the legislation dates in two ways. First, we corroborate our findings with the reform dates provided in Mendez-Sanchez (2014) and Garcıa-Ramos (2017), who also study no-fault divorce in Mexico. Second, we ensure that our dates are consistent with the divorce microdata. In states where there is no unilateral divorce legislation, we should not see filings for unilateral divorces. Thus, we conclude a state has passed unilateral divorce legislation if there are a nonzero number of unilateral divorces in the data.[4] If there are discrepancies between our legal research and the data, we defer to the data. Of the 27 states that have adopted a unilateral divorce law, 16 did so in 2015 or later. Given are sample period ends in 2017, this is somewhat concerning. However, given that we observe quarter-level data, there is enough variation to identify the parameters of interest.

[4]Instead of zero, we chose ten since there seems to be measurement error in the survey.

INEGI Divorce and Marriage Records

We use national divorce microdata from the Instituto Nacional de Estadística y Geografía (INEGI). The data includes an individual record of every divorce in Mexico from 2005-2017. The data reports the characteristics of each divorce, which include the location of the divorce, the type of divorce, the cause for divorce, who filed the divorce, the incidence of alimony payments, and the couple's demographic information.

The INEGI also contains detailed data on marriages from 1993-2017. These marriage records are similar to divorce records and include each marriage that occurred in Mexico along with the characteristics of the marriage. Beginning in 2009, the INEGI began to record the property division regime of marriages, with property types including communal, separate, or mixed. The most commonly chosen property division is communal property, which makes up slightly less than two-thirds of all marriages. With communal property, all assets are shared among both spouses. Unfortunately, the property regime is only included in the marriage data, and not the divorce data.

Economic Data

We aggregate the individual divorce and marriage records into state-level data and combine the records with INEGI quarterly state-level data on employment and population from the Encuesta Nacional de Ocupacion y Empleo (ENOE). We further add INEGI computed measure of state economic activity[5] to control for economic conditions that might influence the divorce rate or marriage rate in individual states at particular times. In our primary analysis, we rely on controls including the unemployment rate and INEGI's measure of state economic conditions.

Summary Statistics and Trends

Table 2 displays summary statistics of the divorces data for divorces filed between 2005 and 2017. Panel A shows the original microdata with the summary statistics separated by the type of divorce. For non-unilateral divorces (i.e., mutual consent and with cause), 13.4 percent are initiated by the woman, 10.3 percent by the man, and 76.1 percent are initiated by both individuals. Women are also more likely than men to initiate a unilateral divorce. The average marriage duration of unilateral divorces is longer than non-unilateral, 15.5 years versus 13.8, an almost two-year difference in

[5]Indicator Trimestral de la Actividad Economica Estatal.

average length. Finally, marriages without children are significantly more likely to end in unilateral divorce relative to non-unilateral divorce. Summary statistics for the quarterly state-level aggregates of the divorce data are shown in Panel B of Table 2.

We then present general trends in divorce over our sample period. In the first graph, Figure II, we plot the frequency of divorce in Mexico across time, as well as the frequencies of various types of divorce. The green line represents the total divorce rate while the types of divorce rates including unilateral, mutual consent, and with-cause divorce. Two key patterns emerge. First, following the reform in 2008, divorce rates began to rise, with the majority of this rise attributable to changes in unilateral divorce. Second, there appears to have been a steady decline in divorce with cause and mutual consent divorces across the nation.

At the country level, the immediate effect of the legislation is muted by the fact that only one state passed the reform in 2008, and the rest after 2011. The instantaneous effect of the reform is more apparent in individual states shown in Figure II. Beginning with the passage of unilateral divorce, indicated by the vertical line, divorce rates increased immediately and dramatically. There is also a decline in with-cause divorce filings, as the unilateral reform eliminated the need to prove cause in the judicial process. Depending on the state, mutual consent divorces also declined. In Mexico City, consenting divorces were relatively stagnant, but in Sinaloa and Coahuila de Zaragoza, mutual consent divorces fell to almost zero.

4 Empirical Strategy

To identify the causal effect of no-fault divorce laws on divorce rates, we exploit state-level variation in the timing and adoption of divorce legislation. We track *quarterly* changes in divorce rates before and after the reform using a flexible event study. Under this design, changes in divorce rates are compared to the quarter before the legislation went into effect, as well as to conditions in never-treated states. Our main specification takes the following form:

$$\text{Divorce Rate}_{st} = a_s + \eta_t + \phi_s t + \pi_s t^2 + \sum_{T=-10}^{10} \beta_T \, \text{Unilateral}_{sT} + \epsilon_{st} \tag{1}$$

where Divorce Rate$_{st}$ is defined as the number of divorces divided by the age 15 and over population in state s during quarter-year t =2005 Q1, ..., 2017 Q4. State fixed effects, a_s, control for factors that would affect selection into treatment by absorbing time-invariant characteristics of each state. Time fixed effects are captured by η_t and

include the quarter, year, and quarter-year combination. Lastly, we add linear and quadratic state-specific time trends using $\pi_s t$ and $\pi_s t^2$, respectively. The regression error is given by ϵ_{jst}. Controls include annual state economic activity and the state-level unemployment rate.

The causal effect of the reform is captured by the event-study indicator variable, Unilateral$_{sT}$. T represents the period relative to the reform and covers ten quarters before and after the reform.[6] The quarter before reform, $T = -1$, is the excluded period and provides a baseline for divorce rates before and after implementation. The excluded period includes both reform states as well as never-treated states. The event-study specification directly tests the assumption that pre-reform changes in divorce rates are uncorrelated with the reform timing and location. Pre-reform divorce rates might change in response to the reform, if couples anticipated the divorce legislation and delayed their divorce. The main effect is given by the post-reform dummy variables, $T = 1, 2, ...10$, which capture the changes in divorce rates in each quarter after the reform.

5 Unilateral Divorce and Divorce Rates

5.1 Main Results

We begin by formally analyzing the immediate effect of the passage of unilateral no-fault divorce on divorce rates. Figure III plots the coefficients from the event-study specification (Equation 1) for quarter T before and after the reform. Each plotted line represents a weighted least squares estimation of the divorce rate, with the weights based on the population over age 15. We limit the analysis to a maximum of ten quarters before and after the inception of the law. Each event-study indicator variable measures the quarterly effect of the passage of no-fault divorce on divorce rates (per 1,000 persons above age 15) relative to the baseline period T=-1. The points connected by solid lines represent the estimated coefficients on the divorce rate. The dashed or dotted lines represent the 95 percent confidence interval around each point estimate. The red vertical line depicts the baseline excluded period before the unilateral reform went into effect. The graph also displays three separate estimations: (i) the yellow line shows the estimates without any trend, (ii) the blue line adds a linear trend, and (iii) the purple line attaches a quadratic trend. All three plotted estimations show a clear

[6] More formally, T indicates each observation's timing relative to reform in state s in period zero. T is the difference between time t and the quarter-year the unilateral divorce law was implemented, m, where $T = t - m$.

rise in divorce rates following the adoption of unilateral divorce legislation.

The results suggest that the introduction of no-fault divorce laws yielded a steady increase in the divorce rate for treated states. In the subsequent year ($T = 3$), the divorce rate increased by 0.085 per 1,000 adults relative to period $T = -1$. After two years ($T = 7$), the divorce rate increased by 0.13 per 1,000 adults. These estimates show that the introduction of the unilateral reform raised divorce rates substantially. With an average divorce rate per quarter of 0.3, the coefficients suggest that divorce rates increased by 35 percent after the reform. The rise in divorce rates persists for the three years considered following the reform. The coefficients also reveal that couples did not anticipate the reform by postponing divorce filings until after the legislation

For completeness, we show the coefficients from Figure III in Appendix Table A1. Each row reports the coefficients on the event-study dummy variables from Equation (1) for period T, before and after the reform. As with the figure, the results are nearly identical in magnitude across columns, suggesting that state-specific time trends in divorce rates do not dramatically differ across states.

Our results in the Mexican context are generally consistent with Wolfers (2006). First, we also see an increase in divorce rates in the year immediately following the introduction of no-fault divorce. However, the magnitude of our results is almost threefold larger than what occurred in the United States in the two years following the law change. Graphically, our results seem more gradual, but this is due to our use of quarterly data as opposed to annual data.[7] [8] Second, Wolfers (2006) concludes that the higher divorce rate does not persist over time, and returns to baseline levels after a decade. This finding is consistent with poorly matched couples separating immediately following the legislation, leaving higher quality matched marriages intact. Ideally, we would like to see if this pattern holds in Mexico, however, because of the shorter length of our panel, we cannot yet determine if there is a lasting effect.

Despite our short panel, we do attempt to determine whether the increase in divorce rates is due to pent-up demand for divorces from poorly matched couples. If this explanation were true, we would expect the divorce rate to return to baseline after several years (Wolfers, 2006). To test this, we consider whether the results vary with

[7] To properly compare the magnitude of our estimates to related research, the coefficients must be converted from quarterly estimates into annual terms. Specifically, we convert the quarterly rate to a yearly rate as follows:

$$\frac{4 \text{ Quarters}}{\text{Year}} \times \frac{0.292 \text{ Divorces}}{1{,}000 \text{ Persons per Quarter}} = \frac{1.16 \text{ Divorces}}{1{,}000 \text{ Persons per Year}}$$

[8] The reason for the absence of an immediate spike in divorces could be due to a lack of information about the new laws, though we cannot confirm this with our data.

the duration of the marriage. If longer-married couples experience a larger increase in divorce rates, then this would provide evidence of pent-up demand for divorces from poorly matched couples. Figure IV shows the results. In Panel A, couples that have been married 0-10 years divorce at roughly the same rate as those married 10-20 years. The divorce rate is slightly lower for marriages between 20-30 years and much lower increase for marriages longer 30 years. In Panel B, we split the effect into shorter than 5 and 5-10 years. These two five-year groups experience a similar increase in divorce rates. Due to the higher divorce rates for shorter marriages, it does not appear that pent-up demand for divorces entirely explains the increase in divorce rates.[9]

5.2 Checks on Main Specification

We test the robustness of our baseline results with divorce rates using several alternative specifications. First, we examine the sensitivity of our results to changes in the stock of married individuals. Marriage rates may have declined following the introduction of unilateral divorce resulting in fewer marriages "at-risk" of divorce (Rasul, 2004). To account for this, we follow Wolfers (2006) and adjust how we calculate the divorce rate. Instead of looking at divorces per adult, we consider the number of divorces per *married* adult (over age 15) in each state.[10] Table 3 Column (1) shows our preferred specification with the divorce rate per married person. Here the quarterly divorce rate appears much higher for the at-risk population at 0.48 divorces per married person versus 0.29 divorces per adult. The effect of the unilateral reform also increases, with the effect almost double the baseline response to the reform.

Next, we attempt to control for divorce norms in the state adopting the unilateral reform. To accomplish this, we control for the proportion of neighboring states that adopted no-fault divorce legislation for each quarter-year combination. This additional control will be especially helpful if there are significant regional norms that may contaminate the effect of the legislation. Table 3 Column (2) displays the adjusted specification, controlling for the proportion of neighboring states who have passed unilateral divorce in each quarter-year. The results controlling for the neighboring state's reform are similar to the baseline specification in Table A1 Column (4).

Another potential confounding factor is that states with higher historical divorce

[9] In an ideal setting, we would test information on whether the couple was legally separated before the to the legislation. Because we do not have this information, we instead rely on the marriage length.

[10] To construct a panel of the married population we take linear averages between IPUMS years 2000, 2010, and 2016. We also use the one year lag, to reflect the stock of marriages at risk of divorce in the prior year. The use of 2016 IPUSMS makes the use of 2017 INEGI data impossible, and causes a slight drop the sample size slightly from the baseline.

rates may have been more inclined to adopt liberal divorce laws. If there is a regression to the mean across states, then there could be a convergence in divorce norms over time leading to a comparable rise in divorce rates in control states. In Columns (3) and (4) we adjust our specification to account for this potential regression to the mean. We calculate the ever-divorced population in the 2000 IPUMS.[11] In Column (3) we interact this ever-divorced population with a linear trend and find results that are similar to our baseline findings. In Column (4) we divide states into quintiles based on their 2000 ever-divorced rate and interact these quintiles with year fixed effects. Here the coefficients are slightly different and indicate that in reform states, divorce rates were higher in the period leading up to the reform. These higher pre-reform divorces rates, however, are still much smaller than the post-reform increase in divorce rates.

Next, in Column (5) we present results on a restricted sample that includes states that implemented no-fault divorce at some point before 2017. The motivation behind this restriction is that states that have never adopted no-fault divorce laws may differ in unobservable ways that could bias the results. As a result, these states may not belong in the control group. Encouragingly, the restricted results are consistent with the baseline results. Then, in Column (6) we restrict the pre-period to a grouped combination of all years before the reform. This more closely matches the specifications in the related literature, and the adjustment has little effect on the results. Finally, in Column (7) we add additional controls for the state-level deaths rates, marriage rates, birth rates, and fetal death rates. These controls have little effect on the results.

6 Divorce Filings and Settlements

We build upon on the divorce rate results in Section 5.1 by studying several aspects of the divorce process. In Section 6.1, we examine the gender and economic status of the individuals filing for divorce. Then in Section 6.2, we study changes in divorce settlements in the form of alimony payments. We also extend our results into the labor market effects, marriage rates, and birth rates in Appendix Section A.1, but find limited effects.

[11] Wolfers (2006) performs a similar test. We use calculated the ever divorced population using the proportion of adults who were ever-divorced in the IPUMS sample.

6.1 Divorce Filings

Which spouse benefits from the introduction of no-fault divorce? In general, we expect the spouse with the best outside option to benefit from liberalized divorce laws, as has been suggested in Lafortune and Low (2017). Freed from the need to prove cause or obtain spousal consent, the individual with the better outside option is now able to receive a divorce with a lower overall cost. A priori, it is not clear whether the husband or wife will have the better outside option, and instead, we expect the benefit to depend on the financial well-being of each spouse.[12] In what follows, we analyze the characteristics of the spouse filing for divorce, including the gender and economic status.

We begin by examining the role of gender in the divorce process. Prior to the introduction of no-fault divorce, women were more likely to file for divorce than men. In Table 2, we see that wife-initiated divorces are more common and makeup 13.4 percent of divorces while husband-initiated compose 10.3 of divorces.[13] To test whether the legislation shifts the gender composition of the person filing for divorce, we show the gender-based divorce filings in Figure V Panel A. The purple line corresponds to female-initiated filings, and the green line shows the male filings. Unsurprisingly, we see a gradual rise in individual filings from both men and women. The change in non-mutual filings is higher in magnitude for women than men. We show this formally by plotting the difference in filing rates by gender, demonstrated by the yellow line. From this exercise, we conclude that women may benefit more than men from the law change as they can exit bad matches post-reform without consent or cause.

The results suggesting that women file at a higher rate than men confirm related findings in Brinig and Allen (2000). A potential reason why women may choose to file for divorce is the ability to claim child support. If couples were separated (but not divorced) before the new legislation, then these women would have had no legal claim to their husband's income. With the newly available power to divorce their husbands (without cause or consent), these separated women would now be able to obtain a stipend for child support. Unfortunately, this hypothesis is difficult to test as we do not have data covering separations. Instead, we examine divorce rates segmented by the number of children in the household in Figure VI. The results in Panel A show that the highest rate of individual female filings occurs for women with one or two children. While this does not confirm that women are filing solely to receive child

[12] Property division laws are also an essential determinant that we are unable to consider due to data limitations.

[13] Mutual consent divorces are by default initiated by both spouses and before the introduction of unilateral no-fault divorce was the primary filing type at 76.1 percent.

support, it is possible that a portion of the rise in divorce rates is due to separated women filing for divorce to obtain child support. If this is the case, then we would expect the increase in divorce rates to subside after the majority of separated couples complete the divorce process. To better understand the validity of this explanation, we later examine the impact of unilateral divorce laws on child support and alimony payments in Section 6.2.

Next, we consider the role of economic status in divorce proceedings. While the available data on the financial situation of the couple is limited, we observe the employment status of each spouse. We expect unemployed individuals to file for divorce infrequently as they should have less attractive outside options. Our results, however, do not necessarily corroborate this hypothesis. Figure V Panel B shows the change in the divorce rate for unemployed individuals by gender. Both unemployed men and women initiate the divorce proceedings more frequently following the introduction of unilateral divorce. The rise in individual filings is unsurprising given that non-mutual divorce fillings increased for everyone following the reforms. Through this exercise, we see that unemployed women increased their divorce filings by substantially more than unemployed men. This increase suggests women may have more of a social network to rely on post-divorce, or that they believe they will be more likely to receive financial support from their spouse. To test whether women who are employed have more financial stability and are less dependent on their husbands, we analyze the difference in divorce rates between employed and unemployed women. Consistent with this perspective, in Panel C we see that the divorce rate for employed women is higher than unemployed women after the passage of the legislative reforms. Despite this, employed and unemployed women both appear to be increasingly filing for unilateral divorces, with the effect slightly greater for employed women. The results here suggest that unilateral reform benefited all groups, employed and unemployed, and is not necessarily segmented by economic status.

In Panel D, we try to unpack the economic status of the couple as a unit. We test the divorce rate by the employment status of the couple and separate couples into: (i) employed husband and unemployed wife, (ii) unemployed husband and employed wife, (iii) both spouses employed, and (iv) both spouses unemployed. Across these four couple types the divorce rate increases, with the most significant impact for individuals who are either both employed, both unemployed, or only the husband is employed. There is a slight increase in divorces for couples where the wife is employed, but the effect is muted. Similar to results for women alone, the results from Panels B-D suggest that couples file for divorce, no matter their economic status.

6.2 Divorce Settlements

The above results describe how no-fault divorce laws increase divorce filings from women more than men, but these divorce filings do not appear dependent on economic status. We now consider how the legislation affects the outcomes of divorce proceedings by analyzing alimony payments and child support.

Alimony can be thought of as a "bribe" or side payment that one spouse offers the other for the divorce to take place (Becker et al., 1977; Peters, 1986; Oster, 1987). Unilateral divorce removes this need to incentivize one's spouse to agree to the divorce. Alimony then does not necessarily exist due to any spousal negotiation, but rather due to the judicial process. Judges are responsible for assigning alimony payments and make these decisions based on several factors; They consider the duration of the marriage, the presence of children, the reason for the divorce, and the relative economic status of each spouse.[14]

The introduction of no-fault unilateral divorce laws potentially results in lower alimony payments for several reasons. First, women who terminate their marriage may appear less sympathetic to the judge. The court system would then award these women fewer alimony payments. Second, women under the prior divorce regime were often required to show cause (e.g., infidelity, domestic violence, etc.) to obtain a divorce. With the introduction of no-fault unilateral divorce, women are no longer required to provide a reason for wanting to end the marriage. Judges may be unaware of the husband's past transgressions, which would result in lower alimony payments.

We test whether the reform indeed reduces alimony payments using our event-study framework. Panel B of Figure VI displays the results across the share of spouses receiving alimony pre- and post-reform. The plotted coefficients confirm our hypothesis and suggest that there is a decline in alimony payments following the introduction of unilateral divorce. Unlike spousal alimony, child support payments are unchanged post-reform. Children appear to be somewhat protected from the legal changes in the divorce process.

7 Conclusion

In this paper, we study the introduction of no-fault unilateral divorce in Mexico. Using an event-study framework, we find that state-level divorce rates increased dra-

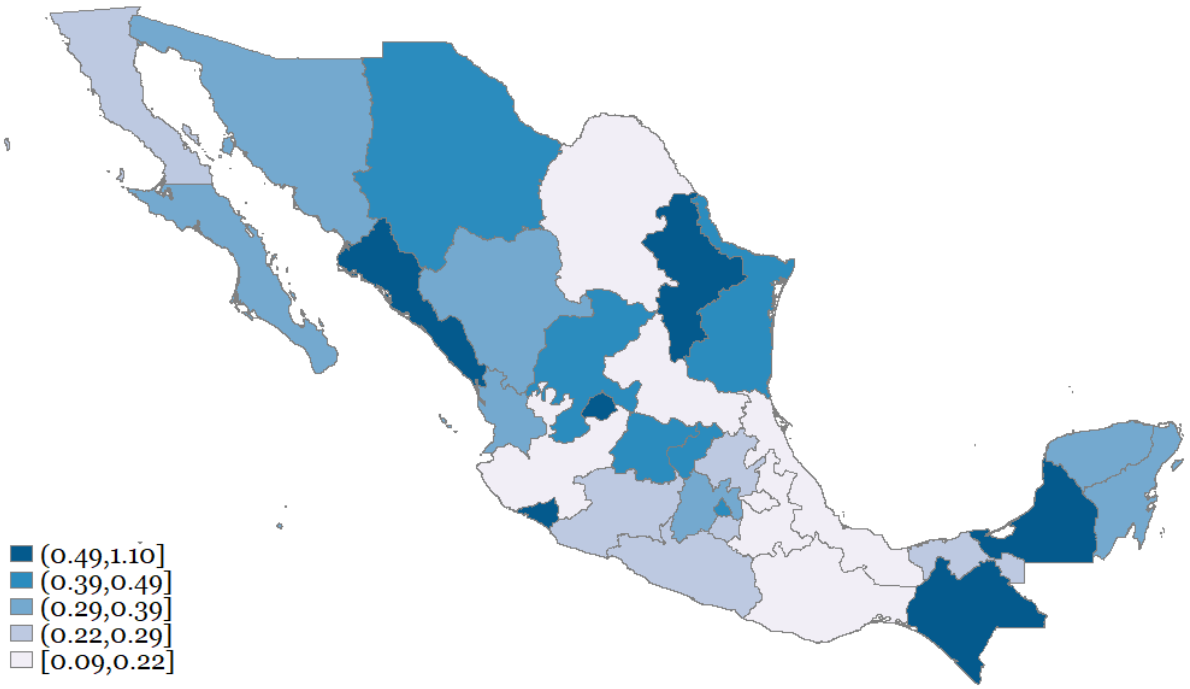
[14] See Articles 288, 301-323 of the Código Civil Federal.

matically in the three years (10 quarters) following the liberalization of divorce laws. Our findings suggest that divorce laws in Mexico have a similar impact to what has previously been observed in the United States (Wolfers, 2006) and Continental Europe (González and Viitanen, 2009). We build upon the existing literature by examining the divorce process in detail. We find that the introduction of unilateral divorce leads to a noticeable increase in women filing for divorce and a simultaneous decline in spousal alimony payments. Children are somewhat protected as child support payments remain unchanged post-reform. To our knowledge, we are one of the first studies to analyze the relationship between unilateral divorce laws and these aspects of the divorce process.

There are several limitations to our study that motivate future work. First, we are unable to discern whether the substantial increase in divorce rates persist over time. Because most Mexican states adopted unilateral divorce within the last five years, the data is not sufficient to analyze long-run effects. Second, our study is only the first step in analyzing how the introduction of unilateral divorce laws affect how couples interact. We document several empirical facts pertaining to how divorce fillings and divorce settlements were affected by these laws. We do not answer *why* these changes occurred. Moreover, we do not study how couples who remained married were affected. A household-bargaining model may shed light on these questions. Divorce laws change each spouse's outside option, which will impact both couples who stay married and those who divorce. We leave that for future research.

8 Figures

Figure I: Average Divorce Rates by State in 2016 Q1

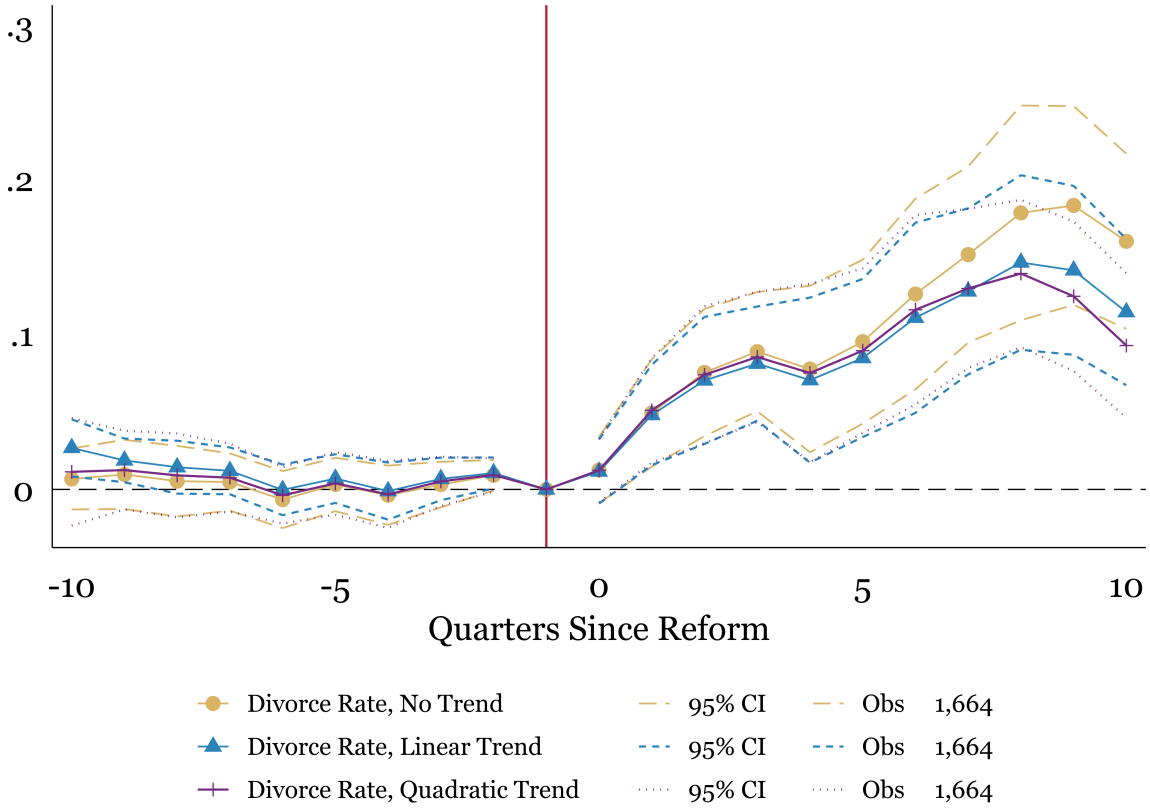


NOTES: The divorce rate is reported per 1,000 persons over age 15.
SOURCE: INEGI divorce statistics.

Figure II: Divorce Rate by Type

NOTES: The divorce rate is reported per 1,000 persons over age 15.
SOURCE: INEGI divorce statistics.

Figure III: Baseline Effect of Reform on Divorce Rates



NOTES: Plotted coefficient are event-study dummy variables, β_T, from a weighted least squares estimation of Equation 1. Each plotted point represents the time before and after the unilateral reform, excluding the period just before adoption $T = -1$. Weights are based on the state population over age 15. Solid lines represent point estimates. Dashed and dotted lines display the 95 percent confidence intervals. The divorce rate is reported per 1,000 persons over age 15. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends.Controls include annual state economic activity and the state-level unemployment rate. Robust standard errors are clustered at the state level

SOURCE: INEGI divorce statistics.

Figure IV: Effect on Divorce Rates, by Marriage Length

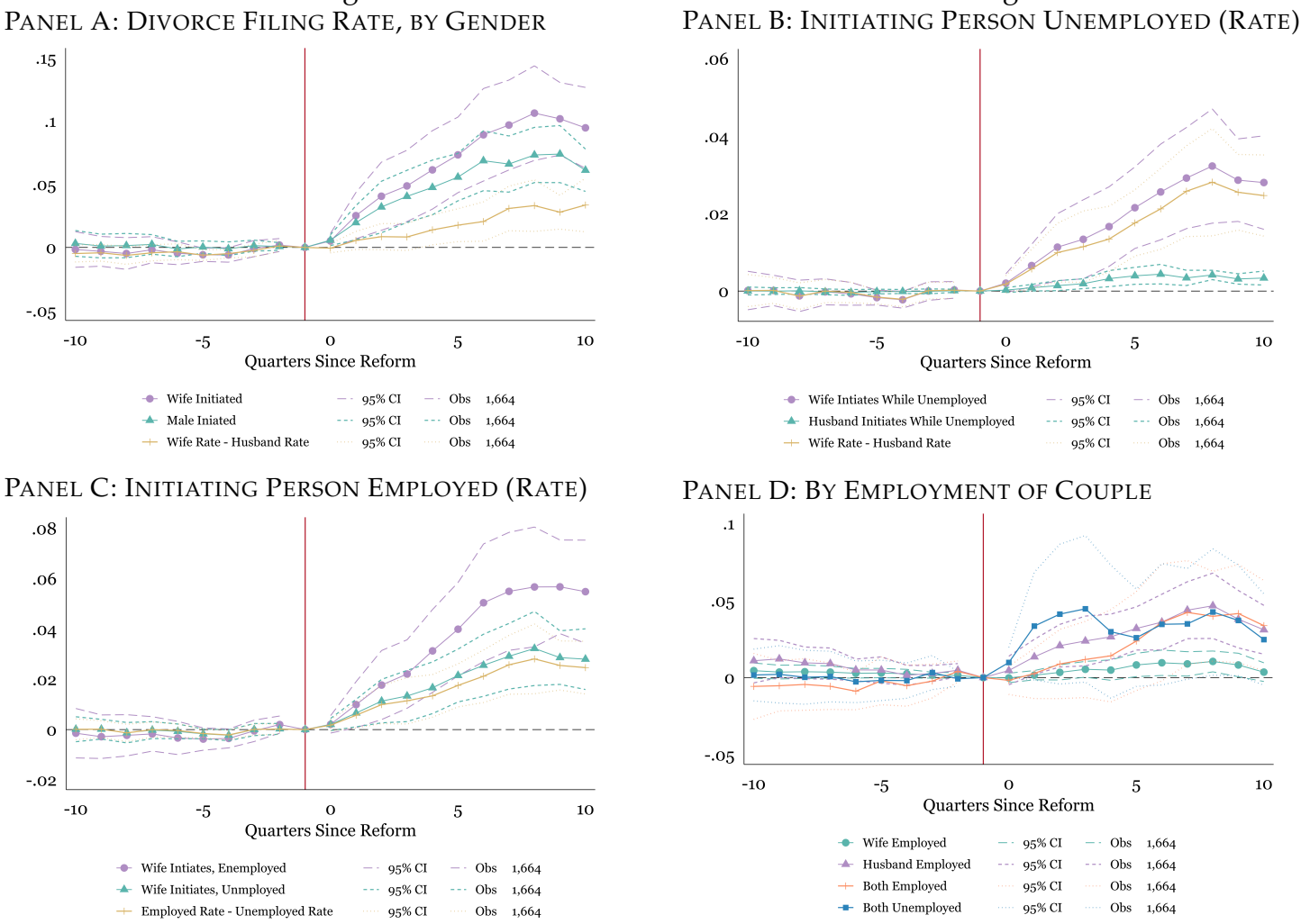
Panel A: Ten-year Intervals

Panel B: Five-year Intervals

NOTES: Plotted coefficient are event-study dummy variables, β_T, from a weighted least squares estimation of Equation 1. Each plotted point represents the time before and after the unilateral reform, excluding the period just before adoption $T = -1$. Weights are based on the state population over age 15. Solid lines represent point estimates. Dashed and dotted lines display the 95 percent confidence intervals. The divorce rate is reported per 1,000 persons over age 15. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends.Controls include annual state economic activity and the state-level unemployment rate. Robust standard errors are clustered at the state level

SOURCE: INEGI divorce statistics.

Figure V: Effect of Reform on Individual Divorce Filings

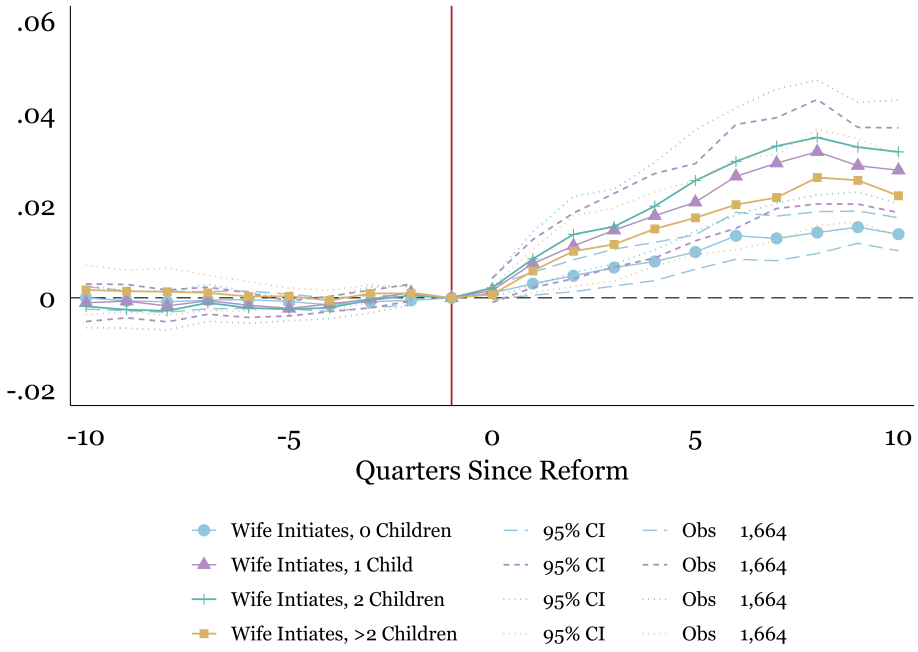


NOTES: Plotted coefficient are event-study dummy variables, β_T, from a weighted least squares estimation of Equation 1. Each plotted point represents the time before and after the unilateral reform, excluding the period just before adoption $T = -1$. Weights are based on the state population over age 15. Solid lines represent point estimates. Dashed and dotted lines display the 95 percent confidence intervals. The divorce rate is reported per 1,000 persons over age 15. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends.Controls include annual state economic activity and the state-level unemployment rate. Robust standard errors are clustered at the state level

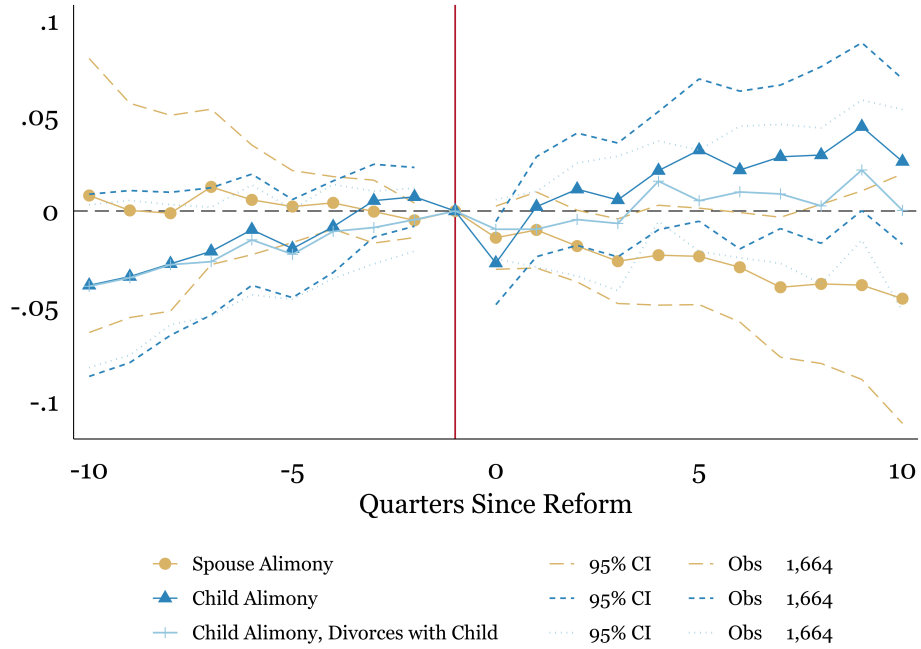
SOURCE: INEGI divorce statistics.

Figure VI: Effect of Reform on Filings with Children and Child Support

PANEL A: DIVORCE RATE, INITIATING WOMEN BY NUMBER OF CHILDREN



PANEL B: SHARE OF DIVORCES RECEIVING ALIMONY AND CHILD SUPPORT



NOTES: Plotted coefficient are event-study dummy variables, β_T, from a weighted least squares estimation of Equation 1. Each plotted point represents the time before and after the unilateral reform, excluding the period just before adoption $T = -1$. Weights are based on the state population over age 15. Solid lines represent point estimates. Dashed and dotted lines display the 95 percent confidence intervals. The divorce rate is reported per 1,000 persons over age 15. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends.Controls include annual state economic activity and the state-level unemployment rate. Robust standard errors are clustered at the state level

SOURCE: INEGI divorce statistics.

9 Tables

Table 1: Unilateral Divorce Legislation Year and State

Region	State	Year	Legal Code	Divorce Articles
Central	Mexico City	2008	Civil	266, 267, 272
	Guanajuato		Civil	328, 323, 329
	Hidalgo	2011	Family	102, 103
	Mexico	2012	Civil	4.89, 4.91, 4.191, 4.102, 4.105
	Morelos	2016	Family	174, 175
	Puebla	2016	Civil	442 - 453
	Queretaro	2015	Civil	246, 249, 252, 253
	Tlaxcala	2016	Civil	123, 125
North	Aguascalientes	2015	Civil	288, 289, 294, 295, 296, 298
	Baja California		Civil	264, 269, 271
	Baja California Sur		Civil	305, 273, 277, 278, 279, 284, 288, 289
	Coahuila	2013	Civil	362, 363, 369, 374
	Chihuahua	2016	Civil	255, 256
	Durango	2016	Civil	261-286
	Nuevo Leon	2014	Civil	267, 272, 274
	San Luis Potosi	2016	Family	86, 87
	Sinaloa	2013	Family	181, 182, 184
	Sonora	2015	Family	141-156
	Tamaulipas	2014	Civil	248, 249, 253
	Zacatecas		Family	214, 215, 223, 224, 231
West	Colima	2016	Civil	267, 268, 272, 273, 278
	Jalisco		Civil	404, 405
	Michoacan	2016	Family	256, 257, 258
	Nayarit	2015	Civil	221, 260, 261, 263, 265
South-East	Campeche	2014	Civil	281, 282, 283, 284, 287
	Chiapas	2014	Civil	263, 268, 269, 270
	Guerrero	2012	Ley de Divorcio	4, 11, 12, 13, 16, 17, 27, 28, 44
	Oaxaca	2017	Civil	278, 279, 284, 285
	Quintana Roo	2016	Civil	798, 799, 800, 801, 804, 805
	Tabasco	2015	Civil	257, 258, 267, 268, 269, 272
	Veracruz	2015	Civil	141, 146, 147, 148, 150
	Yucatan	2013	Family	191, 192

SOURCES: Family and civil codes of each state. Popular press articles. Garcia-Ramos (2017). Mendez-Sachez (2014). When the sources conflict, we default to the quarter-year combination where the number of unilateral divorces sentenced passes ten for each state in the national data (see INEGI).
NOTES: Author's combination of the above sources. States with blank year had not passed unilateral divorce as of 2016/2017. The last year of the sample in the ENIGH is 2016, so passage after 2016 will not affect results.

Table 2: Divorce Summary Statistics

PANEL A: EACH DIVORCE FILING, BY TYPE

	Not Unilateral	*Unilateral*	*Difference*
	Mean	Mean	b
Type			
Mutual Consent	0.764	0.000	0.76***
With Cause	0.233	0.000	0.23***
Judicial	0.834	0.997	-0.16***
Admin	0.166	0.003	0.16***
Characteristics			
Male Initiated	0.101	0.358	-0.26***
Female Initiated	0.130	0.485	-0.35***
Both Initiated	0.766	0.118	0.65***
Alimony Kids	0.552	0.580	-0.03***
Alimony Spouse	0.057	0.042	0.02***
Alimony Kids and Spouse	0.049	0.032	0.02***
Has Child	0.696	0.800	-0.10***
Kids	1.890	1.674	0.22***
Marriage length	13.878	15.640	-1.76***
N	925,517	300,386	1,225,903

PANEL B: STATES, BY UNILATERAL REFORM

	Not Unilateral	*Unilateral*	*Difference*
	Mean	Mean	b
Type			
Mutual Consent	0.747	0.406	0.34***
With Cause	0.251	0.099	0.15***
Judicial	0.868	0.871	-0.00
Admin	0.132	0.129	0.00
Characteristics			
Female Initiated	0.139	0.265	-0.13***
Male Initiated	0.110	0.219	-0.11***
Alimony Kids	0.581	0.507	0.07***
Alimony Spouse	0.068	0.042	0.03***
Alimony Kids and Spouse	0.058	0.034	0.02***
Both Initiated	0.748	0.471	0.28***
Child	0.726	0.685	0.04***
Kids	1.921	1.691	0.23***
Marriage length	13.820	15.093	-1.27***
Property			
Shared Property	0.570	0.609	-0.04
Separate Property	0.266	0.320	-0.05**
Not Specified Property	0.165	0.071	0.09***
Rates			
Divorces Rate per 1,000 Persons >15	0.297	0.412	-0.12***
Marriage Rate Per 1,000 Persons >15	1.868	1.603	0.27***
Death Rate Per 10,000 Persons	17.223	18.495	-1.27***
Birth Rate Per 1,000 Women	9.947	7.783	2.16***
Fetal Death Rate Per 1,000 Births	8.648	12.178	-3.53***
N	1,160	376	1,536

SOURCE: INEGI divorce statistics (2005-2016). Panel A presents summary statistics for the original micro data. Panel B displays quarterly state-level aggregates of the micro data.

Table 3: Robustness Checks on Event Study: Unilateral Reform and Divorce Rates

EVENT STUDY:	DIVORCE RATE						
Specification:	*Per Marriage* (1)	*Adjac.* (2)	*Pre-R x Trend* (3)	*Pre-R x Year* (4)	*Reform Only* (5)	*Grouped Pre* (6)	*Ad. Controls* (7)
T=-10	0.004	0.011	0.011	0.038	0.012		0.001
	(0.023)	(0.018)	(0.018)	(0.028)	(0.019)		(0.020)
T=-9	0.009	0.013	0.012	0.037*	0.013		0.007
	(0.017)	(0.013)	(0.013)	(0.020)	(0.014)		(0.014)
T=-8	0.005	0.009	0.009	0.031	0.010		0.003
	(0.018)	(0.014)	(0.014)	(0.020)	(0.015)		(0.015)
T=-7	0.004	0.008	0.008	0.031*	0.009		0.001
	(0.016)	(0.011)	(0.011)	(0.017)	(0.012)		(0.013)
T=-6	-0.012	-0.004	-0.004	0.017	-0.002		-0.009
	(0.014)	(0.009)	(0.009)	(0.015)	(0.010)		(0.011)
T=-5	-0.001	0.004	0.004	0.025**	0.004		-0.000
	(0.015)	(0.010)	(0.010)	(0.012)	(0.011)		(0.011)
T=-4	-0.011	-0.003	-0.003	0.016	-0.004		-0.007
	(0.017)	(0.011)	(0.011)	(0.013)	(0.012)		(0.011)
T=-3	0.005	0.005	0.005	0.018	0.006		0.003
	(0.012)	(0.008)	(0.008)	(0.011)	(0.009)		(0.008)
T=-2	0.014	0.009*	0.009*	0.018*	0.010*		0.007
	(0.009)	(0.005)	(0.005)	(0.010)	(0.006)		(0.006)
T=0	0.018	0.012	0.012	0.010	0.012	0.010	0.010
	(0.018)	(0.011)	(0.011)	(0.011)	(0.011)	(0.010)	(0.011)
T=1	0.086***	0.051***	0.051***	0.044**	0.051***	0.049***	0.052***
	(0.028)	(0.017)	(0.017)	(0.016)	(0.017)	(0.018)	(0.017)
T=2	0.134***	0.074***	0.074***	0.066***	0.074***	0.072***	0.080***
	(0.038)	(0.023)	(0.023)	(0.022)	(0.023)	(0.023)	(0.024)
T=3	0.159***	0.085***	0.085***	0.069***	0.086***	0.084***	0.094***
	(0.034)	(0.022)	(0.021)	(0.019)	(0.022)	(0.022)	(0.022)
T=4	0.196***	0.075**	0.075**	0.056**	0.075**	0.074**	0.085**
	(0.038)	(0.029)	(0.029)	(0.027)	(0.029)	(0.030)	(0.033)
T=5	0.222***	0.090***	0.090***	0.056**	0.090***	0.089***	0.098**
	(0.037)	(0.027)	(0.027)	(0.026)	(0.027)	(0.027)	(0.036)
T=6	0.262***	0.116***	0.116***	0.076**	0.116***	0.116***	0.130***
	(0.064)	(0.031)	(0.031)	(0.028)	(0.031)	(0.032)	(0.043)
T=7	0.273***	0.130***	0.130***	0.088***	0.130***	0.130***	0.152***
	(0.062)	(0.026)	(0.026)	(0.021)	(0.027)	(0.027)	(0.036)
T=8	0.275***	0.139***	0.139***	0.086***	0.140***	0.141***	0.166***
	(0.054)	(0.024)	(0.024)	(0.021)	(0.024)	(0.026)	(0.034)
T=9	0.234***	0.125***	0.125***	0.057**	0.125***	0.127***	0.133***
	(0.046)	(0.025)	(0.025)	(0.024)	(0.025)	(0.026)	(0.025)
T=10	0.194***	0.093***	0.093***	0.020	0.093***	0.097***	0.100***
	(0.046)	(0.024)	(0.024)	(0.028)	(0.024)	(0.026)	(0.032)
N	1,536.00	1,664.00	1,664.00	1,664.00	1,612.00	1,664.00	1,596.00
R-sq	0.92	0.89	0.89	0.90	0.89	0.90	0.89
Mean Dep. Var.	0.48	0.30	0.30	0.30	0.31	0.30	0.30
Time FE	X	X	X	X	X	X	X
State FE	X	X	X	X	X	X	X
State x Time	X	X	X	X	X	X	X
State x Time-sq	X	X	X	X	X	X	X

NOTES: Coefficients are event-study dummy variables, β_m, from a weighted least squares estimation of Equation 1. The period before the reform (-1) is the excluded period. Each period (T) represents a quarter-year. The divorce rate is reported per 1,000 persons over age 15. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends. Robust standard errors are clustered at the state level Significance levels reported at the 10, 5, and 1 percent levels. *Per marriage* indicates the divorce rate per married person over age 15. To create this variable we follow Wolfers (2006) and divide the divorce rate by the proportion of adults over age 15 in a state that are married in each year. This calculation is done using the IPUMS data for Mexico in 2000, 2010, and 2015. *Adjac.* Controls for the percentage of neighbors who adopt unilateral divorce legislation. *Pre-R* indicates the proportion of adults who are divorced in the IPUMS data in 2000. *Pre-R x Trend* is interacted with a linear trend. *Pre-R x Year* indicates the percentile (0-20,20-40,40-60,60-80,80-100) of ever divorced rate in 2000 interacted with year fixed effects. *Reform Only* indicates reform states. *Grouped Pre* groups all periods before time zero as the pre-adoption period. *Ad. Controls* adds controls for the death rate, the marriage rate, the birth rate, and the fetal death rate in each state.
SOURCE: INEGI divorce statistics.

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A Appendix: For Online Publication

Table A1: Event Study: Unilateral Reform and Divorce Rates

EVENT STUDY:	DIVORCE RATE			
Specification:	*No State FE*	*Basic*	*Linear*	*Quadratic*
	(1)	(2)	(3)	(4)
T=-10	0.036	0.007	0.027***	0.011
	(0.028)	(0.010)	(0.009)	(0.018)
T=-9	0.010	0.010	0.019**	0.012
	(0.015)	(0.011)	(0.007)	(0.013)
T=-8	0.011	0.005	0.014	0.009
	(0.014)	(0.012)	(0.009)	(0.014)
T=-7	0.007	0.005	0.012	0.008
	(0.013)	(0.009)	(0.008)	(0.011)
T=-6	-0.003	-0.007	-0.000	-0.004
	(0.010)	(0.009)	(0.008)	(0.009)
T=-5	0.001	0.003	0.007	0.004
	(0.008)	(0.009)	(0.008)	(0.010)
T=-4	-0.006	-0.004	-0.001	-0.003
	(0.012)	(0.010)	(0.009)	(0.011)
T=-3	0.010	0.003	0.007	0.005
	(0.008)	(0.007)	(0.007)	(0.008)
T=-2	0.011*	0.009*	0.011**	0.009*
	(0.006)	(0.005)	(0.005)	(0.005)
T=0	0.013	0.013	0.012	0.012
	(0.009)	(0.011)	(0.011)	(0.011)
T=1	0.055***	0.049***	0.048***	0.051***
	(0.017)	(0.018)	(0.017)	(0.017)
T=2	0.070***	0.075***	0.070***	0.074***
	(0.023)	(0.021)	(0.021)	(0.023)
T=3	0.079***	0.089***	0.081***	0.085***
	(0.020)	(0.020)	(0.019)	(0.021)
T=4	0.071**	0.078***	0.071**	0.075**
	(0.029)	(0.027)	(0.027)	(0.029)
T=5	0.083***	0.095***	0.085***	0.090***
	(0.028)	(0.027)	(0.026)	(0.027)
T=6	0.114***	0.126***	0.111***	0.116***
	(0.033)	(0.031)	(0.031)	(0.031)
T=7	0.143***	0.152***	0.128***	0.130***
	(0.034)	(0.029)	(0.027)	(0.026)
T=8	0.161***	0.179***	0.147***	0.139***
	(0.044)	(0.035)	(0.029)	(0.024)
T=9	0.178***	0.183***	0.141***	0.125***
	(0.044)	(0.033)	(0.028)	(0.025)
T=10	0.117***	0.160***	0.114***	0.093***
	(0.035)	(0.029)	(0.024)	(0.024)
N	1,664.00	1,664.00	1,664.00	1,664.00
R-sq	0.25	0.82	0.87	0.89
Mean Dep. Var.	0.30	0.30	0.30	0.30
Time FE	X	X	X	X
State FE		X	X	X
State x Time			X	X
State x Time-sq				X

NOTES: Coefficients are event-study dummy variables, β_m, from a weighted least squares estimation of Equation 1. The period before the reform (-1) is the excluded period. Each period (T) represents a quarter-year. The divorce rate is reported per 1,000 persons over age 15. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends. Robust standard errors are clustered at the state level Significance levels reported at the 10, 5, and 1 percent levels.
SOURCE: INEGI divorce statistics.

A.1 Labor Supply, Marriage Rates, and Birth Rates

There are many studies that analyze how female labor force participation responds to unilateral divorce legislation. For example, Stevenson (2008) shows that women increased their labor force participation as a result of the wave of unilateral divorce laws in the United States. This increased labor supply indicates that both married and unmarried women are insuring themselves against divorce by remaining active in the labor force. The liberalization of divorce prevents women from participating in household production which has little market value. As the division of spousal labor force participation and household tasks might vary significantly by country, these results from the United States cannot be immediately applied to the Mexican context. Furthermore, because the United States reforms occurred in the 70s, the cultural context might have more generally shifted in the past 40 years. With more women participating in the labor force generally, there might be a muted effect of the divorce legislation.

In Figure B.I Panel A we consider how the unilateral reform affects both male and female employment. Before and immediately after the reform, there does not appear to be a shift in female or male employment. About 18 months post-reform female employment does appear to increase. Instead of anticipating or immediately reacting to the reform, women increase their employment with a lag. This effect is either a delayed insurance response, where women observe the lower cost to divorce over time and then enter the labor force. Alternatively, women undergoing a divorce enter the labor force upon failing to receive adequate alimony. The response is not definitive, however, and the results with benefit from additional years of data.

Divorce legislation may also affect whether individuals are willing to enter into marriages and change the overall marriage rate in adopting states. Having easier access to divorce could raise the likelihood of couples marrying if individuals view lax divorce laws as an an easy exit option. Changing cultural norms around divorce, however, may have the reverse effect if the societal status of marriage changes and individuals have a lower desire to marry. To test these stories, we plot the marriage rate in Figure B.II. The coefficients reveal that neither story is definitively present in the data. Marriage rates are relatively constant after the passage of unilateral divorce, with the coefficients hovering around zero for the ten periods after the reform.

As divorces may also affect the decision to have children once the couple is married we next test the birth rate in addition to the marriage rates. In Figure B.II the birth rate is plotted in yellow. Following the legislation, the birth rate declines slightly, but the confidence intervals are quite wide surrounding the point estimates. In the immediate wake of the reform, neither the birth rate nor the marriage rate substantially responds to the divorce reform. As with the main results on divorce rates, it is possible that with a longer series of data the effect for either outcomes may become more apparent as the societal norms surrounding divorce begin to shift.

Figure B.I: Effect of Reform on Labor Force Participation

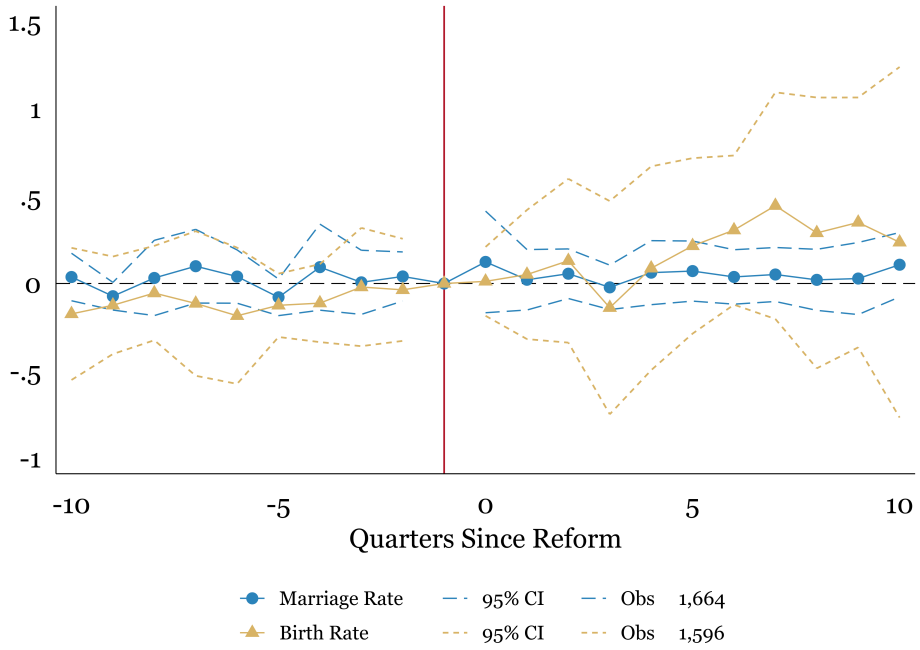
PANEL A: EMPLOYMENT

PANEL B: OUT OF LABOR FORCE

NOTES: Plotted coefficient are event-study dummy variables, β_T, from a weighted least squares estimation of Equation 1. Each plotted point represents the time before and after the unilateral reform, excluding the period just before adoption $T = -1$. Weights are based on the state population over age 15. Solid lines represent point estimates. Dashed and dotted lines display the 95 percent confidence intervals. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends.Controls include annual state economic activity and the state-level unemployment rate. Robust standard errors are clustered at the state level

SOURCE: INEGI divorce statistics.

Figure B.II: Effect of Reform on Marriage and Birth Rates



NOTES: Plotted coefficient are event-study dummy variables, β_T, from a weighted least squares estimation of Equation 1. Each plotted point represents the time before and after the unilateral reform, excluding the period just before adoption $T = -1$. Weights are based on the state population over age 15. Solid lines represent point estimates. Dashed and dotted lines display the 95 percent confidence intervals. Fixed effects are included for at state level; the quarter, year, and quarter-year; linear state-by-quarter-year time trends; quadratic state-by-quarter-year time trends.Controls include annual state economic activity and the state-level unemployment rate. Robust standard errors are clustered at the state level

SOURCE: INEGI divorce statistics.