

Voena (2015) Outline

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- Background context
 - During the 1970s and 1980s, spouses were able to obtain a divorce without the consent of their partner and keep a portion of the shared assets
- Research questions
 - How does unilateral divorce and equitable distribution impact the intertemporal behavior of couples?
 - How does the divorce legal system affect the private consumption insurance opportunities available to couples and the well-being of married and divorced women?
- Methods
 - Data
 - Panel Study of Income Dynamics
 - National Longitudinal Survey of Young and Mature Women
 - Two facts emerge from data:
 - Unilateral divorce in states where property is divided equally leads to higher accumulation of assets compared to states where property is not divided by the courts
 - Unilateral divorce in states where property is divided equally was associated with women being less likely to work
 - Structural model to compute welfare effects of the reforms and perform counterfactual experiments
 - Indirect inference
 - Replicates responses of assets accumulation and female employment when the wife's share of household resources in marriage before the reforms is sufficiently low
- Contributions of this paper
 - Develops and estimates a dynamic model that incorporates divorce policy
 - Documents and explains the empirical relationship between changes in divorce laws and saving behavior of married couples
 - Illustrates implications of the current US property division laws on couples welfare