Complex Marital Histories and Economic Well-being: The Continuing Legacy of Divorce and Widowhood as the HRS Cohort Approaches Retirement

Karen C. Holden, PhD, Hsiang-Hui Daphne Kuo, PhD
We use data from the first wave of the Health and Retirement Survey (HRS) to examine the marital histories of this cohort of women and men on the verge of retirement. The legacy of past increases in divorce rates is evident in the complex marital histories of HRS households and the relationship between those histories and current economic status. Couples in a first marriage now make up only one-quarter of black households and fewer than half of all white and Hispanic households. In over one-third of all married-couple households, at least one spouse had a previous marriage that ended in divorce or widowhood. These couples have significantly lower incomes and assets than couples in first marriages. Contrary to the popular notion that private and public insurance better provide for the security of widows than divorced persons, currently widowed households and couples in which the prior marriage of one spouse had ended in widowhood are no better off than are their divorced peers. This holds true for both black and white households. From a single cross-section, one cannot tell what caused these differences in income and wealth across marital status groups although it is clear that women and blacks spend a higher percentage of their lifetime outside of marriage than do men and whites. We also speculate from estimates of widowhood expectations for a subset of married respondents that underestimating the chances of widowhood — because both men and women overestimate their chances of joint survival — may be a factor in the relatively low economic status of widows. Because couples in life-long marriages have been the traditional standard upon which marital property reform and the survivorship rules of private and public programs are based, their diminishing importance among all households raises concern about the protection provided by these institutions against the long-term economic consequences of past and future marital dissolution.

Key Words: Marital status, Widowhood, Economic well-being

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In 1960, 53% of all women in the United States who were 65 years of age and older were widowed. In 1990, only 37.2% of this age group were widowed, as declining mortality among men outweighed the higher probability that women would survive after their husbands’ deaths. At the same time, the persistent increase in divorce during the post-war period led to a growing proportion of the elderly who were divorced. In 1990, 13.2% of older women were divorced compared to only 1.5% in 1960 (Taeuber, 1992). These trends in marital status most likely had off-setting results because the effect on the incomes of women of divorce and relatively early widowhood are remarkably alike (Holden & Smock, 1991). Although women are now less likely to experience the long-term economic consequences of early widowhood, marital dissolution among women is increasingly associated with divorce, a marital status change that leads to long-term declines in economic status among women who do not remarry (Duncan & Hoffman, 1985; Hoffman, 1977). Some of the measured consequences of marital dissolution are due to the lower incomes even when married of couples at greatest risk of marital dissolution and their consequent inability to insure against widowhood or share limited resources between two households. Yet the steepest declines in family income occur for women with the highest family income prior to divorce and widowhood and for blacks (Duncan & Hoffman, 1985; Holden & Smock, 1991). Why divorce and widowhood have had similar economic consequence for women and why the effect is far greater for women than for men and among blacks remains a puzzle because a well-developed life insurance market and...
mandated survivor pension options permit couples to insure against the economic consequences of a spouse’s death, and changes in child support and property law have sought to provide more equal protection to spouses against the consequences of divorce.

On the other hand, the economic experiences of the relatively young couples whose divorce experience has been studied and the widowhood experience of cohorts now retired may provide an imperfect guide to the long-term impact of marital dissolution on the economic status of individuals now approaching retirement. Investment and insurance options have expanded over the past decade and the 1984 Retirement Equity Act tightened vesting rules in pensions and restricted the rights of pension-covered workers to choose against a survivorship option. The economic consequences of divorce may be severe when children are still at home, but diminish as they leave home and as former wives are able to enter the workforce and build retirement savings. Remarriage is likely to improve the economic well-being of formerly divorced and widowed women. As women enter either a first or second marriage with a substantial work history, their own income and asset accumulation may provide a more secure cushion against income falls upon a subsequent widowhood or divorce.

It may also be, however, that the rising prevalence of divorce among women and men presents an additional vulnerability to women even for those who remarry. Men in second marriages may hold premarital assets separately from their spouse, may have already shared marital assets with their first wife, or may choose to leave a share of assets to children from a prior marriage. If wives bring into the marriage their own assets, both they and their husbands may choose to consume more of their joint resources when both are alive rather than preserving some share for those years when only the wife may survive. Black women may be particularly vulnerable to the long-term economic consequences of marital disruption to the extent that divorce is more likely in this population.

The HRS cohort provides an opportunity to explore the long-term legacy of prior marital dissolution and remarriage for women and men approaching retirement and the years in which they are most vulnerable to widowhood. This article is a first step in the exploration of how marital histories may shape the widowhood experience during the 1990s. It is a first step in that it uses data from only the first HRS interview. With a single cross-section, we can only examine the prevalence of prior marriages and the relationship between marital history and current economic status. Although the data reported here tell us little about what caused the observed relationships between marital and economic status, they do indicate the importance of one source of continuing economic vulnerability for this cohort and provide a baseline against which to judge future changes.

This article is organized as follows. In the next section we describe the HRS data and the sample used in the article. We briefly discuss some problems in using the HRS marital history data, in part to explain how we dealt with these problems as well as to alert other users of the data. Section three describes current marital status and the complex marital histories of the HRS cohort, in all cases distinguishing by race. Section four compares measures of economic well-being across marital status categories and for blacks and whites separately. The aim of these two sections is to explore the influence of marital dissolution and second marriages for this cohort. The next section explores some factors that may increase the vulnerability of women to the long-term economic consequences of marital status change. The article concludes with some observations on the long-term consequences of marital status changes and suggestions for further research.

Data

The data are from the Health and Retirement Survey (Juster & Suzman, 1995), a nationally representative sample of 7,703 households with at least one person aged 51–61 in 1992. A total of 12,654 persons were interviewed. Unmarried persons are by definition in the sample age range. If a sampled person was married, the spouse was also interviewed regardless of age. The expectation is that this sample will be interviewed at two-year intervals, although at the time of this writing only data from the first wave were publicly available.

The results in this article are presented for households, because married individuals are overrepresented in the HRS. Although in each couple household, an “R1” and “R2” spouse is identified, this is not a sampling designation; the R1 spouse is merely the spouse who could most knowledgeably answer the financial questions. Thus, the term respondent as used in this article refers generically to individuals (R1s and/or R2s) providing the relevant information.

Marital Histories. — Early in the interview, respondents were asked their marital status (married, partner, separated, divorced, widowed, never married) and about prior marriages. All respondents were asked the number of marriages and the ending and beginning dates of all marriages. For most respondents, the reason a previous marriage dissolved was asked. However, persons living with a partner and who had been married before but only once were not asked how that marriage ended. Because we do not know whether these marriages ended in separation, divorce, or widowhood, partner couples are not characterized further by prior marital histories and are excluded from those tables in which marital history is a key variable. The marital histories for several hundred households required close checking and correction. The data reported here incorporate corrections that could be made but cases that could not be corrected had to be dropped from the analysis file.

1. Some marriages were reported in the wrong chronological order on the file. These were fairly easy to identify and correct.
2. Marriages sometimes appeared to be repeated, with identical beginning and end dates for two marriages. A correction in repeated dates also required an adjustment to total number of reported marriages.
3. Some respondents did not report either ending or beginning dates of certain or all marriages. A small number could be recoded into meaningful date/duration although for 269 cases we could find no solution. These cases are among those excluded.

**Expectation of Widowhood.** — An important innovation of the HRS was its asking respondents about their expectations of future key life cycle events. Among these expectation questions are two asking about chances of survival to a particular age. All HRS respondents (both R1s and R2s) were asked:

"Using any number from zero to ten where 0 equals absolutely no chance and 10 equals absolutely certain, what do you think are the chances that you . . . will live to be 75 or more? . . . will live to be 85 or more? [Questions L7 and L8]

In addition, one of the experimental modules [Module J] administered to a sample of HRS households asked one household respondent:

". . . what do you think are the chances that your husband/wife/partner . . . will live to be 75 or more? . . . will live to be 85 or more? [Questions MJ4 and MJ5]

Thus, for married respondents to module J we have their estimates of both their own and their spouse’s chances of survival to a given age. We use these to calculate their implicit perceived probabilities of widow(er)hood.

**The Complex Marital Histories of the HRS Cohort**

The purpose of this article is to explore the complex marital histories that may be obscured by looking simply at current marital status, and so we first look at the marital histories of currently married couples, distinguishing by three race groups (Table 1). The number of persons in other racial groups is too small for meaningful comparison and is not included in this and other tables. In panel A, couples are categorized by whether the current marriage is the first for both spouses, for only one, or for neither. Panel B shows the percent of couples for which either spouse had a prior marriage ending in divorce or widow(er)hood. Although the categories in panel A are mutually exclusive, the two in panel B are not.

In over one-third of all couples, one or both spouses had a prior marriage, with a preponderance of couples in which both spouses had been married before. Not surprisingly, most dissolved marriages had ended in divorce, although a not insignificant percentage ended because of a former spouse’s death. Differences across races in the percentage of couples in first marriages are consistent with the higher marital dissolution rates among blacks than whites, although a higher proportion of white than black and Hispanic couples are in a marriage that is the second marriage for both spouses.

Table 2 shows the marital status of all HRS households, distinguishing married couples by their marital histories. Black and Hispanic households are more likely to be divorced and widowed than are white households. Although marriage remains the modal status for black households, fewer than one-quarter of all black households include a married couple. More striking is that among these households on the threshold of retirement, fewer than one-quarter of all black households and just under half of white and Hispanic households consist of couples for which the marriage is the first for both spouses. For the HRS cohort and for all race groups, marital dissolution because of divorce or widowhood is already a majority experience and, hence, one that must be given prominence in examining the economic security of households as they approach retirement and, if married, face an increasing risk of widow(er)hood.

**Economic Status**

The HRS provides a wealth of income and asset data with which to examine the relative economic status of households of various marital statuses. In Table 3 we compare economic status across ever-married households. The unit of analysis is still the household, although we distinguish by sex because not to do so obscures important differences in economic status between unmarried men and women living alone. To avoid an implicit comparison of un-

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**Table 1. Marital History of Couples in the HRS**

<table>
<thead>
<tr>
<th>Status</th>
<th>All couples</th>
<th>Blacks</th>
<th>Whites</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of current marriage</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Both spouses in first marriage</td>
<td>63.6</td>
<td>57.9</td>
<td>63.6</td>
<td>71.8</td>
</tr>
<tr>
<td>Only one spouse in first marriage</td>
<td>14.8</td>
<td>22.7</td>
<td>13.4</td>
<td>15.8</td>
</tr>
<tr>
<td>Neither spouse in first marriage</td>
<td>21.6</td>
<td>19.4</td>
<td>23.0</td>
<td>12.4</td>
</tr>
<tr>
<td>All couples†</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Summary of marital history</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At least one spouse is ever widowed</td>
<td>7.4</td>
<td>9.0</td>
<td>7.2</td>
<td>7.3</td>
</tr>
<tr>
<td>At least one spouse is ever divorced</td>
<td>33.8</td>
<td>38.5</td>
<td>34.1</td>
<td>23.2</td>
</tr>
</tbody>
</table>

Notes: N = 4,760. All data are weighted.
†Partner couples are excluded because for them we do not know why marriages ended (see text).
married individuals in this cohort with married persons of the same sex who are out of the sample age range, the economic status of unmarried men and women is compared to that of married couples in which the spouse of the same sex is in the sample age range. The comparison couples are labeled "female" or "male" couples if the wife or husband, respectively, is in the sample age range. A couple with both husband and wife in the sample age range will be in both couple groups. In "male" couples, husbands, by definition, are in the 51–61 age range while in "female" couples, the husbands, on average older than their wives, may be older than 61. To the degree that older men report lower income and assets, "female" couples will be worse off than are "male" couples despite considerable overlap in these two groups. We use household income and asset measures from the HRS public use file. These incorporate HRS-provided imputations. We exclude households with zero total income, although households with zero assets were retained. While our household categories are different, our poverty rates are comparable to those reported in Moon and Juster (1995). Sample size for Hispanic couples is too small for meaningful comparisons when disaggregating by marital history groups, so we compare only black and white households.

Table 3 suggests that the economic story across marital status is not substantially different for the HRS than for earlier cohorts. Income to needs (household income adjusted for family size using the poverty threshold) and poverty rates are compared to couples in which both the husband and wife are in their first marriage. Compared to these "traditional" couples, income and assets appear to be associated with a prior marital dissolution. Among both black and white households, income-to-needs ratios and assets are significantly lower for currently divorced and widowed women. Apparently, having experi-

<table>
<thead>
<tr>
<th>Status</th>
<th>Blacks</th>
<th>Whites</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>44.1</td>
<td>73.1</td>
<td>60.7</td>
</tr>
<tr>
<td>Both in 1st marriage</td>
<td>25.7</td>
<td>46.3</td>
<td>43.7</td>
</tr>
<tr>
<td>Ever widowed†</td>
<td>4.1</td>
<td>5.3</td>
<td>4.3</td>
</tr>
<tr>
<td>Ever divorced</td>
<td>14.3</td>
<td>21.5</td>
<td>23.7</td>
</tr>
<tr>
<td>Divorce/separated</td>
<td>30.2</td>
<td>15.8</td>
<td>22.9</td>
</tr>
<tr>
<td>Widowed</td>
<td>15.2</td>
<td>6.7</td>
<td>8.7</td>
</tr>
<tr>
<td>Partner*</td>
<td>1.7</td>
<td>0.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Never married</td>
<td>8.8</td>
<td>3.9</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Notes: N = 7,073. Data are weighted.
†In categorizing households by the marital histories of spouses, widowhood is given priority.
*We do not know the marital histories of partner couples (see text).

Table 3. Measures of Economic Well-Being by Marital Status

<table>
<thead>
<tr>
<th>Household</th>
<th>Divorced</th>
<th>Widowed</th>
<th>In first marriage</th>
<th>Ever widowed*</th>
<th>Ever divorced*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male Households (N = 4,646)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income to needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>2.46*</td>
<td>2.29*</td>
<td>4.00</td>
<td>3.19</td>
<td>3.93</td>
</tr>
<tr>
<td>White</td>
<td>4.95*</td>
<td>3.78**</td>
<td>5.84</td>
<td>4.71*</td>
<td>5.40**</td>
</tr>
<tr>
<td>Poverty rates (percent poor)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>41.4**</td>
<td>30.0*</td>
<td>11.5</td>
<td>22.0**</td>
<td>13.6</td>
</tr>
<tr>
<td>White</td>
<td>14.7*</td>
<td>17.9*</td>
<td>4.3</td>
<td>7.4**</td>
<td>5.6</td>
</tr>
<tr>
<td>Mean net worth ($1,000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>44.0*</td>
<td>56.9*</td>
<td>138.3</td>
<td>90.5</td>
<td>110.7</td>
</tr>
<tr>
<td>White</td>
<td>204.0*</td>
<td>168.3*</td>
<td>351.3</td>
<td>255.4*</td>
<td>270.4*</td>
</tr>
<tr>
<td>Mean nonhousing net worth ($1,000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>31.7**</td>
<td>27.4*</td>
<td>92.7</td>
<td>60.0</td>
<td>74.4</td>
</tr>
<tr>
<td>White</td>
<td>168.4*</td>
<td>134.5**</td>
<td>263.8</td>
<td>188.0*</td>
<td>212.7**</td>
</tr>
<tr>
<td>Female Households (N = 4,392)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income to needs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>2.34*</td>
<td>1.81*</td>
<td>4.00</td>
<td>2.73**</td>
<td>3.19**</td>
</tr>
<tr>
<td>White</td>
<td>3.09*</td>
<td>2.82*</td>
<td>5.77</td>
<td>4.69*</td>
<td>5.04*</td>
</tr>
<tr>
<td>Poverty rates (percent poor)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>30.9**</td>
<td>40.9*</td>
<td>11.8</td>
<td>23.8**</td>
<td>17.8</td>
</tr>
<tr>
<td>White</td>
<td>18.1*</td>
<td>21.4*</td>
<td>4.9</td>
<td>8.0**</td>
<td>6.2</td>
</tr>
<tr>
<td>Mean net worth ($1,000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>68.7**</td>
<td>41.2*</td>
<td>151.2</td>
<td>64.2*</td>
<td>86.4**</td>
</tr>
<tr>
<td>White</td>
<td>109.6*</td>
<td>152.9*</td>
<td>365.8</td>
<td>254.7*</td>
<td>269.1*</td>
</tr>
<tr>
<td>Mean nonhousing net worth ($1,000s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>50.8</td>
<td>18.9*</td>
<td>103.1</td>
<td>42.7**</td>
<td>55.8</td>
</tr>
<tr>
<td>White</td>
<td>67.7*</td>
<td>99.6*</td>
<td>277.3</td>
<td>189.0*</td>
<td>211.8*</td>
</tr>
</tbody>
</table>

*At least one spouse had a previous marriage ending in widowhood; may include spouses with prior divorce as well.
†All previous marriages ended in divorce.
*p < .05; **p < .01 (Significantly different from couples in first marriages).
enced a prior widowhood or divorce continues to have an effect even after remarriage; in most cases ever-divorced and ever-widowed couples have lower income and assets than do couples in their first marriages. Finally, it is important to note that the incomes and assets of current widow(er)s and ever-widowed couples are no higher than that of divorced and ever-divorced households. Although this is contrary to the popular perception that young widows fare better than do divorced women because of the insurance protection provided by the Social Security system and by private pensions and insurance, it is consistent with evidence presented by Burkhauser, Butler, and Holden (1991) and Holden, Burkhauser, and Feaster (1988) that young widows are significantly more likely than are older widows to enter poverty when husbands die. These authors, as well as Smith and Zick (1986) and Zick and Smith (1991), show that income consequences of widowhood are modified for women widowed after age 60 in part because Social Security restricts payments below that age to women with children younger than 16 and because employer-provided pensions are permitted to delay payment of survivor benefits until the year the deceased spouse would have been eligible for retired-worker benefits (Bureau of National Affairs, 1974). Additional waves of the HRS will allow us to see whether the economic status of current widows improves as they become eligible for Social Security survivor benefits and whether the difference in the experience of women widowed at different ages remains an important public policy issue. Widows at the time of the first interview who were 60 and older are too few to allow us to examine the effect of age on economic status.

Sources of Differences Across Marital Status and by Race

The marital histories of HRS households summarized in Table 2 suggest sharp differences across racial groups and between blacks and whites in the probability of spending some time outside the protective economic umbrella of marriage. Table 3 outlines the economic consequences that may have resulted from these gaps in marital protection. Among black and white households, couples in first marriages are far better off than other married couples and formerly married individuals even when the needs of smaller households are taken into account. If marriage itself protects against economic insecurity, differences in economic status among couples classified by marital history would not be necessarily expected. Although divorce and widowhood might lead to a decline in resources available to former wives, remarriage should reinstate the gains from shared resources. This, however, will not be the case either if marital disruption and remarriage occurs among more economically vulnerable households or if time spent outside marriage has a cumulative influence that is not entirely negated by remarriage. Table 3 also shows a marked contrast between men and women in the apparent consequences of divorce and widowhood. Among both blacks and whites, currently divorced and widowed women have sharply lower incomes and assets and higher poverty rates than men, a finding consistent with studies of the short-term consequence of marital disruption on women as compared to men (Holden & Smock, 1991). The consistently disadvantaged status of formerly divorced and widowed households is consistent with the selection of relatively worse off households into divorce and widowhood. Table 4 provides insight into one source of the more favorable outcomes for formerly married men than for women.

Table 4 presents two measures of time spent outside marriage among ever-married men and women — including those married only once. The first measure is the total years spent outside of a marriage following a first marriage. The second is the total percentage of years spent married since age 24, an age selected because it is the mean age of marriage among men. These measures are presented both for all ever-married persons as well as for those who remarried.

Men spend significantly fewer years unmarried (e.g., 5.3 for black males vs 7.7 for black females) and a higher percentage of the years after age 24 married (77 vs 71%). The major reason for this difference is that men remarry more often and more quickly after a marital dissolution; among remarried women and men the contrast is even sharper. The difference between men and women is significant for both racial groups, but the difference is much larger for blacks than for whites. Although it remains the case that blacks spend a smaller percentage of their lives married than do whites, the contrast between men and women is greater for blacks than for whites. For blacks, the economic consequences of marital disso-

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Table 4. Measures of Marital Instability in the HRS

<table>
<thead>
<tr>
<th>Status</th>
<th>Females</th>
<th>Males</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Whites</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration dissolution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ever married</td>
<td>3.3</td>
<td>2.3*</td>
</tr>
<tr>
<td>Remarried</td>
<td>7.0</td>
<td>5.6*</td>
</tr>
<tr>
<td>Percent years married 24+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ever married</td>
<td>87.2</td>
<td>87.6*</td>
</tr>
<tr>
<td>Remarried</td>
<td>77.7</td>
<td>80.7*</td>
</tr>
<tr>
<td><strong>Blacks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duration dissolution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ever married</td>
<td>7.7</td>
<td>5.3*</td>
</tr>
<tr>
<td>Remarried</td>
<td>11.6</td>
<td>8.9*</td>
</tr>
<tr>
<td>Percent years married 24+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ever married</td>
<td>70.8</td>
<td>76.7*</td>
</tr>
<tr>
<td>Remarried</td>
<td>63.8</td>
<td>70.2*</td>
</tr>
<tr>
<td>N</td>
<td>6244</td>
<td>5388</td>
</tr>
<tr>
<td>Ever married</td>
<td>1601</td>
<td>1502</td>
</tr>
</tbody>
</table>

Sample: All ever-married persons; those who remarry after first marital dissolution. All data are weighted.

Definitions: Duration dissolution = Years spent unmarried after first marriage among all ever-married persons. Percent married 24+ = Percent of lifetime since age 24 spent in marriage.

*Significantly different from males, p < .01, using 2-tailed F test.
lution, multiple marriages, and interim years unmar-
mried may have a greater cumulative impact on eco-
nomic security as they age into retirement and cur-
cent marriages end. The HRS presents an unpre-
cedented opportunity to chart these implications over
time.
Unfortunately, we know little about the divorce
and widowhood experience of HRS respondents
who have ever been divorced or widowed, and so it
is impossible to know the relative effect of selective
divorce and widowhood among lower income cou-
ples and the actual impact of marital dissolution on
economic status. Although women widowed in the
two years prior to the HRS interview were asked a
special series of questions, respondents to these
targeted questions numbered only 103, too few to
draw any statistically meaningful conclusions. Nor
do we yet have the data with which we can tell the
extent to which the spouse prepared against the
consequences of a marital dissolution. However,
there is one piece of information that provides an
intriguing hint of how well couples may predict mar-
tal dissolution — at least in the case of widowhood.

We take as our departure point the fact that wid-
ow(er)hood requires two events: the death of one
spouse and the survival of the other. A married
person's estimated risk of being widowed before
say, age 85 may be low either because their estimated
probability of joint survival with their spouse is high,
their estimated probability of joint death is high, or
because the individual expects to die well before
their spouse. Although these different reasons for a
low perceived risk of widowhood may lead to differ-
ent financial decisions, in all cases a low perceived
risk of widowhood is likely to move couples toward
financial arrangements that give less weight to the
probable widowhood of the wife and hence present
financial risk should she be widowed at an unexpect-
edly early age.

We can estimate widowhood expectations from
the self-reported survival probabilities of married
respondents. Hurd and McGarry (1995) have shown
that individual survival expectations accord on aver-
age with life table values. Our estimates are different
in that they incorporate the person’s expectations of
the other spouse’s survival. We compare the esti-
mated widow(er)hood expectations with probabili-
ties estimated from U.S. life tables. Our measure of
widow(er)hood chances takes advantage of the Mod-
ule J question to respondents about the chances
their spouse will survive to age 75 or 85.

The comparison between HRS expectations and
life table probabilities is not a simple multiplication
of self-reported probabilities because these must
take into account age differences between spouses
while the HRS asks only about expected survival to a
specific age. Only for husbands and wives who are the
same age is the probability of widow(er)hood of
spouse A:

(\text{expectation of spouse A that s/he will survive to 75/85} \times (1 - \text{expectation of spouse A that spouse B will survive to 75/85}). \quad (1)

However, if spouse A is, for example, 5 years youn-
ger than spouse B, the chances of spouse A being
widowed before reaching age 75/85 is underestimated by (1). A correct estimate would require know-
ing the chances of spouse B surviving to 80/90, the
age spouse B would be when spouse A is 75/85. This
we do not know from HRS data. To estimate widow-
(er)hood probabilities using the HRS data we must
somehow adjust (1) for differences in spouses’ ages.
Our adjustment assumes that an individual’s esti-
mate of their spouse’s survival probabilities will de-
part from the population average by the same per-
centage at all ages. That is, the perceived survival
curve would be uniformly raised or lowered at all
ages from the population average. Thus, a respon-
dent who estimates a 20% higher than life-table
chance of her spouse’s survival at 85 would have
likely, had she been asked about his survival to age
90, to have given an estimate that is also 20% ab-
ove the life-table average for the spouse’s gender
and race. Thus, the chances of widow(er)hood at age
75/85 is equal to (1) multiplied by the ratio:

\begin{equation}
(\text{life table probability of spouse B dying before sp}
ouse A is 75/85) \div (\text{life table probability of spouse B dying before age 75/85})
\end{equation}

(2)

In other words, the same-age “widow(er)hood”
chance in (1) is multiplied by a factor that reflects the
difference between the life-table probabilities that
correspond to the HRS expectations (at 75 or 85) and
the life-table probability for the age the spouse would
be when spouse A is 75 or 85. We use race-specific
1990 life tables. Respondents who are 75 years or older
are excluded because for them estimated probabili-
ties of survival to that age are meaningless. We are
interested in how closely HRS respondents estimate
their life-table widowhood probabilities.

Table 5 (row 1) shows the mean widowhood proba-
bilities calculated from life-table survival values, tak-
ing account of sex, race, and age of husbands and
wives. Although we take account of race in estimat-
ing these probabilities, we show widowhood esti-
mates for all module J respondents combined be-
cause of the small number of nonwhite respondents
to this module. Row 2 provides the estimates using
the unadjusted module J reports (equation 1), and in
row 3 the adjusted estimates (equation 2) are pre-
sented. Only one spouse was asked the module J
questions, and so, for each couple we have re-
sponses from only one spouse estimating their own
chances of survival (from the main questionnaire)
and estimating their spouse’s chances of survival
(from module J). We show estimates for female re-
spondents of their own widowhood and for male
respondents of their own widowerhood.

According to 1990 life tables, at age 75 women have
a higher chance of being a widow than do their
husbands of being a widower (row 1). The lower
chance for men is, of course, because they both are
less likely to survive to age 75, and if they survive, are
more likely to have a spouse who is still alive. Al-
though over the next 10 years the chances of both
spouses’ dying increases, the net result is that the
Table 5. Expectations of Widow(er)hood Among Module J Respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Female Widowhood&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Male Widowhood&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>mean (SD)</td>
<td>mean (SD)</td>
</tr>
<tr>
<td>At Age 75</td>
<td>Life table</td>
<td>.2326 (.057)</td>
</tr>
<tr>
<td></td>
<td>Unadjusted estimate</td>
<td>.1511 (.131)*</td>
</tr>
<tr>
<td></td>
<td>Age adjusted estimate</td>
<td>.2018 (.194)</td>
</tr>
<tr>
<td>At Age 85</td>
<td>Life table</td>
<td>.2822 (.049)</td>
</tr>
<tr>
<td></td>
<td>Module J unadjusted estimate</td>
<td>.1772 (.193)*</td>
</tr>
<tr>
<td></td>
<td>Module J adjusted estimate</td>
<td>.2040 (.208)</td>
</tr>
</tbody>
</table>

Sample: married respondents to module J with both spouses under 75; weighted. Definitions: Row 1: Life table survival to 75/85 × Life table spouse death before respondent’s age 75/85. Row 2: Own estimate of survival to 75/85 × own estimate of spouse death before 75/85. Row 3: Row 2 × adjustment (see text).

<sup>a</sup>Widowhood estimate using information given by female respondent to module J.

<sup>b</sup>Widowerhood estimate using information given by male respondent to module J.

<sup>*</sup>Significantly different from the life table value (row 1), p < .05.

chance of being a widow at age 85 increases somewhat for women but falls for men.

How well do the module J respondents predict these probabilities? As described earlier, the HRS asks respondents about their own and their spouse’s survival only to a particular age. Because husbands on average will be older than 75/85 when their wives reach that same age, estimates of widowhood will be underestimated and of widowerhood overestimated by the unadjusted probabilities of survival (Row 2). Even after adjustments for differences in ages of spouses (Row 3), it appears that both women and men underestimate their chances of surviving alone, although female estimates of their own widowhood prior to age 75 are not significantly different from life table values at the .05 level. On the other hand, estimates of their survival provided by married respondents may correctly reflect the known lower mortality of married compared to unmarried individuals.

These estimates suggest that although wives may be somewhat better estimators of their chances of relatively early widowhood, both spouses underestimate their chances of being left alone. These underestimates reflect expectations that they and their spouse will survive longer together than either lifetime probabilities would suggest or the other spouse’s estimates of survival should lead them to believe.

If these underestimates of widowhood reflect perception of widowhood chances by married women and women throughout marriage, then it would appear that the sharp declines in incomes upon widowhood may in part be attributed to poor estimates of this risk. Rather, it would appear that spouses overestimate their joint survival with their spouse and may fashion their finances accordingly. As the subset of module J respondents is reinterviewed over several waves, it may be possible to see whether these estimates of widowhood have an influence on financial plans and how well they predict actual widowhood. For the moment these estimates provide an intriguing hint that poor estimates by both husbands and wives of widowhood may play a role in the financial outcomes of widows.

Conclusions

This article is exploratory and preliminary because it uses only the first wave of the HRS. Comparisons between the incomes of men and women in different marital status groups suggest that widowhood remains an economic threat and that the economic consequences of divorce persist into the preretirement years both for those who remarry and those who do not. These cross-sectional data cannot tell us whether ever-widowed and divorced men and women are worse off because they were poorer than intact couples even prior to widowhood or because of the widowhood and divorce events itself. Thus, this article focused on understanding the complexities of the marital histories of this cohort and on teasing out some relationships between divorce and widowhood histories and economic status.

Just under half of white households and only one-quarter of black households are in a marriage that is the first for both spouses. Among black households this percentage is far smaller than the percentage that have had a marriage dissolve because of divorce and, therefore, have experienced the economic impact of that event. Among white households the combined percentage of households experiencing a divorce or widowhood is greater than the number of "traditional" lifetime married households. For this cohort of women on the verge of retirement, widowhood following a lifelong marriage will become a less traditional life-cycle pattern of marital status change as they age. The economic experience of women and men in this cohort is as likely to be shaped by prior divorce and widowhood experiences. Divorce and widowhood present a somewhat greater economic threat to women in part because they marry less quickly than do men and, hence, spend longer years out from under the protective economic umbrella of marriage. The higher incidence of early marital disruption and lower remarriage among blacks leads to a much lower percentage of their lifetime spent married, thus contributing to their already greater economic vulnerability.

The prevalence of divorce, second marriages, and time unmarried is important to acknowledge and examine because much of the social legislation protecting wives as widows is based on the assumption of a lifelong marriage. For example, pensions are only required to pay a survivor pension to one spouse, who may not be the most recent spouse of the deceased worker. If a Qualified Domestic Relations Order requires that the survivor pension be paid to the former spouse, the last spouse can find no support from federal legislation in seeking a share of her husband’s pension. As women accumulate
resources in marriage, they will also have to share these — if deemed marital assets — with a former spouse. This may also increase the economic vulnerability of a remarried woman relative to couples in first marriages unless she accumulates compensating independent resources or her husband increases insurance beyond that observed in the past among couples (Auerbach & Kotlikoff, 1991).

The long-term influence of a prior marriage of the husband or wife on the economic consequences of widowhood is not known. Although early widowhood leaves women as economically vulnerable on average as does divorce, it may be that survivor benefits from employer-provided pensions and Social Security will eventually kick in to provide greater financial security to the former group of women as they age. But the adequacy of these sources of income also depends on marriage duration. Black respondents are not only disadvantaged by the higher rates of divorce and widowhood but also by smaller probabilities of remarriage, longer years spent unmarried after a marital dissolution, and consequently, a far smaller percentage of their life spent in a marriage. Only a minority of blacks will benefit from the protective effect of a lifetime marriage. In the Retirement History Cohort, a sample of women and men aged 58–63 in 1969, the incidence of prior divorce and marriages among couples was much lower. The HRS provides an opportunity to observe how the more complex marital lives of individuals now approaching retirement are likely to influence the economic status over time of this cohort as they age.

A key factor in a couple’s financial decisions to preserve income and assets for the widowhood of the wife is their perception of the risk of widowhood. We constructed an implied widowhood probability from the subjective probabilities of survival provided by module J respondents, taking into account differences in ages of husbands and wives. Although this provides no information on whether currently widowed households had correctly estimated their own chance of widowhood, it does give some indication of whether this risk may have been perceived accurately by wives and by husbands. Both men and women underestimate the chances that they will survive as a widow(er), not because they overestimate the chances of their own death but because they overestimate their chances of joint survival with their spouse. Previous research suggests couples of this age have underinsured against the economic consequences of widowhood (Auerbach & Kotlikoff, 1991), and poor estimates of widow(er)hood may be one reason why. It may be that as the wives of couples increase their financial acumen and power, this cohort will become better informed about the risk of widowhood and plan more adequately against the risk of either spouse’s death. Future research should explore insurance behavior of this cohort and the consequence of differences across couples in widow(er)hood expectations on the distribution of insurance. Expectations of spousal risk about the probabilities of different marital states are likely to be important in financial and insurance decisions. For this reason a repeat and expansion to all HRS married respondents of the module J question on spouse’s survival would be a valuable addition to our ability to explore and understand the sources of economic insecurity of women and men as they age into the retirement years and are widowed.

References

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