

The economic consequences of separation for women in same-sex and different-sex couples.

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Introduction

The economic consequences of separation are larger for women than for men in different-sex couples (DSC) (de Regt, Mortelmans, & Marynissen, 2013; Leopold, 2018; Manting & Bouman, 2006; Nylin, 2020; Poortman, 2000). One reason is the unequal division of paid and unpaid work established during their relationship, which decreases women's labor market attachment and increases her financial dependency on her partner, especially when women have children (Mortelmans, 2020). It is well known that partners in female same-sex couples (SSC) are less likely to specialize during their relationship, also after having children (Evertsson & Boye, 2018; Jaspers & Verbakel, 2013; Van der Vleuten, Jaspers, & Van der Lippe, 2021). By comparing economic consequences of separation for women in female SSC to women in DSC, we not only evaluate whether economic consequences of separation are different for women in SSC and DSC, but also identify the circumstances under which such consequences are larger or smaller. Theories on gender (West & Zimmerman, 1987) would predict that the economic consequences of separation are larger if a woman is married to a man compared to a woman, due to more gendered specialization patterns in DSC compared to SSC (Evertsson & Boye, 2018; Van der Vleuten et al., 2021). Economic theories however would predict that the consequences are more severe for lower income partners – irrespective of gender (Becker, 1985). It can also be that specialization patterns during marriage are linked to physiological aspects of motherhood (e.g., pregnancy, giving birth, and – perhaps - breastfeeding), which would lead to the expectation that birth mothers would experience larger losses in income than non-birth mothers (i.e., social mothers).

There is a growing body of demographic research that focus on documenting trends in same-sex marriage and divorce (Aarskaug Wiik, Seierstad, & Noack, 2014; Andersson & Noack, 2010; Andersson, Noack, Seierstad, & Weedon-Fekjær, 2006; Kolk & Andersson, 2020). To our knowledge, there are however no studies who look at the consequences of separation for partners in same-sex relationships. Given the increase in the number of same-sex partnerships over the last few decades (e.g., Kolk & Andersson, 2020), it is time to take a

more inclusive approach and study separation effects for diverse family constellations. Using high-quality Finnish longitudinal register data (1990-2020), this study is the first to evaluate the economic consequences of separation for women and mothers in SSC. We define income as equivalized household income, which considers the earnings of all household members and adjusts it to estimate the income position of each individual, accounting for variations in household size and composition.

Same-sex couples in Finland

Finland legalized registered partnerships in 2002 (only available for SSC, not for DSC) and marriage in 2017. Female SSC gained access to fertility treatments in 1997, but only via private clinics not covered by the public health care system. In 2017, same-sex adoption was legalized, but this rarely happens due to the few countries that allow same-sex partners to adopt a child. One key difference between divorce and registered partnership termination is there is a six-month waiting period before a divorce can be finalized, but there is no waiting period for registered partnership termination. Separation in our study is therefore defined as either the legal termination date, or moving apart, whatever comes first.

Data & method

To shed light on the economic consequences of separation among women in SSC and DSC, we analyze Finnish register data from 1999 to 2020. We identify 965 women in female SSC and 58,254 women in DSC who experience separation for the first time. We follow them three years before separation, to 7 years after separation.

Our dependent variable is the log of equivalized household income. We use random-effect models and estimate a step and continuous impact function (Ludwig & Brüderl, 2021), meaning we include a dummy variable which tells us by how much equivalized income changes immediately after separation, and a continuous indicator that tells us how much the outcome additionally changes with each passing year subsequently. Earnings differences are defined as share of labor market earnings before separation. Parenthood is defined as being a registered parent before separation. We control for age in years, higher/lower education and period in 5-year intervals.

Results

Figure 1 shows the predicted values of women's logged equivalized income before and after separation for women in SSC and DSC separately. We see that mothers in DSC are more likely

to experience a large reduction in income after separation compared to women in SSC. Compared to the years before separation, women in DSC have a reduction in income of about 15%, compared to about 9% for women in SSC. Women in SSC and DSC thus significantly differ in their reduction in household income after separation. There is no significant difference in how fast women in SSC and DSC recover from separation over time.

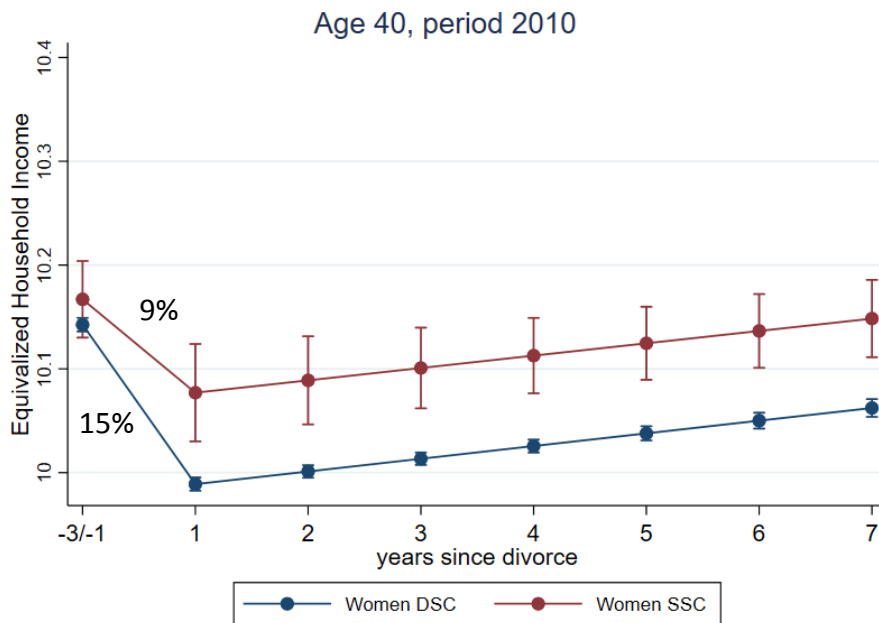


Figure 1. Changes in (logged) equivalized household income for women in female same-sex couples (SSC) and different-sex couples (DSC) before and after separation.

Earnings differences can influence specialization patterns, in which the higher income partner specialized in paid work, whereas the other partner specializes in unpaid labor (Becker, 1985). However, we know that partners in female SSC are more likely to have similar earnings compared to partners in DSC (Van der Vleuten et al., 2023), which could explain why income reductions after separation are larger for women in DSC compared to women in SSC (Figure 1). Figure 2 controls for earnings differences in a couple by interacting the drop-in earnings with the share in earnings before separation for SSC and DSC separately. Taking into account share of earnings seem to explain differences in the reduction in earnings between SSC (not 14%) and DSC (15%) (compare Figure 1 to Figure 2).



Figure 2. Changes in (logged) equivalized household income after separation for women in female same-sex couples (SSC) and different-sex couples (DSC), controlled for earnings differences before separation.

The road to parenthood is on average more difficult and expensive for women in lesbian relationships compared to women in heterosexual relationships. In our sample, about 31% of women in SSC are mothers, compared to 69% of the women in DSC. We test whether the lower likelihood of entering parenthood for SSC compared to DSC would explain any of the differences in income reductions between the two couple types. Results are shown in figure 3. The reductions in income are about 9% for women in SSC compared to 15% for women in DSC, which is similar to Figure 1. Parenthood therefore does not seem to explain differences in economic consequences of separation between SSC and DSC.

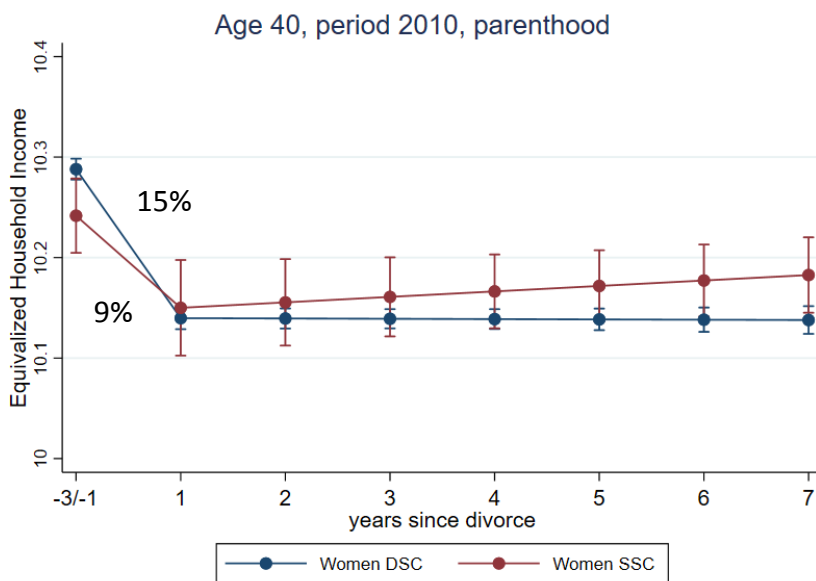


Figure 2. Changes in (logged) equivalized household income after separation for women in female same-sex couples (SSC) and different-sex couples (DSC), controlled for parenthood.

Figure 4 shows the reductions in income for birth mothers in SSC and DSC and social (non-birth) mothers in SSC. We can see that mothers who gave birth have a larger reduction in income after separation than non-birth mothers, and this does not significantly differ for birthmothers in SSC (about 17%) and DSC (about 18%). However, non-birth mothers do not experience a reduction in income, highlighting the importance of birth motherhood. Worth noting is that most mothers in SSC gave birth (70%), because it is not uncommon for lesbian partner to take turns in giving birth (Evertsson, Moberg, & Van der Vleuten, 2023; Geerts & Evertsson, 2023).

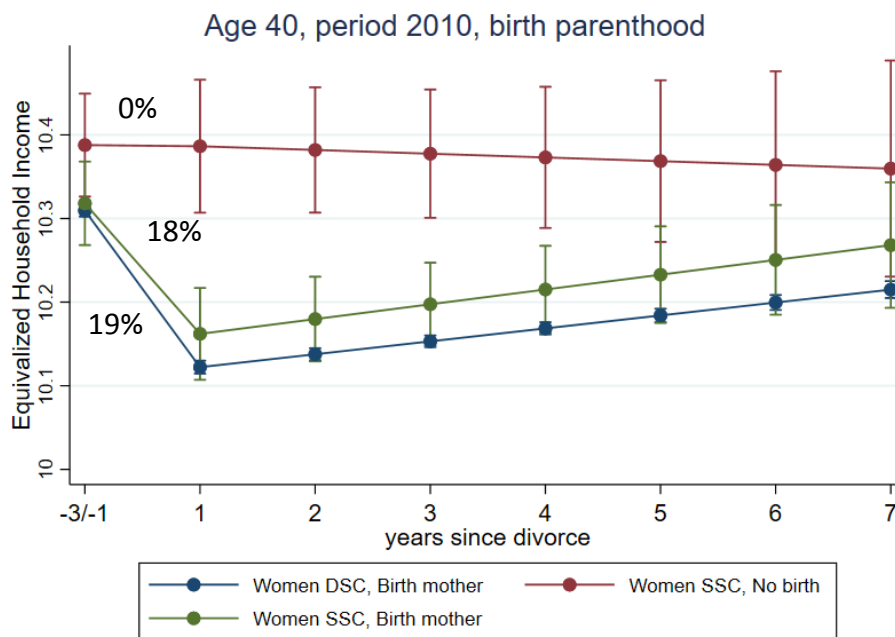


Figure 3. Changes in (logged) equivalized household income for birth mothers in female same-sex couples (SSC) and different-sex couples (DSC) and for social mothers (i.e., non-birth mothers) in SSC.

Preliminary conclusion

The economic consequences of separation are larger if a woman is married to a man compared to a woman. However, this is explained by the fact that female SSC have more equal earnings before separation compared to DSC. Moreover, although parenthood does not seem to affect SSC and DSC differently, birth mothers in both SSC and DSC have a much larger reduction in income compared to non-birth mothers. This suggests that specialization patterns augmented by physiological aspects of motherhood can also generate larger economic consequences of separation.

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