

# Deadbeat after Divorce?

## Policy Reform and Men's Employment Trajectories after Union Dissolution in Germany

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### Introduction

There is a large scholarly literature that has examined how divorce and separation affect women's employment and economic well-being (e.g., Thielemans and Mortelmans, 2019; Van Damme et al., 2009). Less attention has been paid to the impact of divorce on men's employment and earnings. While women tend to increase their employment after divorce, the few studies that do exist about divorced men show that their earnings tend to stagnate and the risk of unemployment increases (e.g., Covizzi, 2008; Kalmijn, 2005). Scholars have suggested that divorce affects men's health more strongly than women's. Thus, unstable work trajectories may be due to increasing health impairments among divorced men (Kalmijn, 2005). However, there may be other mechanisms at play. *First*, patterns may be shaped by the dominant gender regime. In the case of Germany, most marriages follow a rather gendered division of labour, where the man works full-time and the wife is employed part-time or marginally (e.g., Naujoks, 2023). If the union dissolves, the pressure on the wife to work increases, while the pressure on the prime earner to provide economic security for the household decreases.<sup>2</sup> *Second*, the tendency to shirk alimony payments has been cited as an additional reason of why the labour market participation of men deteriorates after divorce (Andreß et al., 2003).

This study uses register data from the German Pension Fund to analyse whether divorce leads to unstable employment trajectories among men who were employed three years prior to union dissolution. We examine whether patterns differ according to the pre-divorce earner model ('male breadwinner' versus 'dual earner'). Further, we analyse how patterns have changed for divorce cohorts who separated before and after 2008, when Germany introduced a major reform of the ex-spousal maintenance system. As a method, we use sequence and cluster analysis combined with matching techniques. Matching techniques allow us to construct appropriate control groups to compare the trajectories of divorced men with men who did not divorce during the same period, but who are comparable on other dimensions. Preliminary analysis show that divorce has a negative effect on men's subsequent employment careers, but that this effect was mitigated after the reform.

### Context and Policy Reform

While employment patterns of women and men in Germany are still strongly gendered when couples are married (Figure 1), family law increasingly expects that both parties can be economically independent after divorce. A turning point marks the maintenance reform (*Unterhaltsrechtsreform*) that was enacted in 2008. Prior to this reform, ex-spousal maintenance was based on the principle of ex-spousal solidarity. This solidarity extended beyond the

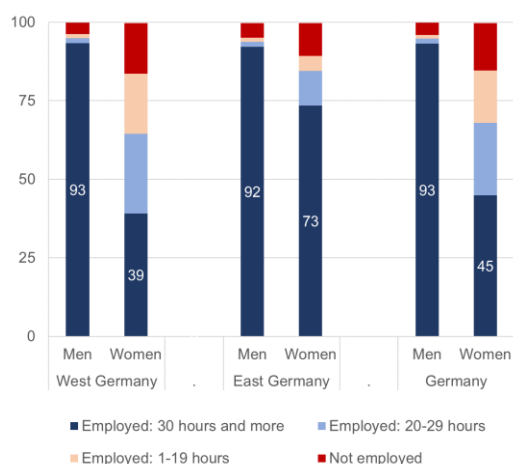
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<sup>2</sup> There are additional regulations which may amplify patterns. During marriage, the main earner receives a tax credit through the income splitting system in Germany. These benefits are lost upon divorce. Thus, each increase in earnings is taxed more heavily than before, which creates additional negative incentives to work or advance in the career. As a result, the net individual earnings of the primary earner are substantially higher in this system than in a system of individual taxation. The net earnings of the secondary earner, by contrast, would be lower than in a system of individual taxation.

breakdown of a marital union and entailed that the economically weaker party in a marriage was eligible to ex-spousal alimony payments, whereas the amount depended on the standard of living during the past marriage. In 2007, the Federal Constitutional Court criticized that the ex-spousal alimony payments, which were reserved to married couples only, implicitly resulted into a discrimination of children of unmarried couples. The order of the Federal Constitutional Court was executed by the reform of the maintenance law in 2008. Instead of considering to harmonizing the regulations for non-marital and marital unions by granting both maintenance, the new regulations basically abolished ex-spousal alimony for married couples. Thus, conditions for single and divorced persons with children have been harmonized. For both groups, ex-spousal maintenance was limited to exceptional cases, such as when the children were below age three (§1615I II BGB and §1570 I BGB).

Figure 1: Employment status (in %) by gender and region, 2019



Source: Unweighted and own analysis based on SUF-microcensus 2019.

Note: The sample includes persons with German citizenship who are aged 30-55 and married in heterosexual unions. Only persons at first private residence.

## Data

*Data:* For this study, the subsamples SUF\_VSKT2019 from the German public pension (GRV) register is used (FDZ-RV, 2022). The SUF\_VSKT2019 is a 25% subsample (71,558) of all persons with an active pension account, i.e., who are not yet retired, in 2019. Around 90% of the German population has an account in the public pension system. Only certain professions, such as farmers and civil servants, are not included. Besides individual-level data on monthly records of periods under pension law from age, the data also contain demographic characteristics and information on marital histories.

*Analytical Sample:* The analytical sample is restricted to men who were ages 20-54 at first marriage and employed three years prior to separation. We also restricted the sample to persons who separated between 2004-2013. The observation window covers the period from two years prior until five years after the divorce. Our final dataset includes 747 divorced men (62,748 person-months).

*Outcome variable:* The *employment trajectories* are defined as the sequence of the monthly insurance history from two years prior until five years after the divorce. We distinguish the following states: 1) no information, 2) not working, 3) incapacity, 4) unemployment, and four different states indicating employment with different income levels: 5) employment low (< 60% of average income), 6) employment average low (60%–100% of average income), 7) employment average high (100%–150% of average income), and 8) employment high (>150% of average income).

*Main independent variables:* Main variables of interest are the *earner model* during marriage ('male breadwinner model'/'dual earner model') and the *divorce cohort* (before/after 2008).

*Method:* In a first round of analyses, we use sequence and cluster analyses to map and group employment trajectories of divorced men. We then use separate multinomial logistic regression models to investigate how the earner model and the divorce cohort relate to the different employment trajectories found.

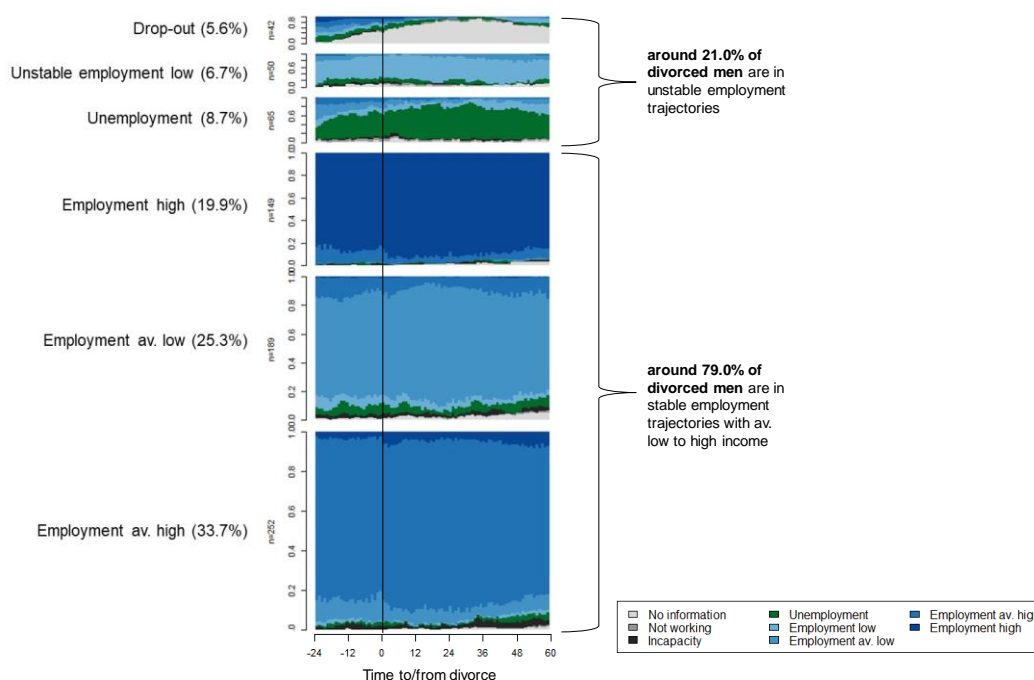
Since we lack a control group in this approach, i.e., men who did not experience divorce, we proceed to a second round of analyses starting with matching techniques. Matching techniques allow us to form a suitable control group that enables us to compare the employment trajectories of divorced men with those of men who did not divorce in the same period, but who are otherwise comparable on various dimensions. We then run again separate multinomial logistic regression models based on the matched sample.

### Preliminary results

Our preliminary analysis reveals six different employment trajectories for the sample of divorced men. Figure 1 shows the employment trajectories ordered according to their relative size and Figure 2 displays them as state distribution plots and as relative frequency sequence plots that display a set of 30 representative sequences (medoids) of each employment trajectory. The majority of divorced men, around 79%, follows stable employment trajectories, with average low to high incomes (*Employment av. high*, *Employment av. low*, *Employment high*). However, the remaining 21% follow rather unstable employment trajectories, characterised by increasing unemployment during the divorce process (*Unemployment*), by switching in and out of employment with low income (*Unstab. employment low*) and by increasing absence from the labour market (*Drop out*).

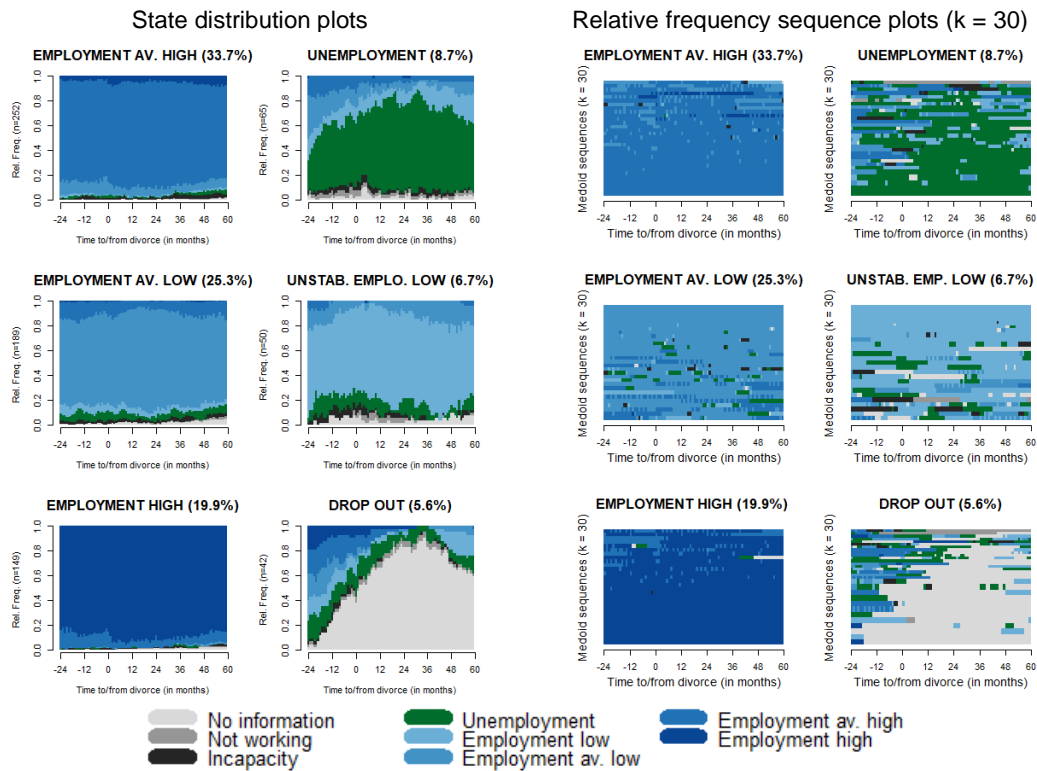
Since these results are sole based on divorced men, we do not know whether and how patterns differ for non-divorced men during the same period. In a next step, we therefore use matching techniques to build a suitable control group.

Figure 1: State distribution plots of divorced men's employment trajectories according to their relative size



Source: SUF\_VSKT2019; own calculations.

Figure 2: State distribution and relative frequency sequence plots of divorced men's employment trajectories



Source: SUF\_VSKT2019; own calculations.

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