

Evolution of Gains from Racial Integration in the US Marriage Market

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Abstract

Interracial marriages have increased in the US over the past few decades, but the trends are heterogeneous across demographic groups. Who has gained more from marital racial integration, and what drives the differing welfare gains across groups? This paper estimates individual utility gains from marital racial integration that accounts for the heterogeneous evolution of costs of interracial marriage experienced by different races and education groups. To this end, I build a transferable utility matching model and estimate the model for all race-education matchings over the past four decades. The model allows me to define and estimate the type-specific utility gains from marital racial integration by comparing the equilibrium single rates in the observed marriage market with the ones in a completely segregated marriage market. Results show gender and educational asymmetries within race: (i) For non-Hispanic whites and blacks, college-educated men have enjoyed higher utility gains from racial integration than their female counterparts and their lower educated male counterparts; and (ii) for Hispanics and Asians, while women have enjoyed overall higher levels of utility gains than men, women have experienced a larger declining trend in the utility gains compared to men. To understand the drivers for these disparities across gender and education, I implement a novel decomposition method based on quantitative comparative statics. I find that the population changes, including the evolving gender gap in college education and the rise in immigration, explain a large portion of the gender gap in the utility gains for all races except blacks. On the other hand, the changes in marital surplus played a larger role in driving the gender gap for blacks and the education gap for all races.

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