

# The Marriage Earnings Gap

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## Abstract

What happens to earnings upon marriage? Linking administrative and survey data from Germany, we show that there is a marriage earnings gap. Even after accounting for the child penalty, women's earnings drop by 20% after marriage. We show that the marriage earnings gap results from both the extensive margin (women stop working) and the intensive margin (women work fewer hours), but not from a decrease in hourly wages.

Labor supply disincentives from joint taxation can explain about one quarter of the marriage earnings gap, while we find no effect for labor supply incentives from changes in divorce law. Leveraging variation in norms created by the German separation, we find that gender norms are another important driver behind the marriage earnings gap.