

The demand for housing depends on growth in the number of households. Marriages and divorces are major influences on the number and type of households, although people can--and, increasingly do--live together or apart without going through the legal ritual of marriage or divorce.

An explosion in the number of divorces contributed to strong housing demand in the 1960s and 1970s. The total number of divorces increased from 393,000 in 1960 to a peak of 1,213,000 in 1981.<sup>1</sup> Since that time, however, the number of divorces each year has stopped rising. The divorce rate has actually fallen slightly, contributing to a slowdown in household formations and in housing demand. In addition to the stabilization of the divorce rate, the trends in marriage and divorce in the 1980s have included the following:

- A continuation of the trend toward later marriage.
- A decline in the rate of remarriage among divorced and widowed people.
- Continued growth in the number of unmarried couples.
- A lengthening of the average time between divorce and remarriage.

Those trends, as well as the fact that divorce rates are still at very high levels, mean that married couples continue to represent a declining share of total households. People living alone, single parents, unmarried couples, and other household types represent growing shares of the total number of households.

## Why Divorces Have Levelled Off

The aging of the population and the postponement of marriage could be expected to eventually slow or reverse the increase in the overall divorce rate, since the divorce rate is much higher for young couples than for older couples. But the decline in the 1980s may not be simply attributable to changes in the age distribution among married couples. The divorce rate has fallen somewhat within the age groups between 25 and 34 years old.<sup>2</sup> As in many other respects, the members of the second half of the baby boom--those born between about 1955 and 1962--show different and generally more "conservative" behavior than those in the leading edge of the baby boom.

The reasons for the explosion and subsequent stabilization in divorce rates and for the differences in behavior between early baby boomers and later baby boomers have been the subject of much speculation.

The likely factors include the influence of the Vietnam War; the growth in the labor force participation rate of women; the general changes in the status of women in society; technological changes in birth control; the spread of awful, incurable venereal diseases; and the relatively unfavorable earnings experience of later baby boomers, as their extraordinary numbers have pushed down their wages.

## Living in Sin

In part, the decline in divorces reflects a trend towards cohabitation without marriage. If couples live together but don't bother to get married, then they can't get divorced when they split up. Moreover, the increased tendency to live together without marriage may mean that couples that do marry are more aware of what they are getting into and perhaps more committed to a permanent relationship. Between 1980 and 1986, the number of unmarried-couple households increased by 40%, from about 1.6 million to about 2.2 million, while the number of married-couple households increased only 4%, from 49.1 million to 50.9 million.<sup>3</sup> While unmarried-couple households still represent only a small share of the total number of households, the increase in the number of such households has comprised a significant share of total net household formations.

## Fewer Divorces, But More Divorcees

The stabilization in the rates with which marriages and divorces occur in the 1980s has not meant a stabilization in the number of people who are unmarried or divorced. Only if marriage and divorce rates were to remain constant for several decades would the percentage of the population that was unmarried or divorced reach equilibrium. Thus, while divorce rates actually dipped slightly after 1979, the number of divorced persons per 1,000 married persons increased from 100 to 131 between 1980 and 1986.<sup>4</sup>

## Children

The relationship between marriage, children, and divorce is more complicated than children's story books led us to believe. It's also not what adult story books or logic and intuition would suggest. About 9% of ever-married women already had a child at the time of their first marriage. An additional 10% or more were pregnant at the time of their first marriage. Women in both those groups were more likely to become divorced than women who delayed childbearing until after they had been married at least 7 months.<sup>5</sup>

Slightly more than half of recent divorces have involved children.<sup>6</sup> There is no strong evidence of a substantial difference between divorce rates for couples with children and for childless couples. There is also lit-

tle if any, difference in the likelihood of remarriage for divorced women with children compared to divorced women without children.<sup>7</sup> These patterns suggest that the changes in marriage and divorce rates are not simply reflections of changes in fertility.

### Staying Single

Those people who do become divorced are less likely to remarry than in the past. The number of remarriages per thousand divorced women has fallen from 123.3 in 1970 to 87.3 in 1984. Of those who remarried, the median interval between divorce and remarriage for women lengthened to 2.2 years in 1984 from 1.0 years in 1970.<sup>8</sup>

As a result of the increase in the proportion of never-married and divorced adults and their reduced rates of marriage and remarriage, respectively, many of the adults who live alone or who are in other types of non-family or single-parent households may be inclined to view their situation as more or less permanent, rather than as a temporary condition prior to marriage. Such a change in attitude may be partly responsible for the fact that the homeownership rate among young single adults has actually increased at the same time that the homeownership rate among young married couples has fallen.

### Impact on Housing Demand

What does all this have to do with housing? It means that non-traditional households (i.e., all households that are not married couples) will continue to account for an increasing share of total housing demand, but that the rate of growth in the demand share of non-traditional households has fallen.

The design of homes and communities will have to reflect the needs of single parents, and lenders will have to adapt to the needs of nontraditional households and take the possibility of separation or divorce (which often results in prepayment or default) into account.

The explosion of divorces in the 1960s and 1970s, the continuing high divorce rates in the 1980s, and the decline in remarriage rates, combined with the aging of the baby boom, indicate a sharp increase in the number of middle-aged people living alone, as single parents, or as partners in unmarried couples. Developing new housing products for such nontraditional middle-aged households will be one of the challenges facing the housing industry.

The new behavior patterns being demonstrated by late baby boomers suggest some differences in their housing demands. This group is marrying later but showing a greater tendency to stay married. Their relatively conservative behavior may be reflected in more traditional tastes in housing and communities.

<sup>1</sup> National Center for Health Statistics, Monthly Vital Statistics Report, vol 36, no.8, supp., p.5

<sup>2</sup> Monthly Vital Statistics Report, vol 36, no. 8, supp., p. 9

<sup>3</sup> U.S. Bureau of the Census, Current Population Reports, Series P-20 no. 417, p. 6, and no. 418, p. 11

<sup>4</sup> Current Population Reports, Series P-20, no. 418, p. 7

<sup>5</sup> Arthur J. Norton and Jeanne E. Moorman, "Current Trends in Marriage and Divorce Among American Women", Journal of Marriage and the Family, Feb. 1987, p. 10

<sup>6</sup> Monthly Vital Statistics Report, vol 36, no. 8, supp. p. 8

<sup>7</sup> Norton and Moorman, p. 11

<sup>8</sup> Monthly Vital Statistics Report, vol. 36, no. 2, supp. (2), p. 15

