



The economics of relationships

From divorce rates to the 'man shortage', there's little about love that can't be explained by market values, according to one economist. She explains her theories to Gillian Orr

Gillian Orr

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Four years ago, Marina Adshade, an economics professor at the University of British Columbia in Vancouver, struck upon an ingenious idea to get her students more excited about learning economics: she would use familiar subjects such as sex and love to teach them.

In fact, Adshade argues that almost every option, every decision and every outcome in matters of sex and love is better understood by thinking within an economic framework; the supply and demand of our intimate needs, if you will. Adshade proves, through a number of global studies, that our decisions in matters of sexual relationships are made with a firm grasp of economics, whether we realise it or not. Now she has compiled all the research into a new book, *Dirty Money: The Economics of Sex and Love*.

Adshade acknowledges that the economic theories are not intended to describe the behaviour of everybody in society but, statistically, the behaviour of people on average. And none of the evidence in the book comes from public opinion polls; everything is based on choices individuals actually make, not the choices they say they would make when given options.

"When I look at the evidence data that we collect, often what I find is that a lot of our preconceptions about the decisions people make in terms of sex and love are not wholly accurate," says Adshade. "People often behave in ways that we don't anticipate."

Dirty Money has no interest in discussing right or wrong behaviour; Adshade focuses solely on how people actually behave as opposed to how they should behave.

Hard times mean less teenage sex

We tend to have the perception that teenagers are more sexually active than they were in the past but, according to research, that's really not true. In fact, teen promiscuity rates have fallen and there is an economic story behind it. "Back in the 1980s, if you finished secondary school and you didn't go on to university you still could earn a pretty good living wage," says Adshade.

"Secondary-school leavers earned enough to support a family and have a home and so on. Over time that's really changed and it's become much, much harder for people who don't go on to further education to support themselves and to own their own home, for example."

Teenagers actually recognise this, and understand that there is a big cost to not continuing with their education, so when they're in high school they protect themselves from anything that might prevent them from doing so. There's a much bigger cost to teen pregnancy in 2013 than there was to teen pregnancy 20 or 30 years ago. Teens are responding to economic incentive and the very real change in the way that people earn their income,

especially the reduced wages of people who don't have an education.

The internet and the marriage market

Divorce rates in the UK have been falling for almost 10 years, having peaked around 2003-2004. In fact, they have now fallen to where they were in 1977. One possible explanation is to do with the way that people marry each other and, specifically, how they meet.

Internet dating started around 1995-1997 before picking up steam. Some people started connecting on dedicated online dating sites and, by the new millennium, more and more people met on social networking sites, so much so that in the UK more new couples who meet on the internet form away from online dating sites than on them. Of couples who meet online, the vast majority are meeting on social networking sites, chatrooms, through commenting on blogs and the like.

"Before the internet, when we had a really small market, we couldn't afford to be very picky about who our partners were," Adshade says. "The internet opens up the market for dating and marriage, the pool becomes much bigger, which leads to people searching for longer and searching for somebody who is a little bit more perfect for them." Having a bigger market the theory goes, should lead to better marriages and those marriages are less likely to end in divorce.

Why there's more sex on campus

The number of women going to university has gradually increased so there are now 130 women for every 100 men. "Although you might think that fewer men means that women are having fewer relationships because there's a shortage of men, when we look at the evidence, the shortage of men on college campuses is actually increasing promiscuity," notes Adshade.

Because women are competing for scarce numbers of men, the men are getting to determine what kind of relationships they are having. "In the past if a man wanted a woman to sleep with him he would have to at least take her on a date or something like that," says Adshade. "Now that it's so much more competitive, they don't even need to do that, they just need to send a text message. It's an interesting story because the increase in female education is in part fuelling the hook-up culture."

The greater education levels of women is also affecting the marriage market and changing the way that women look for partners. Historically, educated women, especially with university degrees, almost always looked for partners who are at least as educated as themselves. But given that there's now a shortage of educated men, insists Adshade: "More and more women are opting for less educated men and marrying younger men and they structure their relationships very differently as a result."

"In those households, the women are often the higher income earners, meaning that men have to contribute a lot more to the household in terms of childcare and housework and so on so it has a really interesting effect."

Older women and the 'man shortage'

Because women live longer than men we tend to have a perception that women are disadvantaged in the dating market later in life. Not only because men die sooner but because they also have a tendency to search for younger women.

"We hear a lot of stories saying that if you're 60, for every single man there are about eight single women or if a man's wife dies, then women are lined up down the street with casseroles, but that's simply not the case," observes Adshade. "If you look at the data, none of this is borne out in the way people behave."

Early in life we assume that women are looking for a longer-term commitment and men are looking for short-term relationships, but later in life, women are actually looking for short-term relationships and it's the men who are looking for the longer-term commitment because they're hoping to find somebody who will take care of them when they reach old

age.

"This really changes the dynamic in the market so it means that, for example, when older people search online, the women are actually very, very picky," notes Adshade. "In fact they're more picky than younger women; they're not sacrificing so that they can be in a relationship. They only want to be in one if they know that the person they're with is financially stable and healthy because they don't want to be left taking care of them.

"Whereas men actually become much less picky as they get older. We may have this perception that they're looking for women who are younger than themselves, but a lot of older men end up with women who are older than them."

'Dirty Money' by Marina Adshade is published by OneWorld at £8.99