Don't Run Out of Money in Retirement

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist Ken Fisher's firm. Even if you're not sure how to start rebuilding your portfolio or who to turn to for help, this must-read guide includes research and analysis you can use right now. Don't miss it!

Click Here to Download Your Guide!

FISHER INVESTMENTS'

THE WALL STREET JOURNAL.

WSJ.com

September 11, 2013, 5:00 AM ET

Share of Unmarried Couples Living Together Stops Climbing

ByNeil Shah

The decadeslong climb in the share of American couples living together outside of marriage has come to a halt.



Bloomberg News

The share of U.S.-born Americans living with someone in an intimate relationship resembling marriage was largely unchanged between 2000 and 2010, according to **Zhenchao Qian**, a sociologist at **The Ohio State University**, who studied Census data.

The findings may reflect, in part, the effects of the recent recession, which drove many young Americans to live with their parents and may have made living with a romantic partner more expensive for some, especially the unemployed. The psychological effects of high unemployment and rising poverty also likely fueled instability in Americans' relationships, making cohabiting — which involves living together for a period of a few years — that much harder. One caveat is that Mr. Qian's analysis relies on two snapshots in time.

"Bucking the trend in the past, the prevalence of cohabitation among the U.S. born did not increase in the 2000s," Mr. Qian says. "The impact of the Great Recession might be severe enough that fewer men and women could afford" it.

The recent recession, and specifically, high unemployment, stagnant incomes, and battered housing markets, exacerbated many of the trends undermining the traditional family structure that gathered steam in the 1970s but eased off during the good economic climate of the late 1990s: Younger people delaying marriage; the middle-aged foregoing marriage and staying single; more people getting divorced and remarrying; more cohabiting or single-parent families.

The number of cohabiting couples grew from 0.4 million in 1960 to 3.8 million in 2000, according to Census data, and nearly 60% of couples who got married in the early 1990s cohabited first. Even among the elderly, cohabitation has become common. Americans with more financial resources tend to move on from cohabitation to marriage, while working and lower-middle-class Americans are more likely to maintain cohabiting living arrangements. In a new paper, economists **Shelly Lundberg** and **Robert Pollak** argue marriage is "a commitment mechanism that supports high levels of investment in children and is hence more valuable for parents adopting a high-investment strategy for their children."

But the rapid rise of cohabitation in recent decades appears to have halted in the 2000s, Mr. Qian says. One clue that this leveling off has to do with the Great Recession of 2007-2009 is that the prevalence of cohabitation was lowest among those with less education and among minorities — two sub-populations that were disproportionately hurt by the recession.

"This is a finding that we did not witness in the past," Mr. Qian says. "It is possible that these individuals might not even [be able to] afford cohabitation, or only have unstable cohabiting relationships due to poor unemployment opportunities and economic resources." Even if these couples cohabited, his thinking goes, they may have broken up more quickly, because of economic difficulties, which means they weren't captured by the Census' snapshots.

Another possibility is that cohabitation has become so common and socially accepted that it's following the same pattern as marriage — with Americans who lack economic resources or wish to avoid commitments shying away from cohabitation the same way they might stay away from marriage.

At the same time, it's possible cohabitation has become more expensive as it's been normalized, which means Americans hard hit by the recession probably couldn't afford not just a wedding but also this intermediate step before marriage. "Cohabitation has become so prevalent that it has become a social institution, which comes with expectations and norms," Mr. Qian says. "As a result, some young men and women may be discouraged from entering cohabiting relationships."

Copyright 2013 Dow Jones & Company, Inc. All Rights Reserved
This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit

www.djreprints.com