

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Economics of the Family: Marriage, Children, and Human Capital

Volume Author/Editor: Theodore W. Schultz, ed.

Volume Publisher: UMI

Volume ISBN: 0-226-74085-4

Volume URL: <http://www.nber.org/books/schu74-1>

Publication Date: 1974

Chapter Title: Front matter to "Economics of the Family: Marriage, Children, and Human Capital"

Chapter Author: Theodore W. Schultz

Chapter URL: <http://www.nber.org/chapters/c2960>

Chapter pages in book: (p. -9 - 0)

# **Economics of the Family**

The NBER's research in population and family economics is one of five programs in the NBER Center for Economic Analysis of Human Behavior and Social Institutions. This research program has been supported since 1970 by a grant from the Ford Foundation and since 1972 by a grant from the National Institute of Child Health and Human Development. As a part of that program, NBER co-sponsored with the Population Council two conferences held in June 1972 and June 1973 under the chairmanship of Theodore W. Schultz. This volume contains papers discussed at those conferences.

# **Economics of the Family**

## **Marriage, Children, and Human Capital**

Edited by Theodore W. Schultz

A Conference Report  
of the National Bureau  
of Economic Research

Published for the  
National Bureau of Economic Research

by

The University of Chicago Press  
Chicago and London

The University of Chicago Press, Chicago 60637  
The University of Chicago Press, Ltd., London

©1973, 1974 by The University of Chicago  
©1974 by the National Bureau of Economic Research  
All rights reserved. Published 1974. Second Impression 1979  
Printed in the United States of America

International Standard Book Number: 0-226-74085-4  
Library of Congress Catalog Card Number: 73-81484

# National Bureau of Economic Research, 1974

**OFFICERS:** Arthur F. Burns, *Honorary Chairman*; J. Wilson Newman, *Chairman*; Moses Abramovitz, *Vice Chairman*; John R. Meyer, *President*; Thomas D. Flynn, *Treasurer*; Douglas H. Eldridge, *Vice President—Executive Secretary*; Gary Fromm, *Director, NBER—Washington, D.C.*; Victor R. Fuchs, *Vice President—Research & Co-director, NBER—West*; Edwin Kuh, *Director, Computer Research Center*; Hal B. Lary, *Vice President—Research*; Robert E. Lipsey, *Vice President—Research*; Sherman J. Maisel, *Co-director, NBER—West*; Geoffrey H. Moore, *Vice President—Research*; Edward K. Smith, *Vice President*

**DIRECTORS AT LARGE:** Atherton Bean, *International Multifoods Corporation*; Andrew F. Brimmer, *Harvard University*; Arthur F. Burns, *Board of Governors of the Federal Reserve System*; Wallace J. Campbell, *Foundation for Cooperative Housing*; Erwin D. Canham, *Christian Science Monitor*; Emilio G. Collado, *Exxon Corporation*; Solomon Fabricant, *New York University*; Frank L. Fernbach, *United Steelworkers of America*; Eugene P. Foley, *Montrose Securities, Inc.*; David L. Grove, *International Business Machines Corporation*; Walter W. Heller, *University of Minnesota*; Vivian W. Henderson, *Clark College*; John R. Meyer, *Harvard University*; Geoffrey H. Moore, *National Bureau of Economic Research*; J. Wilson Newman, *Dun & Bradstreet, Inc.*; James J. O'Leary, *United States Trust Company of New York*; Rudolph A. Oswald, *Service Employees International Union*; Alice M. Rivlin, *Brookings Institution*; Robert V. Roosa, *Brown Brothers Harriman & Co.*; Eli Shapiro, *The Travelers Corporation*; Arnold M. Soloway, *Jamaicaway Tower, Boston, Massachusetts*; Lazare Teper, *International Ladies' Garment Workers' Union*; Theodore O. Yntema, *Oakland University*

**DIRECTORS BY UNIVERSITY APPOINTMENT:** Moses Abramovitz, *Stanford*; Gardner Ackley, *Michigan*; Charles H. Berry, *Princeton*; Francis M. Boddy, *Minnesota*; Otto Eckstein, *Harvard*; Walter D. Fisher, *Northwestern*; R. A. Gordon, *California, Berkeley*; J. C. La Force, *California, Los Angeles*; Robert J. Lampman, *Wisconsin*; Maurice W. Lee, *North Carolina*; Almarin Phillips, *Pennsylvania*; Lloyd G. Reynolds, *Yale*; Robert M. Solow, *Massachusetts Institute of Technology*; Henri Theil, *Chicago*; William S. Vickrey, *Columbia*

**DIRECTORS BY APPOINTMENT OF OTHER ORGANIZATIONS:** Eugene A. Birnbaum, *American Management Association*; Thomas D. Flynn, *American Institute of Certified Public Accountants*; Nathaniel Goldfinger, *American Federation of Labor and Congress of Industrial Organizations*; Harold G. Halcrow, *American Agricultural Economics Association*; Walter E. Hoadley, *American Finance Association*; Philip M. Klutznick, *Committee for Economic Development*; Paul W. McCracken, *American Statistical Association*; Roy E. Moor, *National Association of Business Economists*; Douglass C. North, *Economic History Association*; Willard L. Thorp, *American Economic Association*; Robert M. Will, *Canadian Economics Association*

**DIRECTORS EMERITI:** Percival F. Brundage; Frank W. Fetter; Gottfried Haberler; Albert J. Hettinger, Jr.; George B. Roberts; Murray Shields; Boris Shishkin; Joseph H. Willits

**SENIOR RESEARCH STAFF:** Gary S. Becker; Charlotte Boschan; Phillip Cagan; Stanley Diller; Solomon Fabricant; Milton Friedman; Gary Fromm; Victor R. Fuchs; J. Royce Ginn; Raymond W. Goldsmith; Michael Gort; Michael Grossman; F. Thomas Juster; John F. Kain; John W. Kendrick; Irving B. Kravis; Edwin Kuh; William M. Landes; Hal B. Lary; Robert E. Lipsey; Sherman J. Maisel; Benoit B. Mandelbrot; John R. Meyer; Robert T. Michael; Jacob Mincer; Ilse Mintz; Geoffrey H. Moore; M. Ishaq Nadiri; Nancy Ruggles; Richard Ruggles; Anna J. Schwartz; Robert P. Shay; Edward K. Smith; George J. Stigler; Victor Zarnowitz

*Relation of the National Bureau Directors to Publications Reporting Conference Proceedings*

Since the present volume is a record of conference proceedings, it has been exempted from the rules governing submission of manuscripts to, and critical review by, the Board of Directors of the National Bureau.

*(Resolution adopted July 6, 1948,  
as revised November 21, 1949,  
and April 20, 1968)*

# Contents

Prefatory Note ix

## **Part One. In Search of New Approaches**

Fertility and Economic Values

*Theodore W. Schultz* 3

## **Part Two. Economics of Family Fertility**

Economic Theory of Fertility Behavior

*Robert J. Willis* 25

Comment

*Norman B. Ryder* 76

Interaction between Quantity and Quality of Children

*Gary S. Becker and H. Gregg Lewis* 81

Child Quality and the Demand for Children

*Dennis N. De Tray* 91

Comment

*Orley Ashenfelter* 117

Education and the Derived Demand for Children

*Robert T. Michael* 120

Comment

*Margaret G. Reid* 157

Economics of the Size of North Carolina Rural Families

*Bruce Gardner* 160

Comment

*Glen G. Gain* 184

Economic Analysis of Fertility in Israel

*Yoram Ben-Porath* 189

Comment

*H. Gregg Lewis* 221

Economics of Postwar Fertility in Japan

*Masanori Hashimoto* 225

Comment

*Gary R. Saxonhouse* 250

Birth Rate Changes over Space and Time: A Study of Taiwan

*T. Paul Schultz* 255

Comment  
*James Tobin* 292

### **Part Three. Economics of Marriage**

A Theory of Marriage  
*Gary S. Becker* 299

Comment: The Economics of Nonmonetary Variables  
*William J. Goode* 345

The U.S. Marriage Market  
*Alan Freiden* 352

Comment  
*T. Dudley Wallace* 372

Benefits of Women's Education within Marriage  
*Lee Benham* 375

Comment  
*Finis Welch* 390

### **Part Four. Family Human Capital**

Family Investments in Human Capital: Earnings of Women  
*Jacob Mincer and Solomon Polacheck* 397

Comment  
*Otis Dudley Duncan* 430

Home Investments in Children  
*Arleen Leibowitz* 432

Comment  
*Frank P. Stafford* 453

The Effect of Children on the Housewife's Value of Time  
*Reuben Gronau* 457

Comment  
*Robert E. Hall* 489

Effects of Child-Care Programs on Women's Work Effort  
*James J. Heckman* 491

Comment  
*Sherwin Rosen* 519

### **Part Five. Household and Economy**

Toward a New Theory of Population and Economic Growth  
*Marc Nerlove* 527

Comment  
*Zvi Griliches* 546

References 549

Index 569

## Prefatory Note

During the past decade a small group of economists have been analyzing the fertility behavior of the family, using the concepts of human capital and of the allocation of time. These studies led to the development of the household production function and to the representation of the family as an important decision-making entity in allocating the scarce resources at its disposal in household production for current consumption and investment in children.

I have had the privilege of organizing two conferences, in 1972 and in 1973. These conferences were sponsored by the National Bureau of Economic Research and the Population Council, a joint enterprise set into motion by Victor Fuchs. This book brings together the two sets of studies which I edited and which were first published as supplements to the *Journal of Political Economy*, "New Economic Approaches to Fertility," March/April 1973, and "Marriage, Family Human Capital, and Fertility," March/April 1974. Gary S. Becker has kindly given permission to include the first part of his "A Theory of Marriage" which appeared in the July/August 1973 *Journal of Political Economy*.

I am very much indebted to Mrs. Virginia K. Thurner for her competent editorial assistance.

THEODORE W. SCHULTZ

October 1974

