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Benefits in kind

Division of labour, loss aversion... we'd all be better off if we applied the laws of economics to our married life

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Everyone who goes into a marriage discovers it's a business venture, not a love story (STO)

being messed up by stressed-out, small-minded people. Right up to the point that I got married four years ago, I assumed my marriage would be different — all love and easy sharing.

When I was single, I was regularly baffled by the behaviour of my married friends, male and female. Every time I witnessed one of those “I told you we needed milk” conversations, I thought: “Blimey, just nip out and get some, it’s not the end of the world.” Marriage, from the smug slopes of singlehood, looks like a doddle that’s

What I didn't realise then is that everyone under the age of 60 goes into marriage thinking exactly the same thing, and then they discover marriage is really a business venture, not a love story. It requires investment and organisation and rational management and work — particularly when you add children into the equation (three big ones, in my case). You need to agree on how to spend your limited time (his friends or yours), energy (football game or visiting your parents) and money (boiler or party). And that's just the fun stuff. Love is essential, but it doesn't give you the strategies you need to stay afloat.

Previous generations understood this, so weren't surprised when their relationships shifted into a different gear. But, to us, any movement away from the euphoria of the early days feels like failure; we expect marriage to be one long photogenic love affair (well, I did) and feel vaguely cheated when the daily sex tails off and the number one topic of conversation is the children, followed by what's left in the fridge. But if you can accept that marriage is a business and should be approached exactly like one, suddenly everything changes.

This is the premise of a forthcoming book (inspired by the authors' successful blog), *Spousonomics: Or How to Maximise Returns on the Biggest Investment of Your Life*, by Paula Szuchman and Jenny Anderson.

Apply economic principles to marriage and you will be happier is the message — and the more you think about it, the more it makes perfect sense.

For example, imagine if, instead of resenting the fact that you have cooked five times this week (even if he has done all the driving and the computer sorting), you could see this division of labour as a perfect example of the benefits of comparative advantage (otherwise known as “specialisation”).

Or what if someone were to tell you that the sulky feeling you get when you see newlyweds wrapped around each other in the park and wonder “Why aren't we like that any more?” is simply a normal response to change, familiar to economists as “loss aversion”.

In economic terms, loss aversion explains why people are prepared to keep on losing money rather than cut their losses and admit they've failed (see bankers). In relationship terms, it explains why we would rather prolong a fight than call it quits. It explains why we find it hard to compromise — why we need to spend Christmas the way we always have done and keep all our furniture, despite that meaning there's no room for his. But, above all, our innate fear of losing means we tend to see change in relationships as a negative rather than a gain. We think, “It's not as hot as it was” rather than “It's different”. Extreme loss aversion is what drives people to walk out of their marriages in search of something new and exciting; mild loss aversion is what you get when you remember the fuss he used to make on your birthday.

The solution to this is simply to look at the situation differently (or accentuate the positive). You may no longer be nuzzling in a bar every night, but you are working through the box set of *The West Wing* (still), and that also makes you happy. You're not spending the weekend locked in a hotel room, but you are in your own house, where you can adjust the heating and make a better cup of tea. It's about acknowledging that you're the one who hates birthdays now — and anyway, it was your choice to spend your present money on a food processor. That's good economic thinking.

Using the right incentives is another rule of economics that can usefully be applied to marriage. In an economic context, as we all know, workers respond to positive incentives, and none more so than attention and acknowledgment. This one is so obvious it hardly seems worth mentioning. But do you praise your husband as you would a business partner, or do you mainly criticise him for lousing things up? Do you trust him to do a job and get it right, or do you anticipate that he won't remember to pick

up the parking permits and remind him on the hour, which, without fail, achieves the opposite? Economists will tell you that punishment and monitoring (wife behaviour) are infinitely less effective than trust and rewarding (business-partner behaviour). This may sound weird, but consider how far nagging gets you. Then cast your mind back to that time you left him to sort it out, and he did, eventually.

There's more, too. There's that law of comparative advantage, which, put simply, explains why it is more efficient for you to do what you are relatively good at and trade the rest, rather than attempt to split the workload down the middle in the name of fairness. (If the marketplace is anything to go by, once you accept the principle of comparative advantage, both of you will have more free time, you will stop monitoring each other — phew — and the workload all evens out in the end anyway.)

There's also an economic principle particularly relevant to those who have been married for several years called moral hazard. In an economic context, this is the possibility that people with a financial safety net will behave more irresponsibly than those without (see bankers). In marriage, it's the danger of assuming that because so much has been invested over the years, it will always be as safe as houses. Maybe you are carrying your partner and removing his incentive to try. Or maybe you're the one who has given up trying — starting with putting on a couple of stone since the summer. Either way, the economic solution is to make sure you are both investing equally by reassessing your responsibilities and goals. As of now, he puts the children to bed once a week and cooks at the weekend. You get your moustache waxed and take up running. Whatever.

And here's the surprising part. Thinking of your marriage not as a love affair that is slowly getting buried under layers of family responsibilities, but as a start-up business that is adding skills by the day, makes everything look completely different. Rosy, even. And pretty sexy. Try it.