

THE RATIONAL CHOICE AND SOCIAL EXCHANGE FRAMEWORK

Kevin and Sarah have been dating seriously for about 6 months. Both agree that they have a close relationship with a lot of warmth and support. After going to a romantic movie, Kevin and Sarah go back to Kevin's apartment and are in the middle of some pretty serious petting when Sarah says, "Kevin, if we are going to do it, I want you to use a condom. I have one in my purse." Kevin says, "Are you serious? Don't you trust me? I mean, it's not as though I have AIDS or something." Sarah seems to be caught off guard and pauses for a moment before responding. "Kevin, I know how you feel about me, and I trust you, but a condom makes good sense because it is easy for anyone to pick up a sexually transmitted disease. Some of these diseases are hard to detect and even harder to cure, especially for women. I don't want to end up not being able to have children when I am ready to as a result of carelessness." Kevin quickly blurts, "But these things are so plastic. You know, Sarah, a guy doesn't feel anything if he wears one of those!" Sarah's voice carries a tinge of anger or bitterness. "Kevin, I wanted to make love with you, but now I feel you are just after your own pleasure and don't really care about the possible consequences for me. I'm the one who could get pregnant, I'm the one who has to get an abortion or carry the baby for 9 months, and in the end, I am now the one who has to ask for a common-sense preventive measure that would protect both of us." Kevin's tone becomes disappointed but still angry. "Come on, and I'll take you home."

This sketch of Kevin and Sarah's interaction provides us with an illustration of two people pursuing their self-interests. Kevin's self-interest is to maximize his sexual pleasure. Sarah's self-interest is to avoid the costs associated with

unprotected sex. From this standpoint, often called *utilitarianism*, both Kevin and Sarah are acting rationally, but they are operating on different values.

The essence of utilitarianism is that individuals rationally weigh the rewards and costs associated with behavioral choices. They choose those activities that maximize their rewards. Utilitarianism is a philosophical perspective that has heavily influenced exchange theories in the social sciences. The central focus of exchange theory is on motivation. Human beings are viewed as motivated out of self-interest. What does it mean to say that utilitarianism focuses on motivation? Motivation is what induces a person to act. The focus, therefore, is on the person and what propels that person to choose a particular action. Theories inspired by utilitarian thinking are based on the assumption of individual self-interest. This in turn means that we as social scientists can understand a person's actions by understanding the individual's interests or values. These interests allow the individual to account for both costs and rewards and to make choices that maximize the actor's utility or profit. The basic notion, then, is that rational actors choose a course of action that produces the greatest benefit.

Exchange theorists usually explain the existence and endurance of social groups such as the family by their appeal to the self-interest of individual members. Individuals come together in groups so as to maximize their rewards. Of course, membership in social groups may also necessitate compromise and even costs to the individual member. If the costs of group membership exceed the rewards, then membership in the group is no longer a rational choice. Thus, the family group is usually conceptualized as a source of rewards for the individual members.

INTELLECTUAL TRADITIONS

Social exchange and rational choice originated in what is known as "utilitarian thinking." Utilitarianism actually refers to several varieties of theory, all of which share a common theme. The common theme is that humans are motivated and act so as to maximize those outcomes they most value. Some examples of utilitarian thinking are the ethical utilitarianism of the Epicureans and later Jeremy Bentham and John Stuart Mill, psychological hedonism, and the ideal utilitarianism of G. E. Moore. A complete picture of all the variants of utilitarian thinking would require volumes rather than pages. We direct our

attention to the forms of utilitarian thinking found in the social sciences, particularly in the area of family studies.

Because utilitarianism is concerned with achieving outcomes that are valued, most social science theories are voluntaristic, or interest, theories of value. In these variants, great emphasis is placed on the unfettered choice of individuals. One of the originators of this perspective, Adam Smith, held an economic view of humankind based on the belief that people act rationally to maximize benefits, or utility. When choice was externally controlled or determined, however, actors could not make rational choices because their rationality was constrained by external limits on choice. This view was the basis for laissez-faire economics and, in addition, much of the utilitarian theory in the social sciences today.

In current social science, utilitarian thinking is quite obvious in microeconomic theory of the family (Becker, 1981), social psychology (Emerson, 1976; Homans, 1961; Nye, 1979), organizational sociology (Blau, 1964), and rational choice theory (Coleman, 1990; Hechter, 1987). There are major differences of emphasis among these authors, especially in how they unite individual motivation to macroscopic processes of reciprocity and social change. The focus of all these theories, however, is on the rational utilitarianism of the individual.

Many of these theories have been termed *exchange theories*. This has led to some confusion with a group of theories that is structural and not at all focused on individual motivation. For example, the French anthropologists Claude Lévi-Strauss (1969) and Marcel Mauss (1954) are often called exchange theorists, but their focus is on the institutional norm of reciprocity and the social functions of exchanges in terms of group solidarity and the formation of group alliances. Other theorists, such as John Scanzoni (1970) and Randall Collins (1975), have a conflict-resource orientation; they fit only marginally into our characterization of utilitarianism because of their additional emphasis on macroscopic structures. In the study of the family, utilitarian thinking (maximization of individual profit) is generally referred to as rational choice and exchange theory, and we follow this convention. It is certainly possible, however, to argue the macroexchange position that patterns of human motivation are responsible for the emergence of social structures to regulate those motivations and construct institutions that constrain the individual choices that led to their origin in the first place. This argument for the emergence of social structures from individual profit motives is most recently associated with the rational choice theory of James Coleman (1990).

In the contemporary study of the family, Ivan Nye (1978, 1979, 1980) has been the foremost proponent of exchange theory. Nye's (1979) formal propositional statement of exchange theory relied heavily on the social-psychological approach of his predecessors from psychology, Thibaut and Kelley (1959). Although Nye's (1979) version of utilitarianism does include the norm of reciprocity and group-level exchanges, these macrosocial concepts are not well integrated with the social-psychological utilitarianism that is his principal focus. Nye (1979) titles his chapter "Choice, Exchange, and the Family," thus emphasizing the voluntarist assumption guiding his version of utilitarianism. In our treatment of social exchange, we rely on Nye's statement of utilitarianism applied to the family as well as more recent summaries of exchange theory (Sabatelli & Shehan, 1993) and conceptual additions from rational choice theory (Coleman, 1990).

FOCUS AND SCOPE ASSUMPTIONS

The individual is real. The assumption that the individual is real is technically referred to as *methodological individualism*. This assumption implies that group phenomena, social structure, and the normative culture are constructed by the actions of individuals. Thus, if we understand the actions of individuals, we will also understand these macrosocial phenomena. In regard to the family, this is an important and perhaps tenuous assumption. In exchange theory, the family is viewed as a collection of individuals. But we are all aware that mate selection, parenting, and many other family matters are regulated by both formal norms (laws) and informal ones. This is the task set by the assumption of methodological individualism. The age-old problem for utilitarian theories is that social norms and social order must be explained by individual profit. James S. Coleman (1990), in the first chapter of his book *Foundations of Social Theory*, tackles this question from a utilitarian, or rational choice, perspective. Although we will discuss Coleman's position, we nonetheless recommend his discussion to readers as supplying one of the best direct confrontations with the challenges of methodological individualism for the macroscopic study of social groups and institutions.

Prediction and understanding come about by understanding the individual actor's motivation. Although not all theorists who assume methodological individualism attempt to understand individuals' actions through motivation, rational

choice and microexchange perspectives usually do expect that individual motives are explanatory. Although these theorists acknowledge that individuals are always constrained in their choices, within these constraints any choice can be understood as based on the actor's motivation rather than exogenous forces or constraints. In this sense, exchange theory is a voluntaristic theory in the same way in which Adam Smith's theory was voluntaristic. This insight led Nye (1979) to state that the basic theory is about choice (p. 4) and has led other theorists to suggest rational choice explanations for family behavior (Coleman, 1990). Because families are a relatively long-lasting social group, the voluntaristic assumption leads exchange theorists to assume that families are rewarding to individual members. The fact that children do not voluntarily choose their parents may provide some difficulties for the theory, however.

Actors are motivated by self-interest. Even with the assumption that the actor's motivation explains behavior, a theorist could still assume that motivation is multidimensional or not conscious (as in the concept of the subconscious) or founded on inherent drives such as those that Freud proposed. But microutilitarian exchange theories usually include the assumption that individuals are unilaterally motivated by self-interest; individuals seek things and relationships they regard as beneficial for themselves. The notion of self-interest raises some interesting questions regarding what we commonly know as altruism. Even some variants of ethical utilitarianism have been based on the assumption that we should act to accrue the greatest good for the greatest number. But for family exchange theorists such as Nye (1979), collective interests and altruism are derived and explained by the self-interests of individuals. So, although self-interest is not necessarily the hallmark of all forms of utilitarian thinking, it is a basic assumption in regard to exchange and choice theory.

Actors are rational. It is easy to agree with the assumption that actors are rational. All of us like to think that we are rational human beings. But how often do we stop and think about what it means to be rational? This is a more complex assumption than we initially might have thought.

To be rational is to have the ability to calculate the ratio of costs to rewards. This is an analytic ability. One crucial dimension of rationality is that it is the same for all actors. Any two rational actors in identical situations with identical values and identical information would necessarily reach the same result in their calculations and thus pursue the same behavior. This assumption of rational actors is as important for microeconomics as it is for choice and

exchange theory because it allows the interchangeability of actors and the concept of general rational actors captured in notions such as “the consumer.”

The idea of rational actors evolved from the rationalist philosophies of the Age of Enlightenment. Many students will recall that the Enlightenment was characterized by a newfound confidence in the ability of humans to reason. What was meant by reason was deduction or analytic thought. Such analytic thinking was believed to be independent of experience or sense data. Many philosophers, such as the French philosopher René Descartes, believed human rationality provided unequivocal knowledge that was true (*quod erat demonstratum*). Indeed, the view of humans as rational actors originating in the work of Enlightenment philosophers such as John Locke provides much of the rationale for our current legal system. For example, juvenile offenders are treated differently from adults because they are believed to have not yet fully developed the ability to calculate rewards and costs. The rational assumption also provided the basis for much of the economic theory of Adam Smith.

It is easy to confuse rationalism with other words that share the same root but have very different meanings. For instance, *rational* is not interchangeable with *rationalization*. A rationalization is an attempt to provide an apparently rational justification for one’s behavior *after* the behavior occurred; it is not proof of a choice but rather an ex post facto fabrication (after the fact). Later, we further discuss the ex post facto nature of rationalization, which critics of exchange theory raise as an objection.

CONCEPTS

Reward and Cost

A *reward* is anything that is perceived as beneficial to an actor’s interests. A simple way to conceptualize cost is as the inverse of reward. It is also possible to conceptualize *costs* as the negative dimension of rewards. It is important, however, to include as costs or negative rewards the opportunities for rewards that might be missed or forgone that are associated with any specific choice. The dialogue between Sarah and Kevin might be extended to include the costs to Sarah if she became pregnant and had to forgo opportunities such as completion of high school and postsecondary education. Indeed, such forgone opportunities might constitute very significant costs.

It would be naive to assume that the concepts of costs and rewards are unique to utilitarian theories. Certainly, Watsonian and later Skinnerian psychology emphasize rewards and punishments. Although the basic notions are similar, the theories differ because the assumption of cognitive rationality is largely absent from these behavioristic psychological theories. Indeed, behaviorists deny that conceptual processes need to be included in explanations of human behavior and posit that only behavioral patterns of stimulus and response need be examined. This view is at odds with the cognitive emphasis in exchange theory on rationality.

Microeconomics is focused on economic rewards and costs. Family exchange and choice theorists view rewards and costs as being formulated from a much broader array of values than is used in economic theory. For example, Nye (1979), Blau (1964), and Foa and Foa (1980) each list six sources of rewards and costs, although each list includes some different sources. We consider these general sources of costs and rewards in greater depth below.

When we examine the basic concept of rewards more deeply, we find definitions referring to things or relationships that bring pleasure, satisfaction, and gratification. Such definitions come uncomfortably close to a naive *hedonistic calculus* weighing pleasure and pain. Such a hedonistic view falls apart rapidly when the complexities of decisions are examined. For example, one may climb a mountain because it is gratifying, but it also involves risk and hardship. Indeed, it is doubtful that mountain climbers would find the task as gratifying if it did not contain the risk and hardship. Many of our most gratifying experiences are gratifying in part because not everyone is willing to undertake the hardship or risk.

Profit or Maximizing Utility

The notions of reward and cost alone do not explain behavior. If one attempts to explain that an actor behaves in a certain way because it is rewarding, the resulting explanation is overly simplistic and fails to account for the many elements that were rationally calculated by the actor. Indeed, reward and cost alone supply us with little other than a form of behaviorism.

It is the concept of profit, or utility, that allows the theory to avoid such criticisms. Profit is defined as the ratio of rewards to costs for any decision. Actors rationally calculate this ratio for all possible choices in a situation and then choose the action that they calculate will bring the greatest rewards or the fewest

costs. Thus, the mountain climber weighs the rewards of climbing a mountain, such as the social approval of other climbers and the aesthetic enjoyment of the climb, against costs such as the risk of being killed or injured in a rockfall or avalanche. From this example, you can see that it is the notion of rational calculation of profit that makes exchange theory more than naive hedonism.

Comparison Level (CL) and Comparison Level for Alternatives (CL+)

In complex situations, the evaluation of profit available to an actor may be divided into two comparison levels. The first is the comparison (CL) of what others in your position have and how well you are doing relative to them. The second comparison (CL+) is how well you are doing relative to others outside of your position but in positions that supply an alternative or choice.

The role of comparisons in the evaluation of choices has mainly been emphasized by Thibaut and Kelley (1959) and Nye (1979). This perceptual orientation is especially useful for family researchers wanting to explain phenomena such as timing of children or the decision to divorce. The decision to divorce provides a good illustration of the two comparison levels. For example, a husband may compare (CL) his profit ratio for his marriage with what he perceives other husbands he knows are receiving in their marriages. The second level of comparison (CL+) would be to compare his profit as a husband with the profit he perceives in other possible, unmarried positions, such as divorced and remarried husbands. According to the theory, if he were to calculate greater profit for an alternative position, he is more likely to choose a divorce.

For family researchers, evaluation levels represent one of the more attractive components of the theory because they allow us to understand changes of marital and family status. Comparison levels can be used to understand a choice such as divorce, and they can also be used to understand the degree of satisfaction or gratification an actor associates with an outcome. Sabatelli and Shehan (1993) propose that the notion of comparison level could help us understand why young couples with children experience lower marital satisfaction than couples in other stages of family life (e.g., Rollins & Feldman, 1970). Sabatelli and Shehan (1993) point out that couples with young children are in a period of family life that follows a stage (early marriage) marked by high satisfaction, thus constituting a high comparison level. Demands and

expectations associated with child rearing take time and energy away from fulfilling the high marital expectations in the way they were satisfied before children. Hence, the comparison of present rewards with what one has previously received is linked to greater dissatisfaction with marriage.

Rationality

We have previously discussed rationality as a basic assumption necessary for the calculation of the ratio of rewards to costs. If you think about things and relationships that you find rewarding in your life, however, you will probably notice that the value of these rewards changes with time and situation. In addition, you would surely note that not all rewards are equally weighted. For example, you might be thirsty and want a drink, but not all liquids that would quench your thirst are equally valuable (as any cola commercial attests). Furthermore, the value of a reward may decrease as you gain more of it (marginal utility); a dollar to a rich person has less value than a dollar to a poor person. To deal with the changing value of rewards and costs, it is necessary to add the idea of the importance, salience, or weight of alternatives. To understand any actor's choice as rational, we need to know what the person considers rewarding and costly, and, in addition, we have to know the relative weights (or salience) for each of the rewards and each of the costs.

A simple example might clarify this idea. Imagine that your family is trying to decide on a destination for a summer vacation. You have narrowed down the choices to backpacking in the backcountry near Jackson Hole, Wyoming, or visiting the campgrounds along the Oregon coast. To reach this stage, each family member has to compare the possible alternatives, such as taking individual vacations rather than a joint vacation. This is similar to the second comparison level, or what Thibaut and Kelley (1959) called the comparison level for alternatives. Is it a reward or cost to go on a family vacation? Do you enjoy being together, or is it more valuable to spend some time away from family members? After there is agreement that a family vacation is more valuable, the next step is to decide on the destination. Do you value hiking in the mountains or walking miles of uncluttered beaches? Do you want the adventure of backpacking or the more placid contentment of watching the Pacific Ocean? Are there activities for all family members in both spots? Each value, such as adventure and diversity of opportunities for other family members, is weighted by the importance or salience of this for you. Finally, you

make a choice based on the maximization of profit for you. Of course, your family as a whole might choose the other alternative.

This example raises a critical question. How could a researcher ever examine the complex decisions of family members in one family, let alone a large sample of families? Certainly, the theory appears too cumbersome for a detailed accounting of rewards, costs, and relative weights for each individual, for every decision in each and every family. Exchange theory can be used in such investigations by making two assumptions. One assumption we have already discussed: Because actors are rational, they are interchangeable. This assumption means that given the same rewards, costs, and weights, any actor would make the same choice as any other. The second assumption is one we have not discussed in any detail. It is the assumption that for large numbers of actors, we can assess the rewards, costs, and weights as those that would be held by a modal, or average, actor. In other words, we assume that for most people in a social group or social system, rewards, costs, and weights are relatively uniform. There may be variation in how people look at rewards and costs, but there is great overall uniformity and little systematic variation.

Exchanges and Equity

The rational weighing of costs and rewards in an unconstrained environment seldom happens in reality. Usually, we live in a social system characterized by social interdependencies; some of the rewards we may desire are dependent on the cooperation of others, or we may need to trade with others something we have of lower value in exchange for something of higher value. This is an economic view of society. In most instances, maximizing profit entails exchanges with others. Social relationships that last over some period of time do so in part because they offer profits. A rational person is willing to incur some losses to maintain such profitable relationships. Marriage may be one such relationship, in which inequities over a period of time are tolerated because of the expectation of future and longer term rewards from the relationship. Certainly in families, vacations are planned not so as to optimize the profit for any individual but rather to distribute fairly and equitably rewards to all family members.

In a few exchange perspectives (Scanzoni, 1972; Sexton & Perlman, 1989; Walster & Walster, 1978), the principle of equity is viewed as being central to the maintenance of social relationships and groups. After all, siblings play together because of a set of negotiated and agreed-on exchanges

perceived by them to be a fair exchange. Families decide on a vacation spot based not on any one individual's profit but on an equitable distribution of rewards for all members. Husbands and wives can be viewed as in a fair exchange situation, and when the situation becomes unfair or imbalanced, we expect divorce or separation. As we shall see later, marriages are seldom exactly equitable at any point in time, and some people may be so committed to marriage that inequity is not an issue. Indeed, if equity generally operated in marriage, we would not have so much literature on division of household labor in the family (e.g., Pina & Bengtson, 1993).

It is useful to keep in mind two precautions. First, equity can be defined as *fairness* or *justice*, and relations do not need to be exactly equal to be fair or just but can be perceived to be so. Social norms in a given place and time may require inequality, such as women being expected to subordinate their self-interests for the good of men and children. So it is possible that an unequal division of household labor is viewed as fair or equitable. Second, rationality may not be uniform across social actors. A person cannot know how rewarding or costly something is to others in a group, or what comparison levels other group members have, without adequate information and experience.

Human Capital and Social Capital

Most exchange theorists support the idea that profitable exchanges are valued and maintained. This fact seems to imply that individuals in such exchanges have resources to exchange (economic and human capital), and the network of profitable exchanges is itself a form of resource (social capital). Becker (1964) first developed the idea of human capital, and it has become a central concept in the rational choice approach. Coleman (1990) states that "human capital is created by changing persons so as to give them skills and capabilities that make them able to act in new ways" (p. 304). Some familiar sources of human capital would be educational institutions and information media, but these sources should not be considered other than as the medium by which individuals acquire human capital. Indeed, human capital refers to the knowledge, skills, and techniques acquired by the individual. Knowledge and skills have economic value for the individual because they increase the individual's wages or opportunities. We often measure human capital by years of formal education or training, workshops, apprenticeships, Graduate Record Exams, and so on.

Social capital is a more recent concept than human capital. Although social capital was first posited by Bourdieu (1980), most North American scholars were introduced to the term by Coleman (1988). Coleman (1990) argues that social capital is created when the relations among persons change in ways that facilitate action, which is in turn tied to economic value. Social capital, then, refers to the network of relationships with others. Such exchange networks facilitate action (potential and actual exchanges) that allows for the acquisition of the more concrete types of capital: human and financial. A network of individuals ties together the human capital of individuals. Coleman (1990) describes the individuals as being the nodes of the network and the social capital being the lines connecting individuals. Furthermore, he argues that these networks have properties that describe and predict their utility for individuals. Furstenburg (2005) largely agrees that social capital is a structural concept with network properties. These network properties suggest that some networks are more than just size of membership. For example, if two groups have the same number of members and are equal in regard to other forms of capital, the group with the greatest trust among its members should be able to achieve more than groups with less trust (Coleman, 1990). White (2004), however, points out that Coleman argues that children must not only be connected to adults in a network; the adults must have the human capital required for the development of the child. Thus, for families, human and social capital are both intimately linked together.

Generalizable Sources of Rewards

The concept of a set of general rewards and costs for actors in a specific social system is absolutely necessary if exchange theory is to be applied to groups and large numbers of people and families. Of course, some of the most interesting research questions are not about one family or person but about why people in general behave in a certain way. For instance, we may want to know why married couples delay childbearing or why people wait until their late 20s to get married. Examining why one person, say, Martha Jones, delayed marriage would not give us the answer we seek. Martha was hospitalized with a major disease from her 20th birthday until she was 30 years old. We doubt that this explains why most people delay marriage. The answer to our question would usually come from representative survey research using large numbers of respondents. If we attempt to explain our respondents'

choices by maximization of profit, then the question arises as to how we can compute the ratio for all these actors in our sample.

The notion of general sources of costs and rewards enables us to compute a general accounting of salencies, costs, and rewards and to establish a general choice that would be most profitable for actors in a social system. Indeed, the relative stability of general costs and rewards in a social system allows actors to make rational decisions. Various theorists have proposed different general sources of rewards and costs. Homans (1961) originally emphasized social approval as the most general source of rewards and costs. Other theorists have felt a need for the inclusion of other sources. Blau (1964) proposed the social rewards and costs of personal attraction, social acceptance, social approval, instrumental services, respect, and power. Foa and Foa (1980) proposed love, status, services, goods, information, and money. Nye (1979) proposed social approval, autonomy, predictability, ambiguity, security, agreement, and equality of resources. Nye makes the claim that many of these sources are culture free and may be used anywhere in the world, but he fails to tell us which ones have such universal generalizability. None of the exchange theorists has spent his or her energies addressing general salience weights for these general costs and rewards, but in specific applications, he or she usually makes an argument as to why one set of rewards or costs is more salient than another. Because salience may change dramatically with the situation, the question is perhaps best left open at the general theoretical level.

Because most social exchange theorists identify social approval as a reward or cost, we can use that source for a general example. Let's return to the question "Why do people delay marriage?" and see what kind of answer we can formulate according to exchange theory, using the broad category of social approval for rewards and costs. We must first postulate the profit linked to marriage. In North America, most people marry at least once. According to exchange theory, a rational actor would marry to maximize profit. We must all agree that marriage is socially approved more than alternative forms of relationships such as cohabitation or singlehood. Our parents, religious institutions, and political institutions view marriage as the appropriate relationship between coresident heterosexual adults.

It is not difficult to make the argument that social approval is one of the major reasons we marry. Why are young people delaying marriage? Very simply, marriage roles and responsibilities (especially pregnancy and child care)

interfere with the social approval attached to other early life course expectations such as finishing education and getting started in a career. Today, as opposed to only a few decades ago, these educational and work expectations apply to both men and women as sources of social approval. Thus, young men and women delay marriage so that they may first achieve these other socially approved statuses. After all, most of us had parents, teachers, and clergy who advised us to finish our education and get a job before getting married. Although there are many gaps in our explanation, it nonetheless serves to illustrate the way in which general sources of reward might be used to explain social patterns such as delay of marriage.

PROPOSITIONS

Exchange theorists explain individual and family phenomena by identifying general propositions that seem to cover the particular phenomenon of interest. This is, of course, the procedure for all deductive theories. In the case of exchange theory, the general propositions required for any explanation are few in number. According to theory, social phenomena can be explained with little conceptual and propositional baggage. When a theory leads to successful explanations with very little baggage, we call it *parsimonious*. This simplicity is seen as an asset in comparing competing theories. Let's examine the propositions called for in exchange theory.

Actors in a situation will choose whichever behavior maximizes profit.

The simplest and most powerful proposition in exchange theory is simply that an actor will choose the course of action that offers the greatest rewards relative to costs. One implication of this proposition is that actors may not necessarily choose options that provide the greatest rewards if the costs are high relative to costs associated with other choices. A less rewarding option may be selected because the costs are lower. This fact should caution us that unlike the case in behaviorism, in exchange theory, profit rather than reward determines behavioral choices.

Actors in a situation in which there are no rewards seek to minimize costs (principle of least costs).

Some of you might ask, What if there are only potential costs in a situation and no rewards? The theory actually incorporates this concern but in an implicit rather than explicit way. Implicit in exchange theory is the concept of reward and cost being interchangeable because of the notion of calculation of profit. If profit is the ratio of rewards divided by costs, then clearly a fraction results when costs exceed rewards. Because division is the same operation as subtraction (the dividend is how many times you can subtract the denominator from the numerator), we can see that costs are mathematically equivalent to negative rewards. Indeed, a cost is a negative reward. Implicitly, then, the proposition regarding maximization of profit becomes the minimization of costs. This rule, or proposition, about minimization of costs can then be applied to the special case in which there are zero rewards but different costs associated with choices.

One of the more vexing problems for exchange theory has been the computation of long-term costs and rewards versus short-term costs and rewards. We give up many immediate rewards to achieve long-term rewards. For example, those who believe that a university education has the purpose of getting a good job might sacrifice 4 years of income while they are in a university, and many other immediate rewards, for what they perceive as higher rewards after they graduate. In a marriage, one spouse might pass up the satisfaction of making an angry response to an affront from the other spouse for the marriage to last over the longer term.

Compared with school groups and work groups, families are relatively lengthy in duration. The analysis of long-term rewards and costs is essential to understanding the behavior of its members. We can extrapolate two general propositions in this regard from Nye (1979, p. 6):

When immediate profits are equal, then actors choose according to which alternative provides the most profit in the long term.

and

When long-term profits are equal, then one chooses the alternative that provides the most profit in the short term.

These two propositions allow us to gain some perspective on the calculation of profit by interjecting time as a complicating variable. We still have to add the relative salience to the actor of immediate rather than deferred

gratification. And of course, these propositions tend to provide guidelines for analysis rather than predictions, as it is doubtful that we would often encounter situations in which profits are equal.

Coleman (1990) extends the propositions above and argues that actors adopt norms and regulated behavior so that they might maximize their marginal utility. As a result, the maintenance of social organization enhances longer term profits. In this sense, Coleman views the family as one such social structure.

Actors will prefer stable structures where rational calculations of profit are possible and hence will support structural norms enhancing stable structures.

It should be noted that this proposition from rational choice theory allows for exchange and choice theorists to move from microlevel analyses to more macrolevel analyses concerning social structures and norms. For example, the family can be viewed as a social institution that maintains exchanges of the human capital of parents to the children. The network that facilitates this exchange is a variable (social capital) such that some family structures may impede the transfer of knowledge and skills while other family structures optimize that exchange. The exchange can be measured by the increasing human capital of the children. At a broader social level, this leads to Coleman's proposition regarding social capital:

Social structures and networks produce varying amounts of social capital depending on the properties of the network structure (e.g., closure, membership).

There are several properties that Coleman (1990) discusses in relation to social capital. In his application to families, he tends to stress closure and membership. Networks with more members bring greater social capital simply because there is greater potential for and ties with other networks. For example, if one were in a network of 10 people, the potential to hear about rewards such as job opportunities would be greater than if the network only numbered two, all other things being equal. Likewise, closure is a property where members are all connected to one another. Such internal connectivity allows for the maximum potential for the group to develop and enforce social norms, whether these be external norms from community or school such as "do your homework" or internal family norms such as "it is your bedtime."

The propositions in this section suggest that choice and exchange theory are deterministic. If we knew all the values and salience weights composing

an actor's calculations, we could accurately predict the actor's choice and behavior in any given situation. The obstacles to such accurate predictions would not just be errors in our measurements but would also be the fluid and dynamic nature of social groups and social norms. In the end, this leads the theory to deal with probabilities rather than necessary causation. Nonetheless, at the individual level, this is a causal perspective in which the actor's perceptions, values, and calculation of profit compose the causal variables, and the actor's choice and behavior are the effect variables. As a result of this individual level deterministic view, exchange theorists might, for example, argue that those actors who choose to get married calculate that marriage is more rewarding than remaining single.

If people are basically selfish (motivated by self-interest), how is social order possible? In particular, how can family members cooperate, live in harmony, and invest themselves in each other's welfare? Exchange theorists and macrorational choice theorists such as Coleman (1990) tend to argue that individuals learn to increase the profits of others to increase their own profits. Thus, relationships become bargaining processes, each party exchanging rewards valued by other parties. Bargaining can eventually lead to "contracts," or promises by each to mutually reward the other at acceptable costs to both. Over time, trust and commitment develop out of fair exchanges (social capital). We trust that the rewards we give to others will be reciprocated in due course, and we commit to enduring investment costs for the moment with the assurance that relationship partners will repay our investment. When a group such as a family has a stabilized pattern of exchanges, such that commitment, trust, and profit are operating to the mutual benefit of all, then a spokesperson for the group can engage in exchanges with spokespersons of other groups. So macroexchanges can be viewed as the bargaining process between or among groups.

VARIATIONS

We have largely been following Nye's (1979) version of exchange theory and Coleman's (1990) rational choice theory, but it is important to note the diversity within exchange theories. We classify the many variants on the basis of whether they are microsocial or macrosocial. You may recall that a microsocial theory includes the assumption that the individual is the active unit of analysis,

whereas in macrosocial theories, the active unit of analysis is the social group or institution. Although all theorists would like to think that they have successfully bridged the chasm between micro- and macroperspectives, there are, in reality, few theories for which one can confidently make such a claim. Individual exchange theories usually involve simply adding up all the individual motivations and calling that group motivation or developing a “great man” theory whereby one actor is responsible for social change and therefore only one motive need be analyzed (Homans, 1967). Macroexchange theories examine the exchanges between groups and the resulting social solidarity and alliance formation. Individuals are largely lost in the larger social group and in most ways are unidentifiable and unrecoverable as part of an explanation.

Microexchange Theories

In our characterization of exchange theory, we have followed the micro-social perspective associated with Nye (1979), Levinger (1982), Lewis and Spanier (1979), Sabatelli (1988), Thibaut and Kelley (1959), and Sabatelli and Shehan (1993). There are other variants of this microsocial perspective, but these have not been developed as family theories. For example, Coleman (1990) and Hechter (1987) have both authored variations on a type of utilitarianism referred to as *rational choice theory*. Both of these authors take the individual as the basic unit of analysis and attempt to construct macrosocial applications through a notion that some rewards can be achieved only by groups and social organization. There have been attempts at applying parts of the Coleman approach to the study of the family using the concept of *social capital* (e.g., Furstenburg, 2005; Teachman, Paasch, & Carver, 1997). This is a concept added to the concepts of human and economic capital that evolved from an earlier work by the Nobel Prize-winning economist Gary Becker (1981), whose work *A Treatise on the Family* presented a rational actor economic theory of the family. Becker (1981) and his followers have met with considerable criticism that their approach is both too focused on economic motivation and too individualistic. Despite these criticisms, economic theories of the family and family behaviors such as mate selection and divorce tend to be widespread in the economic literature. In addition, following the pioneering work of Kahneman and Tversky (1979) on the seeming irrationality of human choices, there has been and continues to be critical questioning of the ideas of “choice” and “rationality” within microeconomics and psychology (Kahneman

& Tversky, 1984; Laibson & Zeckhauser, 1998). We have more to say about these criticisms of exchange theories in the next section.

Another example of a microexchange variant is the theoretical work of Emerson (1962, 1976) and Cook (1975; Cook & Yamaguchi, 1990) dealing with the *relative balance*, or ratio, of rewards in social relationships. Cook and Emerson use the relationship rather than the individual as a unit of analysis. The relationship has stable characteristics of exchange such that the ratio of rewards and costs in the relationship between actors indicates the power balance between actors. This approach has given rise to both the economic interpretation found in Becker (1981) and the network approach found in Coleman (1990). Although this microsocial approach might be suitable to the study of the family, there has been only limited research applications of this work directed specifically at studying families (see Haveman & Wolfe, 1994; Teachman, Paasch, & Carver, 1997).

One of the more important variants of exchange theory used to study family relationships is *equity theory*. Although equity theory is directly derived from exchange theory propositions, it contains the additional proposition that fair exchanges are more profitable to relationships than are unfair exchanges. If A and B are in an unfair relationship, then the social norm of reciprocity is not maintained, and the relationship is likely to be discontinued by one of its members. Thus, whenever a relationship provides profitable outcomes, it is essential for the maintenance of the relationship that exchanges be equitable. One can immediately see how equity might be applied to exchanges between marital partners and in family relations. Indeed, family scholars have used equity theory to study such longer term family relationships (e.g., Scanzoni, 1972; Sexton & Perlman, 1989; Walster & Walster, 1978). It is interesting to note that several investigators of equity in marriage (e.g., Pina & Bengtson, 1993; Sexton & Perlman, 1989) and in dating couples (Sprecher, 2001) have concluded that, at best, equity appears to have restricted explanatory value for these close relationships.

Macroexchange Theories

As we said in our introductory remarks to this chapter, we are mainly concerned with presenting the microsocial exchange perspective, because that is the perspective generally applied to the study of the family. We do not want to leave the impression, however, that macrosocial exchange theorists have

totally ignored the study of the family. You may have noted that our previous discussions of microexchange theories focus mainly on the individual's choices and decision making. Certainly, such decision making can be applied to decisions such as the selection of a mate or the choice between divorce and staying married. Macroexchange theories tend to be focused more on the group or organization, however.

The transition from a microexchange to a macroexchange perspective is achieved by the addition of several concepts to those we have already reviewed. First, most macroexchange theorists identify two types of exchanges: *restricted* and *generalized* exchanges. Restricted exchanges take place at one point in time and involve little trust. For example, when you buy something in a store, you hand money to the salesperson, who then gives you the item you have selected. On the other hand, generalized exchanges take place over a longer period of time and therefore require more trust. An example of a generalized exchange is lending money to a friend or relative and trusting that repayment will be made at some future date. The trust required in generalized exchanges is buttressed by the *norm of reciprocity* as discussed above in regard to equity theory. That individuals find the relationships in a family group profitable is in part because the family group maintains profitable exchanges with other social organizations, such as schools, churches, and the economy. The essence of macroexchange perspectives is the view that these group and organizational exchanges are more central than individual decision making.

In structural exchange theories, the individual's choices are viewed as being determined by the macroexchanges between groups and organizations. Note that this is just the opposite of the view in microexchange theories, such as rational choice theory, that the individual's decisions determine the group's exchanges.

Perhaps the best example of macroexchange thinking applied to the family is provided by the work of the French structuralist Claude Lévi-Strauss (1969), who developed a theory that the fabric of societies is constructed by norms that require generalized social exchanges between groups. At the heart of these generalized exchanges are the exchanges between kin groups and clans. Prescriptive mating norms require the formation of alliances between groups through the exchange of mates. For example, in a moiety, or two-clan system, if you are a member of the Bear clan and want to form a political, social, and economic alliance with the Eagle clan, you could create a mating rule such as "Bear women must marry Eagle men." The strongest expression of this alliance rule would be a totemic incest taboo, for example, forbidding

an Eagle man to marry an Eagle woman. Lévi-Strauss's (1969) work has been criticized as not being applicable to voluntary mate selection systems such as our own, but his work has led to some interesting applications, such as Harrison White's (1963) book examining mathematical models of kinship. In general, the more macrosocial utilitarian theories have not been applied to the family as a unit of analysis but rather to larger kinship groups such as clans. As a result, North American family scholars have tended to favor the more microsocial variants of utilitarian thinking.

It should be useful to remember that exchanges need not be dyadic (between two people). In groups with three or more members, such as most families, the interests of all members need to be accommodated so that no member's personal interest dominates. Also, in groups with three or more members, the exchanges may be indirect. For example, I may help my wife, who helps her mother, and her mother may then do something nice for me because I helped her daughter. Or various groups of in-laws may take turns hosting holiday celebrations. And, as we know from even casually thinking about inheritance patterns, the accumulated benefits of one generation may be passed along to the next generation *ad infinitum*. I may be eligible for inheritance not by promising to pay back my parents, but by assuring my parents that I won't break the chain and will pass on inheritance myself to my parents' grandchildren (Ekeh, 1974).

EMPIRICAL APPLICATIONS

One way to understand a theory is to apply it to some examples. In this section, we apply exchange theory to two areas of research in the study of the family: divorce and sexual relations.

Divorce

Over the past half century, divorce in North America has increased dramatically. The past three decades have seen a slowing and stabilizing of divorce rates, but the risk of divorce is sometimes estimated to be as high as one divorce out of every two marriages. Divorce means difficult and painful adjustments for children as well as the husband and wife in a family. It is not surprising, then, that the explanation of why partners separate and divorce continues to occupy the attention of a significant number of family scholars.

Among the many possible explanations of divorce, exchange theory appears to offer one of the more promising roads to understanding. Briefly, according to exchange theory, each spouse analyzes the marriage by using the two comparison levels. First, a spouse compares profits relative to other marriages. If he or she feels deprived relative to other marriages, then the marital satisfaction of that spouse would be low, creating a motive for choosing separation and divorce. As Lewis and Spanier (1979) have aptly pointed out, however, many unhappy spouses remain married because of other constraints. Exchange theorists view these other constraints as costs associated with divorce. In the second comparison level, the spouse calculates the rewards and costs (profit) associated with possibilities other than marriage, for example, being single and divorced. Among the possible costs to this alternative would be child support, alimony, peer disapproval, the church's disapproval, kinship group disapproval, sexual deprivation, loss of interaction with one's children, role loss, and so on. Some of the possible rewards might be finding a more compatible partner, freeing family members from a confrontational and conflict-ridden home life, and freeing oneself from family responsibilities. The computation of the perceived alternatives to marriage depends on a diversity of variables, such as the gender ratio of the community in which one lives and the ages of one's children.

George Levinger (1965, 1966) assessed the likelihood of divorce in terms of *attractions*, *barriers*, and *alternatives*. If attractions to one's spouse and barriers to divorce are both low, and if alternatives are attractive, then divorce is more likely. Because all three factors are important, it is not sufficient to explain divorce in terms of any one of them alone. This application should remind us that it is important to know if the subjective calculations of both partners must be taken into account. Is divorce more likely if only one partner perceives a "poor deal" by staying married, or must both partners be getting a poor deal? In some societies, it may not be possible for one partner to end the relationship unilaterally if the other partner is unwilling to do so. Thus, when applying the exchange perspective to divorce, we need to specify the conditions under which miserable spouses can be expected to stay married.

One of the major stumbling blocks for successfully applying this exchange theory explanation to divorce is that the rewards and costs in the two comparison levels seem to change over the life span of the individual. This is evident in the paradoxical finding pointed out by White and Booth (1991) that the great bulk of divorces (30%–40%) occur in the first 5 years of marriage, the very point in the life span that is associated with the highest marital satisfaction.

Furthermore, as marital satisfaction declines over the life course, so does the risk of divorce. It seems a paradox that we should find the greatest number of divorces when marriages are the happiest! However, the comparison levels for happiness are highest early in a relationship, and it is easier to become disappointed when expectations are not fulfilled. Sabatelli and Ripoll (2004) have further suggested that even generalized rewards may change importance over historical period and cohorts. Dew (2009) indirectly implies that rewards are gendered and that few of our choice models have incorporated this distinction. Clearly, we can see the importance of a permanent life mate may be different for each gender and that it may have declined over the last 50 years just as has the importance of religion. As society and technology change so too do the things we consider to be rewarding. The question remains as to the pace, rapidity, and extent of changes in reward salience and if these changes make the context for choice so unstable as to make these choices nonrational. One example of this is suggested by South (2001) where the effect of women's employment on divorce changes across periods of time.

White and Booth (1991) explain this paradox by proposing that as marriages proceed through the spouses' life course, the importance of marital happiness tends to decline; in addition, longer duration marriages have relatively high costs for dissolution (barriers). White and Booth (1991) proposed that longer marriages with high costs for dissolution require high levels of marital unhappiness to propel spouses to divorce, whereas early marriages with few costs to divorce require greater levels of marital happiness to keep them together. Thus, the life course changes in salience and the ratio of rewards and costs explain the paradox. Lewis and Spanier's (1979) model of marital stability has been challenged by a competing exchange model offered by Thomas and Kleber (1981), who propose that regardless of marital quality, marital stability will be high when there are few alternatives and high barriers to dissolution. White and Booth (1991) feel that in addition to solving the paradox between high divorce rates and marital satisfaction, their data resolve the debate in favor of Lewis and Spanier's (1979) model. We believe grounds remain for further research on these competing models.

Gender Differences in Sexual Behavior

Our second application of exchange theory is drawn from propositions presented by Nye (1979) regarding sexual behavior, although we focus not on

the formal propositions but on what the explanation would look like. But first, what is it that we want to explain about gender differences in sexual behavior? In most, if not all, cultures, sex seems more actively sought after by males than females. Although there may exist a biological answer to why this is the case (see Chapter 8; also, for a popular review, see Bergner, 2013), most authors assume that the biological drive is malleable in how it is satisfied. Furthermore, many of the behaviors that could be associated with a higher sex drive in one gender, such as prostitution, are usually labeled social rather than biological problems.

Nye (1979) argues that males are more likely to exchange rewards (especially money or marriage) for sexual access. Because exchange theory is essentially a motivational theory, Nye posits that sex is more profitable for males than it is for females. Nye is not assuming a more vital sex drive for males than females. Such an assumption would place the entire explanation on the shoulders of the biological importance, or salience, of sex for males over females. As a social scientist, Nye seems to assume that the biological drive for the two genders is equal and he therefore searches for a social explanation.

First, Nye argues that in all cultures, women take the major responsibility for the children they bear. Unwanted pregnancy is thus more costly to women than it is to men. Even in the most modern societies, paternity is still difficult and expensive to prove. Contraceptives can be used to prevent the potential outcome of unwanted pregnancy, but contraception also is usually left to the female partner. These are real and potentially high costs to intercourse. A second differential is that men for the most part report better outcomes from sex than do women. Men are more likely to achieve orgasm than are women, and women are more likely to experience frustration from sexual relations.

The result of these differential costs and rewards is that relative to women, men, in general, find that sex offers greater rewards and fewer costs. As a result, men must either have sexual relations with those who find it as rewarding as they do (homosexuality) or they must increase the rewards for women. Nye says that the usual ways in which these rewards are increased for women is for men to offer either money or the probability of marriage. Other rewards, such as status and security, might be more salient at various points in the life course.

Nye's application of exchange has great scope and breadth. For example, it could explain female adornment as a sexual attractor that functions to increase the value of the exchange. Because married persons have already struck a bargain, we would expect much less difference between men and

women in postmarital sexual relations. This prediction is consistent with the fact that a difference of less than 10% exists between male and female extra-marital affairs (Blumstein & Schwartz, 1983). Furthermore, we can make some general predictions, such as that when the costs of contraception (inconvenience and medical complications) are equally distributed among both genders and sexual knowledge is shared among both genders so that both genders enjoy the same level of outcome, then we would expect less sexual bargaining with marriage and money. Keep in mind that Nye's (1979) theory remains to be tested and must be shown to provide a better explanation than competing theories, but this example does illustrate exchange theory's potential breadth of explanation. Indeed, Chibucos, Leite, and Weis's (2004) *Readings in Family Theory* has excellent examples of empirical extensions of this theory, especially Sprecher's (2001) paper using equity theory.

One of the major implications of the exchange/rational choice perspective on sexual behavior is its explanation of prostitution. Although this is still an area of academic disagreement, several authors have used the exchange/rational choice approach to explain prostitution. For example, Edlund and Korn's (2002) paper "A Theory of Prostitution" argues this perspective. These authors assert that

prostitution has an unusual feature: it is well paid despite being low-skill, labor intensive and, one might add, female dominated. Earnings even in the worst paid type, streetwalking, may be several multiples of full time earnings in professions with comparable skill requirements. (p. 182)

Most scholars recognize that this is not a simple sudden choice and furthermore it is a choice where the social and economic constraints are considerable. Nonetheless, the dominant perspective for voluntaristic economies is rational choice theory. Indeed, this theory has proven useful for even complex cases. For instance, Liu (2011) supplies a fascinating profile of this cascade of choices for women in China entering the sex trade and then becoming ensnarled in human trafficking.

IMPLICATIONS FOR INTERVENTION

Exchange theory has numerous implications for family policy, treatment, and intervention. We can sketch only a few of these to give the flavor of the richness of this theory for application to family issues.

One of the most influential applications of the theory is in the area of intervention and prevention in marital and parent-child interactions. This application has largely been constructed on the view that parent-child and husband-wife relations represent behavioral exchanges. Gerald Patterson and his associates at the Oregon Research Institute pioneered this approach (Patterson & Reid, 1970). Currently, many scholars and practitioners use the behavioral exchange approach. For example, Bagarozzi (1993) suggests that in designing behavioral contracts with spouses, therapists should focus on increasing positive or rewarding behaviors and decreasing negative behavioral exchanges.

Clearly, such an intervention would increase the profitability of the marital relationship. Markman and his colleagues developed the Prevention and Relationship Enhancement Program for enhancing marriages and decreasing divorce based on the notion that distressed couples seem to enter a reciprocal exchange of negative behaviors (e.g., Renick, Blumberg, & Markman, 1992). Although these authors view their program as empirically based rather than founded on exchange theory, the basic interpretive notion of behavioral exchanges remains true to the exchange perspective.

Another area of application for the theory is in the area of family policy. Haveman and Wolfe (1994), following Becker (1981), take a human capital, or rational choice, approach to child welfare and education policy. They view parents, schools, and government as making investments in the human capital of our children. To the extent that we invest unwisely or in a miserly fashion, we reap the failures of succeeding generations and social problems such as crime and economic dependence. Haveman and Wolfe (1994) review the relative costs of geographic moves, parental separation, and several other variables on the eventual success of children. These costs are seen as our inability to invest wisely in the human capital of tomorrow's generation and society. Haveman and Wolfe's *Succeeding Generations* is one of the clearest applications of economic exchange principles to the interpretation of family data and the framing of family policy.

Finally, following the original work by Becker (1964), several authors, such as Levine (2000) and Paton (2002), have extended rational choice theory to explain adolescents' sexual choice of contraception and sexual behavior. The application of rational choice to such an area as adolescent sexual behavior is controversial for two reasons. First, adolescents, because of brain maturation, are not yet fully rational. Even the courts recognize this by assuming that adolescent criminal cases are tried in juvenile rather than adult court

because the offenders cannot yet fully comprehend the consequences of their actions. The second reason this is controversial is that sexual behavior is thought to be one of the most emotional rather than rational forms of behavior. So on both counts, we would not expect rational choice theory to provide a very good explanation. Paton (2002), however, argues that adolescent behavior in a British sample is not random behavior but more likely to be a rational choice. Some studies in third world countries, such as Gurmu and Dejene (2012), have argued that rational choice is explanatory as an individual level process but it must be seen as rational within a context of poverty, low education, and restricted opportunity. Even though the application of rational choice to sexual behavior is still contested, the notion that individual rational choices are always to be interpreted within specific contexts appears to offer some explanatory utility.

CRITIQUES AND DISCUSSION

Our focus in this section is on the criticisms commonly directed at microexchange theories. We recognize that each of the criticisms discussed is more applicable to some microsocial variants than others. Our central target must be the general notions presented above and principally derived from Nye (1979) and Coleman (1990). One caveat should be mentioned: No social theory solves all the problems we raise in our critiques. Our criticism is not aimed at convincing the theorist or the student that one theory is better than another. Rather, these critiques are intended to illuminate the choices we make in adopting a theoretical stance and to point out the areas that are in need of more creative thinking by the next generation of scholars.

As we mentioned at the beginning, microsocial exchange theories are usually based on *methodological individualism*, the assumption that the individual is the appropriate unit to study to gain an understanding of the family. As far as we know, there has never been a definition of the family as simply an aggregation of individuals. But when we take the individual's ratio of rewards and costs as the basis of our theory about families, we are assuming that the aggregation of individual members is the family. Theoretically, this would make the family no different from any other collection of actors. Yet the family has characteristics that seem unlike other social groups. For most of us, our families are lifelong social groups that we enter by birth and leave by death. Our

families have roles that are unlike work group roles, such as filial obligations toward the parents. And our families have biological and social relations (blood and marriage) that are unlike those in any other social group. Thus, to assume that individual actors are interchangeable and that families as social groups can be explained by the motivation of individuals seems problematic.

Explaining social order poses a problem for all the forms of utilitarianism. If we view explanation as emanating from individual motivation, then it is usually difficult to demonstrate how we developed social norms and social institutions. Although most microsocial theorists include a discussion of the norm of reciprocity (you should help those who help you), it is much less clear how this norm is derived from individual self-interest. In addition, in analyzing costs and rewards, theorists readily accept the given nature of social norms and institutions without indicating how these are explained by the theory. For instance, in weighing the rewards and costs of not wearing clothing on a hot summer day, you automatically take into account formal norms (laws) and informal norms. Most of you recognize that no matter how rewarding you might find going without clothing, there are strong formal and informal norms that constrain your behavior. The major answer utilitarians have given this question regarding social order is known as the *social contract*. There are many variants of this idea, but basically it involves the assumption that individuals band together and form a social order so as to have security of person and property. This social contract implies that some individual freedom is relinquished so that order may be maintained. But this view, although admitting the importance and power of social institutions, largely begs the question of how these social institutions evolve and change. Clearly, most of you have no recollection of relinquishing some of your freedoms in exchange for order. Rather, you were socialized by institutions to be on time, to behave in certain ways, and to expect formal and informal sanctions if you transgressed the social order.

Another problematic area for microsocial exchange theory is altruistic behavior. Many times we see (and praise) behaviors that seem to be characterized by the individual giving up rewards and suffering costs so that others may prosper. Some simple examples are a soldier giving up his or her life in combat or a mother running into a burning house to save her child. Exchange theorists would point out that this is a problem of attribution or inference. All we have really observed is the behavior (not the motive), and we incorrectly attribute an other-directedness to an act that was actually calculated to yield profit.

Thus, the mother is acting in the least costly way if she regards the death of her child as more costly than the personal risk she incurs by her attempt to save the child. The soldier who refuses to fight faces court martial, humiliation, and shame. On the other hand, critics might argue that these people are not acting rationally at all, but emotionally.

Rewards are even more problematic because they may not be stable. For an individual to make rational decisions about rewards and costs, the importance or salience of rewards and costs must be relatively stable. For example, if I am offered a reward for doing something and I get to choose a Snickers candy bar or Mars candy bar, the assumption is that my "taste" remains relatively stable. By the end of the task when I get the reward, the assumption is that I will not have changed my mind. The idea of "generalized rewards" assumes a societal level constancy. Dew (2009), however, has suggested gender differences in rewards. Sabatelli and Ripoll (2004) have suggested that reward saliences change by birth cohorts and historical period. Other researchers have indicated life course changes in reward saliences (South, 2001; White & Booth, 1991). Although there has not been a test of the stability hypothesis for rewards that incorporates all these dimensions, there is certainly the suggestion that reward saliences may not be stable, and therefore rational decisions would be all but impossible.

The assumption of a rational actor provides further difficulties, especially in the study of the family. The family is often considered a social group characterized by intense loyalty and emotions. Most police officers will tell you that domestic quarrels are often emotional and potentially explosive situations because of their irrational nature. Furthermore, the institution of marriage has long been viewed as 'til death do us part, which flies in the face of the exchange view until profitability declines. And, of course, children do not choose their parents, nor is the family they enter representative of the voluntaristic ideal of unfettered choice needed for the optimization of profit. Thus, it seems natural to question whether the assumption of rational actors calculating their most profitable choice makes sense in the context of the family.

One of the most basic questions in the study of the family is, "Why do people have children?" Exchange theory should treat this choice as bearing profit for the parents. But as most economists and parents will attest, children are expensive. Although there are many ways to estimate the costs of raising one child (to age 17, without advanced education, etc.), inflation-adjusted estimates for raising a middle-class child today are usually above a quarter of

a million dollars. Furthermore, the decline in the norms regarding filial care of the aged, coupled with social security and institutional care, make returns to the parents in old age unlikely. Nye (1979) attempts to answer this question by saying there is a form of intergenerational norm of reciprocity. You feel an obligation to pass on what your parents did for you to the succeeding generation. But people who are childless by choice can pocket the quarter of a million dollars and seemingly feel little remorse in not passing on the favor. It may be that having children is not a rational decision.

There is a problem of weighing costs and rewards. We have previously mentioned that the salience, or importance, of rewards and costs must be examined to understand a choice. Of course, theorists would like to believe that some costs and rewards have roughly similar value across actors. If this were not so, then it would be unlikely that we could develop successful microeconomics. Even the symbols and meaning associated with economic units may be unstable, however. In our society, there are symbols of wealth and success. Increasingly, both the wealthy and the indebted may attain these symbols. These symbols may vary across cohorts and periods. We know of a very wealthy man who insisted on driving himself in a 10-year-old vehicle. His offspring all had fancier new cars with chauffeurs. And the meaning of rewards and costs changes more drastically once we move our comparisons to other cultures. In Tikopeia, a man's wealth was based on the number of wives he had. But number of wives did not just reflect material well-being. Daughters could be traded for wives, and therefore daughters were a means to wealth and status.

Turner (1991) argues that exchange theory can be accused of tautological reasoning. In essence, a *tautology* exists when terms are all defined by one another and there is no possibility of disproving the statements. Turner argues that reward is defined as that which is valued by the person. The choice that a person makes is the maximization of profit. Thus, all actions are rewarding and the reason we undertake an action is that it brings rewards. For example, we may ask, "Why did Tiffany get married?" Some exchange theorists would answer that Tiffany got married because it was a more profitable choice than remaining single. But we may ask, "How do the exchange theorists know that this maximized Tiffany's profits over remaining single?" If the exchange theorists responded that we know because people always choose those behaviors that maximize their profits, then we have just completed a tautological circle. Turner believes that this circular logic is often found in deductive theories. We do not disagree that deductive systems can be self-referential and

closed systems of definitions, but we do disagree that deductive scientific theories are ever like this. Indeed, the hallmark of a scientific theory (as opposed to a theory in general) is that some of its concepts are tied to empirical measures. We may define force (f) as $f:ma$, but we have standard empirical measures for mass (m) and acceleration (a). A problem with utilitarian theories is that they often seem to lack this mooring to the concrete empirical measurement system.

CONCLUSION

Despite the criticisms, utilitarian, or exchange, theory is one of the most popular social science theories applied to the family. One reason for this popularity is that exchange theories typically have great scope and breadth. The notions of reward, cost, and profit are sufficiently abstract and content free that the researcher may fill in the content from any number of contexts. The assumptions of rational actors calculating profit provides some problems, as does the inadequacy of the theory for explaining how and why institutional and normative constraints operate on choices, but the more general approach provided by rational choice theorists promises to address this problem.