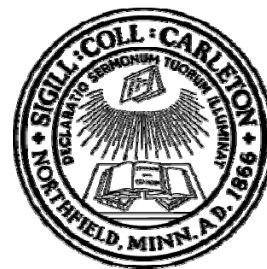


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*Edith Wharton as Economist: An Economic
Interpretation of The House of Mirth and The Age of Innocence*

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The novels of Edith Wharton powerfully illustrate the principles of mainstream neoclassical economics in what may seem an unlikely setting – the courtship and mating rituals of high society. Yet, as Wharton makes clear, marriage can be much like any other voluntary transaction: It takes place in a market-like atmosphere with participants offering something of value and anticipating something worthwhile in return. What is more, people forego alternatives -- lost opportunities to marry others or to remain single – even as they expect a net benefit from marriage to a particular person. These fundamental economic concepts of markets, gains from trade, opportunity costs associated with choices made, and cost-benefit calculations permeate Wharton’s work.

Literary scholars have applied certain types of economic theory to Wharton’s novels. Wai-Chee Dimock interprets *The House of Mirth* from a Marxist view, for example, portraying the market as a brutal place manipulated by the rich and powerful. Elizabeth Ammons and Ruth Yeazell cite the work of Thorstein Veblen – particularly his emphasis on conspicuous consumption as a driving force and measure of success for the “leisure class” -- to analyze Wharton’s writings. Irene Goldman suggests the Wharton uses a Jewish character to “make overt what is being practiced covertly by all members of society, namely the governance of private life by the exchange theory of economics” (32).

But the discipline of economics encompasses far more than these studies imply. I propose that the standard neoclassical economic model, which centers on the positive rather than the normative, offers a useful lens for looking at literature. What follows is an economic interpretation of two of Edith Wharton’s best-known novels, *The House of Mirth* and *The Age of Innocence*. Wharton masterfully portrays both what can be gained

and what can be lost as people participate in the market for mates. Although her focus is the marriage market, Wharton displays a firm grasp of a variety of economic ideas as she unfolds her stories of strategy and intrigue.

The House of Mirth

Synopsis

The House of Mirth is a brilliant depiction of New York high society at the turn of the twentieth century. Caught in its tentacles is a willing victim, Lily Bart. Lily's fortune lies in her beauty; her misfortune is the father whose business and then health failed, leaving Lily to sponge off her crotchety and tightfisted relatives. Although she has the high-minded example of intellectual admirer Lawrence Selden and his bluestocking cousin Gerty Farish, Lily craves the baser trappings of wealth and uses her looks and accommodating nature to make herself a social success.

But things go wrong for Lily when she finds that her allure requires more than a pretty face and witty turn of phrase. She needs money. When she allows Gus Trenor to invest for her, Lily realizes he wants something in return. Gus's wife Judy abandons her. Lily also antagonizes Bertha Dorset, who recognizes that Selden has turned his attentions from her to the lovely Lily. Bertha undertakes a campaign to blacken Lily's name (and preserve her own); Bertha succeeds in cutting Lily off from society and also from an expected inheritance.

Once Lily has fallen from grace, not even the crude social climber Simon Rosedale wants her company, despite his fascination with her exquisite features. Lily's descent into poverty is painful, accompanied by her realization that she is unsuited for

real work, even trimming hats. After nights of tossing and turning, Lily resorts to chloral to help her sleep. One night, she takes a little too much and dies.

Economic Analysis

The House of Mirth is, above all, a story of people optimizing given the objectives they have, constraints they face, and resources they possess. In other words, it is an economic tale. As Lionel Robbins succinctly put it, “Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses” (16).

Formal markets appear peripherally in *The House of Mirth* – for example, the stock market where Lily’s father loses everything, Gus Trenor obtains the cudgel he tries to wield against Lily, and Simon Rosedale acquires the means of entry into the society he so desperately wants. As Elizabeth Ammons points out, even the title of the book – though taken from a Biblical passage – suggests a mercantile firm (25). But most transactions in *The House of Mirth* take place in a less formal setting. It is a setting which, nevertheless, has recognizable prices and institutional rules.

Informal markets, like formal ones, generate prices. Wai-Chee Dimock speaks scathingly of the fact that “everything has a price (784)” in Lily’s world, but economists have long recognized that, like it or not, all human activity carries an implicit price – the opportunity cost of foregone alternatives (see for example, Becker, *Economic Approach*, 6). Lily understands this all too well: if she publicizes Bertha Dorset’s love letters to Lawrence Selden, she would “profit by a secret of his past (283)” but would also “trade on his name” and lose his friendship.

Economists recognize that humans act within a context as they evaluate alternatives. Strategic behavior designed to obtain one's desires – given existing constraints -- is a hallmark of game-theoretic economic models, pioneered by John von Neumann and Oskar Morgenstern. *The House of Mirth* memorably illustrates the gains from cooperation and the losses from defection within this sort of structure. As an example, Lily sighs with frustration after Simon Rosedale spots her leaving Lawrence Selden's rooms, because she knows she "must . . . pay . . . dearly for her least escape from routine" (18). Her high-society environment is filled with intrigue and game-playing, with violations of the rules punished by ostracism and, in Lily's case, an impoverished death.

Edith Wharton frequently chooses the language of economics to describe Lily's world. Lily herself is a costly piece of work, although expensive inputs don't necessarily lead to a valuable output. Lawrence Selden describes Lily like this:

Everything about her was at once vigorous and exquisite, at once strong and fine. He had a confused sense that *she must have cost a great deal to make*, that a great many dull and ugly people must, in some mysterious way, have been sacrificed to produce her. . . . [*W*]as it not possible that the material was fine but that circumstance had fashioned it into a futile shape? (7; emphasis added)

Futile as Lily's shape might seem, her mother knows it is their only asset, even resorting to that term to describe it as they spiral downward into poverty after Mr. Bart's death:

Only one thought consoled her, and that was the contemplation of Lily's beauty. She studied it with a kind of passion, as though it were some weapon she had slowly fashioned for her vengeance. *It was the last asset in their fortunes*, the nucleus around which their life was to be rebuilt (37; emphasis added).

Lawrence Selden, too, is well aware of the “market” Lily is in and what qualities are rewarded, even if he is unsure of her true value. Economic terminology colors his words as well as Lily’s in this exchange:

“Who wants a dingy woman? We are expected to be pretty and well-dressed till we drop – and if we can’t keep it up alone, we have to go into partnership.”

Selden glanced at her with amusement; it was impossible, even with her lovely eyes imploring him, to take a sentimental view of her case.

“Ah, well, *there must be plenty of capital on the lookout for such an investment*” (14; emphasis added).

These passages highlight the differences among costs, private benefits, and social benefits – familiar concepts to economists. A piece of fine jewelry fashioned from precious metals extracted with cyanide, for example, might sell to a private buyer at a high price. Yet the resulting ecological destruction could mean that the net social benefit of the jewelry is scant or even negative, even though the costs of making it and the private benefits are large. Likewise, Lily “cost a great deal to make” and her beauty could count as a private asset to a husband from her social group, but she adds little productive value to society in general.

Economists craft models of production in which multiple inputs yield a particular output. Beauty is not the sole input required to produce the sort of output Lily and her mother seek, as Lily recognizes. Humility is another quality she needs:

Lily understood that *beauty is only the raw material of conquest and that to convert it into success other arts are required*. She knew that to betray any sense of superiority was a subtler form of the stupidity her mother denounced, and it did not take her long to learn that a beauty needs more tact than the possessor of an average set of features (38; emphasis added).

Increasingly, Lily must come up with cash as well, if she wants to take part in this particular market:

For in the last year she had found that her hostesses expected her to take a place at the card-table. It was one of the *taxes she had to pay* for their prolonged hospitality and for the dresses and trinkets which occasionally replenished her insufficient wardrobe (30; emphasis added).

Although money is what Lily needs to make a permanent place for herself, money alone is not sufficient to purchase a position in high society. Lily's friend Carry Fisher reveals this in her frustration at trying to obtain introductions for her new patrons, the Wellington Brys:

“[T]hings are not going as well as I expected,” Mrs. Fisher frankly admitted. “It’s all very well to say that everybody with money can get into society, but it would be truer to say that *nearly* everybody can. And the London market is so glutted with new Americans that to succeed there now they must be either very clever or awfully queer. The Brys are neither” (195).

Participants in this market require inputs in addition to financial capital if they want to gain a firm footing.

Lily's first hope is that her wealthy aunt Mrs. Peniston will supply her with funds. But Mrs. Peniston has her own objectives. Here, Lily's aunt displays a canny economic sense of how to get what *she* wants:

It seemed to her natural that Lily should spend all her money on dress, and she supplemented the girl's scanty income by occasional “handsome presents” meant to be applied to the same purpose. Lily, who was intensely practical, would have preferred a fixed allowance, but Mrs. Peniston liked the periodical recurrence of gratitude evoked by unexpected cheques, and was perhaps shrewd enough to perceive that such a method of giving kept alive in her niece a salutary sense of dependence (42).

This passage is reminiscent of work done by economists to explain bequest and gift behavior, particularly research by B. Douglas Bernheim, Andrei Shleifer, and Lawrence Summers. These scholars suggest that people may hold out the promise of a bequest so as to obtain interim caretaking from their potential heirs.

When she arrives at a house party hosted by the Trenors, Lily realizes anew how constrained she is by her lack of money. Here is the rich description of the scene she encounters:

The hall was arcaded, with a gallery supported on columns of pale yellow marble. Tall clumps of flowering plants were grouped against a background of dark foliage in the angles of the walls. On the crimson carpet a deer hound and two or three spaniels dozed luxuriously before the fire, and the light from the great central lantern overhead shed a brightness on the women's hair and struck sparks from their jewels as they moved.

There were moments when such scenes delighted Lily, when they gratified her sense of beauty and her craving for the external finish of life: there were others when they gave a sharper edge to the *meagerness of her own opportunities*. This was one of the moments when the sense of contrast was uppermost, . . . (28; emphasis added)

In Lily's world, what one brings to the table determines the meal one can enjoy. This is no surprise to economists, who recognize that, to gain from an exchange, one must offer something of value in return. Here is a particularly tasty morsel from the novel, describing why Lily's cousin Jack Stepney -- nearly as poor as Lily herself -- is engaged to Gwen Van Osburgh. As she contemplates the coming union, Lily chafes at how much easier things are for Jack than for her in the marriage market.

Miss Van Osburgh was a large girl with flat surfaces and no high lights: Jack Stepney had once said of her that she was as reliable as roast mutton. His own taste was in the line of less solid and more highly seasoned diet; but hunger makes any fare palatable, and there had been times when Mr. Stepney had been reduced to a crust.

Lily considered with interest the expression of their faces: the girl's turned toward her companion's like an empty plate held up to be filled, while the man lounging at her side already betrayed the encroaching boredom which would presently crack the thin veneer of his smile.

"How impatient men are!" Lily reflected. "*All Jack has to do to get everything he wants is to keep quiet and let that girl marry him; whereas I have to calculate and contrive, and retreat and advance, as if I were going through an intricate dance where one misstep would throw me hopelessly out of time*" (51; emphasis added).

And Lily does misstep. She is acutely conscious of the opportunity cost of making the social blunder of visiting a single man alone and, to make things worse, trying to cover it up when she is spotted by Simon Rosedale:

She had yielded to a passing impulse in going to Lawrence Selden's rooms, and it was so seldom that she could allow herself the luxury of an impulse! *This one, at any rate, was going to cost her rather more than she could afford.* She was vexed to see that in spite of so many years of vigilance, she had blundered twice within five minutes (18; emphasis added).

Too bad for Lily to realize afterward that she had possessed plenty of power to undo her mistake, for Simon Rosedale operates in the same market she does:

If she had had the presence of mind to let Rosedale drive her to the station, the *concession might have purchased his silence.* He had his race's accuracy in the *appraisal of values*, and to be seen walking down the platform at the crowded afternoon hour in the company of Miss Lily Bart would have been *money in his pocket*, as he might himself have phrased it (18; emphasis added).

Yet all is not lost. On the train to the Trenors' weekend party, Lily positions herself perfectly when she engages wealthy Percy Gryce in conversation about his stultifying hobby of collecting American artifacts:

She returned a sympathetic inquiry, and gradually he was drawn on to talk of his latest purchases. It was the one subject which enabled him to forget himself, or allowed him, rather, to remember himself without constraint, because he was at home in it and could assert a superiority that there were few to dispute. Hardly any of his acquaintances cared for Americana or knew anything about it, and the consciousness of this ignorance threw Mr. Gryce's knowledge into agreeable relief. The only difficulty was to introduce the topic and to keep it to the front; most people showed no desire to have their ignorance dispelled, and *Mr. Gryce was like a merchant whose warehouses are crammed with an unmarketable commodity.* . . .

She had once more shown her talent for *profiting* by the unexpected . . . (23; emphasis added)

To Percy Gryce, Lily is exceedingly valuable because she is a rare being willing to pay attention to his boring monologues. He fails to perceive that she does so because her expected payoff from this strategy is high. Not only might she obtain a wealthy husband, but she is certain that “in a short time she would be able to play the game in her own way” (52).

Lily is not the only one of her set to profit from listening to dullards. Carry Fisher has honed this to a fine art, as Judy Trenor admiringly notes:

“Carry is the only person who can keep Gus in a good humour when we have bores in the house. Have you noticed that all the husbands like her? All, I mean, except her own. It’s rather clever of her to have made a specialty of devoting herself to dull people – the field is such a large one, and she has it practically to herself. *She finds compensations*, no doubt – I know she borrows money of Gus – but then *I’d pay her to keep him in a good humour*, so I can’t complain, after all” (45; emphasis added).

Judy’s words indicate that everyone gains from Carry’s behavior, however, not just the woman herself. An economist would say that Carry creates a positive externality: her actions generate benefits for which other people would be willing to pay.

Despite her initial success with Percy Gryce, Lily fails to hold his interest. In desperation, she turns to Gus Trenor’s superior knowledge of the stock market. As she relaxes under Trenor’s assurance that he will multiply her meager savings manyfold, Lily mistakenly supposes that she alone can determine the price she will pay for his expertise:

Her immediate worries conjured, it was easy to resolve that she would never again find herself in such straits, and as the need of economy and self-denial receded from her foreground, she felt herself ready to meet any other demand which life might make. Even the immediate one of letting Trenor, as they drove homeward, lean a little nearer and rest his hand reassuringly on hers, cost her only a momentary shiver of reluctance. . . He was a coarse, dull man who under all his show of authority was a mere supernumerary in the costly show for which his money paid; surely,

as a clever girl, it would be easy to hold him by his vanity, and to keep the obligation on his side (90)

But, as is typical in a market, both suppliers and demanders influence the price paid. So Lily is disagreeably surprised when she discovers that Trenor expects much more for his favors than a hand to hold and a chance to see her in public:

But brilliant young ladies, a little blinded by their own effulgence, are apt to forget that the modest satellite drowned in their light is still performing its own revolutions and generating heat at its own rate. If Lily's poetic enjoyment of the moment was undisturbed by the base thought that her gown and opera cloak had been indirectly paid for by Gus Trenor, the latter had not sufficient poetry in his composition to lose sight of these prosaic facts. He knew only that he had never seen Lily look smarter in her life, that there wasn't a woman in the house who showed off good clothes as she did, and that *hitherto he, to whom she owed the opportunity of making this display, had reaped no return* beyond that of gazing at her in company with several hundred other pairs of eyes (123; emphasis added).

Wai-Chee Dimock (784) claims that Trenor's ability to set the rate of exchange and impose it says something about his superior power. Yet Dimock fails to recognize that Trenor in fact does *not* obtain what he wants – Lily's wits save her from sexual assault -- because Lily is a powerful player in this market as well.

Despite escaping Trenor's clutches, Lily is not home free. She learns more about what she is up against when Simon Rosedale unexpectedly reveals his knowledge of her transaction with Trenor. This passage has an economic flavor (but a literary flair) as it describes how Rosedale, like anyone else, seeks his own best interests given the constraints he faces:

When Mr. Rosedale took leave, he carried with him not only her acceptance of his invitation but a general sense of having comported himself in a way calculated to advance his case . . . Mr. Rosedale, if he

saw no other means of advancing his acquaintances with her, was not above taking advantage of her nervousness . . .

. . . Though usually adroit enough where her own interests were concerned, she made the mistake, not uncommon to persons in whom the social habits are instinctive, of supposing that the inability to acquire them quickly implies a general dulness. Because a blue-bottle bangs irrationally against the window-pane, the drawing-room naturalist may forget that *under less artificial conditions it is capable of measuring distances and drawing conclusions with all the accuracy needful to its welfare*; and the fact that Mr. Rosedale's drawing-room manner lacked perspective made Lily class him with Trenor and the other dull men she knew, and assume that a little flattery and the occasional acceptance of his hospitality would suffice to render him innocuous (121; emphasis added).

As Lily contemplates what she must do to keep Rosedale in line later on, she phrases things – appropriately enough -- in terms of prices:

As she walked beside him, shrinking in every nerve from the way in which his look and tone made free of her, yet telling herself that this momentary endurance of his mood was the *price she must pay* for her ultimate power over him, she tried to calculate the exact point at which concession must turn to resistance, and the *price he would have to pay* be made equally clear to him (263; emphasis added).

Once again, she is unpleasantly surprised when she learns that Rosedale is no longer willing to marry her because her social circle has decided to accept Bertha Dorset's cruel and misleading interpretation of Lily's relationships with Trenor and her own husband, George Dorset, made to save Bertha's own reputation and social position. The exchange between Lily and Rosedale is rife with economic analogy, as well as a certain amount of irony. People make choices based upon the opportunities they have as well as their own tastes. Lily considers Rosedale no more attractive than she did before, but she has far fewer prospects. Likewise, Rosedale's preferences have not changed, but the price of associating with Lily has:

“You mean to say that I'm not as desirable a match as you thought me?”

“Yes, that’s what I do mean,” he answered resolutely. “I won’t go into what’s happened. I don’t believe the stories about you; I don’t *want* to believe them. But they’re there, and my not believing them ain’t going to alter the situation.”

She flushed to her temples, but the extremity of her need checked the retort on her lip, and she continued to face him composedly. “If they are not true,” she said, “doesn’t *that* alter the situation?”

He met this with a steady gaze of his small, *stock-taking* eyes, which made her feel herself no more than some super-fine human merchandise. “I believe it does in novels, but I’m certain it don’t in real life. You know that as well as I do; if we’re speaking the truth, let’s speak the whole truth. *Last year I was wild to marry you, and you wouldn’t look at me; this year – well, you appear to be willing. Now, what has changed in the interval? Your situation, that’s all. Then you thought you could do better; now –* “

“You think you can?” broke from her ironically.

“Why, yes, I do . . . *I’m more in love with you than ever, but if I married you now I’d queer myself for good and all, and everything I’ve wanted for all these years would be wasted*” (265-266; emphasis added).

Left adrift, Lily turns to Carry Fisher in desperation. Mrs. Fisher does her best to seek out a market for Lily’s talents, but even she finds it a difficult undertaking. The qualities that made Lily so desirable in the artificial world of New York society carry little value in the real world:

[Lily] vaguely imagined that [her] gifts would be *of value* to seekers after social guidance; but there was unfortunately no specific head under which the art of saying and doing the right thing could be *offered in the market*, and even Mrs. Fisher’s resourcefulness failed before the difficulty of discovering a workable vein in the vague wealth of Lily’s graces. Mrs. Fisher was full of indirect expedients for enabling her friends to earn a living and could conscientiously assert that she had put several opportunities of this kind before Lily, but more legitimate methods of bread-winning were as much out of her line as they were beyond the capacity of the sufferers she was generally called upon to assist (277; emphasis added).

Lily even tries her hand at hat-making but realizes “the small pay she received would not be a sufficient addition to her income to compensate her for such drudgery” (305). Her comparative advantage does not lie in the labor market, having been “brought

up to be ornamental” (308). So she comes to her untimely end, done in by the world she cherished and so badly wanted for herself.

At times, Lily seems a silly and self-centered creature who dwells upon useless things, especially in contrast to the working girls that Gerty Farish champions. But Edith Wharton’s portrayal is not an indictment of one person, but rather of a whole slice of society. Lily was simply doing the best she could to achieve her objectives, given the constraints she faced:

She had learned by experience that she had neither the aptitude nor the moral constancy to remake her life on new lines, to become a worker among workers and let the world of luxury and pleasure sweep by her unregarded. She could not hold herself much to blame for this ineffectiveness, and she was perhaps less to blame than she believed. *Inherited tendencies had combined with early training to make her the highly specialized product she was:* an organism as helpless out of its narrow range as the sea-anemone torn from the rock. She had been fashioned to adorn and delight; to what other end does nature round the rose leaf and paint the humming-bird’s breast? And was it her fault that the purely decorative mission is less easily and harmoniously fulfilled among social beings than in the world of nature? That it is apt to be hampered by material necessities or complicated by moral scruples? (311; emphasis added)

Near the end of the book, Lily recognizes what could have happened between her and Selden, if only the pressures of her social set had been different:

She had a premonition of it in the blind motions of her mating instinct, but they had been checked by the disintegrating influences of the life about her. All the men and women she knew were like atoms whirling away from each other in some wild centrifugal dance; her first glimpse of the continuity of life had come to her that evening in Nettie Struther’s kitchen (332).

As Lily realizes at last, Nettie was the one person she knew who had found the secret of a happy, successful match in the marriage market:

The poor little working-girl who had found strength to gather up the fragments of her life and build herself a shelter with them seemed to Lily

to have reached the central truth of existence. It was a meager enough life, on the grim edge of poverty, with scant margin for possibilities of sickness or mischance, but it had the frail, audacious permanence of a bird's nest built on the edge of a cliff—a mere wisp of leaves and straw, yet so put together that the lives entrusted to it may hang safely over the abyss.

Yes, but it had taken two to build the nest; the man's faith as well as the woman's courage. Lily remembered Nettie's words: *I knew he knew about me* (332).

The Age of Innocence

Synopsis

Another portrait of fin-de-siècle New York society, *The Age of Innocence* features a male as its principal character – Newland Archer is a well-born lawyer recently engaged to a lovely but vapid woman, May Welland, of the same social set. His world turns upside down when he meets May's unconventional cousin Ellen, the Countess Olenska, who has left her wealthy European husband and returned to the bosom of her family.

Much of the book is occupied with Ellen's social missteps, her family's efforts to reinstate her into polite company, and above all the spell she casts upon Archer. Time and again, the two of them nearly consummate their relationship, only to be interrupted by May's unexpected capitulation to an early wedding, May's incipient motherhood, and the like.

Woven into the background is a fast-disappearing rigid social structure, peopled with ancient fixtures (the van der Luydens and Mr. Sillerton Jackson) as well as bohemian upstarts (Ellen's aunt Medora Manson, Mrs. Lemuel Struthers, and Julius Beaufort). The story ends with a new generation of New Yorkers, freer and less judgmental than their elders. But, despite the encouragement of his son, Archer walks

away from the last possibility of union with Ellen, preferring the stuff of dreams to reality.

Economic Analysis

The Age of Innocence is a study in what economists call positive assortative mating, less clumsily thought of as “likes associate with likes.” Among the most influential proponents of this sort of economic theory of marriage is Gary Becker (see particularly *Treatise*, Ch. 4). As he points out, what we tend to observe in life as well as Wharton’s novels are matches made between persons of similar tastes and background. This happens partly because of the dimensions of the market: people have relatively more frequent contact with people like themselves. But if we consider marriage a voluntary transaction and we believe people make the best choices possible given the circumstances, marrying someone like oneself could also be thought of as leading to the largest gains from trade. One does what is best for oneself by choosing someone similar. Perhaps this occurs because sameness in some dimensions reduces the possibility of discord. Whatever the reason for positive assortative mating, the data testify to its existence.

Matches between those who seem alike, at least on the surface, abound in *The Age of Innocence*. One such match is between Archer and May:

[I]n spite of the cosmopolitan views on which [Archer] prided himself, he thanked heaven that he was a New Yorker, and about to ally himself with *one of his own kind* (31; emphasis added).

Elsewhere, Wharton makes clear how narrow that “own kind” is:

[T]he New York of the literary clubs and exotic restaurants, though at first shake made it seem more of a kaleidoscope, turned out, in the end, to be a smaller box, with a more monotonous pattern (125).

Those inside the box don't usually perceive its smallness. Archer is sometimes an exception, as he proves relatively adept at spotting nearby frauds. For example, Mr. Sillerton Jackson preferred to dine with the Archer women without the presence of Newland because "the old anecdotist sometimes felt, on Newland's part, a tendency to weigh his evidence that the ladies of the family never showed" (32).

Yet even Archer displays his ignorance of what those outside the box face when he meets up with journalist friend Ned Winsett. Archer considers Winsett a person who strikes a boring Bohemian pose by his failure to dress for dinner. He doesn't know just how wrong he is:

Archer, who dressed in the evening because he thought it cleaner and more comfortable to do so, . . . had never stopped to consider that cleanliness and comfort are two of the *costliest items in a modest budget* (122; emphasis added).

Scarcity dictates the choices Winsett must make in his wardrobe; not so for Archer.

The van der Luydens are another maritally matched set:

She and Mr van der Luyden were *so exactly alike* that Archer often wondered how, after forty years of the closest conjugality, two such merged identities ever separated themselves enough for anything as controversial as a talking-over (52; emphasis added).

This couple never goes out, and that is their secret to their powerful social success – they make themselves scarce. Ellen recognizes this explicitly: as she puts it, the reason "for their great influence [is] that they make themselves so rare" (74). This passage identifies subtle economic reasoning: the price of something typically depends on both supply and

demand. By restricting desired social interactions, the van der Luydens effectively reduce supply, making their occasional foray into the outside world seem quite valuable.

Even the apparent pairing of Ellen and Julius Beaufort highlights their commonalities; Beaufort, like Ellen, is an alien creature:

[Beaufort's] habit of two continents and two societies; his familiar association with artists and actors and people generally in the world's eye, and his careless contempt for local prejudices . . . the circumstances of his life, and a certain native shrewdness, made him [for Ellen] *better worth talking to than many men*, morally and socially his betters, whose horizon was bounded by the Battery and the Central Park (127; emphasis added).

Not all traits are shared by partners, of course. In fact, Archer has good reason to celebrate his relatively more worldly knowledge of the physical side of things:

He could not deplore (as Thackeray's heroes so often exasperated him by doing) that he had not a blank page to offer his bride in exchange for the unblemished one she was to give to him. He could not get away from the fact that if he had been brought up as she had they would have been no more fit to find their way about than the Babes in the Wood (46).

This passage reveals the worth of information – in this case, about sexual matters. So assortative mating that leads to the largest gains from trade can be negative as well as positive, as Gary Becker (*Treatise*, 117) emphasizes.

Even though spouses appear to be freely chosen in New York society, assortative mating may cause them to line up in such a way that outsiders perceive some invisible hand at work. When Ellen first meets Archer, she is delighted by his romance with May and asks if it was arranged:

Archer looked at her incredulously. "Have you forgotten," he asked with a smile, "that in our country we don't allow our marriages to be arranged for us? (64)"

This passage calls Adam Smith to mind, for it reminds us how markets can seem guided by some outside force – some “invisible hand” -- to match buyers and sellers effectively.

Marital choices in Wharton’s novels – as in life – are constrained by the spatial limits of the market because one has to choose from among the persons one meets. But time imposes a constraint as well. Most people don’t take the first potential partner that comes along, but rather wait a bit to see if something better appears. Yet, because people live only a finite amount of time, they cannot postpone the choice forever if they perceive that the married state offers more than solitude. Economic models that embody this kind of choice are known as “optimal stopping” models, pioneered by Albert Shiryaev. This sort of construct seems to apply nicely to Archer:

He had married (as most young men did) because he had met a perfectly charming girl at the moment when a series of rather aimless sentimental adventures were ending in premature disgust; and she had represented peace, stability, comradeship, and the steadying sense of an unescapable duty (207).

But Ellen’s exotic presence shakes Archer’s firm belief in his social milieu and his love for May Welland. As he hears more about the Countess’s escape from her husband, allegedly with the Count’s secretary, Archer surprises himself by saying that “women ought to be free – as free as we are” (41). He follows this revelation with a disquieting thought: perhaps “marriage was not the safe anchorage he had been taught to think, but a voyage on uncharted seas.” Archer realizes with a shiver the possible detriments of marrying someone superficially like oneself as he foresees his own impending marriage becoming like the others around him, “a dull association of material

and social interests held together by ignorance on one side and hypocrisy on the other” (44).

Yet Archer and May do marry. On their honeymoon, he ruefully begins to understand why the van der Luydens may seem so similar when May is astonished that he might want to invite a lowly French tutor to dine with them:

He perceived with a flash of chilling insight that in future many problems would be thus negatively solved for him; but as he paid the hansom and followed his wife’s long train into the house he took refuge in the comforting platitude that the first six months were always the most difficult in marriage. “After that I suppose we shall have pretty nearly finished rubbing off each other’s angles,” he reflected; but the worst of it was that May’s pressure was already bearing on the very angles whose sharpness he most wanted to keep (204).

This passage seems to suggest that successful marriages may typically involve the matching of certain initial characteristics, but good marriages require something more which isn’t explained by observable traits. Being alike on the surface is not enough to guarantee marital closeness.

Within Archer’s social set, in fact, the accepted practice was for husbands eventually to look for love elsewhere and for wives to avert their eyes. This created opportunities for gains from trade among men: By unspoken agreement, they covered for one another to preserve appearances. For example, when Archer surreptitiously goes to meet Ellen after a party, this is what he observes:

While he watched her he was aware that Lefferts and Chivers, on reaching the farther side of the street corner, had discreetly struck away across Fifth Avenue. It was the kind of masculine solidarity that he himself often practised . . . (308)

Here is Lawrence Lefferts asking Archer for a favor in return:

Lefferts caught his host by the sleeve, drawing back to let Gertrude pass.

“I say, old chap: do you mind just letting it be understood that I’m dining with you at the club tomorrow night? Thanks so much, you old brick! Good night” (341).

Archer and Ellen never consummate their love, despite everyone thinking they had. And this missed opportunity has its costs, as both of them know. Ellen is devastated when she discovers how unhappy Archer is and how her sacrifice has not saved him from disillusionment and misery (242). Archer in turn ruefully acknowledges: “Something he knew he had missed: the flower of life” (347). Edith Wharton successfully uses the theme of “options denied (Lewis, x)” to lend vitality and poignance to the story.

Still, Archer at least seems unsure that he would have had things differently. As he reflects upon his son’s upcoming wedding to Julius Beaufort’s bastard daughter, he realizes that the bounds of the marriage market have expanded considerably:

... nobody was surprised when Dallas’s engagement was announced.

Nothing could more clearly give the measure of the distance that the world had traveled. People nowadays were too busy – busy with reforms and “movements,” with fads and fetishes and frivolities – to bother much about their neighbours. And of what account was anybody’s past, in the huge kaleidoscope where all the social atoms spun around on the same plane? (353)

Perhaps Dallas’s love match with Fanny Beaufort will lead to a more fulfilling marriage than Archer had. Archer goes on to think, however, that:

The difference is that these young people take it for granted that they’re going to get whatever they want, and that we almost always took it for granted that we shouldn’t. Only, I wonder – the thing one’s so certain of in advance: can it ever make one’s heart beat as wildly? (353)

Archer has this to say about his own marriage:

[T]heir long years together had shown him that it did not so much matter if marriage was a dull duty, as long as it kept the dignity of a duty: lapsing from that, it became a mere battle of ugly appetites (347).

To Archer, marriage is ultimately an enterprise whose success depends on the suitability of the initial match coupled with reasonable expectations and hard work on the part of participants.

Archer may simply be justifying the choices he made. But an economist studying marriage and divorce statistics today might come to a similar conclusion. Regrettably, these data alone would not tell us if couples who stay together are more like the Archers in *The Age of Innocence* or the Struthers in *The House of Mirth*. And that, perhaps, is one reason why reading classic novels can be a useful enterprise for economists.

Conclusion

Edith Wharton paints her corner of the world with vivid exactness. Her deft touch owes partly to her instinctive understanding of basic economic principles: We are born with unlimited desires and scarce resources, so we make choices that carry with them lost opportunities. Everything therefore has its price. All we can do is what is best for ourselves given the constraints we face. Wharton's keen insights into the behavior of men and women as they court and wed reveal that, whatever else she is, she is an economist at heart.

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