Routine Financial Tasks Versus Investment Tasks: Gender-Related Division of Responsibility in Babyboomer Couples

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Routine Financial Tasks Versus Investment Tasks:
Gender-Related Division of Responsibility in Babyboomer Couples

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A mail survey with wives and husbands responding separately was used to examine the division of financial tasks between wives and husbands for babyboomer couples. Women had more responsibility for routine financial tasks, such as bill paying, while husbands had more responsibility for the investment decisions. In addition, the wife's work status (whether the wife was employed outside the home or not and whether she viewed that job as just-a-job or a career) was found to be related to her perceived responsibility for routine tasks, while the husband's sex role attitude was found to be related to his perceived responsibility for investment tasks.

INTRODUCTION

This study examines how couples divide responsibility for routine financial tasks and investment tasks. It has long been recognized that many major consumption decisions are made in the context of the family. Such decisions include those concerning housing, automobiles, higher education, and the management of a family's finances. Despite this, studies of consumer behavior have tended to focus on the behavior of individuals. The consumer behavior of families remains an area with many questions that need to be addressed by descriptive studies, conceptual development, and methodological work. Improved understanding of these issues can have important implications for consumers, marketers, and public policy makers.

At a more specific level, the financial management practices of families have received increasing attention in consumer research. These practices affect families' purchases and can also have important implications for their financial well-being in the long term. Financial management occurs in the context of married couples in the majority of cases. Given the importance of these practices, it is likely that they are related to and dependent upon factors important in the relationships of wives and husbands. These determinants may include societally-learned gender roles, wives' participation in the paid labor force, and family characteristics that affect the distribution of power within the relationship.

For this study, routine tasks include making payments and balancing checkbooks, and investment tasks include decisions about when to invest, which investments to make, and how much to invest. Specifically, we examine three aspects of financial decisions: (a) whether wives have more responsibility for the routine tasks as compared to husbands, (b) whether wives have less responsibility for the investment tasks as compared to husbands, and (c) how sex role attitudes and wife's work status are related to this division of tasks. For wives, we consider whether their being in the paid workforce coupled with the nature of their jobs has a bearing on responsibility for routine versus investment tasks. For the husbands, we examine relationships between sex role attitudes and the same financial tasks.

We chose to study married babyboomers, that is, those people born between 1946 and 1964. This group is of interest for two important sets of reasons. First, babyboomers grew up in a period that differed from previous generations in significant ways. These differences include increased prosperity, greater access to higher education for women and men, and the reality of a stronger women's movement which has questioned traditional gender roles. In addition, women's participation in the paid workforce grew to unprecedented levels. Two of our hypotheses examine whether these societal changes have altered the traditional division of financial responsibilities within couples.

Further, babyboomers are an important market at an aggregate level. There are approximately 24 million couples in the 25-44 age group, which amounts to just under half of all married couples. The spending power of this group exceeds $850 billion.
billion annually, based on a median family income of $37,000 for 1987 (See Waldrop 1989). Finally, many of these couples are making major financial decisions, such as buying homes and making investments for the future. Thus, they are prime targets for marketers of a variety of financial services.

The next section reviews some aspects of family financial decision-making. We examine the distinction between routine and investment tasks, and review the literature that relates these tasks to sex roles and wife's work status. Then the hypotheses examined in this study will be presented, followed by the methodology and the findings.

LITERATURE REVIEW

The family is the primary unit for much of consumer behavior, including budgetary allocations, product class purchases, brand choices, and the processes involved in these decisions. The importance of studying the family has been acknowledged earlier by writers in marketing (Alderson 1957; Converse, Huegy, and Mitchell 1958) and economics (Arrow 1951; Samuelson 1956). Even so, in a significant review paper, Davis (1976) characterized the field of consumer behavior as having "a preoccupation with consumers as individual decision makers." Davis suggested that one aspect of family consumer behavior that needed examination is the involvement of family members in decisions. Further, Davis divided decisions into those involving frequently purchased goods and services, durable goods, and financial decisions.

According to Davis and Rigaux (1974), the patterns of responsibility within a couple may vary by (1) type of product, (2) stage in the decision process, (3) type of decision (e.g., budgeting, purchase, or brand choice) and (4) family characteristics. Decisions may be wife-dominated (e.g., for food, kitchenware, and children's clothing), husband-dominated (e.g., life insurance, cars) or syncratic (e.g., housing, vacations). Finally, autonomic decisions are made by the individual (e.g., husband's clothing).

Routine Decisions

The routine tasks of paying bills have tended to be the responsibility of wives rather than husbands, or have been jointly performed. In two early surveys, the wife kept track of money and bills in about 40% of the couples, while the husband did this in about one quarter of the cases (Sharp and Mott 1956; Wolgast 1958). Ferber (1973) found that wives tended to handle money and bills, while Ferber and Lee (1974) found a shift away from joint money management towards the wife becoming the "family financial officer" for couples who had been married a year.
Investment/savings decisions

In contrast, for investment decisions, husbands were more likely to have greater responsibility as compared to wives, although in many cases these decisions were made jointly. Douglas and Wind (1978) noted that about a third of the couples surveyed reported the husband dominated saving and investment decisions, while only 11% said these were dominated by the wife. Davis and Rigaux (1974) reported savings decisions as falling into the syncratic group, but they were closer to the husband-dominated end of the scale. However, Wolgast (1958) reported that wives were solely responsible for savings decisions in a quarter of the couples, while husbands had sole responsibility in about 15% of cases.

Sex role attitudes in financial decision making

One variable that has been used in many studies of financial decision making is sex role attitude. Spouses who are traditional are likely to behave in ways consistent with societal mores about distinct areas of responsibility, while those who are modern in their sex role attitudes are more likely to ignore such mores. These spouses may prefer to divide responsibilities based on factors like their individual skills and time pressures.

For routine implementation tasks, studies of the relationship to sex role attitudes have yielded conflicting evidence. First, some research shows these tasks are more likely to be performed by wives, given traditional roles (Rosen and Granbois 1983), and by husbands, given modern roles (Schaninger, Buss, and Grover 1982). In the latter study, a scale was developed to relate sex roles to financial decisions, such as paying bills, savings plans and handling expenses for different areas of expenditures. As hypothesized, sex role moderate families showed more husband influence for paying bills, compared to traditional families. Note that in this study, the influence ratings were obtained jointly from both partners. It is possible that this created some pressure for conforming with the partner’s responses. If perceptions of influence are obtained separately from husbands and wives, the relationships might turn out to be somewhat different. Second, routine tasks were found to be performed autonomously (Green and Cunningham 1975). The authors classified homemakers as liberal, moderate or conservative about women’s roles, based on Arnott’s Autonomy (Feminism) Scale. They found that women with liberal views reported less joint handling of money and bills than did moderates and conservatives. Finally, Kim and Lee (1989) found that when wives had more modern sex role attitudes, there was no relationship to financial implementation decisions (e.g., paying bills, balancing checkbooks).

Turning now to savings / investment decisions, the literature suggests that traditional sex roles are associated with husbands having more responsibility. Qualls (1982) found that traditional husbands perceived savings decisions as being their domain of decision-making compared to more modern husbands, while wives saw these as jointly determined. Similarly, when sex roles were more modern, husbands were found to have less influence for savings (Kim and Lee 1989; Schaninger, Buss and Grover 1982) and for investments (Assar and Bobinski 1991) compared to traditional families. As a counterpoint, financial decisions were not related to sex role attitudes (Granbois, Rosen, and Acito 1986), or specifically to husbands’ sex roles (Kim and Lee 1989).

In summary, while there is some ambiguity, when sex roles are traditional, wives tend to have more responsibility for routine tasks and husbands have more responsibility for savings / investment tasks. As a corollary, when sex roles are modern, husbands may increase their responsibility for routine tasks and wives may increase their responsibility for savings / investments.

Wives in the paid workforce

As the number of women in the paid workforce has continued to expand, the implications of this trend have been examined for many areas of consumer behavior apart from financial decision making. These studies classified the wife’s work status in a variety of ways in examining purchases of durables, convenience foods, and role overload. The earliest ones distinguished between women who worked for pay versus those who were homemakers (Anderson 1972; Strober and Weinberg 1977, 1980). Another categorization divided wives into non-working wives, low-occupational-status wives, and high-occupational-status wives (Nickols and Fox 1983; Reilly 1982; Schaninger and Allen 1981). These classifications were not particularly useful
in discriminating between wives on the behaviors examined. However, using the categories of housewives, non-professional working women, and professional working women, Joyce and Guiltinan (1978) found differences in relation to retailing.

Bartos (1977) proposed a four-way classification based on the annual Yankelovich Monitor Survey. The categories were Stay-at-home (29%), Plan-to-work (20%), Just-a-job (32%) and Career-oriented (19%). This self-report measure was seen as a composite of employment status and the women's attitudes about the kind of work they did. Bartos (1989) reported that by 1985 the percentages of women falling into the four groups above had changed so that these accounted for 22%, 13%, 38% and 27% respectively. Thus, there were fewer women in the plan-to-work group, and somewhat more in the just-a-job category. Differences were found between these groups of women on demographics, psychographics, and purchase behaviors. Specifically, for families' investments, 10% of wives decided on the amount of money to invest, while 8% decided the type of investment to make. For investment tasks, involvement was highest for career women and lowest for stay-at-home wives (Bartos 1989).

Apart from Bartos's original work, we did not find any instances of this classification being applied to examining the financial decision making of wives and families, including the babyboomer group. However, there is additional evidence that suggests that wife's work status and motivations for work may relate to routine vs. savings/investment tasks. Rosen and Granbois (1983) found that when the wife is working for financial reasons, prioritization of payments was likely to be done separately by wives and husbands. If her motivation for working was self-fulfillment, employment status did not discriminate on prioritization.

Further, in the sex role scale developed by Schaninger, Buss, and Grover (1982), one dimension is labeled "Wife Career Importance." Factor loadings on this dimension for wives were negatively correlated with relative influence for bill payment, while husbands' scores had a marginally significant negative correlation for bill payment and savings decisions. This suggests that when the wife's career is important, she has less responsibility for both bill payment and savings. Thus career women may do less of both routine and investment tasks. Finally, Granbois, Rosen, and Acito (1986) concluded that neither wife's work status nor her motivation for working were associated with a set of five family financial decisions. In summary, relatively little research has addressed the possible relationships between wife's work status and financial decisions.

HYPOTHESES

The findings from early studies cited above suggested that women tended to have more responsibility for routine tasks and less responsibility for investment tasks. Significant changes have occurred in society in the last two decades and it is of interest to see whether the traditional gender-based patterns of financial behaviors still persist or have undergone change among babyboomers. We therefore propose the following hypotheses about the division of responsibility for routine and investment tasks:

H1: Women have greater responsibility for routine financial tasks.

H2: Women have less responsibility for investment tasks.

We considered using the four-way classification proposed by Bartos to examine its relationships with responsibility for financial tasks. However, the plan-to-work group presented potential problems. Wives who report themselves as being in this category may actually differ from each other in many significant ways. For example, some wives may give up paid employment because they take on primary responsibility for childcare for a few years. Others may be unable to find work that is commensurate with their skills, or they may have low levels of skills. Another reason for placing themselves in this group may be because they believe that planning to work is seen by others as more desirable than choosing not to work for pay. Given these issues, we did not expect any differences between the women who planned to work and those who were categorized as stay-at-home in the context of financial decision making. Thus, we combined the stay-at-home and plan-to-work categories into one group, and compared this to the just-a-job and career-oriented groups.

When wives are not in the paid workforce, they
may be seen by their partners as having more time to attend to routine tasks. When they are employed outside the home, they may have less time to deal with such tasks, particularly if they have careers. This is consistent with the Schaninger, Buss, and Grover (1982) finding that wives' career importance is negatively related to influence on bill payment.

Considering the investment tasks, these tend to be seen by husbands as their domain when sex roles are traditional. But for employed wives, their incomes may give them more power in the relationship to be involved in these tasks, particularly if they have careers as compared to less remunerative employment. This may underlie the Bartos (1989) finding that for investment tasks, involvement was highest for career women and lowest for stay-at-home wives. Note that our focus is on babyboomers, while the Bartos study examined all families.

Based on this, we propose the following hypotheses relating women's employment / attitudes towards their jobs, and allocation of responsibility for financial tasks:

**H3:** Women not employed outside the home will have the most responsibility for the routine tasks. Of the employed wives, the just-a-job group will have intermediate responsibility, while the career women will have the least responsibility for routine tasks.

**H4:** Women not employed outside the home will have the least responsibility for the investment tasks. Of the employed wives, the just-a-job group will have intermediate responsibility, while the career women will have the most responsibility for investment.

Based on the literature cited previously which related sex roles to routine vs. investment tasks, it appears that more traditional attitudes are associated with husbands having more responsibility for savings /investment tasks. For the routine tasks, the evidence was conflicting, but on balance when husbands' sex roles are modern, they have greater responsibility for routine tasks.

**H5:** Men with more traditional sex role attitudes will take more responsibility for investment tasks.

**H6:** Men with more modern sex role attitudes will take more responsibility for routine tasks.

**METHODOLOGY**

The data used in this study were collected through a mail survey in a medium-sized city in the northeast. Names of potential participants were obtained by contacting a judgment sample of civic and church organizations. The potential participants were first screened to ensure that at least one member of the couple was between the ages of 25 and 44. The resulting couples were asked to participate in a study of financial decision making. To encourage participation, the couples were informed that once the completed questionnaires were received, a cash contribution would be made to a charitable organization of their choice and that they would also have an opportunity to win a prize consisting of U.S. savings bonds.

The participating couples were mailed two separate surveys, one for the wife and one for the husband along with a postage-paid return envelope for each. The instructions explicitly requested that each spouse work completely independently from the other. Both surveys were received from approximately three-quarters of the couples that agreed to participate (in two cases only one member of the couple responded) resulting in a sample of 83 couples. The mean ages of the wives and husbands were 35 years and 36.3 years respectively and the median family income of the respondents was $46,500 in 1989.

In the first section of the questionnaire the participants were asked to rate their relative responsibility for the various financial tasks associated with those financial services/products that were joint. Later, the sex role attitudes of the respondents were measured using Osmond and Martin's (1975) sex role attitude scale. This scale was modified by dropping items that dealt with stereotypes of male/female nature and behaviors. As an example, we dropped "Men should stop appraising women solely on the basis of appearance and sex appeal." We also dropped four items that dealt with social change as related to sex roles, such as "Unlike the race riots, the battle between the sexes will never involve violence on any large scale." It was felt that the items omitted would have little relationship to division of financial tasks. In the final section of
the questionnaire the wife was asked if she was currently employed for pay outside of the home. Women that answered yes to this question were asked to indicate if they felt that this employment was just-a-job or if it was a career that was stimulating and challenging. If the wife was not employed, she was asked to indicate if she planned to be employed outside the home in the next five years.

ANALYSIS AND RESULTS

To indicate relative responsibility for the financial tasks, a five-point scale was used by the respondents. The original scale categories were: me, me more than my spouse, task shared equally between me and my spouse, my spouse more than me, and my spouse. The responses of the husband were reverse scored so that for both husband and wife: 1 = wife, 2 = wife more than husband, 3 = task shared equally, 4 = husband more than wife, and 5 = husband.

For this study we were interested in comparing across bill payment and investment dimensions rather than across spouses at the level of individual question. However, the average responses given by the spouses for the financial tasks are provided below. Both the wives and husbands responses indicate that she has more responsibility for check writing, balancing checking account, and deciding how much to pay on credit card bills, while he is more responsible for the investment decisions.

<table>
<thead>
<tr>
<th>Financial Task</th>
<th>Wives</th>
<th>Husbands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility for balancing joint checking account</td>
<td>2.48</td>
<td>2.71</td>
</tr>
<tr>
<td>Writes the most checks on joint checking account</td>
<td>2.18</td>
<td>2.44</td>
</tr>
<tr>
<td>Decides how much to pay on joint credit card balance</td>
<td>2.59</td>
<td>2.77</td>
</tr>
<tr>
<td>Decides when to make investments</td>
<td>3.69</td>
<td>3.68</td>
</tr>
<tr>
<td>Decides what type of investments to make</td>
<td>3.69</td>
<td>3.80</td>
</tr>
<tr>
<td>Decides how much to invest</td>
<td>3.60</td>
<td>3.63</td>
</tr>
</tbody>
</table>

To examine the appropriateness of classifying check writing, balancing checking account, and credit card payment decisions as one type of activity and the three investment decisions as another type of activity, a principal-components factor analysis was performed using varimax rotation. The responses for the wives and husbands were analyzed separately and are provided in Table 1. For the wives, the first factor accounted for 52% of the variance (Eigenvalue = 3.1) and the second factor accounted for an additional 30% (Eigenvalue = 1.8). For the husbands, the first factor accounted for 58% (Eigenvalue = 3.5) of the variance and the second for an additional 23% (Eigenvalue = 1.4). For both husbands and wives the routine tasks and the investment tasks load on different dimensions as expected.

The results of the factor analysis indicated that the six tasks could reasonably be broken into two groups. Given this result, in order to test the hypothesis that wives were more responsible for the routine financial tasks (H1), the wives’ responses for the three routine financial tasks were averaged and compared to a criterion of 3.0, which indicates an equally-shared task. The result supported our hypothesis ($t = -3.63, p < .001$). Additional support was provided for this finding by utilizing the same procedure for the husbands’ responses ($t = -2.58, p < .01$).

The hypothesis that wives had less responsibility for the investment tasks (H2) was tested in a similar manner. The wives’ responses for the three investment tasks were averaged and compared to a criterion of 3.0, which indicated an equally-shared task. This test supported the hypothesis ($t = 5.69, p < .001$). Utilizing the same procedure for the husbands’ responses, additional support was provided for this finding ($t = 6.83, p < .001$).

In developing the hypotheses related to wife’s work status, we decided to combine the stay-at-home and plan-to-work groups even though our data would have allowed us to separate these groups. We verified the appropriateness of this by comparing the factor scores for these two groups and did not find any significant differences for either routine ($p > .38$) or investment tasks ($p > .77$). After combining these, the number of wives that classified themselves as not working outside the home was
To examine the hypothesis that wife's work status is related to responsibility for routine financial tasks (H3), an ANOVA was performed on the factor scores for the wife's estimate of her relative influence for these tasks. The result was significant ($F = 4.02, p < .05$). To examine the relationship between wife's work status and responsibility for routine tasks, post hoc contrasts were performed on the factor scores. The mean factor scores for the "non-working," just-a-job, and career woman groups were -0.34, 0.53 and 0.01 respectively (Note that lower numbers indicate the wife has more responsibility). Contrasts between the mean factor scores indicated that wives not employed outside the home were doing more of the routine tasks than those who classified themselves as working at just-a-job ($t = 3.14, p < .01$). In addition, those women who classified themselves as having a career may be doing more of the routine tasks than those who classified themselves as working at just-a-job, although this effect was not significant ($t = -1.65, p < .11$).

The hypothesis that wife's work status is related to responsibility for investment tasks (H4) was also tested by performing an ANOVA on the factor scores for the wife's estimate of her relative influence for these tasks. No significant differences in responsibility for investments were found based on wife's work status.

In testing hypotheses H5 and H6, we used the median on sex role attitude scores as the criterion to classify husbands as traditional ($n = 33$) or modern ($n = 29$). To examine the hypothesis that men with more traditional sex role attitudes will have more responsibility for investment tasks (H5), an ANOVA was performed on the factor scores for the husband's responses on his relative influence for the investment tasks. The mean factor scores for the modern and traditional groups were -0.30 and 0.26 respectively. This hypothesis was supported ($F = 5.23, p < .05$).

The final hypothesis that men with more modern sex role attitudes will take more responsibility for routine tasks (H6) was examined in a similar fashion. An ANOVA was performed on the factor scores for the husband's responses on his relative influence for the routine tasks. The mean factor scores for the modern and traditional groups were -0.23 and 0.20 respectively. Although the difference was not statistically significant ($F = 2.89, p < .1$), note that the direction was contrary to our hypothesis. Thus these results do not support the proposition that husbands with more modern sex role attitudes take more responsibility for routine financial tasks.

Discussion and Future Research

Before the findings are discussed, the limitations of the study will be presented. First, although we attempted to obtain the cooperation of a wide variety of organizations, certain types of individuals may be over- or under-represented, as indicated by the relatively high median household incomes of the respondents. In addition, nonresponse error is also a potential problem.

In a mail survey it is possible that one of the spouses may have influenced the responses of the other. However, the instructions very clearly stated that the surveys should be completed independently. In addition, all of the surveys were returned in separate envelopes often on different days. Also, there were often discrepancies in the answers to factual questions.

One of the contributions of this study was to provide empirical support for the usefulness of separating financial tasks into routine and investment tasks. The results also strongly supported our hypotheses that among babyboomers, wives on the average still have more responsibility for the routine tasks and less responsibility for the investment tasks. Thus, despite the societal changes referred to earlier, the division of responsibility for babyboomers appears to reflect the persistence of gender specific patterns.

There are two alternative explanations for this finding. In the broader context of studying couples and power relationships in marriage, Scanzoni and Szinovacz (1980) suggested that the amount of power or influence in decision making may depend on the degree of disparity between husband's and wife's resources. They suggest that such disparities may occur in tangible resources (such as income, occupational status, and experience relevant to the decisions) and also in intangible resources (such as confidence in one's ability). Another possible explanation may be that spouses may have different levels of personal
investment or stake in a particular decision as originally suggested by Davis (1976). Wives may not be particularly motivated to influence the investment decisions. Both of these ideas merit further research.

The study also examined how wife’s work status and husband’s sex role attitude are related to the division of responsibility in financial decisions. As predicted, women who were not employed were more likely to perform routine tasks compared to the just-a-job group. Although we had expected career women to have the least responsibility for these routine tasks, this was not supported. Perhaps the women in the just-a-job group are already taxed by the nature of their work outside the home and are less willing to take on routine financial tasks.

The hypothesized relationship between wife’s work status and responsibility for investment tasks was also not supported. This is somewhat surprising given Bartos’s (1989) finding that for investment tasks, involvement was highest for career women and lowest for stay-at-home wives. We hypothesized that women that work outside the home may be expected to have more influence because of their earnings. However, they may face greater time pressures or hold investments in their own names. Future research should attempt to investigate how these countervailing factors impact on the pattern of influence for investment tasks.

We turn now to the relationship between husbands’ sex role attitudes and responsibilities for financial tasks. As predicted, husbands with traditional sex roles had greater responsibility for investment tasks. However, husbands with modern sex roles had less responsibility for routine tasks. The results were in a direction opposite to our prediction, although the relationship was not significant. This suggests that for husbands’ perhaps the relationship of sex role attitude to division of responsibility does not vary by type of decision. Husbands with traditional sex role attitudes may want to take greater responsibility for routine and investment tasks.

In summary, the study indicates that women are still more likely to be performing routine financial tasks as opposed to investment tasks. In addition, the division of responsibility in couples was found to be related to wives’ work status and husbands’ sex roles. Finally, given the importance of financial decision-making in the context of the family, future research should examine some of the other factors that underlie the division of responsibility.

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<table>
<thead>
<tr>
<th>Financial activity</th>
<th>Wife's responses</th>
<th>Husband's responses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Factor 1</td>
<td>Factor 2</td>
</tr>
<tr>
<td>Decides when to make investments</td>
<td>.942</td>
<td>.93</td>
</tr>
<tr>
<td>Decides what type of investments to make</td>
<td>.954</td>
<td>.932</td>
</tr>
<tr>
<td>Decides how much to invest</td>
<td>.921</td>
<td>.871</td>
</tr>
<tr>
<td>Writes most checks on joint checking account</td>
<td>.901</td>
<td>.892</td>
</tr>
<tr>
<td></td>
<td>.887</td>
<td>.824</td>
</tr>
<tr>
<td>Responsibility for balancing joint checking account</td>
<td>.761</td>
<td>.773</td>
</tr>
</tbody>
</table>

NOTE: To facilitate interpretation, loadings of less than .16 are omitted.