

Sharing Expenses with Separate Bank Accounts: How Gender of the Higher Earner Affects Couples' Financial Management Strategies

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Abstract and Introduction

Romantic couples are increasingly choosing to live together while maintaining separate finances. As a result, these couples must decide how to pay for shared expenses, such as rent, bills, and even vacations. **Two common expense management strategies** include **splitting expenses equally**, with each partner paying half, or **proportionally to income**, with each partner paying according to how much they make. **Why might couples prefer one option over the other?** Inspired by the rise in women earning more than their male counterparts, this research examines whether the **gender of the higher earner affects couples' preferred** expense management strategy. Eight studies show that when the woman (vs. man) is the higher earner, couples are more likely to split shared expenses equally (vs. proportionally to income). **This preference is driven by lower-earning men** who anticipate guilt when considering paying less than their partner.

Why Does This Preference Emerge?

Women prefer splitting proportionally to income, regardless of who earns more

Lower-earning men anticipate guilt when considering paying less than their partner. Why?

- Men who contribute less toward shared expenses may feel less masculine (Dahl, Vescio, and Weaver 2015)
- Men feel socially obligated to financially contribute to their relationships (Lever, Frederick, and Hertz 2015)
- Shifting greater financial responsibility onto their partner can lead to guilt (Baumeister, Stillwell, and Heatherton 1994)

Implications

- **Theoretical:** Contribute to work on financial decision-making in couples who do not completely merge their finances, and examine the role of gender on joint financial decisions
- **Practical:** Understanding how this diverse consumer segment (i.e., couples with higher-earning women) makes financial decisions helps companies tailor products to these consumers, and gives couples a baseline understanding of each others' preferences to navigate these financial conversations

References:
 • Baumeister, Roy F., Arlene M. Stillwell, and Todd F. Heatherton (1994). "Guilt: An interpersonal approach." *Psychological Bulletin*, 115 (2), 243–67.
 • Dahl, Julia, Theresa Vescio, and Kevin Weaver (2015). "How Threats to Masculinity Sequentially Cause Public Discomfort, Anger, and Ideological Dominance Over Women." *Social Psychology*, 46 (4), 242–54.
 • Lever, Janet, David A. Frederick, and Rosanna Hertz (2015). "Who Pays for Dates? Following Versus Challenging Gender Norms." *SAGE Open*, 5 (4), 215824401561310.

Main Effect: Gender of the Higher Earner

Example expense: How do couples split their rent?



Woman earns more → Equally
"Each partner pays half"



Man earns more → Proportionally to Income
"He earns more, so he pays more"

Study 1: How Couples Report Generally Splitting Shared Expenses (N = 334, CloudResearch)

51.2% of couples with a **higher-earning woman** split equally (vs. proportionally to income)

27.4% of couples with a **higher-earning man** split equally (vs. proportionally income)

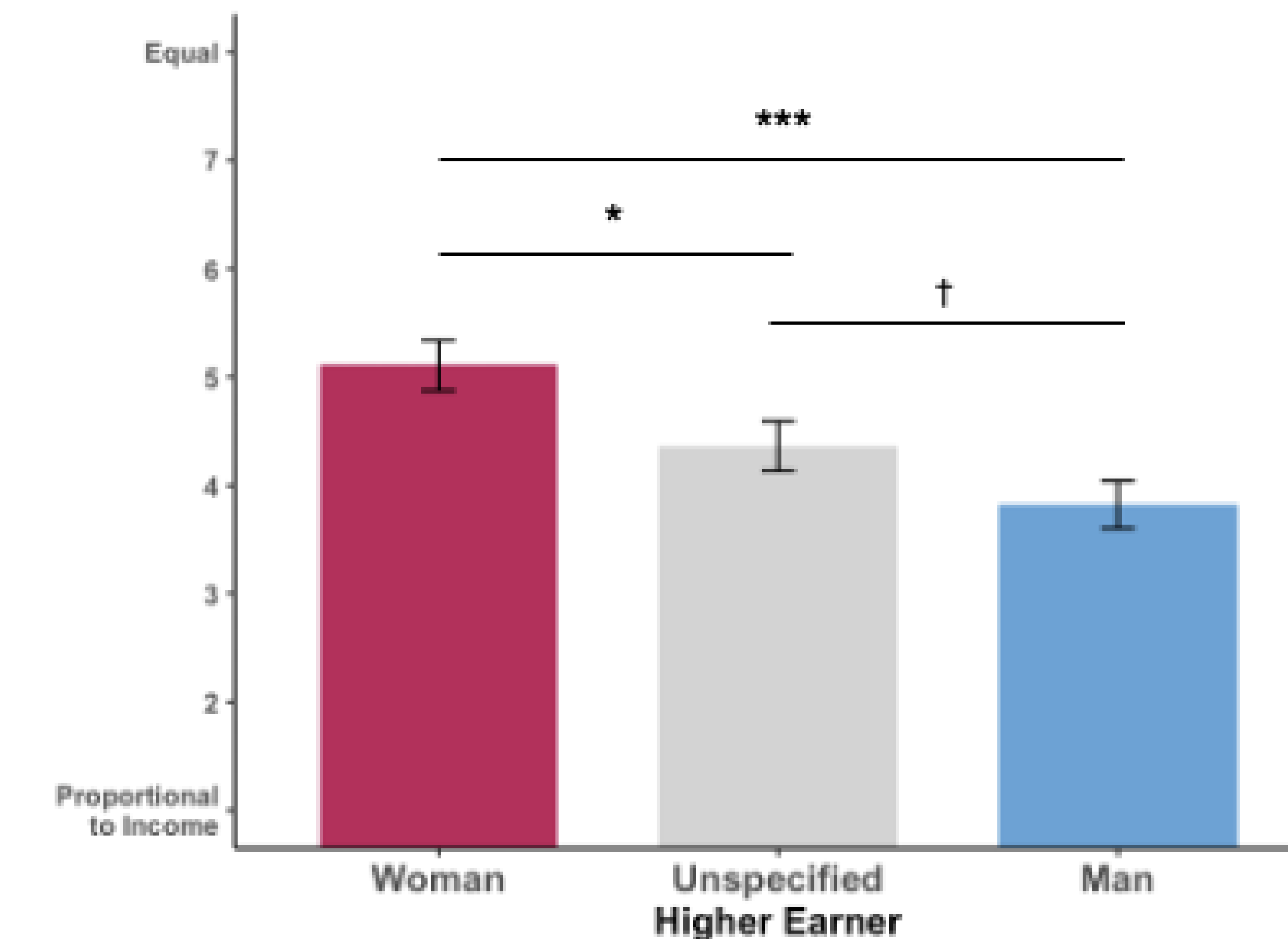
($\chi^2(1) = 14.22, p < .001$)

Study 2: Manipulate Gender of Higher Earner (N = 385, Prolific)

Shared expense: Rent

IV. Higher earner in vignette: Woman, Man, Unspecified

DV. Which expense management strategy would you suggest the couple do to pay for their rent?



Process: Lower-earning men reduce their preference for splitting shared expenses equally when paying less is easier to justify

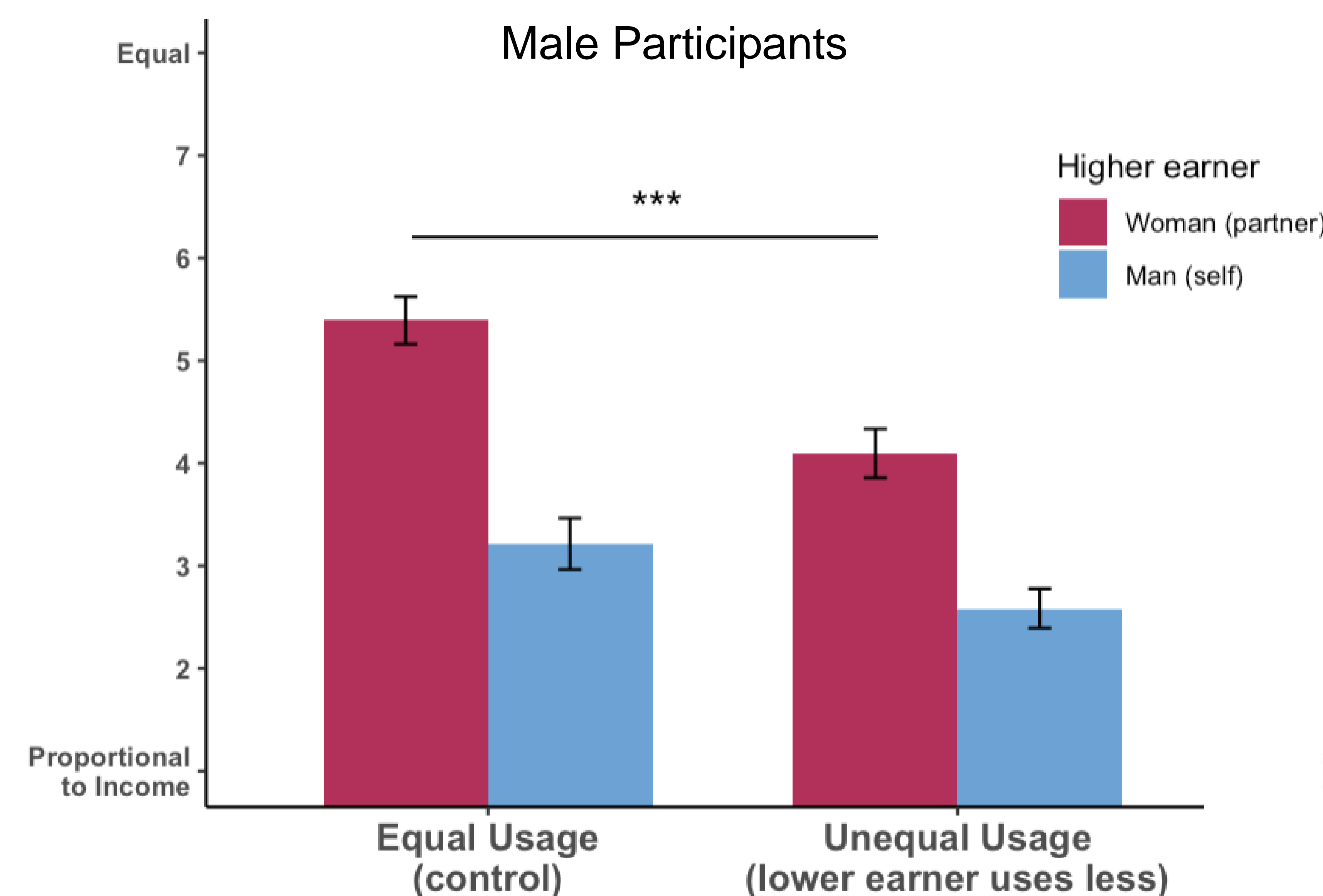
Study 3: Lower Earner Uses Shared Expense Less Often (N = 1004, CloudResearch)

Shared expense: Car-related bills
2 (Income) x 2 (Expense usage) x 2 (Participant gender)

IV. Income: Participant is assigned to earn more (vs. less) than partner

IV. Expense usage: Lower-earner uses car just as often (vs. less often) than partner

DV. Preferred expense management strategy for car bills



Study 4: Splitting Equally Requires a Loan (N = 633 Men, Prolific)

Shared expense: Car purchase
2 (Income) x 2 (Loan)

IV. Income: Participant is assigned to earn more (vs. less) than partner

IV. Loan: Splitting equally requires lower-earner to take out: no loan (vs. a loan).

DV. Preferred expense management strategy for car

