

Income Pooling as Investment and Adaptive Strategy Among Young Adults

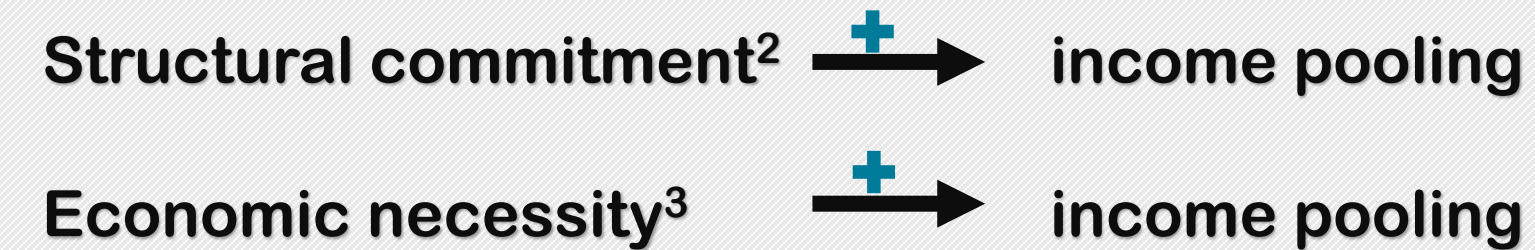
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Introduction

Married young adults are more likely than those that are cohabiting to completely pool their income with their romantic partner¹



Aim

Assess the contribution of commitment, financial insecurity, and economic stressors to differences in income pooling behavior between married and cohabiting couples

Data

Toledo Adolescent Relationships Study (TARS)

- Longitudinal survey, 5 waves (2001-2012)
- Stratified random sample
- N = 1,321 adolescents living in Lucas County, Ohio in 2000
- Rich, detailed measures of relationship dynamics, financial insecurity, and economic stressors

Analytic Sample

- Young adult (ages 22-29) men and women who were married or cohabiting in 2011/2012
- N = 471

Dependent variable

Income pooling

- 0 = <100% combined income
- 1 = 100% combined income

Independent variables

Commitment ($\alpha = 0.86$)

Financial insecurity ($\alpha = 0.62$)

Economic stressors

- Financial stress
 - Work stress
 - Debt stress
- (1) Not at all stressed
(5) Extremely stressed

Controls

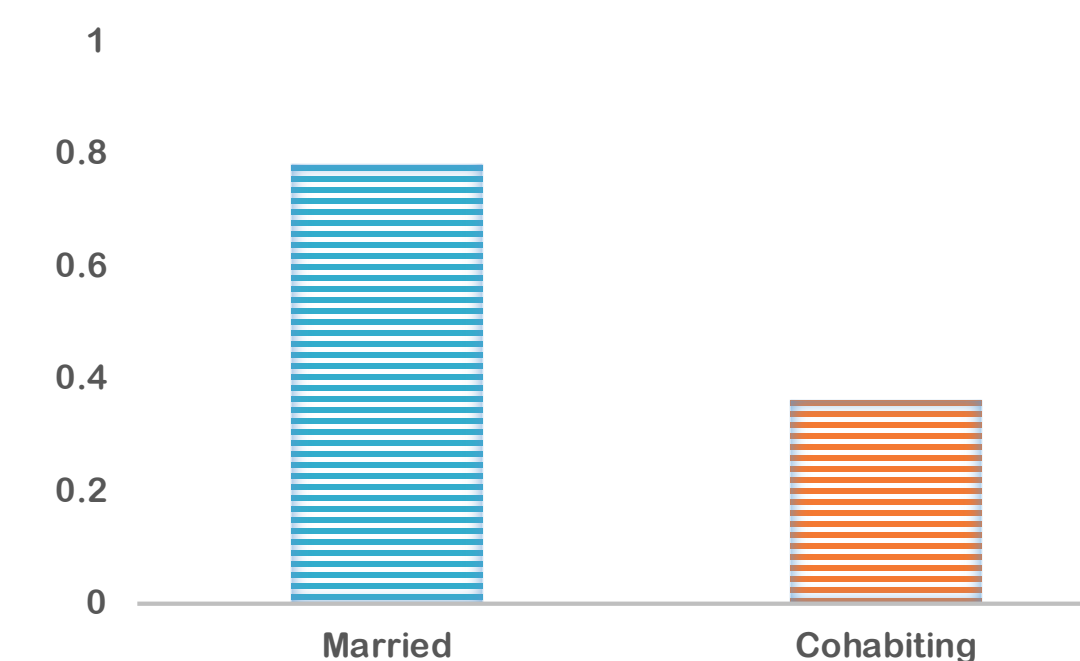
Demographic, economic, and relationship characteristics (*detailed measures available on handout*)

Method

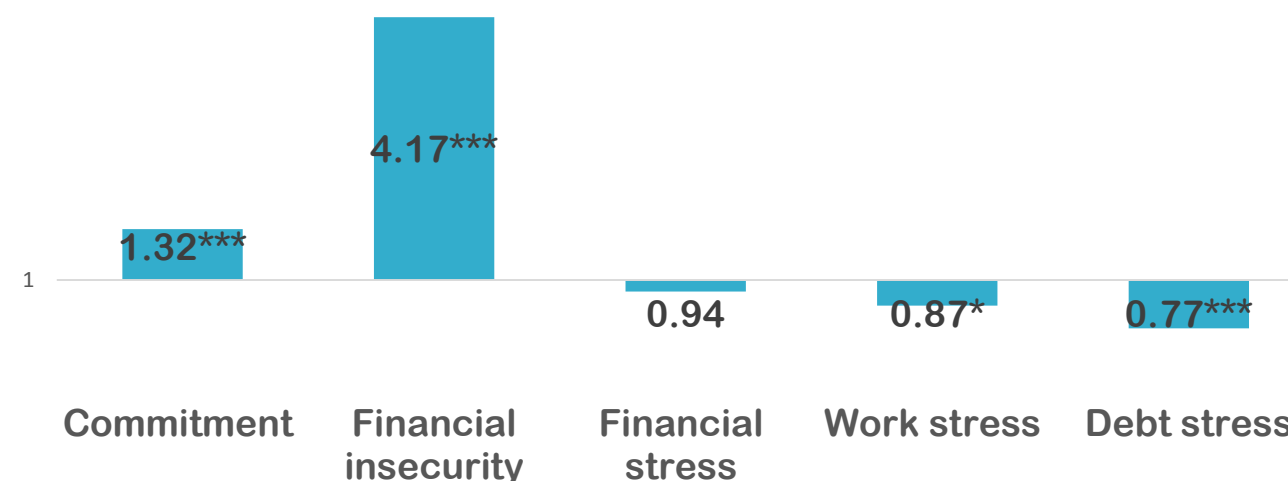
- 1) Pooled logistic regression
 - Estimates the probability of income pooling for married and cohabiting young adults
- 2) Separate models by union status
 - Estimates the associations between income pooling and focal IVs: commitment, financial insecurity, and economic stressors
- 3) Fairlie decomposition in Stata⁴
 - Explains components of married-cohabiting difference in average income pooling behavior

Logistic regression results

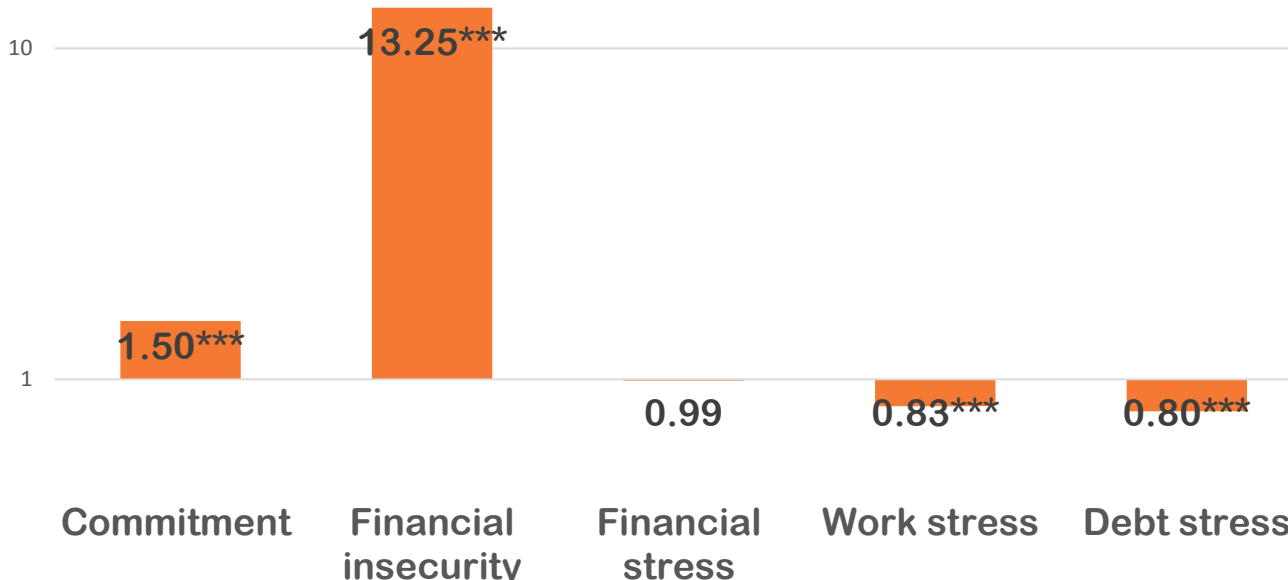
Pooled predicted probabilities



Married odds ratios

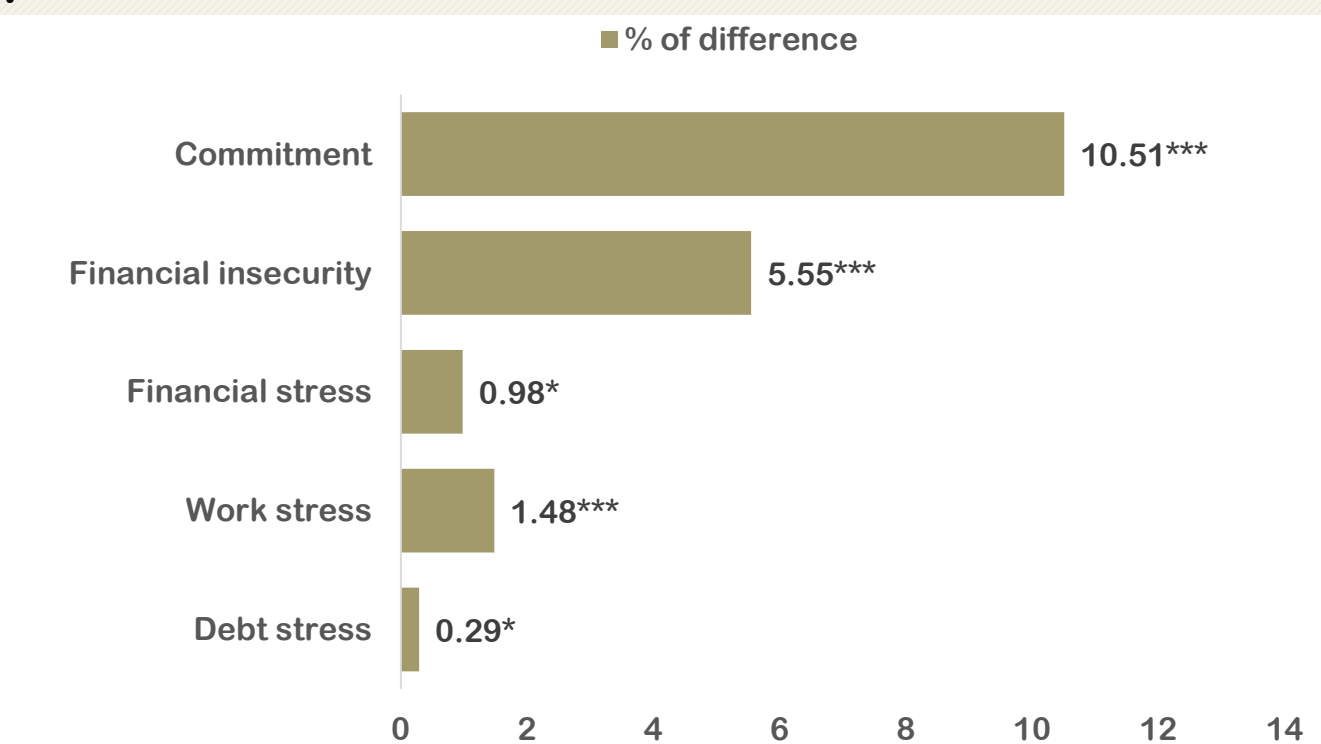


Cohabiting odds ratios



Decomposition

Total difference: 33.8%
Explained: 7.1%



Conclusion

- Both commitment and financial/economic factors were associated with income pooling
 - + Commitment
 - + Financial insecurity
 - Work/employment stress
 - Debt stress
- Married-cohabiting gap persists net of rich set of covariates
- Compositional factors accounted for 7% of the 33% married-cohabiting difference

Citations

- 1 Eickmeyer, K.J., Manning, W.D., & Brown, S.L. (2018) What's mine is ours? Income pooling in American families. Center for Family and Demographic Research, 2018 Working Paper Series.
- 2 Rusbult, C. E., Martz, J. M., & Agnew, C. R. (1998). The investment model scale: Measuring commitment level, satisfaction level, quality of alternatives, and investment size. *Personal Relationships*, 5(4), 357-387.
- 3 Moen, P., & Wethington, E. (1992). The concept of family adaptive strategies. *Annual Review of Sociology*, 18(1), 233-251.
- 4 Jann, B. (2006). Fairlie: Stata module to generate nonlinear decomposition of binary outcome differentials.