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WHAT'S MINE IS OURS? INCOME POOLING IN AMERICAN FAMILIES

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What's Mine is Ours? Income Pooling in American Families

Americans are forming families in new ways via cohabitation and stepfamilies which may have implications for resource pooling. Using recently collected, nationally representative data (Families and Relationships Study; n=4,318), the authors examined income pooling strategies according to the biological relationship of parents to children (no children, only biological children, only stepchildren, and blended families) and union status (cohabitation and marriage). 71% of married families pooled their income compared to 24% of cohabiting families, regardless of the biological relationship between children and parents. Married families with only biological children had higher odds of pooling all income compared to all other families. Among cohabiting families there were no significant differences in income pooling according to the biological relationships between children and parents. This study contributes to the understanding of economic resource sharing across a wide range of family types, which has implications for public policies that presume income pooling across all families.

Family demography, family economics, family resource management, cohabiting couples with children

INTRODUCTION

While a majority of married and cohabiting couples pool their incomes (Addo and Sassler, 2010; Hamplova and Le Bourdais, 2009; Heimdahl and Housenecht, 2003), little is known about how different family types manage their incomes. Understanding patterns of income pooling across family types is paramount to understanding differentials in advantage among children and informing public policy, as patterns of family formation have shifted to include increasing shares of cohabiting families and stepfamilies (Amato, 2010; Bumpass and Lu, 2000; Manning and Brown, 2006; McLanahan, 2004; Sweeney, 2010). Because children can represent a couple's largest financial investment (Brines and Joyner 1999; Kenney, 2004), income pooling may depend not only on the presence of children, but also the biological relationship between children and parents. Although investments in biological children are legally and socially sanctioned, stepparent-stepchild relationships and corresponding investments continue to be nebulous and incompletely institutionalized (Cherlin, 2004; Hofferth and Anderson, 2003). Thus, the presence of a stepchild may diminish the likelihood that the couple pools their economic resources compared to having only a biological child.

This distinction may be particularly salient among contemporary families: two out of five children have spent some time living with cohabiting parents (Manning, 2015) and 25% of children are expected to experience living in a married stepfamily (Bumpass, Raley, and Sweet, 1995; Manning, 2015; Vespa, Lewis, and Kreider, 2013). In addition, one in four marriages and close to half (43%) of cohabitations include stepchildren (Guzzo, 2016; Manning, Brown, and Stykes, 2014). The biological relationship between parents and children may operate jointly with union type to produce differing patterns of income pooling among

families with only biological children, only stepchildren, and blended families who are married or cohabiting. Cohabiting stepfamilies especially may experience relatively low levels of income pooling as couples are negotiating the incomplete institutionalization of both cohabitation and stepfamily life (Brines and Joyner 1999; Kenney, 2004). The myriad of ways that American families are formed suggest that the norms surrounding income pooling may not be uniform. In this new family climate, there is not a set script delineating how families should share resources.

Using recently collected, nationally representative data from the Families and Relationships Study 2013, we examine whether income pooling strategies differ depending on the biological relationship between parents and children. We also consider the parental union type. We anticipate that families with only biological children have a higher likelihood of pooling their incomes compared to families without children, families with only stepchildren, or blended families. Further, we expect income pooling differentials according to the biological relationship of parents and children is greater among married than cohabiting couples. Our study has implications for our understanding of family life that increasingly includes stepfamilies and cohabitation, as well as policies that are implicitly based on assumptions about how resources are shared in different types of families.

BACKGROUND

When forming a shared household, families face decisions regarding how to handle month-to-month, or even day-to-day, expenditures. The income management strategies among households range from complete financial independence characterized by separate incomes and bank accounts to complete interdependence characterized by integrated income flows and joint accounts to a partial interdependence characterized by some joint financial responsibilities (Pahl,

1995; Steuber and Paik, 2014; Addo, 2016). Co-residential couples may combine their finances for a multitude of practical reasons, such as to pay shared rent or household utilities, or for ideological reasons, such as forming a collective “we” identity (Burgoyne et al., 2006; Treas, 1993). In this way, the income pooling strategies of households arguably signal a deeper meaning within intimate partnerships beyond the allocation of essential financial responsibilities, such as commitment (Hamplova and Le Bourdais, 2003). Theoretically, income pooling reduces the “transactional costs” between partners (Treas, 1993). That is, it is a strategy that can fully or partially eliminate the continuous discussion of which partner pays which cost, depending on the method. Eliminating these interactions may reduce conflict within relationships (Treas, 1993). Income pooling also tangibly ties a couple together by increasing “sunk costs” (Brines and Joyner, 1999), and an individual’s monetary investment in their relationship can signal an emotional commitment. Independent income management, on the other hand, may signal a preservation of self-interest (Addo and Sassler, 2010). Recent research, however, indicates that the reasons behind independent income management strategies are more nuanced, and independent income management is often less about self-interest than about maintaining equality (Evertsson and Nyman, 2014). Those who keep their finances independent maintain open, positive lines of communication about each other’s finances despite keeping their incomes to themselves (Evertsson and Nyman, 2014).

The role of children

Even though in the U.S. and Canada married couples experience greater income pooling than cohabiting couples (Addo, 2016; Hamplova and Le Bourdais, 2009; Hamplova and Le Bourdais, 2014), this body of work does not consider the role of children and their biological relationships to parents. The presence of children often distinguishes cohabiting and married

couples. About 40% of cohabiting couples include children in contrast to 80% of married couples (Lamidi et al. 2015; Cohen, 2011). Thus, in assessments of income pooling it is important to account for whether couples have children.

Consistent with an incomplete institutionalization perspective, prior research indicates that income pooling strategies may be contingent on the type of parent-child biological relationship. Shared biological children can symbolize a form of investment in the relationship between partners, increasing their likelihood of sharing economic resources (Hamplova and Le Bourdais, 2009; Treas, 1993). The responsibility of biological parents to their child is also institutionalized, and biological parents are legally responsible for their children (White, 1994). Income pooling among biological parents, then, may be more of an expectation than a choice.

In contrast, the presence of stepchildren may lead to a lower likelihood of income pooling. Stepfamilies are theorized to have weaker social networks than biological families, indicating that stepparents may not provide the same amount of economic support to stepchildren compared to biological families (White, 1994). In addition, the role of stepparents in the financial care of stepchildren is incompletely institutionalized and therefore has no clear-cut direction or expectation (Stewart 2007; Sweeney, 2010; White, 1994). Prior research indicates that stepparents invest fewer resources in children compared to biological parents (Case, Lin, and McLanahan, 2000), and biological fathers are more involved with their children than stepfathers (Hofferth, 2006). These measures of resource sharing and involvement suggest that income pooling in families with only stepchildren may occur less often than in biological parent families.

Empirical research findings are inconclusive and are limited to low-income samples. For example, in a study restricted to low-income married and cohabiting couples in the Marital and

Relationships Survey data, Addo and Sassler (2010) found having stepchildren was not related to complete pooling. In contrast, Kenney (2004) relied on the Fragile Families and Child Wellbeing Study data and found that among low income cohabiting couples (less than 300% of the poverty level), fewer couples shared all their money in stepfamilies and blended families than in nuclear families. We extend this research by distinguishing between cohabiting and married couples in assessments of income pooling and examining couples across a range of income levels.

Given that about half of children living with cohabiting parents are in stepfamilies, we cannot identify a singular experience of cohabitation (Kennedy and Fitch, 2012). We expect that cohabiting stepfamilies may face a “double institutional jeopardy” (Manning et al., 2009) according to their cohabiting status and stepfamily status. Children living in cohabiting stepfamilies lack both the legal support conferred by the biological ties to both parents and the legal protections of their parent’s marriage (Addo, 2016; Manning et al., 2009). This double jeopardy paired with the short average duration of cohabiting unions (Lamidi, 2015) may create a context in which cohabiting families are more hesitant to pool their incomes than are married families. There is no guarantee that financial burdens would be shared if the relationship were to end, especially among stepfamilies.

Blended families, in which there are both stepchildren and biologically shared children, may employ different income pooling strategies than nuclear families (only biological children) and families with only stepchildren. Motivated by supporting their shared biological child, blended families may be inclined to pool their incomes. However, the presence of stepchildren in addition to the biological child may lower their odds of income pooling. These two opposing possibilities may place blended families midway on a spectrum between nuclear and only stepfamilies in terms of income pooling. Yet, no research on income pooling in the United States

has specifically considered blended families as distinct from stepfamilies. This paper examines income pooling at the intersection of union status and biological relationship among a representative sample of families.

Relationship and sociodemographic characteristics

We also consider many other potentially confounding factors that may be related to income pooling such as relationship characteristics and sociodemographics. Relationship duration may influence income pooling, especially among cohabitators. Newly formed cohabiting couples may not make joint investments in the relationship, as new cohabiting relationships are not subject to the same legal safety net of new marriages. Over time, however, they may combine their resources. Prior research demonstrates that those in remarriages are less likely to pool their income compared to people in first marriages (Hamplova and Le Bourdais, 2009; Treas, 1993). We consider that there may be a similar association among those who are in a higher-order cohabitation, so we explore whether men and women are in a higher-order cohabiting or marital union, compared to a first union, and whether this plays a role in income pooling behavior. Previous research among married couples in the South indicates that couples who pooled their incomes reported higher levels of happiness with their family life than couples who kept some or all of their money separate (Pasley, Sandras, Edmondson, 1994). We expect a positive relationship between relationship happiness and the likelihood of income pooling.

Sociodemographic factors such as age, gender, race and ethnicity, education, income, and financial constraint are related to income pooling behaviors or linked to union formation. The likelihood of keeping separate incomes increases with age, (Heimdal and Housenecht, 2003; Hamplova and Le Bourdais, 2009), yet cohabitators are, on average, younger than

married men and women and less likely to pool their earnings (Heimdal and Housenecht, 2003; Hamplova and Le Bourdais, 2009). These competing influences make age an important factor when examining income pooling differences between cohabitators and married couples. We consider gender due to union formation differences between men and women and prior research indicating gender differences in income pooling. We expect that the odds of income pooling will be greater for women, as prior research suggests that women prefer a joint income approach while men seem relatively unconcerned with joint financial management (Addo and Sassler, 2010). Race and ethnicity are both linked to union formation and income pooling behaviors, and we expect that racial and ethnic minorities will be less likely to pool their incomes (Kenney, 2004; Lichter et al., 1991). The likelihood of marriage is highest among those with a college education (Goldstein and Kenney, 2001), but findings regarding the relationship between education and income pooling are mixed. Hamplova and Le Bourdais (2009) find no effect of increasing education whereas Treas (1993) suggests that as husband's education increases, so do the odds of pooling money together. At higher incomes, couples are more likely to pool their finances (Treas, 1993). Couples who feel financially constrained may be more likely to pool their incomes to make ends meet, or alternatively they may be less likely to pool their incomes in response to the financial insecurity of the relationship.

Implications of income pooling for poverty policies

Prior research indicates that many policies implemented to reduce poverty or economic hardship do not fit families as they are, even those that are not targeted at families specifically (Carlson and Meyer, 2014). Policies targeted at low-income households make assumptions about who constitutes a family, and these definitions vary across policy type and state (Carlson and Meyer, 2014). In some cases, cohabiting partners and their economic

resources are part of family size and family income estimates determining eligibility for specific programs and in other cases they are excluded. These variations may burden cohabiting families specifically, especially when measuring poverty. The official poverty measure calculated by the U.S. Census Bureau does not include cohabiting partners or their income in calculating poverty among families (Brown, Manning, and Payne, 2016). The supplemental poverty measure, introduced in 2010, includes cohabiting partners and their income in the calculation of the number of family members and family income (Renwick and Fox, 2016). This measure tends to “lift” cohabiting families out of poverty by assuming the full contribution and pooling of the cohabiting partner’s income (Brown et al., 2016). Further insight into income pooling as it represents resource sharing among American families can give us a better idea of how social policies, especially those targeted at alleviating poverty, are operating in contemporary families. It is likely that neither the official nor the supplemental poverty measure accurately captures how cohabiting couples share resources (i.e., it is not all or none but somewhere in between).

THE PRESENT STUDY

As cohabitation and stepfamilies become more common aspects of American family life, understanding how contemporary families manage their finances remains an important area of inquiry. Income pooling research suggests that there are distinct union status differentials in financial management with married couples experiencing greater income pooling than cohabiting couples (Addo, 2016; Hamplova and Le Bourdais, 2009; Hamplova and Le Bourdais, 2014; Heimdahl and Housenecht, 2003). However, prior research has not considered how family income pooling is associated with the biological relationships of children to parents. We provide a bridge by considering union status and biological

relationship status in conjunction with one another.

Drawing on an incomplete institutionalization perspective, we test the following two key hypotheses. First, we expect that families with only biological children have a higher likelihood of pooling their incomes compared to families without children, families with only stepchildren, or blended families, net of parent's union status. Further, we expect that the biological relationship between parents and children interacts with whether the couple is married or cohabiting in predicting income pooling. Consistent with the incomplete institutionalization perspective, we expect to find greater differences between couples with only biological children, only stepchildren, and blended families among those who are married, relative to cohabiting. We include relationship characteristics as well as sociodemographic measures as control variables in models estimated the odds of income pooling, since these factors are associated with both parent type and union status, as well as income pooling.

METHOD

The Family and Relationships Study, designed and funded by the National Center for Family & Marriage Research at Bowling Green State University, was collected in 2013 by the GfK Group (formerly Knowledge Networks). Respondents came from the KnowledgePanel, a nationally representative online panel of non-institutionalized individuals between the ages of 18 and 64 living in the United States. Respondents were recruited using probability sampling based on their home address or random-digit dialing, resulting in a panel that captured those with all levels of internet access. Those who did not have access to the internet were provided access and technology if necessary. This panel construction, therefore, is representative of all adults with and without internet access. The study oversampled individuals who lived with romantic partners as well as those over the age of 55. The original survey was disseminated to

12,774 individuals with a completion rate of 58.8%, resulting in a final sample size of 7,517. To reduce the effects of non-response and non-coverage bias, these data employ post-stratification weights based on the Current Population Survey.

Our analytic sample included men and women between the ages of 18 and 64 who were currently residing with a marital or cohabiting partner at the time of the interview (N = 4,684). Next, we limited our sample to those who had a valid response regarding income pooling, resulting in 4,656 cases. Finally, we removed cases in which the respondents did not have a valid response on relationship characteristics. This resulted in a final sample size of 4,318 respondents.

Dependent variable

Income pooling is indicated by the respondent's answer to the question "Couples handle their money differently. Which of the following do you do?" Possible answers included "Each keep our money separate," "Put some money together," and "Put all of our money together." If respondents reported combining all of their money, they were coded as *pooling*, and *some together/all separate* if they reported pooling some income or each keeping their money separate. Defining the absence of income pooling by whether a couple keeps at least some income separate is consistent with prior studies (Hamplova and Le Bourdais, 2009; Heimdal and Housenecht, 2003; Pahl, 1983; Vogler et al., 2006).

Independent variables

The two key independent variables are the biological relationship between parents and children and union status. Using a household-level variable indicating the *respondent's biological relationship to the children in the household*, respondents were coded as having no children if they did not report any children in their household, only biological children if the

household contained only biological children, only stepchildren if the household-level measure indicated the presence of only stepchildren. The final category is blended, representing families with both biological and stepchildren. Having only biological children is the reference category. *Union status* is indicated by whether the respondent reports being married or cohabiting at the time of the interview, with married as the reference category

Relationship characteristics include relationship duration, union order, and relationship happiness. *Relationship duration* is measured in months from the beginning date of the respondent's current relationship, and then coded into years. *Higher-order union* is an indicator of whether the respondent reports being in a second or higher co-residential union. This includes remarriages and serial cohabitation. The reference category is a first-order union. *Relationship happiness* is measured from the question "Taking all things together, how would you describe your current relationship?" Responses range from (1) "very unhappy" to (7) "very happy."

The sociodemographic indicators include age, gender, race/ethnicity, education and income. *Age* is indicated by the respondent's age in years at the time of the interview, and is a continuous measure. *Gender* is ascertained at the time of the interview, and is coded male or female. The reference category is *female*. *Race/ethnicity* is composed of four categories including (a) White, (b) Black, (c) Hispanic, and (d) Other, and the reference category is White. Those who identified as racially/ethnically Other and those who identified as bi- or multi-racial are included in the Other category. *Education* is a four-category variable coded from the respondent's education at the time of the interview. Categories include (a) less than high school, (b) high school, (c) some college, and (d) Bachelor's degree or higher. The reference category is high school. *Income* is a 19-category variable ranging from less than \$5,000 to \$175,000 or more. It is treated as a continuous measure. *Perceived financial constraint* is measured from

answers to the question “How much do financial matters influence whether you stay in this relationship?” Respondents answered “not at all,” “a little,” “moderately,” “quite a bit,” or “extremely.” The skewness of the variable toward “not at all” resulted in a binary indicator of constraint with response categories of *none* or *any*. The reference category for *perceived financial constraint* is “none”.

We employ logistic regression models to estimate the odds of income pooling by the biological relationship between children and parents. We present zero-order models and two sets of multivariate models. We first include the biological relationship between children and parents, union status, and the current relationship’s characteristics. Second, we add the sociodemographic factors in the model. To assess how union status operates for families with no children, only biological children, only stepchildren, or blended families, we interact union status with the biological relationship between children and parents and present predicted probabilities of income pooling. We expect a higher probability of income pooling among married biological parent families than married families with only stepchildren or married blended families. Additionally, we expect a higher probability of income pooling among married biological parent families than all unmarried families.

RESULTS

Table 1 contains the descriptive analysis of marrieds and cohabitators by the biological relationship between children and parents. Overall, 64% of couples pool their income and 36% report keeping some or all of their income separate. Greater shares of families with only biological children (76%) report pooling their income than those without children (56%), with only stepchildren (44%), or with biological and stepchildren (blended families) (59%). Couples with only stepchildren report the lowest share of income pooling.

[Table 1 About Here]

85% of couples were married and 15% were cohabiting. The composition of families varies based on the biological relationship of children and parents. A disproportionate share of families with only biological children consist of married (95%) rather than cohabiting parents (5%). Cohabitation is most common among families with only stepchildren (33%).

Families that include only biological children report longer average relationship durations than those with only stepchildren or blended families, but not those without children. Most families with only stepchildren consist of higher order unions. Relationship happiness, on average, is similar for all families. Regarding basic sociodemographic measures, individuals in families with children report similar ages while those without children are slightly older (average age of 48), and there are fewer women in families with only biological children (48%) compared to all other family types. A majority of all men and women are White (71%), but the share of Blacks and Hispanics is greatest among families with any stepchildren (15% and 21%, respectively). Education and income is highest in families with only biological children and fewer experience financial constraint (58%) than all other family types.

Table 2 illustrates that the odds of income pooling significantly differ when considering the presence of children and the biological relationship between children and parents. At the zero order, all family types relative to families with only biological children have significantly lower odds of pooling their incomes. Controlling for union status and relationship characteristics, couples who do not have children have lower odds of income pooling than those living with only biological children by roughly half. Similarly, men and women living only with stepchildren and in blended families report lower odds of income

pooling than their counterparts residing with only biological children.

[Table 2 About Here]

Income pooling also differs by union status. Model 1 shows the odds of pooling are 79% lower among cohabitators with the inclusion of the family and relationship indicators. Relationship characteristics are associated with the odds of income pooling. Longer relationships are positively associated with income pooling. As relationship happiness increases, so do the odds of income pooling.

Model 2 incorporates the sociodemographic indicators that may be possible confounding factors associated with children and income pooling. The associations between the biological relationship of children to parents and union status mirror those in Model 1: controlling for relationship and sociodemographic characteristics, couples with only biological children have significantly higher odds of pooling their income compared to all other families. The relationship quality indicators that continue to be associated with income pooling are relationship duration and relationship happiness. As age increases, the odds of income pooling decrease by 4%. Men more often report fully pooling their income than women, and Black men and women are less likely to pool their incomes compared to White men and women. Those with less than a high school degree have 68% higher odds of pooling their incomes compared to those with a high school degree, and an individual's likelihood of pooling their income within their relationship declines with increasing income. Individuals who report feeling financially constrained within their relationship are less likely to pool their income than those who are unconstrained.

Given differences in the presence and biological relationship of children in married and cohabiting families, we also estimate the interaction effects of union status and the relationship

between children and parents. The interactions significantly contribute to the fit of the model ($\chi^2 = 11.65, p = .009$) (results not shown). For ease of interpretation, in Figure 1 we show the predicted probabilities of income pooling by union status and biological relationship holding all controls at their mean values from Model 2 in Table 2. Regardless of the presence and biological relationship of children, married individuals report a higher probability of income pooling than cohabitators (not shown). Overall, a majority of married families pool their income while a minority share of cohabiting families pool their income.

Married families without children have lower odds of pooling than married families with biological children, but similar levels as married couples with only stepchildren. Married families with only stepchildren and married blended families report significantly lower probabilities of income pooling than married families with only biological children. Cohabitators without children report the lowest levels of income pooling, a 23% probability of pooling, and this is significantly lower than cohabiting families with only biological children. Cohabitators with stepchildren and cohabiting blended families have similar probabilities of fully pooling their incomes as cohabitators with only biological children. Thus, the negative association of stepchildren or more complex child constellations (blended families) on income pooling appears to operate only for married families and not cohabiting families. Among cohabiting families, the distinction in pooling depends on whether children are present in the household whereas among married families it seems to matter how the children are related to the spouses.

[Figure 1 About Here]

DISCUSSION

How families share resources has become a more central question with the growing range of family experiences. We build upon prior research by distinguishing families by the

biological relationship between children and their parents and determine whether income pooling strategies differ between married and cohabiting families. Cohabiting and married families differ in the presence and biological relationship of children. Overall, it appears that children provide a basis for income pooling but influence pooling in different ways for cohabiting and married families. We find the odds of pooling income are lower for cohabiting families across each of the family types. Cohabitors without children have the lowest probabilities of income pooling. Regardless of the biological relationship to the child, the probabilities of income pooling remain the same among cohabiting families with children. However, among married families the levels of income pooling differ by family types: married families without children, with stepchildren, or with blended family arrangements have lower odds of pooling their income compared to married families with only biological children. Thus, it appears that among married families, stepfamilies experience lower levels of pooling but among cohabiting families, stepfamilies share similar levels of pooling as biological parent families. The largest gap in income pooling is among families without children: married couples experience over three times greater income pooling probabilities as cohabiting couples. Cohabitation is not a family type that necessarily includes income pooling, especially for those without children.

Consistent with prior research, we find the majority of married families pool all of their income (Hamplova and Le Bourdais, 2009; Hamplova and Le Bourdais, 2014; Heimdahl and Hausnecht, 2003; Kenney, 2004; Treas, 1993). Our results show that a minority of cohabiting families do so, which is inconsistent with research using U.S. samples but in line with Canadian cohabitators (Hamplova and Le Bourdais, 2014). Previous research using U.S. samples primarily examine low-income or urban couples who have children using Fragile

Families data (e.g., Addo and Sassler, 2010; Kenney, 2004). Not all of the cohabitators in the present study have children, which may depress the share pooling their income. In addition, measures of income pooling vary across surveys. The share of married families that report fully pooling their income is high (72%), and lies within the range of income pooling reported in previous studies by Treas (1993) and Hamplova and Le Bourdais (2009) (64% in 1984 and 83% in 2002) (see Hamplova and Le Bourdais, 2009; Treas, 1993).

The families in our study differ in terms of duration, quality, and relationship history and there are key sociodemographic differentials. Despite these differences, married families continue to have higher odds of pooling their income compared to cohabiting families with the inclusion of relationship and sociodemographic factors. Families who have been together longer and who are in a first union are more likely to pool their income than those in relationships of shorter duration, or those that are in remarriages or serial (second or higher) cohabitations. Further, families who are happier with their relationships have higher odds of pooling their income. Income pooling, then, may be symbolic of the state of a couple's relationship, commitment, or an indicator of "enforceable trust" (Cherlin, 2004). Further, cohabiting and married families' economic circumstances are associated with income pooling but do not explain the differentials between families.

These results have implications for measures and policies that rely on presumptions of how families share income, or who constitutes a family. For example, the traditional approach to measuring official poverty in families is to exclude the income of the cohabiting partner and assume no income pooling, whereas the supplemental poverty measure assumes income pooling between cohabiting partners (Brown, Manning and Payne, 2016). The Supplemental Nutrition Assistance Program (SNAP) provides benefits based on how often household

members share meals, meaning that cohabiting partners are counted to receive benefits if they are sharing half of their meals with their cohabiting family (Carlson and Meyer, 2014).

Eligibility for the Temporary Assistance for Needy Families (TANF) program is determined on a state-by-state basis, implying that some cohabiting partners may be counted as a part of the family unit while others may not (Carlson and Meyer, 2014). Thus, it appears that the measurement of poverty and eligibility for the programs provided for low-income families are not based on the actual income management experiences of contemporary American families. Income pooling practices among cohabiting parents are likely somewhere on a spectrum between never and always, some and all incomes, and this may vary by the relationship between parents and children. In this light, it is important to consider the various configurations of families, as children may be either benefiting or losing depending on whether their parents pool their income or not.

Although our study provides new insights into how families share resources, there are a few limitations. First, the data are limited to currently cohabiting and married respondents. Addo and Sassler (2010) find that couples who have more individualized money management systems, those who keep their incomes separate, are less satisfied with their relationships and less apt at solving conflicts than those who use joint income pooling strategies. Those couples most likely to keep their incomes separate, or those individuals who were unsatisfied with their income pooling strategy, may have already dissolved their relationships due to low relationship quality or high conflict. Second, we do not assess reasons for income pooling. Families may be pooling their incomes with the intent to make a large investment, or for necessities above the responsibilities related to caring for children. Couples may also avoid pooling their incomes to maintain eligibility for benefits provided by the state, or stepfathers

may avoid claiming support for stepchildren to ensure nonresident father support (Marsiglio, 2004). Finally, we do not examine income pooling over time. Income pooling becomes more likely as relationships persist, and this may be especially true among cohabitators. Capturing a cross-section of cohabitators, then, may miss the transition some may later make to combining all of their income.

Our research partially supports prior studies in the U.S. and Canada (Hamplova and Le Bourdais, 2009; Hamplova and Le Bourdais, 2014; Heimdahl and Hausnecht, 2003; Kenney, 2004; Treas, 1993) which find union status differences in income pooling while contributing to the understanding of economic resource sharing across multiple family types. Measures of poverty, eligibility for benefits programs, and the classification of cohabiting partners in only biological, only step-, and blended families must reflect the contributions of cohabiting partners while recognizing that there is variation across these family types in the pooling of economic resources. Future research among American families should consider the contributions of a nonresident parent or co-resident grandparents in conjunction with residential parents. Perhaps the economic contributions of nonresident parents or grandparents influence the practice of income pooling within stepfamilies or blended families, reducing the gap in income pooling between union or family types.

These patterns of income pooling among married and cohabiting couples lend further insight into the meaning of families and unions. The biological relationship between children and parents matters for married couples: the presence of any stepchildren in the household is related to a lower probability of income pooling compared to having only biological children. These step- and blended family networks, then, may have weaker systems of social support compared to biological families (White, 1994). While married couples are more likely to

respond to their biological tie to their child than cohabiting couples, it remains clear that married couples are always more likely to pool their incomes than cohabiting couples. The vast majority of married couples completely combine their finances, illustrating the inclination toward the long-term commitment expected of the marital vows. On the other hand, cohabiting couples do not seem prone to pool their income, regardless of whether there are children in the home or whether they share biological ties to those children. This may reflect the short-term reality of many cohabiting relationships and demonstrate the more individualistic attitudes of cohabitators. Continuing to illuminate the financial arrangements of married and cohabiting families is an important focus for future research, as it may shape poverty definitions and program eligibility, as well as further our understanding of children's economic well-being in American families.

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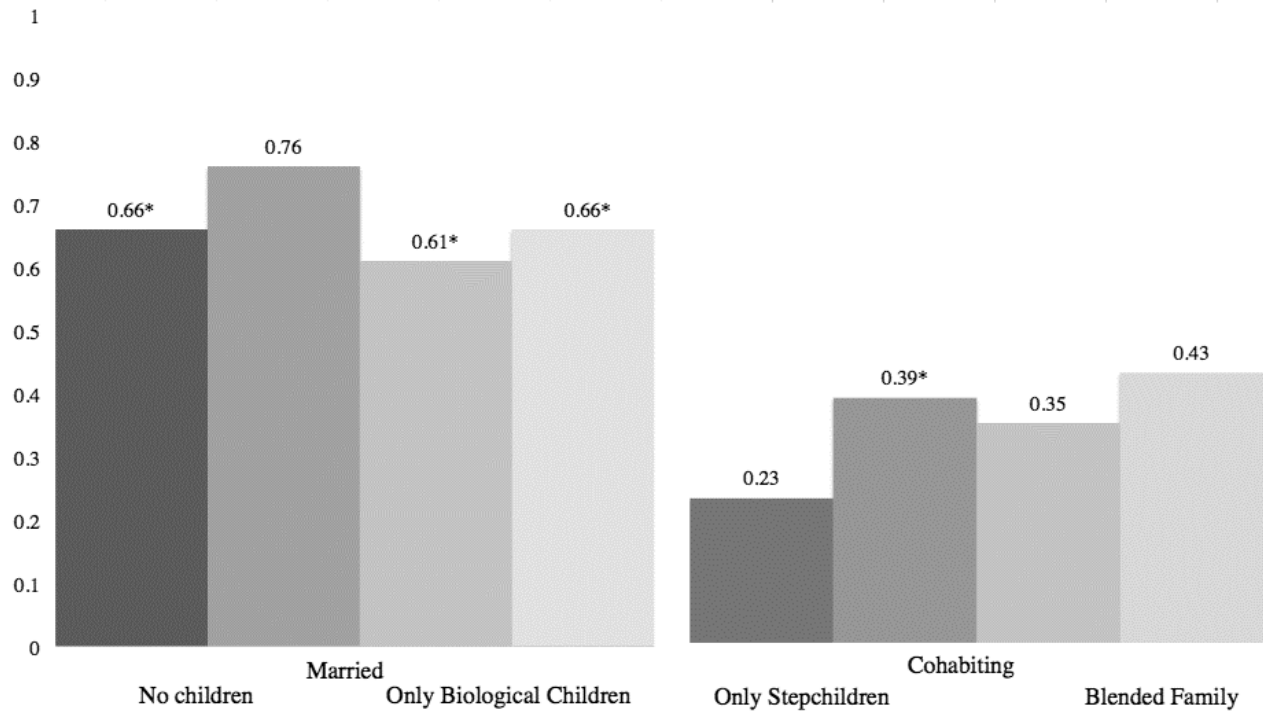
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FIGURE 1. PREDICTED PROBABILITIES OF INCOME POOLING AMONG MARRIED AND COHABITING FAMILIES



Note: * indicates significantly different from biological children, $p < 0.05$

Table 1. *Descriptive characteristics by union status (N = 4,318)*

	Total	No Children	Only Biological Children	Only Step Children	Blended Families
	% mean	% mean	% mean	% mean	% mean
Pooling	64.45%	56.47%	75.94%	43.88%	59.14%
Some together/all separate	35.55%	42.69%	24.06%	56.12%	40.86%
<i>Family indicators</i>					
Union status					
Married	85.50%	79.95%	94.96%	69.42%	77.75%
Cohabiting	14.50%	20.05%	5.04%	30.58%	22.25%
Family type					
No children	47.02%	--	-	--	--
Only biological children	41.64%	--	--	--	--
Only stepchildren	5.38%	--	--	--	--
Blended	5.97%	--	--	--	--
<i>Relationship characteristics</i>					
Relationship duration (years)	15.17	16.77	15.15	6.62	10.37
Higher-order union					
Yes	29.39%	38.12%	11.51%	70.29%	48.59%
No	70.61%	61.88%	88.49%	29.71%	51.41%
Happiness (average)					
1= <i>Very unhappy</i> , 7= <i>Very happy</i>	6.06	6.10	6.08	5.91	5.82
<i>Sociodemographics</i>					
Age	44.43	48.22	41.24	41.57	39.35
Gender					
Female	50.99%	50.40%	47.96%	72.09%	57.73%
Male	49.01%	49.60%	52.04%	27.91%	42.27%
Race					
White	70.65%	74.35%	69.65%	58.40%	59.53%
Black	8.60%	9.58%	5.98%	14.76%	13.56%
Hispanic	14.19%	10.45%	16.36%	21.21%	22.22%
Other	6.56%	5.61%	8.01%	5.62%	4.70%
Education					
Less than high school	8.02%	8.46%	6.54%	8.10%	14.81%
High school	29.34%	31.28%	25.45%	36.66%	34.66%
Some college	28.51%	27.62%	27.04%	34.78%	40.05%
Bachelor's Degree +	34.13%	32.64%	40.97%	20.46%	10.48%
Income					
(1= Less than \$5,000, 19= \$175,000+)	13.01	12.84	13.61	11.83	11.19

	Perceived financial constraint					
	None	55.66%	55.16%	58.36%	46.14%	49.41%
	Any	44.34%	44.84%	41.64%	53.86%	50.59%
N		4,318	2,207	1,670	215	226

Source: Family and Relationships Study

Note: All values weighted

Table 2. Logistic regression odds ratios of income pooling (N = 4,318)

	Model 1		Model 2	
	Odds Ratio	SE	Odds Ratio	SE
<i>Family indicators</i>				
Biological relationship (ref = only biological children)				
No children	0.50***	0.04	0.57***	0.05
Stepchildren	0.50***	0.08	0.53***	0.09
Blended	0.73	0.12	0.70*	0.12
Union status (ref = married)				
Cohabiting	0.21***	0.02	0.17***	0.02
<i>Relationship characteristics</i>				
Duration of relationship (years)	1.03***	0.003	1.05***	0.01
Higher order union (ref = no)				
Yes	0.87	0.08	1.015	0.12
Relationship happiness	1.35***	0.04	1.31***	0.04
<i>Sociodemographics</i>				
Age			0.96***	0.01
Gender (ref = Female)				
Male			1.39***	0.11
Race (ref = White)				
Black			0.47***	0.06
Hispanic			0.81	0.09
Other			0.88	0.14
Education (ref = High school)				
Less than high school			1.68**	0.28
Some college			0.95	0.10

Bachelor's Degree +	0.91	0.10
Income	0.97**	0.01
Perceived financial constraint (ref = none)		
Any	0.75***	0.06
