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Abstract

Background
Couples' economic conflict is an area of major importance for individual life quality. Prior research has found that conflicts are correlated with the way money is managed in the relationship. We also know that a number of factors related to quality of life vary over the life course, not least economic standard.

Objective
This study will investigate whether couples' economic conflicts vary with age and whether the type of money management is differently related to conflicts at different ages.

Method
We use the GGS 2012 for Sweden including cohabiting and married respondents 20 to 80 years old. Logistic regressions are used to find out whether the type of money management is differently associated to economic conflicts for different age groups.

Results
Economic conflicts become less common over the life course and the likelihood of pooling all money increases over the life course. Pooling all money in the household relates to fewer economic conflicts only among older couples.

Conclusion
Money management will differ in importance at different life stages.

Contribution
We propose that it is important to consider the economic conditions of couples at different ages.

Keywords: Money management, economic conflicts, life course, Nordic context

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Introduction

There are a number of known negative consequences of experiencing economic conflicts (Kiecolt-Glaser & Newton, 2001; Levenson et al., 1993; Sandberg & Harper, 2000), and economic conflicts in couples seem to be more severe than other types of conflicts (Dew et al., 2012; Henry et al., 2005; Papp et al., 2009). It may also be that some groups are more susceptible to suffer from such conflicts. Individuals that are economically vulnerable are more likely to have conflicts, and it is likely that a strained economic situation leads to an increased risk of conflicts. Over the life course, there are different possibilities to act on conflicts and a relationship of negative nature. The threshold to leave a conflictual relationship is going to vary with a number of factors, but the life course stage is going to be crucial. At younger ages, it is easier to leave a sour relationship. This is also becoming increasingly possible at adult ages, even though having dependent children is still a major deterrent to separation. Both partners' individual economic independence and the increase in shared child responsibilities after separation make separation a feasible solution for couples with children. At older ages, the economic dependencies within the couple is likely to be larger, making it harder to adjust one's individual income to a situation after a potential break-up. This is particularly true for retired individuals, who in many cases will have great difficulties changing to more affordable dwelling and to increase income by work.

Given the easier opportunity to exit bad relationships among younger couples, we would expect older couples to more often remain together even when they have economic conflicts. However, as economic conflicts are associated with other factors that lead to separation, and perhaps more importantly, may be overcome with time and communication, it is likely that we find fewer economic conflicts among older couples. One factor that may or may not lead to more or less economic conflicts is the way that couple manages their money. Research has focused on how couples manage money in different contexts (Halleröd, 2005; Heimdal & Houseknecht, 2003; Kenney, 2006; Knudsen & Wærness, 2009; Roman & Vogler, 1999; Vogler, 2005), but the focus has almost entirely been on young and middle-aged couples. For example, Pahl's (1989) influential work on British couples focuses on couples with young children when categorizing various ways of organizing money into a typology frequently used. This study focuses on differences in money management over the life-course. Such differences are related to different conditions over the life-course, but also the changes that happen in a relationship over time, as well as the selection of longer duration couples, where less successful money management in some cases lead to separation (Dew et al., 2012).

The importance of the type of money management for the incidence of economic conflicts may also vary over the ages. Not just because the older couples more often have relationships of a longer duration, but because the prospects for the future are different. This is related to the threshold to leave a relationship, where the required standards of relationship quality may be set higher at younger ages as the alternatives are more and perhaps also more appealing. This may lead to a lower acceptance of a spouse's non-optional use of money. Conversely, resources are often more limited at older ages, which may make money management more crucial.

This study is prompted by the realization that the life-course causes variations in the importance of money in relationships. We will show how economic conflicts and money management vary over the ages, and also whether money management will differently predict economic conflicts at different ages. We chose to study Sweden, a country with relatively high union instability (Andersson, 1995), and where the exit from a union may be more realistic than in many other settings. A major reason for this is the now long-held tradition of the dual-earner model, where both women and men are expected to work and receive, more or less, completely individual benefits and transfers, even when married. Examples of this are the child allowance, which is shared between the parents also when they both live with the child, and health insurance and pensions, which are completely individual. The few examples of benefits that go to the household, and where the individuals are seen as a couple, are housing allowances and economic welfare, two benefits that affect the most economically vulnerable groups and where the older population is a major part.

Data and method

We use the Swedish Generation and Gender Survey from 2012. The total number of respondents is 9866, corresponding to a 54% response rate. 6623 respondents have a partner they live with, however, of these respondents, 1680 respondents did not reply to the postal questionnaire where economic conflicts and money management were included, which resulted in a sample of 4943 respondents. Of these, four respondents were younger than 20 (we study respondents aged 20 to 80) and 19 respondents were in a same-sex relationship (we study opposite-sex relationships). After all exclusions, the final sub-sample is 4920 respondents born 1933-1993. The descriptive statistics are presented in Table 1. The sample is relatively well representing all age groups and a relatively even gender distribution.

Our main variable of interest is whether the respondents and their partners had economic conflicts. The question is: '*Have you [the couple] had disagreements within the last 12 months regarding money?'* The answers are: 'Never,' 'Seldom,' 'Sometimes,' 'Frequently,' and 'Very frequently.' We separate between those who did not have economic conflicts by grouping the answers 'Never' and 'Seldom' as 'No,' and the answers 'Sometimes,' 'Frequently,' and 'Very frequently' as 'Yes' (similar to Van der Lippe et al., 2014). Table 1 shows that about 1/5 of the respondents report economic conflicts.

The key explanatory variable is couples' household money management. It is based on Pahl's (1989) early work on the typology of money management, which was later expanded (Vogler et al., 2006, 2008; Vogler & Pahl, 1993). The question is: '*How is income organized in your household*?' We categorize the variable as couples who pool all money (and both manage money), couples who keep separate money, and couples who partially pool their money, and couple in which one partner in organizational charge and give the other partner a share for their personal spending (including 'other way'). The dominant answer reported here is to pool all money, but as many as 30% of respondents answered that they practice partial pooling.

In models predicting economic conflicts, we adjust for a set of variables presented in Table 1 (i.e. age and sex of the respondent, employment status of both partners, whether the couples are married, have joint children, and how long they have been together). About half of the couples are dual earners, where both the woman and the man are employed. In about 25% of the couples, both partners are unemployed, and most of these couples are retired. There are few students in the sample (3%). About 70% of all couples are married, and 40% of the couples have joint children, but some of these children have already left the parental home. There is a relatively even distribution of relationships of different lengths (an average of 23 years).

Lastly, we include a control on whether the couples 'make ends meet' each month, where the answers are: 1) 'With great difficulty,' 2) 'With difficulty,' 3) 'With some difficulty,' 4) 'Fairly easily,' 5) 'Easily,' and 6) 'Very easily.' In total, 3% of the respondents reported either 'With great difficulty' or 'With difficulty,' hence, we group the categories 1-3 as 'With difficulty,' which corresponds to 16% of the couples.

We use logistic regression to find out who is experiencing economic conflicts.

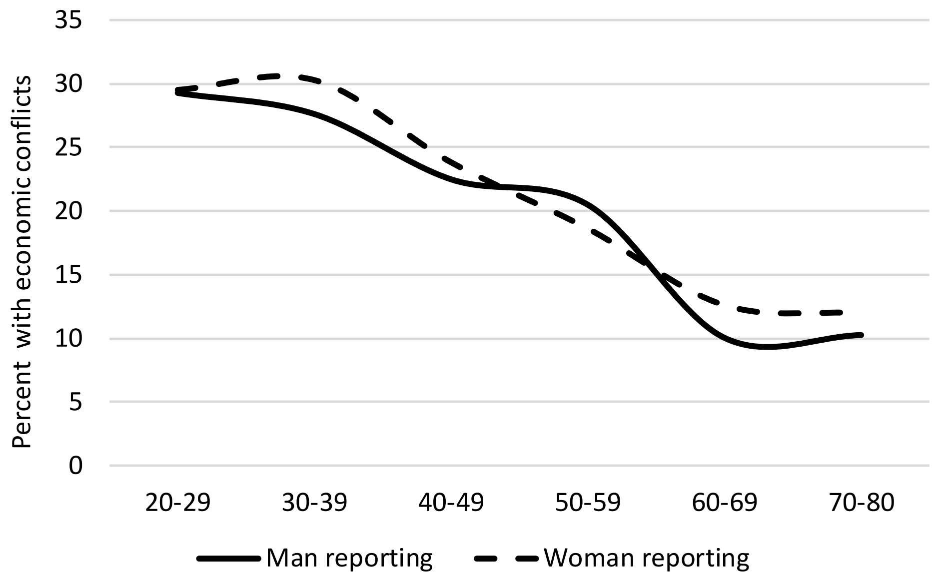
Table 1. Descriptive statistics of variables in study.

		All respondents n	%	Woman is reporting n	%	Man is reporting n	%
Economic conflicts	Yes	959	19	543	21	416	18
	No	3961	81	2076	79	1885	82
Age of respondent	20-29	367	7	237	9	130	6
	30-39	792	16	462	18	330	14
	40-49	977	20	554	21	423	18
	50-59	985	20	516	20	469	20
	60-69	1145	23	557	21	588	26
	70-80	654	13	293	11	361	16
Household money management	Pool all	2182	44	1118	43	1064	46
	Partial pooling	1440	29	806	31	634	28
	Keep separate	874	18	468	18	406	18
	One partner manages	424	9	197	8	227	9
Sex of respondent	Woman	2619	53				
	Man	2301	47				
Make ends meet each month	Very easily	1286	26	343	13	352	15
	Easily	1623	33	708	27	608	26
	Farily easily	1316	27	862	33	761	33
	With difficulty	695	14	706	27	580	25
Employment status	Both employed	2721	55	1457	56	1264	55
	Man employed,	601	12	324	12	277	12
	Woman employed,	454	9	243	9	211	9
	Both not employed	1144	23	595	23	549	24
Married	Yes	3518	72	1833	70	1685	73
	No	1402	28	786	30	616	27
Joint children	Yes	1974	40	970	42	1004	38
	No	2946	60	1331	58	1615	62
Length of relationship	Under 10 years	1192	24	663	25	529	23
	10-19 years	986	20	537	20	449	19
	20-29 years	865	18	474	18	391	17
	30-39 years	831	17	418	16	413	18
	More than 40 years	1046	21	527	20	519	22
	Total respondents	4920	100	2619	100	2301	100

Results

We start by showing the percentage of respondents in different age groups who report economic conflicts in Figure 1. It is very clear that economic conflicts become less common as age increases. Among younger couples, as many as 30% report economic conflicts, but among the oldest age group of 70-80 years old, just a little over 10% experienced economic conflicts. We find small differences between the answers of female and male respondents, but slightly more women claim that the couple has economic conflicts, which is true for older couples. We may assume that both selection out of conflicting unions and adaption over time are the reason for the lower frequency of conflicts at older ages.

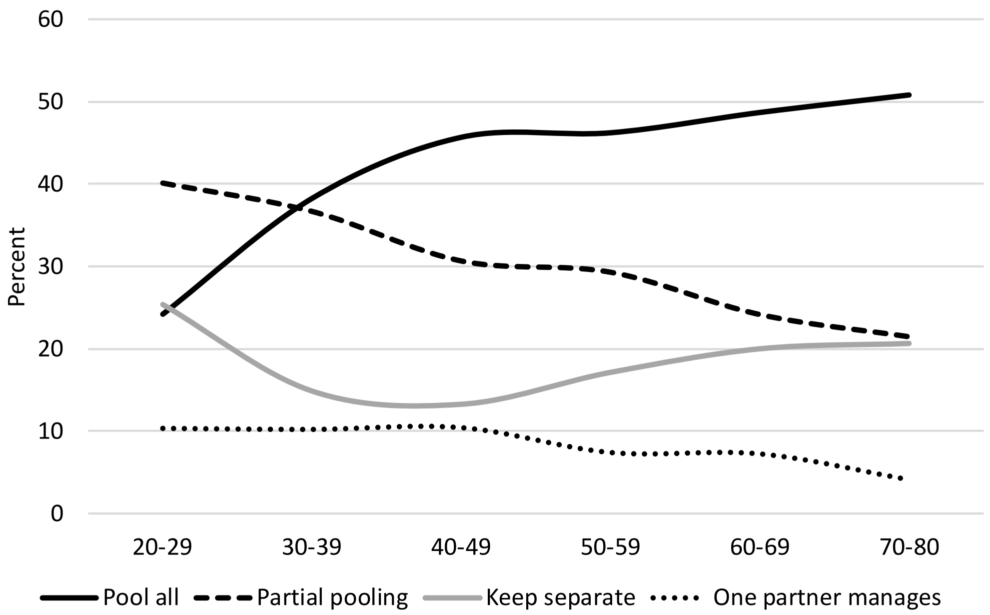
Figure 1. Percentage of respondents with economic conflicts by age. [A)]



[A)] In total, 542 women and 416 men report having economic conflicts with partner.

We also show how common different money management types are over the life-course in Figure 2. Pooling all money becomes more likely over the life-course, but still only 50% of the oldest couples pool all of their money. Keeping all money separate and partial pooling are most common among younger couples, and it is likely that these are recently formed couples. Both of these money management types decrease when couples are in their 30s, particularly keeping all money separate. Partial pooling continues to slowly decrease over the life-course, whereas keeping all money separate increases from age 50. The latter may be related to that this is more possible once the children have left the home. This is parallel to a decline in that one of the partners manages all the money, which may be a practical solution in many families with children, which share common expenses. It is possible the decline in partial pooling from age 50 and onwards may be caused by the same reasons.

Figure 2. Distribution of age by household money management (n=4920).



Our analytical model presented in Table 2 confirms the descriptive statistics that economic conflicts decrease with age from 40 and onwards. It also indicates that couples who pool all their money have the fewest conflicts. Partial pooling, but especially keeping separate or one of the partners managing the money, are associated with an increase in the frequency of economic conflicts. Not surprisingly, a difficult economic situation is also associated with economic conflicts. It does not seem to be important whether the couple works or not, and also whether they are married or have joint children. How long the couples have been together does not seem to matter here, but additional analyses reveal that those who have been together for a longer time (30 years or more) have fewer economic conflicts.

Table 2. Odds for economic conflicts by money management and age from logistic regression.

		Economic conflicts			
		or	p	95% Cl.	
Age of respondent	20-29	1.04	0.791	0.769	1.411
	30-39 (ref)	1			
	40-49	0.75	0.019	0.595	0.954
	50-59	0.69	0.007	0.521	0.904
	60-69	0.36	0.000	0.277	0.562
	70-80	0.38	0.000	0.231	0.613
Household money management	Pool all (ref)	1			
	Partial pooling	1.23	0.022	0.017	1.489
	Keep separate	1.41	0.002	1.129	1.745
	One partner manages	1.39	0.014	1.069	1.812
Sex of respondent	Woman	1.15	0.069	0.988	1.347
	Man (ref)	1			
Make ends meet each month	Very easily	0.61	0.000	0.476	0.777
	Easily (ref)	1			
	Farily easily	2.05	0.000	1.689	2.493
	With difficulty	5.64	0.000	4.538	7.014
Employment status	Both employed (ref)	1			
	Man employed, woman not	0.83	0.117	0.655	1.048
	Woman employed, man not	0.89	0.454	0.673	1.194
	Both not employed	0.80	0.162	0.591	1.092
Married	Yes	0.93	0.452	0.766	1.125
	No (ref)	1			
Joint children	Yes	1			
	No (ref)	0.96	0.742	0.733	1.247
Lenght of relationship	continous (years)	0.99	0.767	0.986	1.009
Constant	0.223				
Total respondents	4920				

To find out whether the main results of an association between economic conflicts and money management systems will look different for different ages, we interact the management system with age of the respondents. As seen in Table 3, the associations vary significantly between the ages. Among the youngest couples, it seems that keeping all money separate is the most likely way to avoid conflicts, while the type of money management does not matter for economic conflicts among those 30-49 years old. Among those 50-59 years old and the older age groups, it seems that keeping money separate or one of the partners managing the money leads to conflicts. Also, among the oldest group (70+), a partial pooling leads to more conflicts (also statistically significant on a 10% level among ages 60-69). Upon further inspection, we find that keeping money separate leads to more economic conflicts than partial pooling among the 50-59 age group. However, among ages 60 and older, these types of money management lead to the same level of economic conflicts. In summary, keeping separate money seems to lead to more economic conflicts from age 50 and onwards, whereas partial pooling is associated with more economic conflicts from the retirement ages and onwards.

Table 3. Odds for economic conflicts by money management within different ages groups. [A)]

	Ages 20-29		Ages 30-39		Ages 40-49		Ages 50-59		Ages 60-69		Ages 70-80	
	or	p	or	p	or	p	or	p	or	p	or	p
Pool all (ref)	1		1		1		1		1		1	
Partial pooling	0.72	0.289	1.22	0.295	1.05	0.745	1.15	0.497	1.58	0.068	2.89	0.002
Keep separate	0.54	0.069	1.03	0.905	1.03	0.922	2.32	0.000	1.69	0.038	3.28	0.000
One partner manages	1.46	0.365	0.93	0.815	1.07	0.792	1.73	0.052	1.96	0.040	2.18	0.112

[A)] The models are controlled for sex of respondent, make ends meet, employment status, marital status, joint children, and length of relationship.

Conclusion

The study’s results lead to new insights into how economic conflict is associated with the household money management style for different age groups. Among the very young, it seems that economic conflicts are least prevalent when money is maintained separately, but that among the old the opposite is true. Among the old, economic conflicts are more frequent in couples who keep money separate or where one of the partners manages the money. The oldest group also have more conflicts when they partially pool the money.

It is impossible to verify whether these patterns are due to life-course changes in behavior or stem from changing behavior across cohorts of individuals. However, we mainly interpret them as produced by changing life-course dynamics where the type of money management is differently suited for different ages. It is possible that young couples who keep all money separately have not yet come to a life stage where sharing is necessary or suitable. They have their lives before them and open possibilities, so the control and freedom to use one's own money may be most suitable. It may be that some of these couples will split up when they would otherwise transit into a stage where pooling is more practical, mainly when children are part of the family. Others will probably change to pooling money at the next stage in the life-course. It seems that middle-aged couples have the same level of economic conflicts regardless of money management. These are the couples who often have children and housing costs that lead to many common expenses. It may be that these groups have figured out a functional way to handle the money management, and that other circumstances are what lead to economic conflict. However, the older couples that do not pool experience more economic conflicts, perhaps because they are practicing a money management that is not their ideal, or maybe because they are practicing another system because their first choice of pooling is not working well. Among the older, resources are more scarce and the freedom in how to use, invest, and plan with money becomes more limited. Perhaps keeping money individually then feels burdensome, and pooling feels like security, a security that is less desired at younger ages. There is a speculative strand in this interpretation, but the important conclusion is that different money management produce different result at different ages.

We show that economic conflicts are quite common, especially among younger couples (c.f. Hatch & Bulcroft, 2004). Of course, economic conflicts and distress are undesired for individuals of any age. Older couples have work and parental responsibilities behind them, which may decrease the tensions and increase marital satisfaction (Levenson et al., 1993; Orbuch et al., 1996). Younger individuals may be more vulnerable as economic conflicts may determine their future relational and economic circumstances.

We also want to point to the variation in money management over the life-course, but also cross-sectionally. Sometimes, it may be taken for granted that couples who live together also share resources, yet this does not occur in over half of the cases at older ages, even when couples have been together for many years. In modern Sweden, it is common to keep some resources in the relationship separate, which may reflect a more individualistic society. It is important for policy to adapt to this situation; for example, by not assuming that benefits are shared in couples. Also, such a large share of couples not adapting to a complete pooling of resources should influence the way we consider relationships and togetherness, and how these develop over the life-course.

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