

Wife-Husband Role Division in Household Financial Management: Comparing Dual- and Single-Income Households

The purpose of this study is to compare the wife-husband role division in household financial management between dual- and single-income households. Financial management was measured by 48 specific questions based on five categories: 1) financial planning, 2) consumption/expenditure management, 3) savings/investment management, 4) risk management, and 5) credit management. The role division was measured by the following scales: 'wife only', 'mostly by wife', 'both', 'mostly by husband', and 'husband only'. 'Separately' and 'never' were also included as separate categories. Data used was from 660 households in Seoul, Korea. The results showed that dual- and single-income households tended to have different perspectives on marital role division in household financial management. The wives of dual-income households had more significant roles in financial management than the wives of single income households.

Eun-Hwa Lee, Sangmyung University¹
Se-Jeong Yang, Sangmyung University²

The Purpose of the Study

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Definitions

Dual-income Households were defined as households with both an employed husband and wife. The study therefore considered only households including husbands and wives who were living together, with the husband earning his own income. Financial management was measured by 48 specific questions based on five categories: 1) financial planning, 2) consumption management, 3) saving/investment management, 4) risk management, and 5) credit management. The wife-husband role division was measured by the following scales: 'wife only'(1), 'mostly by wife'(2), 'both'(3), 'mostly by husband'(4), and 'husband only'(5). Therefore, bigger numbers mean that the husband had a larger role in financial management than the wife. 'Separately' and 'never' were also included as separate categories.

Data and Analysis

The data used was collected by survey. The respondents were 660 wives living in Seoul, Korea. The survey was done from November 10 to November 25, 2003. There were 335 Dual-income households (54.9%), while there were 275 single-income households (45.1%). The average sample size was 3.66. Among total dual-income households, 53.4 percent of the wives had clerical or professional jobs. 55.2% of the husbands had a college degree education. The wives from dual-income households tended to have more interest and knowledge about financial management than the wives from single-income households.

Data was analyzed using the SAS-PC program. Descriptive analysis, Chi-squared-test, and t-test were used as statistical analysis tools. The study was executed only using the samples of households practicing joint decision-making after excluding the samples answered by 'separately' or 'never' for each item.

Results

Employed wives and unemployed wives were found to have different roles, especially in saving/investment management. Also, the wives in dual-income households had larger roles in debt management, such as making decisions about types of debt, amount of debt, credit card management, etc. However, no difference was found in consumption and risk management activities. Furthermore, employed

wives had less to do with managing small purchases, probably because their husbands might do more on this for the wives' time management.

In general, most averages from the five categories were under 3. The findings meant that financial management was done mainly by wives, rather than by husbands. However, some crucial management, such as investment or car purchase decision-making, was more likely to be done by husbands. Among the five categories considered in the study, the husband's role was bigger in saving/investment management than in other categories. Meanwhile, consumption was found to be a category with less involvement from husbands than others.

In conclusion, dual- and single-income households tended to have different perspectives on marital role division in household financial management. The wives of dual-income households had more significant roles in financial management than the wives of single income households. This implied that the wives of dual-income households might have more power in financial matters than the wives of single-income households.

¹Graduate student, Department of Consumer and Housing Studies

²Associate Professor, Department of Consumer and Housing Studies