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# The gendered nature of intra-household decision making in and across Europe

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# The gendered nature of intra-household decision making in and across Europe

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## Abstract

After surveying the literature on the economics of household decision-making, we employ data from the 2010 European Union Survey on Income and Living Conditions (EU-SILC) to study the relationship between personal characteristics such as gender and decision-making power and responsibility. We find that across Europe, women more often make decisions about everyday spending and purchases for children, while it is mainly men who make the financial decisions in a household. Greater intra-household inequality in income and education is correlated with a lower probability of couples making decisions together, as is having a housewife in the home. Interesting patterns of household decision-making across countries emerge; in the Southern European countries, for example, educational differences do not seem to be strongly related to decision-making power and responsibility, and women in Eastern European countries are more likely to make financial decisions when the household reports facing difficult economic conditions.

**JEL Classifications:** D13; R2; P52; B54

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Husband: “I make the important decisions. She makes the rest.” (Woolley and Marshall, 1994, p. 426, footnote 9)

## 1 Introduction

The study of economics is often formulated as the study of the distribution of scarce resources. Despite this rather broad definition, the distribution of resources within some institutions has been mostly left out of economic analysis; households (groups of people who live together) must make decisions about the use of their resources, but household decision-making processes are hardly studied in economics. Indeed, some consider the household to be a “black box” when it comes to decision-making processes, household members’ individual preferences, and the role of gender in these decision-making processes (Pollak, 1985; Folbre, 1986)

Households as economic units of analysis are extremely relevant to feminists and people interested in gender, because both materialistic and ideological aspects of the construction and performance of gender and gender relations are expressed there. “Gender” is a cultural, historical, social and ideological construct that can be very helpful in describing the different economic outcomes for women and men, and we emphasize the importance of the social construction of gender in describing how decision-making power and responsibility is distributed within households. Households do not only reflect gender roles and norms, but are at the same time the site where they are produced, through, for example, the gender-specific division of labor or gender-specific distribution of resources. Thus, women and men are typically assigned different responsibilities for different household decisions. The concept of “gender” provides an explanation for this division in decision-making power and responsibility, because it is the formation of gender – socially constructed roles of what biological men and women “ought” to do and how they “ought” to behave – which assigns people with different social and economic roles, such as working primarily for pay or primarily as a care-giver. Taking this approach of understanding relations within the household, we reject the standard economic assumption that resources are distributed equally within the household and that all household members share equal living standards and decision-making power and responsibility.

Only recently have empirical analyses of intra-household decision-making processes and the distribution of decision-making power within households emerged in the economics literature. Dema-Moreno (2009) for example, analyzed decision-making processes of Spanish couples, while Lyngstad et al. (2011) did the same studying Norwegian couples. Mader et al. (2012) investigated the gender-specific distribution of income and decision-making power in Austria, while Sikorski and Kuchler (2012) studied financial decision-making in households in Germany.

Despite this recent progress in the field, there is no large-scale, and certainly no cross-country or cross-regional, analysis of how households make purchasing and finan-

cial decisions and which factors influence decision-making roles for men and women within households. The intra-household distribution of control over resources and power and the personal- and couple-level socio-demographic characteristics that affect intra-household decision-making processes remain largely unexplored. The present paper contributes to the literature in the field of household economics by analyzing data from a Europe-wide household survey that include information on decision-making within a household, to investigate which personal-, couple-, and household-level characteristics play a role in determining how household various household decisions are met. The special module on intra-household decision-making in the 2010 European Union Survey on Income and Living Conditions (EU-SILC) has presented the opportunity to study household decision-making on a broad scale. We emphasize the similarities and differences in the distribution of decision-making power and responsibilities within and across Europe, because we assume that the legal, social and economic conditions in different countries will crucially affect how households allocation decision-making power and responsibilities.

Following a review of the existing conceptualizations of household decision-making to be found in the economic literature, we discuss our specific hypotheses in section three. Section four describes the data and the methods used in the empirical analysis; the penultimate section discusses the results; and the concluding section discusses the implications of the findings.

## **2 Existing Economic Conceptualizations of Household Decision-Making**

### **2.1 Neoclassical models of intra-household distribution - unitary models**

Until only recently, economists treated households as if their members had congruent interests by assuming a joint utility function for all household members. Traditional models of family behavior within economics assume that family members act as if they maximize a single utility function; these models have generally ignored the potential for unequal power and resource distribution within households. Samuelson (1956)'s consensus model was the first formal model to ignore intra-household differences in preferences, as seen in its assumption that all household members had the same utility function to maximize. Later, Becker (1981) developed a household model, which grew to be a standard model of distribution within the household for economists. In Becker (1981)'s model, an "altruistic" head of the household - the husband, father, or patriarch - aggregates the preferences of each individual in the household to form one joint utility function, and sets out to maximize that. Both Samuelson and Becker consider income to be fully pooled in their models. Therefore, the models have two important similarities: they both disregard potential heterogeneity in individual preferences, and they both disregard the possibility of autonomous control over income (McElroy, 1990; Lundberg and Pollak, 1993; 2008; Carter and Katz, 1997).

Over the last two decades, reservations about the unitary perspective in these models have intensified among economists and other social scientists, led by the methodological argument that it is individuals, not households, who have preferences and utility functions, or in whose preferences and utility functions we should be interested (see e.g. Iversen, 2003). Some feminist economists have criticized the unitary models because of their “tendency to justify discriminatory allocational outcomes on the grounds of economic rationality” (Katz, 1997, p. 28), meaning that the models see unequal distributions of resources and power within the household as excusable, or even preferable. The methodological argument that these models overlook important complexities in the relationships within a household is supported by the growing empirical evidence that the models do not provide an adequate description of observed multi-person household behavior (Cherchye et al., 2005).

## 2.2 Bargaining (power) models – non-unitary model

As the name suggests, bargaining models interpret the intra-household allocation of resources as an outcome of bargaining processes among the members of a household; the models therefore recognize individual members of a household as separate agents with their own preferences and utility functions. The bargaining perspective allows one to distinguish between command over goods and services established by social norms or habits versus these outcomes being determined by contestation and bargaining. Bargaining models differ in their assumptions regarding the sources of a person’s bargaining power, but they each typically emphasize access to economic resources, such as earnings or wealth, as a critical source of a person’s bargaining power (Iversen, 2003).

Ideas of asymmetric intra-household bargaining power first appeared in the literature in economic models by Manser and Brown (1980) and McElroy and Horney (1981). These cooperative Nash-bargaining models of marriage and household behavior treat marriage as a cooperative game, in which each household member has a utility function and an outside option, the so called threat point, which is interpreted as the utility of remaining single or of getting divorced. Spouses with conflicting interests and preferences are assumed to resolve their differences in ways prescribed by the Nash or some other explicit bargaining solution. Outcomes of intra-household resource allocation depend on the household members’ bargaining power, which is determined by their access to extra-household resources, namely their labor and non-labor income. The threat point in such a cooperative game is described as the outcome that would occur in the absence of agreement, usually specified as the value of divorce,<sup>1</sup> or alternatively, a non-cooperative equilibrium within the marriage, defined in terms of traditional gender roles and gender role expectations.<sup>2</sup> The threat point

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<sup>1</sup>A threat point can also correspond to violence or the threat of violence, which can be considered both as a bargaining tool but also as an outcome of household power distribution (Tauchen et al., 1991)

<sup>2</sup>Non-cooperative equilibriums corresponds to a utility-maximizing strategy in which each partner takes the other partner’s strategies as given. Under some circumstances, these equilibriums can represent more accurately the outcome of marital non-cooperation than the costly and time-consuming alternative of divorce (Lundberg and Pollak, 1993).

of “divorce” depends on price and individual income on extra-household environmental parameters such as the female-male ratio in the marriage market, public policies regarding marriage, divorce benefits, income available to divorced women and men but also on social and religious norms and traditions. The model is designed such that cooperative solution outcomes are preferable to either divorce or non-cooperative solutions within the marriage because they assure that the equilibrium distribution is Pareto optimal.

Another bargaining model, Lundberg and Pollak (1993)’s separate spheres bargaining model, posits that a marriage’s treat point is internal to the marriage, not external as in the divorce-threat bargaining models described above. Thus when couples disagree, they do not leave the marriage, but, any outcome other than agreement would be “an inefficient non-cooperative equilibrium within marriage” (Lundberg and Pollak, 2008). Thus to avoid the inefficient outcome of a disagreeable marriage, each household member voluntarily provides household public goods, given the actions of the partner and the assumption the each partner is utility-maximizing.

A benefit of the bargaining power model is that it leaves room to analyze the importance of gender in decision-making and gives a framework to understand the implications of public policy on household-level outcomes. The gender specialization in the provision of household public goods, namely the household division of labor, is based on socially recognized and sanctioned gender roles which explicitly do not result from bargaining and constitutes the threat point from which bargaining proceeds. Bargaining power and outcomes then depend upon the treat point and the income controlled by the partners if this control influences the threat point. Hence public policy such as taxes or transfers is not neutral in their effects on distribution within families. For example, an increase in child allowances paid only to divorced mothers may increase the expected utility of divorced women and cause a reallocation of household resources in two-parent families toward goods and services more valued by wives. An increase in child allowances paid to all mothers on the other hand may affect distribution in two-parent households through the divorce threat effect and through an income effect.

Despite these improvements over the unitary models, there are drawbacks to the bargaining models. Feminist criticisms of the bargaining models revolve around the notion that while effectively capturing potential conflicts of preferences, cooperative bargaining models systematically treat individuals with respect to their stereotypical gender roles in the bargaining process and shed no light on the actual decision-making process, the role of gender in these decision-making processes, nor on the factors that influence decision-making roles for men and women. In other words, cooperative bargaining models are not able to include social norms, and gender roles and relations in particular (Katz, 1997, p. 29). Furthermore, assumptions in the bargaining models such as the full, symmetric information of all household members, fully enforceable contracts, and Pareto-efficient resource allocation, may be too restrictive to reflect the true workings of actual households.

Given these critiques of cooperative bargaining models, there has been growing interest

in modeling non-cooperative bargaining within the household. Non-cooperative bargaining theory does not assume that spouses enter into binding, costlessly enforceable agreements, but instead focuses on self-enforcing agreements that correspond to strategies that the spouses choose to carry out. The argument in favor of treating a household as a non-cooperative unit is based on three features of a household missing (or denied) in the cooperative bargaining models: asymmetric information, enforcement problems, and inefficiency. Most non-cooperative models are not fully non-cooperative but rather characterized by a two-stage decision-making process with non-cooperative solutions integrated into a cooperative game. Three main variants can be identified: first, there is a Cournot-Nash framework, wherein household members make decisions about their individual expenditures, taking their partners' behavior as given. Outcomes here show that expenditures vary strongly depending on who earns a salary and/or receives transfer payments within the household (Chen and Woolley, 2001). A second variation assumes real-time dimensions of bargaining as well as discount rates of household members, generally showing that intra-household inequality will vary with total household resources, and that the relationship between intra-household inequality and total resources may be positive and increasing to a point, before turning negative Kanbur and Haddad (1994). The third variant composes of principal-agent models, which treat family relationships as analogous to employer-employee relationships, where one partner has advantages in determining resource allocation by his or her ownership of the means of production (Chawla, 1993).

Even though non-cooperative bargaining approaches are less agnostic than cooperative ones and leave space for policy to redirect the distribution of resources, taking into account, for example, the gender of the recipient, some feminist economists are not satisfied with either of these models and argue in favor of “mov[ing] toward a less restrictive formulation which incorporates qualitative aspects and greater complexity” Agarwal (1997, p. 6). Such models would aim at an exploration of the role of social norms to contribute to an explanation of “how changing norms affect microeconomic resource allocation and how intra-household resource allocation itself – and the strategic interaction that determines it – reinforces and challenges prevailing social norms” (Katz, 1997, p. 38).<sup>3</sup> The main questions arising for these alternatives are: what determines bargaining power within a household? What are the roles of social norms in determining bargaining power? And what are the links between intra-household bargaining and outside bargaining in the market, community or state? Social norms may strengthen or weaken women's intra-household bargaining position by affecting their bargaining power. For example, by restricting women's earning possibilities, by preventing them from working outside the home, by defining care for their family members as their responsibility, by limiting the range of tasks they can perform, by enforcing lower wages for them or by restricting their access to markets “ideologically

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<sup>3</sup>Furthermore, some feminist economics have argued that unitary, cooperative and non-cooperative decision-making rules can co-exist in one and the same household varying by the type of expenditure or resource.

constructing them as dependents and men as breadwinners,” some existing social norms negatively affect women’s bargaining power (Agarwal, 1997, p. 16).

### **2.3 Sen’s cooperative conflicts**

As bargaining theories seek to unpack determinates of intra-household inequality by mostly focusing on the material foundations of bargaining power, Sen (1990)’s capability approach is concerned with so-called “evaluation opportunities.” Sen focuses on two main factors which determine a person’s bargaining power: first, endowments (which comprise everything a person owns such as assets, labor supply/power or income), as in the bargaining models, and second, exchange entitlement mappings, which describe the exchange possibilities existing through production and trade, which determine the set of resources available to a person for consumption given her/his endowments. His theory furthermore comprises the conceptions of a set of “directional features” such as well-being levels at the breakdown points, perceived interests, and perceived contributions. Breakdown well-being describes the person’s vulnerability or strength in bargaining and perceived interests are the value attached to one person’s own well-being. With perceived contributions, Sen explains how a person might perceive his/her self-interest relevant for the bargaining discussion. Sen argues that women may lack the notion of personal welfare because their identities are too closely tied to the interest of the household and the family; in this way, the overlapping of personal and household interests preserves intra-household inequality. Furthermore, the systematic undervaluation of women’s contributions to the household, to the economy as well as society as a whole reinforces gender-related deprivation; women receive less because their contributions to the household are seen as less valuable than those of men. At the same time, women’s bargaining power outside the household is affected by these perceptions, making them lower earners based solely on the perception of their lower productivities as women. This again reduces women’s bargaining power within the household, leading to an underestimation of her needs and especially an undervaluation of her contributions to the household and economy (see also Agarwal, 1997)

### **2.4 Towards a feminist approach to bargaining power**

Despite the progress made in understanding the intra-household processes of decision-making power and responsibility over the last several decades, we might still say that the household is a “black box” when it comes to the individual preferences and decision-making processes; these things are simply almost impossible to know. Individuals are often equated with families as researchers make assumptions that partners pool their incomes or that they receive equal shares of the benefits, presuming that there is no inequality within households. Intra-household inequality has been neglected in part because of a belief that what happens in the household is a private matter, outside of state purview (Woolley and Marshall, 1994). But this standard assumption turns out to be unrealistic, as empirical



research has begun to reveal that not all partners share the total household income and the decision-making power equally (Robeyns, 2003).

Feminist economists find it crucial to focus the analysis in this “private sphere” on individuals, because it is here where we see “such key economic variables as expenditures, labor supply and human capital formation” (Katz, 1997, p. 26). Recognizing the inherent complexity of the household, which is simultaneously a unit of production, consumption, investment, reproduction, and affiliation with various preferences and interests, and differential abilities to pursue and realize those interests, offers the possibility of more accurately portraying the meaning of household membership for different individuals and their welfare as well as the role of the household in the economy. From a feminist perspective, an analysis of decision-making power within a household is thus necessary, because households are not only sites of decision-making but also of distributional inequality. Indeed empirical evidence from many regions reveals persistent gender inequalities in the distribution of household resources and tasks (Katz, 1997; Agarwal, 1997). “Feminist” in the context of intra-household economics means treating household members as gendered and not just as separate individuals. Thus, some feminist economists argue for recognizing that “maleness” and “femaleness” matter for the way in which decisions are made and resources allocated (Katz, 1997). Accounting for the gendered intra-household inequality provides a more accurate and more comprehensive measure of economic inequality overall.

Intra-household economic analysis seems to have its intellectual origins in methodological individualism on the one hand, and feminist concern with the household as a site of production and consumption as well as decision-making and distributional inequality on the other. Therefore, feminist and institutional economists place emphasis on the unique normative and structural features of the family or household unit. The analysis can contribute to explaining how changing norms affect microeconomic resource allocation, and how intra-household resource allocation itself and the strategic interaction that determines it reinforce and challenge prevailing social norms, especially those regarding the gender relations. Social norms often define how household members should conduct themselves, mediated by gender, age, marital status, and other social categories. The cultural construction of appropriate male and female behavior thus affects the decision-making power within the household. Hence the challenge facing intra-household economic analysis is dealing with the role of social norms in the determination of resource allocation (Katz, 1997).

Gendered inequalities in decision-making cannot be identified in any straightforward way. Take, for example, Woolley and Marshall (1994)’s idea of “orchestration power.” As they describe it, “[t]he actual process of shopping and deciding whether broccoli or cauliflower is the best buy is a routine, time consuming and occasionally tedious task. If there are inequalities between spouses, one manifestation of the inequality may be that the more powerful spouse is able to delegate the more tiresome aspects of shopping while maintaining control over decisions” (Woolley and Marshall, 1994, p. 425). Thus when

one partner has the power to make only the “important” and infrequent decisions which determine major characteristics of their household, while relegating “unimportant” and time-consuming decisions to their spouse, the former is said to have “orchestration power.” Furthermore there is a partial gender division of decision-making labor: “Deciding how much to spend on food, household supplies, gifts and clothing are female decisions, while deciding how much to spend on insurance is a male decision” (Woolley and Marshall, 1994, p. 426). Thus, while women have some decision-making power and responsibility, one might see some degree in inequality in the nature, prestige, and valuation of women and men’s decisions.

Bargaining power from a feminist perspective comprises a wide range of factors, “some quantifiable, such as individual economic asset, others less so, such as communal/external support systems or social norms and institutions, or perceptions about contributions and needs” (Agarwal, 1997, p. 7). We discuss some of those possible determinates of decision-making power and responsibility of household members in the following section.

### **3 Empirical Views of Decision-Making Power within the Household: Testable Hypotheses**

As the bargaining models discussed above have shown, bargaining power can be measured by a person’s resources: their labor and non-labor income, transfer payments, (paid) labor supply, and assets. One’s educational attainment may also be considered a resource that contributes to bargaining power (Dito, 2011). Sen (1990), for example, focuses on female labor-force participation and literacy, which he sees as the means of strengthening women’s bargaining power within the household. Others, such as Osmani (2007) observed bargaining power (and respectively fallback positions) for female loan-takers in Bangladesh by means of the following indicators: assets owned (both land and non-land assets), age, educational level, and number of children. One of the most extensive works on possible indicators to observe and measure women’s bargaining power in developing countries discussed the role of income and employment (earned income, non-earned income, employment status, migration status), asset ownership (assets owned, assets brought to marriage), and human capital (education) in decision-making power and attitudes (decision-making over expenditure, over selling assets, autonomy, and knowledge – especially of laws and opportunities, attitudes about women’s role and perceptions of social norms) (Doss, 2012). Using the existing literature on the determinants of intra-household bargaining- and decision-making power, we formulate and formally test the following hypotheses about decision-making power in contemporary Europe.

First, country-level studies, such as the one for Spain by Dema-Moreno (2009), show that many decisions within the household do not result from actual and distinct bargaining but are developed rather spontaneously, and result from established daily practice or because they conform to social norms. Thus, women and men take on different respon-

sibilities for different decisions in the household based strongly on their gender roles and gender attributions. Gender role norms encourage women to assume the primary care-taking role as well as responsibility for unpaid household work. This is reflected in their responsibilities in decision making-processes as well. Further, Dema-Moreno (2009) found that women tend to make their own interests secondary to those of the family or household as a whole. Thus our first hypothesis to be tested is that in most households, men and women make different types of decisions.

Second, whereas economic bargaining models of households suggest that the outcome of negotiations over the allocation of housework and money in households is heavily influenced by the financial resources each partner controls, some recent empirical country-level studies show that the correlation between income and bargaining power is not always strong or even positive. Women who have fewer financial resources also have less bargaining power; however, this does not imply that earning more economic resources will guarantee greater power in decision making for women (Dema-Moreno, 2009). We therefore test the hypothesis that greater absolute income, and higher income relative to one's partner, ubiquitously increases a woman's decision-making power.

Third, Lyngstad et al. (2011) show that differences in educational attainment can influence the intra-household economic arrangements of couple members. Their study shows that in Norway, additional years of a man's education (but not a woman's) reduce the likelihood of a couple pooling economic resources. Hence we test the hypothesis that a smaller difference in education between the couple members is correlated with an increased probability of the couple making decisions together rather than alone.

Furthermore, the institutions of marriage and family provide a system of legal rights and duties and certain expectations and demands between the two partners, but also between parents and children. These formal and informal norms affect the process of making decisions with a household. Hence households with children seem to be more likely to decide on resource allocation together, as do married couples in comparison to non-married couples (Lyngstad et al., 2011). Our fourth hypothesis to be tested is therefore that being in a legally recognized relationship and having children present in the household influences the ways in which decisions in households are made.

Finally, our fifth hypothesis is that different historical, cultural and institutional factors determine different decision-making power for women; welfare state regimes can enable or constrain decision-making power. This is why we expect different decision-making power for women in different countries across Europe.

## 4 Data and Methods

We employ the data from the special module on intra-household decision-making in the 2010 European Union Survey on Income and Living Conditions (EU-SILC) to test the hypotheses raised above. The 2010 EU-SILC was conducted in 25 EU countries (Ireland

and Cyprus were excluded) along with Norway and Iceland. The standard annual EU-SILC surveys respondents about their demographic characteristics, income, and work, and the 2010 special module includes questions about which members of a couple made which decisions. The surveys are weighted to be representative of the entire population at the country level.

In the 2010 data, there are a total of 143,212 couples across 27 countries.<sup>4</sup> We only study couples in which both people are 17 or older. After one household member answers questions about the household in general, each member of the couple is interviewed and is presented with questions about decision-making within the household. Household members are asked, for example, who makes decisions about everyday shopping and who makes decisions about borrowing money, with the answer choices being (1) more me, (2) balanced, (3) more my partner, or sometimes (4) these decisions have never arisen.

Since the focus of this study is the gendered nature of household decision making power, we present some summary statistics based on the gender of the person responding to questions about various types of decisions. Table 1 shows the responses of men and women to questions about several different types of decisions. The means are presented for all countries in the sample.

— Table 1 about here —

The results in table 1 hint at some answers to our hypotheses. Women are slightly more likely to report that they make the decisions in general in their couples, but men do not confirm this belief: they are not more likely than women to report that their partners make the decisions in general. Indeed both men and women are more likely to report that they themselves are more likely to make the decisions in general than they are to report that their partner is the one who makes the decisions in general.

Both men and women agree that women are more likely to make the decisions about everyday purchases, and women are slightly less likely to report that these purchases are made together. Women are also more likely to report making decisions about spending on children by themselves. On the other hand, couples seem to recognize the men as more likely to be responsible for financial decisions, namely those about borrowing money and the use of savings. However, while most (82%) couples make decisions about purchasing expensive goods together, women are slightly more likely than men to make these decisions alone.

While these simple means are illuminating, they do not allow us to test for the more complicated differences in decision-making power that we suggest in the hypotheses. For example, we want to know what makes an individual more likely to be the sole decision maker, holding other characteristics constant. In other words, we want to compare men

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<sup>4</sup>We exclude the 168 same-sex male and 172 same-sex female couples from the analysis, who appear mainly in the Netherlands (25% of the female same-sex couples and 13% of the male couples, Belgium (20% of the same-sex male couples and 9% of the female couples), Germany (14-15% of the same-sex male and female samples) and France (12-15%).

and women, for example, with the same education level, age, and income, and see whether their gender will make a difference in decision-making power. To conduct these tests, we employ a multivariate probit model predicting one of two outcomes of interest. The first model predicts the probability that an individual makes decisions alone; the independent variables used to predict these probabilities are on a personal level. The model asks, “which person-level characteristics influence the probability that an individual will make particular decisions alone?” These independent variables, or personal characteristics, are one’s gender; his/her income relative to their partner’s income, in 6 categories (0-49%; 50-99%; 100-149%; 150-199%; 200-299%; and 300% or more); interaction terms between female and these income differences (to test the hypothesis that intra-couple income differences have more or less of an effect on men’s than on women’s decision-making power); dummy variables indicating whether the person is more or less highly educated than their partner, older or younger than their partner, and his/her working status (including a dummy variable for “housewife”); whether the person’s relationship is legally recognized (e.g. married); whether the person has children; the length of the person’s relationship; and whether the person reports the household financial situation as relatively easy or relatively hard as well as interaction terms between these answers and one’s gender.

The second model is on the couple level, and predicts the probability that a couple will make decisions together. This model addresses the question, “which couple-level characteristics have an impact on the probability that the couple will make particular decisions together?” The independent variables, or couple-level characteristics, used in this model are whether the couple was in a legally recognized partnership; the relative income, education, and age differences between the couple members; whether a housewife is present; whether there are children in the household; the length of the relationship in years; whether the household is in a rural or urban area; and whether the household financial situation is easy or difficult. The models are run in two ways: first, with country-level fixed effects, to test for the effect of these variables in Europe as a whole, and second, separately by country, to test for any country-level effects of the independent variables.

— Table 2 about here —

Means for the independent variables in both models are presented in table 2. Overall, women in Europe earn less than their male partners. In 32 percent of couples, both partners earn the exact same amount; the vast majority of these cases are those in which both partners have no income at all. Men are slightly more likely than women to be more highly educated than their partner (although more than half the couples are composed of two people with the same educational attainment) and men are much more likely than women to be older than their partner. Sixteen percent of women take on the primary house- and care work responsibilities (calling themselves “housewives”), while only 0.4 percent of men play this role. Men are more likely to be employed than women.

The couples in this sample are, on average, 48.6 years old and have a 1.7 year age

difference between them, and have been partnered for almost 26 years. More than 84 percent of couples are legally partnered; 36 percent have children; and 38 percent live in a city. While slightly more couples would describe their financial situation as “difficult” compared to “easy,” most couples report having a moderate financial situation.

To test cross-country differences in and across Europe we employ welfare state regimes clusters from social policy literature by Esping-Andersen (1990) and the further developments of this work by others. Esping-Andersen’s typology is one of the most widely used classifications of welfare state clusters. It distinguishes three types of clusters: liberal (Anglo-Saxon), conservative (Continental European) and social democrats (Scandinavian) welfare states. The categorization is substantially based on the producers of welfare, i.e. on the relationship between state and market within the provision of social services, as well as on the level of de-commodification, the universality of the coverage of social services, the mode and quality of social services, and on the effect of social policy on social stratification and social distribution of power. Due to various criticisms of the classification neglecting gender relations, Esping-Andersen (1999) added de-familiarization to this categorization, which describes the degree of dependence or independence of social care on unpaid (female) housework.

Based on research referring to and criticism of Esping-Andersen, a fourth welfare state type, the Mediterranean (Southern European) cluster, was added (see Ferrera 1996). In addition, proposals were developed to include the post-communist welfare states of Eastern Europe as a fifth type to the analysis (see Rys 2001). Despite the critics of Esping-Andersen’s clusters in the social policy literature and the limitations of the categorizations they produce (including the lack of heterogeneity allowed within the clusters), using this clustering typology allows us to compare 27 European countries in a fairly clear manner. Therefore, we will use the following five clusters: continental Europe (Austria, Germany, Belgium, France), liberal (the United Kingdom and Iceland), Scandinavian (Sweden, Finland, Norway, Denmark), Southern Europe (Italy, Greece, Spain) and Eastern cluster (Poland, Hungary, Estonia, Latvia).

## 5 Empirical Results

We present the results of the multivariate models described above in the following subsections. Section 5.1 looks at the results of the Europe-wide models with country fixed effects, while section 5.2 looks at the same models separately by country. In each subsection, we discuss the results of both models: first, that predicting the probability of an individual making particular decisions alone, and second, that predicting the probability of a couple making these decisions together.

## 5.1 Europe-Wide Results with Country Fixed Effects

### 5.1.1 What makes individuals make decisions alone?

Table 3 presents the results of the Europe-wide model predicting an individual making particular decisions alone. Across Europe, women are slightly (1 percentage point) more likely to report that they make the decisions, in general, alone. Women are much more likely to make decisions about everyday purchases and purchases for children alone (36 and 21 percentage points, respectively), 2.6 percentage points more likely to make decisions about durable goods alone, and almost four percentage points less likely than men to make decisions about borrowing money alone. To some degree, these findings confirm the hypothesis that women and men take on normalized gender roles in decision making: women make the everyday decisions and take care of decisions for the children, while men handle the financial decisions. However, the findings that women have slightly more decision-making power in decisions about durable (expensive) goods, and that they report making the decisions “in general,” goes against our expectations of how traditional gender roles, wherein women are more passive and dependent, would influence household decision-making.

— Table 3 about here —

The relative earnings of the male and female partners also play a role in determining the probability of one person making decisions on their own. The comparison group for these earnings groups is a couple who has the exact same earnings; in more than 99 percent of these cases, both partners have zero earnings. Therefore, women are always more likely than their male partners to make decisions “in general” when both partners have no earnings, but the woman has the most decision making power when she earns between 150-299 percent of what her partner earns. Regardless of their relative earnings, though, women are almost always about 3 percentage points more likely to make decisions about everyday purchases, except when she earns more than three times as much as her partner, in which case she is five percentage points more likely to make these decisions. When men earn less than their partners, they seem to lose financial decision-making power; they become between two and five percentage points less likely to make decisions about borrowing or the use of savings by themselves. On the other side of the same coin, when women earn more than their partners, they are more likely to make these financial decisions alone. Relative earnings do not seem to affect the decision-making-power for men or women when it comes to decisions about purchasing durable goods; regardless of their gender, lower earners are simply less likely to make these decisions.

The more highly educated person is more likely than their partner to make all of the decisions in this analysis, but age difference does not play a statistically significant role in decision-making power. The role of employment status, on the other hand, does is statistically significant, and seems to confirm our expectations. Compared to employed

individuals, people who consider themselves “housewives” are less likely to say that they make the decisions “in general” by themselves, and are less likely to make decisions about borrowing alone. However, not surprisingly, housewives are more likely to make decisions about purchases for children. People who are unemployed appear to take on some everyday decisions and decisions for purchases for children, but people who are not in the labor force at all (except housewives, which we show in its own category) are less likely to make everyday decisions on their own.

Along with the individual-level characteristics described above, some couple-level characteristics affect individual decision-making power as well. Individuals in a legally recognized partnership are less likely than those in an “informal” or not legally recognized relationship to make decisions by themselves, except in the case of everyday decisions; everyday decisions are 1.6 percentage points more likely to be met alone when a person is in a legal partnership. The presence of children also increases the probability that a person makes everyday decisions or decisions “in general” by themselves; this finding might be explained by the fact that couples tend to specialize more when children are present (Lundberg and Rose, 2000; Bonke et al., 2007). With each additional year of a relationship, people become more likely to make everyday decisions alone and less likely to make decisions about borrowing money alone. Finally, compared to men in who report moderate financial conditions, those with a more difficult financial situation are more likely to report making every decision alone. Interestingly, women are even more likely to report making financial decisions alone when the household financial situation is difficult: in these cases, women are an additional one to two percentage points more likely to make decisions about borrowing or the use of savings by themselves.

Appendix table A.1 shows the marginal effects of the probability of a country’s individuals making decisions alone, compared to individuals with the same characteristics in Germany. People in the continental (or conservative) countries (Austria, Belgium, Denmark, France, Luxembourg, and the Netherlands), those in the Scandinavian (or social-democratic) countries (Finland, Norway, and Sweden), and those in the liberal countries (the UK and Iceland) are quite consistently more likely to make all decisions alone, compared to individuals in Germany. The same is true for the Southern European countries (Greece, Italy, Malta, Portugal, and Spain), except for Malta and Spain, whose individuals are more likely than individuals in Germany to report making decisions “in general” by themselves. In contrast, those in the Eastern European countries (Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) show mixed results. Individuals in the Eastern European countries are consistently more likely than those in Germany to make everyday decisions alone, almost always slightly less likely to make decisions about the use of borrowing and savings alone, and often more likely to make decisions about large purchases and spending on children alone.



### 5.1.2 What makes couples decide together?

The results for the model predicting the probability of a couple making particular decisions together are presented in table 4. Being in a legal partnership is correlated with a higher probability of couples making most decisions together, except for decisions about everyday purchases. This exception is not surprising given the expectation of more specialization in legally partnered couples (e.g. Becker, 1981), but the finding that legally partnered couples are more likely to make decisions about spending on children together goes against this expectation. A possible explanation for the discrepancy is that we do not know which decisions the respondents have in mind when they answered these questions; perhaps they thought only of larger purchases for children, not everyday purchases, when they reported making the decisions together.

— Table 4 about here —

Couples are most likely to make decisions together when the two individuals in the couple have relatively close earnings. Note that the probability of a couple making decisions together is highest in the middle range of categories of income differences, ranging from one earning 50 percent of their partner’s income to one earnings up to twice as much (200 percent) of their partner’s income. The larger the difference in incomes within the couple, the lower the marginal probability that the couple will make decisions together.

Couples in which both members have the same education level are more likely than other couples to make all decisions together than couples with different education levels, except for financial decisions, where being equally educated surprisingly does not affect the probability of the couples making a decision together. This could be because the effect of education on the probability of a couple making financial decisions together is captured in the intra-couple income levels differences, which explain a significant part of the probability of a couple making decisions together. Larger age differences within a couple are correlated with a slightly higher probability of making financial decisions and decisions about durable goods together, but are negatively correlated with a couple making everyday purchases together. Couples are also more likely to make some financial decisions (decisions about borrowing) together the longer they have been together.

Household structure plays a significant role in determining the probability that a couple will make decisions together. First, when a “housewife” is present in the home, the couple is less likely to make each of the decisions together. This could be the case because having a housewife makes household specialization easier, and the members of a couple with a housewife could divide their tasks more strictly. When there are children present in the household, a couple is more likely to make financial decisions and decisions about durable goods together, suggesting a stronger contract of resource sharing, and are less likely to make everyday decisions together, suggesting some household specialization.

Compared to couples with a moderate (or what they see as “average”) financial situation, couples with a relatively easy or relatively hard financial situation are less likely to make

financial decisions together. When couples have it “easy” financially, they are more likely to make decisions in general together, while a “hard” financial situation is correlated with a lower probability of the couple making decisions in general together. Finally, living in a city is correlated with a higher probability of couples making decisions together and those in more rural areas are least likely to make decisions together, perhaps because household specialization is easiest to accomplish in rural areas.

Appendix table A.2 shows the marginal effects of the probability of a country’s couples making decisions together, compared to couples with the same characteristics in Germany. Note that the Netherlands and Slovenia have been dropped from the sample due to collinearity. Given the complementary analysis in table A1, the results in table A2 are not surprising. Compared to couples in Germany, couples in the continental European, Scandinavian, and Nordic countries are less likely to make decisions together. The same is true for the Southern European countries, again except for Malta and Spain, whose couples are more likely than couples in Germany to report making decisions “in general” together. Couples in Eastern Europe are fairly consistently less likely than those in Germany to make everyday decisions together, almost always slightly more likely to make decisions about the use of borrowing and savings alone, and often more likely to make decisions about large purchases and spending on children alone. What can explain the country-level differences mentioned in sections 5.1.1 and 5.1.2 above? In the next section, we study the effects of the independent variables used to predict the probability of a person or a couple making decisions alone or together, respectively, in different countries. In other words, we eliminate the assumption that our independent variables work similarly in each country. The analysis will tell us how the various personal- and couple-level characteristics are related to the probability of making decisions alone or together across the European countries in our sample.

## 5.2 Country-Specific Results - Decisions “in general”<sup>5</sup>

### 5.2.1 What makes individuals make decisions alone?

In the continental European countries, represented here by France and Germany, women have a higher probability of making the decisions “in general” by themselves than their male partners do, although in most countries in this cluster, the probability of men versus women making the decisions in general is not statistically different. Large income differences are correlated with a lower probability of a lower earner making decisions alone for men, while for women, having an income closer to the partners’ income increases the probability of making decisions alone, and having a much higher (more than three times) income than their partner lowers the probability of making decisions alone. In these countries, having

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<sup>5</sup>For the sake of brevity, we focus here on decisions “in general” and we discuss just a few countries within each cluster, although the results for all decisions in all countries are available upon request, and we report any significant differences from the countries not shown within the from the countries in the same cluster that we do show.

the higher education is correlated with a higher probability of making decisions in general alone, but relative age, employment status (including being a housewife), and the legal status and length of a relationship does not play a significant role in determining the probability of making decisions in general alone. Two things do significantly increase the probability of a person making the decisions in general by themselves in these countries: the presence of children in the household, and (for men only) living in a difficult financial situation.

In the liberal and social democratic countries, women are much more likely to make the decisions in general by themselves (except for in Finland and the UK). Men are much less likely to make decisions in general alone when they earn less than half of what their partners earns, and women's income plays variable roles across the countries. In Finland, lower earning women are most likely to make decisions alone, while in Norway it is the opposite, and in the other countries in this cluster, there is no statistically significant relationship between income and the probability of making decisions in general alone for women. Interestingly, the financial situation of the household does not play a significant role in decision-making for either men or women. In some countries, the more highly educated partner and the older partner is more likely to make the decisions in general alone, and being out of the labor force (except as a housewife) is negatively correlated with the probability of making decisions alone. Having children present in the household is positively correlated with the probability of making decisions in general alone, while additional years to a relationship diminish the probability of making decisions alone.

In most of the countries in the Southern European cluster, women are less likely to make decisions in general alone; the one exception is Spain, where women are slightly more likely to do so. In these countries, men are generally less likely to make the decisions by themselves, even regardless of their income relative to their partners. However, when the household faces a difficult financial situation, it is the men who are slightly more likely to make the decisions in general by themselves. Again in these countries, higher levels of education are correlated with a higher probability of making the decisions in general alone, and being unemployed, or a housewife, is negatively related to the probability of making decisions alone. In this sense, economic conditions do play a role in determining decision-making power. Finally, in the Southern European countries, more years in a relationship correlate with a higher probability of making decisions alone, and the effect of children in the household varies greatly by country.

Finally, in the Eastern European countries, women are much more likely to make the decisions in general on their own, and the relationship between relative income and the probability of making decisions alone is limited to a fairly consistently negative one for both men and women who earn less than half of what their partner earns, across all countries in the cluster; other than that, relative income has very limited statistical significance. Interestingly, though, when the household faces an easy financial situation, men are more likely to make the decision in general on their own, but when the financial situation is

difficult, it is women who make the decisions. As in almost every other country in the sample, people with a higher education than their partner are more likely to make the decisions in general, as are the older people in a couple. Being out of the labor force, especially as a housewife, decreases the probability of a person making decisions on their own. The presence of children does not seem to affect the probability of a person making decisions alone, while those in longer relationships are more likely to decide alone and being legally partnered decreases the probability of making decisions alone.

— Table 5 about here —

Overall, we see some interesting similarities and differences across countries. Almost everywhere, women are more likely than men to make the decisions in general on their own, and the more highly educated partner in a couple is more likely to make these decisions alone as well. While intra-couple income differences play a smaller role than we expected, we found that a household’s financial situation affects the decision-making power and responsibilities for decisions “in general” differently across Europe: when couples face a difficult situation, the men in the continental and Southern European countries make the decisions, but it is the women in the Eastern European countries who do so. Being unemployed or out of the labor force - including as a housewife - is negatively correlated with the probability of making the decisions in general alone, everywhere in Europe. These findings suggest that there is some relationship between holding a socially recognized position of power and the probability of making the decisions in general in the household, meaning that macro-level circumstance affect the micro-level workings within a household. While the legality of a partnership has little or no effect on decision-making power in most countries in our sample, it makes a strong difference in most Eastern European countries; legally partnered couples there are less likely to make decisions alone.

### **5.2.2 What makes couples decide together?**

Our last set of results are presented in table 6, which shows the marginal effects of our couple-level characteristics on the probability of a couple making decisions in general together across the countries in our sample. In the continental cluster of countries, couples with the same education level, with an easy financial situation, and with longer relationships are more likely to make decisions together, while having a housewife, children in the home, a difficult financial situation, or a home in a rural area makes couples less likely to make the decisions “in general” together. As expected, smaller income differences are correlated with a higher probability of a couple making decisions together. Interestingly, being in a legally recognized relationship, living in a city, and intra-couple age differences do not have a significant effect on the probability of a couple making decisions together. This finding holds not just for the continental countries, but those in the liberal and social-democratic (Scandinavian) countries, as well.

Indeed in the liberal countries, very few of the independent variables in our model have a significant effect on the probability of a couple making decisions “in general” together. Intra-couple income differences, the presence of a housewife and/or children, the length of a relationship, living in a rural area, and facing a hard financial situation are all couple-level factors which play a role in determining the probability of making decisions together in other country clusters, but not in the liberal countries. In the UK and Iceland, the only characteristics in our model which predict the probability of a couple making decisions together with any statistical significance are both members of the couples having the same educational attainment and facing an easy financial situation, where both circumstances are positively correlated with the probability of a couple making decisions together.

The social democratic countries are more similar to the continental countries than the liberal countries are, but there are some differences. In the social democratic countries, equal levels of education within a couple does not uniformly lead to a higher probability of making decisions in general together; indeed it is only in Norway that we see this effect. While having a housewife present in Finland does decrease the probability of a couple making decisions together, there is no effect in Sweden and Norway. Interestingly, although living with an “easy” financial situation is positively correlated with the probability of making decisions together in Denmark, the financial situation plays no significant role in this probability in any other social democratic country.

The relationship between our variables and the probability of making decisions together is quite different in the Southern and Eastern European countries than in the country clusters described above. In the Southern European countries, being in a legally recognized partnership, living in a city or rural area (both opposed to living in a small town), and having a relatively small difference in the incomes of the two couple members are characteristics positively correlated with making decisions in general together. On the other hand, having a housewife in the household, adding additional years to the relationship length, and facing a difficult or easy financial situation (both compared to a moderate situation) are factors correlated with a smaller probability of the couple making decisions in general together. In the Southern European countries, having the same level of education, having children in the household, and adding additional years to the age difference between the couple members has no statistically significant effect on the probability of the couple making decisions together (except in Italy, where additional years in the relationship are correlated with an increasing probability of making decisions together).

The results in the Eastern European countries are quite similar to those in the Southern European countries, although there are fewer statistically significant results in the Eastern European countries. While here too being in a legally recognized partnership, living outside of a small town, and having smaller income differences are correlated with a higher probability of a couple making decisions together, and having a housewife in the home, facing a non-moderate financial situation, and being in a longer relationship are negatively related to the probability of making decisions together, some important differ-

ences exist. In the Eastern European countries, couples with equally educated partners are most likely to make decisions together, leaving the Southern European countries as the only ones for which this characteristic does not play a significant role. In the Eastern European countries, the role of age difference in predicting the probability of a couple making decisions in general together is not always statistically significant, but when it is, it is a positive relationship. Finally, in the Eastern European countries, the relationship between the presence of children in the household and the probability of a couple making decisions together is very mixed: in one of these countries (Hungary), there is a positive relationship; in another (Romania) the relationship is negative; and in the rest, there is not statistically significant effect of having children in the home on the probability of a couple making decisions together.

— Table 6 about here —

Overall, the effects of couple-level characteristics on the probability of a couple making decisions together in and across the European countries in our sample differ across country. Almost everywhere, for example, a couple whose members are equally educated are more likely to make decisions “in general” together compared to unequally educated couples, but this finding does not hold in the Southern European countries. Further, while an easy and/or hard financial situation, compared to a moderate one, was negatively correlated with the probability of a couple making decisions together in the southern and Eastern European countries, an easy financial situation was positively correlated with that probability in the Western European countries, the UK, and Denmark. We suspect that there are cultural or political differences across the countries that drive these variations, and discuss some in the conclusion below.

## 6 Discussion and Conclusions

The results of this analysis show that men and women in couples do systematically differ in their decision-making, a reality that had previously been largely neglected in traditional economic models of the household. Indeed the results show that the distribution of decision-making power and responsibility within a household is correlated with characteristics that are associated with social and economic power, such as relative education level, relative income, and gender.

A person’s gender is quite clearly the most important factor in determining which household decisions the person will make on his or her own, and which s/he will leave (by choice or out of compulsion; this we cannot observe) to their partner to make. Women across Europe often make decisions which are compatible with traditional “women’s roles” as mothers and care-takers of family members and the household; indeed their decision-making power is often limited to these roles. On the other hand, men are the primary decision-makers when it comes to financial decisions for the household. These results

support Woolley and Marshall (1994)'s conceptualization of "orchestration power," where the men make the "important," or larger, decisions, while the women make the relatively "unimportant," less consequential, and more frequent decisions.

Our study also shows that social and economic equality within a relationship is correlated with couples being more likely to make decisions together. European couples with smaller differences in education, income, and employment status are more likely to make decisions together than couples with relatively larger differences in these areas. In this sense, policy aimed at lowering the gender pay gap or providing initiatives targeted at increasing women and girls' educational success, for example, are likely to have a positive impact on intra-household equality in decision-making power too.

Indeed, the clustering of countries with some similarities in their political profiles, as done by Esping-Andersen (1990), shows that there are important differences in household decision-making processes across the various cultural, political, and institutional landscapes in Europe. While this study could show some broad patterns of difference and similarity across clusters, such as the finding that women in all countries are more likely to make everyday decisions and that a partner's relative education level has a strong relationship between his or her decision making power in countries all across Europe except for in the Southern European countries, further work – ideally collaborating with political scientists, sociologists, and/or anthropologists – could tease out many more details of these sociocultural similarities and differences.

Another important avenue of related future research should more closely study the relationship between performing more unpaid work and having more or less decision-making power for various decisions. Our results show that having a housewife at home makes a couple less likely to make any of the decisions in this analysis together, suggesting that a division of household labor into paid and unpaid work parallels a household division of decision-making labor. Further, this research could be extended to investigate the distribution of decision-making power in same-sex versus different-sex couples. While the present study only looked at different-sex couples, there are likely systematic differences in the decision-making power of the members of same-sex couples, since these couples – at least in the US – also show some degree of a division of household labor into paid and unpaid work (see e.g. Giddings, Nunley, Schneebaum and Zietz, Forthcoming). Finally, an exciting research agenda would involve studying the development of household decision-making power over time, to study which macro-level changes (such as economic crises or booms) and/or micro-level changes (such as a partner entering the workforce, or the inclusion of a child in the household) have an effect on a person and a couple's decision-making profile.

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## Tables

Table 1: Men and women's responses to questions about decision making

	Men	Women
Decisions in general		
I make the decisions	10.9	11.8**
We both make the decisions	79.4	78.6**
My partner makes the decisions	9.7	9.5
Decisions about everyday purchases		
I make the decisions	7.3	51.7**
We both make the decisions	46.1	42.7**
My partner makes the decisions	46.6	5.6**
Decisions about borrowing money		
I make the decisions	9.2	4.3**
We both make the decisions	67.1	68.5**
My partner makes the decisions	3.7	8.5**
Has Never Occured	19.9	18.7**
Decisions about the use of savings		
I make the decisions	6.1	5.1**
We both make the decisions	72.7	72.4
My partner makes the decisions	4.5	5.5**
We have no savings	12.4	12.5
Has Never Occured	4.4	4.6
Decisions about spending on children		
I make the decisions	3.4	25.3**
We both make the decisions	73.7	72.0**
My partner makes the decisions	22.9	2.7**
Decisions about purchasing expensive goods		
I make the decisions	6.8	8.9**
We both make the decisions	82	82
My partner makes the decisions	8.4	6.3**
Has Never Occured	2.8	2.9

Notes: Authors' calculations on weighted EU-SILC 2010 data. \*\*denotes a statistically significantly different answer from men at  $p < 0.01$ ; \* $p < 0.10$

Table 2: Means for independent variables, all countries

Person-level characteristics	Men	Women
Earns 0-49% partner's income	14.5	29.6**
Earns 50-99% partner's income	7.6	16.4**
Earns 100-149% partner's income	10.3	5.8**
Earns 150-199% partner's income	6	1.8**
Earns 200-299% partner's income	5.4	1.3**
Earns 300+% partner's income	24.1	13.1**
Higher educated	23.1	21.5**
Lower educated	21.5	23.1**
Older	72.2	16.4**
Younger	16.4	72.2**
Unemployed	5	5.2*
Not in labor force	33.8	27.5**
Housewife	0.4	15.9**
Couple-level characteristics...		
Average age difference	1.7	
Legally partnered	84.2	
Any children present	36.4	
Length of relationship (years)	25.7	
"Easy" financial situation	21.9	
"Hard" financial situation	24.2	
Lives in city	38.0	

Notes: Authors' calculations on unweighted EU-SILC 2010 data. \*\*denotes a statistically significantly different answer from men at  $p < 0.01$ ; \* $p < 0.10$

Table 3: Probit model estimating the probability of an individual making decisions alone, reporting average marginal effects.

Decisions...	in general	everyday purchases	credit/ borrowing	the use of savings	durable goods	purchases for children
Characteristics:						
Female	0.010* (0.004)	0.362*** (0.006)	-0.039*** (0.004)	0.002 (0.004)	0.026*** (0.004)	0.212*** (0.013)
Earns 0-49%	-0.029*** (0.005)	0.020*** (0.008)	-0.027*** (0.005)	-0.019*** (0.004)	-0.022*** (0.005)	-0.051*** (0.015)
Earns 50-99%	-0.044*** (0.007)	-0.011 (0.010)	-0.052*** (0.006)	-0.032*** (0.006)	-0.033*** (0.006)	-0.067*** (0.017)
Earns 101-149%	-0.035*** (0.006)	-0.031** (0.010)	-0.037*** (0.006)	-0.029*** (0.005)	-0.023*** (0.006)	-0.045*** (0.016)
Earns 150-199%	-0.030*** (0.007)	-0.034** (0.012)	-0.018** (0.006)	-0.018*** (0.007)	-0.009 (0.007)	-0.062*** (0.017)
Earns 200-299%	-0.019* (0.008)	-0.041*** (0.012)	-0.003 (0.007)	-0.005 (0.006)	-0.003 (0.007)	-0.010 (0.019)
Earns 300+%	0.000 (0.004)	-0.036*** (0.007)	0.011** (0.004)	0.004 (0.004)	0.006 (0.004)	-0.022 (0.012)
Female*Earns 0-49%	0.015* (0.006)	0.033*** (0.008)	-0.021*** (0.006)	-0.009 (0.005)	-0.009 (0.005)	0.037* (0.016)
Female*Earns 50-99%	0.022** (0.008)	0.029** (0.011)	0.006 (0.008)	0.005 (0.007)	-0.003 (0.007)	0.047* (0.019)
Female*Earns 100-149%	0.031*** (0.009)	0.034** (0.012)	0.019* (0.009)	0.021** (0.008)	0.007 (0.008)	0.028 (0.019)
Female*Earns 150-199%	0.053*** (0.013)	0.036* (0.016)	0.005 (0.012)	0.028* (0.011)	0.006 (0.012)	0.046* (0.023)
Female*Earns 200-299%	0.042** (0.015)	0.045* (0.020)	0.036* (0.017)	0.003 (0.013)	0.015 (0.015)	-0.015 (0.026)
Female*Earns 300+%	0.004 (0.006)	0.051*** (0.008)	-0.019** (0.006)	-0.005 (0.006)	-0.010 (0.005)	0.032* (0.015)
Higher Education	0.027*** (0.003)	0.020*** (0.003)	0.019*** (0.002)	0.012*** (0.002)	0.012*** (0.002)	0.024*** (0.005)
Lower Education	-0.009*** (0.003)	-0.007* (0.003)	-0.017*** (0.003)	-0.015*** (0.002)	-0.011*** (0.002)	-0.002 (0.005)
Older	0.001 (0.004)	-0.002 (0.005)	0.002 (0.003)	0.004 (0.003)	-0.001 (0.003)	0.009 (0.007)
Younger	-0.004 (0.004)	0.000 (0.004)	-0.001 (0.004)	0.001 (0.003)	0.001 (0.003)	0.007 (0.006)
Unemployed	-0.005 (0.005)	0.020** (0.006)	-0.008 (0.005)	0.000 (0.005)	-0.003 (0.004)	0.016* (0.007)
Housewife	-0.016*** (0.005)	0.031*** (0.005)	-0.015** (0.005)	-0.006 (0.004)	0.004 (0.004)	0.014* (0.006)
Not in Labor Force	0.001 (0.004)	-0.020*** (0.004)	-0.002 (0.004)	0.000 (0.003)	0.001 (0.003)	0.008 (0.009)
Legally Partnered	-0.016*** (0.004)	0.016** (0.005)	-0.021*** (0.004)	-0.019*** (0.003)	-0.023*** (0.003)	-0.026*** (0.006)
Any Children	0.007** (0.003)	0.017*** (0.003)	-0.004 (0.003)	-0.003 (0.002)	-0.002 (0.002)	0.000 (0.000)
Length of Relationship	0.000 (0.000)	0.001*** (0.000)	0.000*** (0.000)	0.000 (0.000)	0.000 (0.000)	-0.001*** (0.000)

Continued on next page...

Table 3: continued

Decisions about...	in general	everyday purchases	credit/ borrowing	the use of savings	durable goods	purchases for children
“Easy” Financial Situation	-0.011* (0.004)	0.016* (0.007)	0.027* (0.004)	0.027*** (0.003)	-0.003 (0.004)	-0.030* (0.012)
“Hard” Financial Situation	0.033*** (0.004)	0.022*** (0.006)	0.011*** (0.003)	0.011*** (0.003)	0.013*** (0.003)	0.032*** (0.009)
Female*Easy Situation	0.002 (0.006)	-0.016* (0.008)	-0.039*** (0.006)	-0.031*** (0.005)	-0.002 (0.005)	0.031* (0.014)
Female*Hard Situation	-0.016*** (0.005)	-0.023*** (0.007)	0.022*** (0.005)	0.009* (0.004)	0.010* (0.004)	-0.013 (0.010)

Notes: Standard errors reported under coefficients. \*\*\*denotes a statistically significantly different answer from zero at  $p < 0.01$ ; \*\* $p < 0.05$ , and \* $p < 0.10$ . Country fixed effects not shown but reported in appendix table 1. Earnings independent variables relative to own partner.

Table 4: Probit model estimating the probability of a couple making decisions together; reporting average marginal effects.

Decisions about...	in general	everyday purchases	credit/ borrowing	the use of savings	durable goods	purchases for children
Characteristics:						
Legally Partnered	0.021*** (0.005)	-0.045*** (0.006)	0.031*** (0.005)	0.030*** (0.005)	0.045*** (0.005)	0.042*** (0.008)
One Earns 0-49%	0.019*** (0.004)	-0.059*** (0.005)	0.017*** (0.004)	0.016*** (0.004)	0.016*** (0.004)	0.025** (0.008)
One Earns 50-99%	0.042*** (0.005)	-0.027*** (0.006)	0.067*** (0.006)	0.045*** (0.005)	0.042*** (0.005)	0.050*** (0.010)
One Earns 101-149%	0.043*** (0.006)	-0.011 (0.007)	0.060*** (0.006)	0.042*** (0.006)	0.041*** (0.006)	0.058*** (0.011)
One Earns 150-199%	0.034*** (0.008)	-0.015 (0.009)	0.053*** (0.008)	0.036*** (0.008)	0.040*** (0.008)	0.050*** (0.014)
One Earns 200-299%	0.031*** (0.009)	-0.030** (0.010)	0.022* (0.009)	0.031*** (0.008)	0.027*** (0.008)	0.064*** (0.014)
One Earns 300+%	0.018*** (0.004)	-0.053*** (0.005)	0.016*** (0.004)	0.016*** (0.004)	0.017*** (0.004)	0.029** (0.009)
Same Education	0.012*** (0.003)	0.009** (0.003)	0.006* (0.003)	0.003 (0.002)	0.003 (0.003)	0.021*** (0.005)
Age Difference (years)	0.000 (0.000)	-0.002*** (0.000)	0.001*** (0.000)	0.001** (0.000)	0.001* (0.000)	-0.001 (0.001)
Housewife in Home	-0.019*** (0.004)	-0.063*** (0.004)	-0.029*** (0.004)	-0.020*** (0.003)	-0.023*** (0.003)	-0.016* (0.007)
Any Children	-0.007* (0.003)	-0.037*** (0.004)	0.013*** (0.004)	0.009** (0.003)	0.007* (0.003)	
Easy Financial Situation	0.016*** (0.004)	-0.011* (0.005)	-0.023*** (0.004)	-0.025*** (0.004)	0.007 (0.004)	-0.001 (0.008)
Hard Financial Situation	-0.039*** (0.003)	-0.007 (0.004)	-0.030*** (0.003)	-0.028*** (0.003)	-0.034*** (0.003)	-0.039*** (0.006)
Relationship Length	0.000*** (0.000)	-0.002*** (0.000)	0.001*** (0.000)	0.000 (0.000)	0.000 (0.000)	0.002*** (0.000)
Live in City	0.015*** (0.003)	0.030*** (0.004)	0.002 (0.004)	0.003 (0.003)	-0.005 (0.003)	-0.002 (0.007)
Live in Small Town	-0.001 (0.004)	-0.018*** (0.004)	0.006 (0.004)	0.002 (0.003)	-0.003 (0.003)	-0.016* (0.007)

Notes: Standard errors reported in parentheses. \*\*\*denotes a statistically significantly different answer from zero at  $p < 0.01$ ; \*\* $p < 0.05$ , and \* $p < 0.10$ . Country fixed effects not shown but reported in appendix table 2. Earnings independent variables relative to own partner.

Table 5: Predicting the probability of individuals making decisions "in general" alone, across countries

Country	Germany	France	Norway	Sweden	UK	Italy	Spain	Poland	Latvia
Characteristics:									
Female	0.034***	0.072***	0.103**	0.147***	-0.004	-0.033**	0.016*	0.104***	0.058**
Earns 0-49%	0.009	-0.051*	0.020	-0.068	-0.003	-0.036**	-0.023**	-0.021	-0.005
Earns 50-99%	-0.011	-0.014	-0.094*	-0.059	-0.036	-0.054*	0.004	-0.043	-0.007
Earns 101-149%	-0.008	-0.024	-0.067	-0.043	-0.001	-0.059**	-0.028*	0.014	0.000
Earns 150-199%	-0.022	-0.004	-0.042	-0.010	-0.019	-0.036	-0.014	0.031	-0.022
Earns 200-299%	-0.006	-0.008	-0.009	-0.086	0.041	-0.047*	-0.008	0.010	0.010
Earns 300+%	0.009	0.037	0.039	-0.050	0.023	0.002	0.000	0.008	0.035
Female*Earns 0-49%	-0.003	0.034	-0.125**	0.017	-0.015	0.023	0.010	-0.007	-0.049
Female*Earns 50-99%	0.015	-0.015	-0.004	0.029	0.044	0.033	-0.025	0.007	-0.052
Female*Earns 100-149%	0.048*	0.005	-0.034	0.076	0.028	0.028	0.005	-0.012	-0.034
Female*Earns 150-199%	0.041	0.077	-0.033	0.030	0.160**	0.037	-0.026	-0.015	-0.081
Female*Earns 200-299%	0.021	0.047	-0.018	0.088	-0.008	0.092	0.001	0.079	-0.077
Female*Earns 300+%	0.008	-0.72*	-0.082	0.033	0.017	-0.012	-0.004	0.034	-0.012
Higher Education	0.025***	0.051***	0.064***	0.044**	0.050***	0.015*	0.002	0.053***	0.020*
Lower Education	0.000	-0.018	0.025	-0.024**	-0.038	-0.011	-0.007	-0.012	-0.006
Older	-0.002	-0.019	0.042*	0.010	-0.025	0.004	-0.002	0.013	0.036**
Younger	-0.001	-0.015	0.037	0.007	-0.041*	0.006	-0.003	0.019	0.011
Unemployed	0.026*	-0.022	-0.067	-0.066	-0.001	-0.034*	0.009	-0.028	-0.022
Housewife	0.010	-0.013	-0.012	-0.086	0.021	-0.042***	0.008	-0.018	-0.033
Not in Labor Force	0.008	0.002	-0.041*	-0.016	0.013	0.005	0.014	0.003	-0.023
Legally Partnered	-0.002	0.001	-0.010	-0.014	-0.011	-0.012	-0.017*	-0.054*	-0.038***
Any Children	0.015*	-0.014	0.027*	0.054**	0.008	0.016*	-0.006	0.005	-0.009
Length of Relationship	0.000	0.000	-0.001	-0.001*	-0.001	0.000	0.000	0.001**	0.001*
"Easy" Financial Situation	-0.004	-0.031	0.021	0.010	-0.012	0.016	-0.002	0.078***	0.011
"Hard" Financial Situation	0.014	0.066**	0.048	-0.007	0.009	0.032***	0.020***	-0.003	-0.017
Female*Easy Situation	-0.010	0.009	-0.012	-0.053	-0.021	0.014	0.005	-0.078**	-0.016
Female*Hard Situation	-0.007	-0.005	0.054	-0.020	0.036	-0.010	-0.009	0.075***	0.043**

Notes: Reporting average marginal effects. \*\*\*denotes a statistically significantly different answer from zero at  $p < 0.01$ ; \*\* $p < 0.05$ , and \* $p < 0.10$ .

Table 6: Predicting the probability of individuals making decisions "in general" alone, across countries

Country	Germany	France	Norway	Sweden	UK	Italy	Spain	Poland	Latvia
Characteristics:									
Legally Partnered	-0.012	-0.012	0.001	-0.005	0.016	0.010	0.032***	0.065*	0.070***
One Earns 0-49%	0.002*	0.039	0.021	0.029	0.003	0.024*	0.024***	0.001	0.005
One Earns 50-99%	0.013	0.059**	0.067*	-0.004	0.029	0.052**	0.042***	0.015	0.046*
One Earns 101-149%	0.005	0.055*	0.074*	0.012	0.033	0.055**	0.05***4	0.022	0.060*
One Earns 150-199%	0.022	0.027	0.089*	0.022	0.024	0.053*	0.031	0.003	0.042
One Earns 200-299%	0.040*	0.025	0.045	0.006	0.004	0.057*	0.016	-0.026	0.082**
One Earns 300+%	-0.003	0.065**	-0.017	0.016	0.019	0.019	0.022**	0.000	-0.009
Same Education	0.022***	0.022	0.058***	-0.004	0.034*	-0.005	-0.008	0.038***	0.010
Age Difference (years)	-0.001	0.001	0.002	-0.003	-0.001	0.003***	0.000	-0.001	0.001
Housewife in Home	-0.009	-0.048*	-0.061	0.000	-0.013	0.003	0.001	-0.010	-0.014
Any Children	-0.022*	0.015	-0.022	-0.052*	-0.018	-0.015	0.009	0.009	0.019
Easy Financial Situation	0.019**	0.036*	-0.007	0.030	0.048**	-0.055***	-0.005	-0.035*	-0.003
Hard Financial Situation	-0.028*	-0.088***	-0.053	0.061	-0.032	-0.043***	-0.031***	-0.071***	-0.010
Relationship Length	0.001	0.000	0.000	0.002**	0.001	-0.001***	-0.001***	-0.002***	-0.002**
Live in City	0.002	0.014	0.015	-0.008	-0.013	0.034***	0.014*	-0.001	-0.003
Live in Small Town	-0.003	-0.010	0.025	-0.012	-0.013	0.007	0.024***	-0.007	—

Notes: Reporting average marginal effects. \*\*\*denotes a statistically significantly different answer from zero at  $p < 0.01$ ; \*\* $p < 0.05$ , and \* $p < 0.10$ .



## A Appendix

Table A.1: Country fixed effects from probit model estimating the probability of an individual making decisions alone (table 3) relative to Germany; reporting average marginal effects.

Decisions about...	in general	everyday purchases	credit/ borrowing	the use of savings	durable goods	purchases for children
Austria	0.109*** (0.005)	0.115*** (0.007)	0.024*** (0.005)	0.000 (0.005)	0.061*** (0.005)	0.013 (0.011)
Belgium	0.088*** (0.005)	0.127*** (0.007)	0.030*** (0.005)	0.044*** (0.004)	0.057*** (0.006)	0.009 (0.011)
Bulgaria	-0.048*** (0.007)	0.113*** (0.007)	-0.026*** (0.007)	0.013* (0.005)	0.010 (0.006)	-0.022* (0.011)
Czech Republic	-0.045*** (0.006)	0.183*** (0.006)	-0.012* (0.005)	-0.021*** (0.005)	0.050*** (0.005)	0.051*** (0.009)
Denmark	0.021** (0.008)	0.157*** (0.008)	0.024*** (0.007)	-0.032*** (0.008)	0.050*** (0.007)	0.055*** (0.012)
Estonia	0.060*** (0.006)	0.102*** (0.008)	-0.005 (0.007)	-0.009 (0.006)	0.035*** (0.006)	0.089*** (0.010)
Finland	0.151*** (0.005)	0.116*** (0.008)	0.044*** (0.005)	0.028*** (0.005)	0.094*** (0.005)	0.072*** (0.011)
France	0.146*** (0.005)	0.238*** (0.006)	0.063*** (0.004)	0.059*** (0.004)	0.096*** (0.005)	0.021* (0.009)
Greece	0.058*** (0.006)	0.118*** (0.008)	0.057*** (0.006)	0.042*** (0.005)	0.094*** (0.005)	0.017 (0.013)
Hungary	-0.028*** (0.006)	0.195*** (0.006)	-0.038*** (0.006)	-0.034*** (0.005)	0.002 (0.005)	-0.034*** (0.010)
Iceland	0.154*** (0.007)	0.194*** (0.010)	0.074*** (0.007)	0.052*** (0.007)	0.126*** (0.006)	0.100*** (0.012)
Italy	0.073*** (0.004)	0.072*** (0.006)	0.037*** (0.004)	0.032*** (0.004)	0.076*** (0.004)	-0.001 (0.009)
Latvia	0.035*** (0.006)	0.053*** (0.008)	0.037*** (0.007)	0.008 (0.007)	0.062*** (0.006)	-0.025* (0.011)
Lithuania	-0.051*** (0.010)	0.120*** (0.009)	0.003 (0.009)	0.009 (0.007)	0.059*** (0.007)	0.043** (0.013)
Luxembourg	0.113*** (0.006)	0.152*** (0.009)	0.011 (0.006)	0.083*** (0.004)	0.068*** (0.006)	0.089*** (0.010)
Malta	-0.054*** (0.008)	0.180*** (0.007)	-0.023** (0.007)	0.014** (0.005)	0.020** (0.006)	-0.043*** (0.013)
Netherlands	0.112*** (0.005)	0.199*** (0.007)	0.018** (0.006)	-0.008 (0.006)	0.041*** (0.006)	-0.005 (0.012)
Norway	0.076*** (0.006)	0.089*** (0.009)	0.007 (0.006)	-0.006 (0.006)	0.045*** (0.006)	0.077*** (0.012)
Poland	0.112*** (0.005)	0.238*** (0.006)	0.005 (0.005)	-0.009 (0.005)	0.050*** (0.005)	0.087*** (0.008)
Portugal	0.077*** (0.006)	0.119*** (0.007)	0.020*** (0.006)	0.033*** (0.005)	0.067*** (0.005)	-0.010 (0.012)
Romania	0.057*** (0.006)	0.143*** (0.008)	-0.017** (0.006)	-0.016** (0.006)	0.008 (0.006)	0.029* (0.011)
Slovakia	0.092*** (0.005)	0.193*** (0.006)	0.054*** (0.005)	0.043*** (0.004)	0.099*** (0.005)	0.125*** (0.009)
Slovenia	0.019** (0.006)	0.083*** (0.008)	0.005 (0.006)	-0.008 (0.006)	0.044*** (0.006)	-0.027* (0.012)
Spain	-0.055*** (0.006)	0.163*** (0.006)	-0.003 (0.005)	0.009* (0.004)	0.066*** (0.004)	-0.021* (0.009)
Sweden	0.139*** (0.006)	0.138*** (0.008)	0.062*** (0.006)	0.056*** (0.005)	0.094*** (0.006)	0.095*** (0.012)
UK	0.080*** (0.006)	0.214*** (0.007)	0.106*** (0.005)	0.059*** (0.005)	0.125*** (0.005)	0.065*** (0.010)

Standard errors reported in parentheses. \*\*\*denotes a statistically significantly different answer from Germany at  $p < 0.01$ ; \*\* $p < 0.05$ , and \* $p < 0.10$ .

Table A.2: Country fixed effects from probit model estimating the probability of an individual making decisions alone (table 5) relative to Germany; reporting average marginal effects.

Decisions about...	in general	everyday purchases	credit/ borrowing	the use of savings	durable goods	purchases for chil- dren
Austria	-0.202*** (0.007)	-0.172*** (0.008)	-0.027*** (0.007)	0.010 (0.007)	-0.107*** (0.007)	0.004 (0.014)
Belgium	-0.160*** (0.006)	-0.199*** (0.008)	-0.036*** (0.007)	-0.068*** (0.006)	-0.088*** (0.008)	0.005 (0.014)
Bulgaria	0.071*** (0.008)	-0.200*** (0.008)	0.043*** (0.009)	-0.008 (0.007)	-0.008 (0.008)	0.076*** (0.015)
Czech Republic	0.085*** (0.007)	-0.337*** (0.007)	0.032*** (0.007)	0.041*** (0.006)	-0.079*** (0.006)	-0.086*** (0.012)
Denmark	0.004 (0.010)	-0.220*** (0.010)	-0.039*** (0.009)	0.075*** (0.011)	-0.062*** (0.009)	-0.076*** (0.016)
Estonia	-0.096*** (0.008)	-0.151*** (0.009)	0.029** (0.009)	0.021* (0.008)	-0.049*** (0.008)	-0.149*** (0.014)
Finland	-0.254*** (0.007)	-0.131*** (0.009)	-0.058*** (0.008)	-0.036*** (0.007)	-0.155*** (0.007)	-0.086*** (0.015)
France	-0.266*** (0.006)	-0.371*** (0.007)	-0.082*** (0.006)	-0.087*** (0.005)	-0.153*** (0.006)	-0.001 (0.013)
Greece	-0.087*** (0.008)	-0.192*** (0.009)	-0.089*** (0.008)	-0.064*** (0.007)	-0.152*** (0.007)	0.002 (0.017)
Hungary	0.084*** (0.008)	-0.329*** (0.007)	0.092*** (0.008)	0.073*** (0.007)	0.014* (0.007)	0.078*** (0.013)
Iceland	-0.550*** (0.010)	-0.424*** (0.013)	-0.572*** (0.010)	-0.608*** (0.013)	-0.604*** (0.010)	-0.478*** (0.019)
Italy	-0.126*** (0.006)	-0.114*** (0.006)	-0.053*** (0.006)	-0.061*** (0.005)	-0.134*** (0.005)	0.013 (0.011)
Latvia	-0.068*** (0.007)	-0.091*** (0.009)	-0.069*** (0.010)	-0.009 (0.009)	-0.105*** (0.008)	0.065*** (0.015)
Lithuania	0.088*** (0.012)	-0.192*** (0.011)	-0.001 (0.012)	-0.018 (0.009)	-0.106*** (0.009)	-0.059** (0.019)
Luxembourg	-0.204*** (0.008)	-0.271*** (0.010)	-0.006 (0.009)	-0.155*** (0.006)	-0.112*** (0.008)	-0.163 (0.015)
Malta	0.120*** (0.010)	-0.374*** (0.010)	0.080*** (0.010)	0.004 (0.007)	-0.020* (0.008)	0.086*** (0.016)
Norway	-0.109*** (0.008)	-0.109*** (0.010)	-0.002*** (0.009)	0.033 (0.008)	-0.076*** (0.008)	-0.102*** (0.016)
Poland	-0.172*** (0.006)	-0.400*** (0.007)	-0.002 (0.007)	0.015* (0.006)	-0.084*** (0.006)	-0.131*** (0.011)
Portugal	-0.146*** (0.007)	-0.211*** (0.008)	-0.024*** (0.008)	-0.061*** (0.006)	-0.118*** (0.007)	0.019 (0.015)
Romania	-0.103*** (0.008)	-0.272*** (0.010)	0.022** (0.008)	0.023** (0.008)	-0.001 (0.008)	-0.044** (0.016)
Slovakia	-0.170*** (0.006)	-0.355*** (0.008)	-0.110*** (0.006)	-0.088*** (0.005)	-0.185*** (0.006)	-0.216*** (0.013)
Spain	0.095*** (0.007)	-0.305*** (0.006)	0.023*** (0.006)	-0.007 (0.005)	-0.113*** (0.006)	0.045*** (0.012)
Sweden	-0.236*** (0.008)	-0.145*** (0.010)	-0.090*** (0.008)	-0.088*** (0.007)	-0.156*** (0.008)	-0.125*** (0.016)
UK	-0.136*** (0.007)	-0.385*** (0.009)	-0.198*** (0.006)	-0.109*** (0.007)	-0.229*** (0.007)	-0.102*** (0.013)

Standard errors reported in parentheses. \*\*\*denotes a statistically significantly different answer from Germany at  $p < 0.01$ ; \*\* $p < 0.05$ , and \* $p < 0.10$ .