The Determinants of Money Arguments between Spouses

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A commonly held view is that arguments about money are associated with marital problems, but relatively little is known about the nature of arguing about money within marriage. Using data from the National Longitudinal Survey of Youth 1979 (NLSY79), this study used a collective bargaining approach to examine the role of money arguments in marriage. The sample (N = 1,371) consisted of married women. A collective bargaining framework provided a context for understanding money arguments within the marital relationship. Results indicated that costly communication is the dominant predictor of money arguments, followed by level and proportion of wife's income, and household net worth. Because results suggested that both communication and financial resources were important components to understanding money arguments within marriage, a combination of professionals trained in marital therapy and/or financial planning is required for couples interested in seeking assistance to increase their satisfaction and/or avoid divorce.

Keywords: money arguments; couples; marriage; collective bargaining; money conflict

INTRODUCTION

Previous research shows that financial issues are either the most frequently reported problem for married spouses (Albrect, 1979; Madden & Janoff-Bulman, 1981) or

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ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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are among the top sources of marital conflict (Oggins, 2003; Stanley, Markman, & Whitton, 2002). There is less known about why spouses argue about money. Various issues have been identified as factors influencing money conflict between spouses, such as financial management strategies (Lawrence, Thomasson, Wozniak, & Prawitz, 1993), charitable giving preferences (Andreoni, Brown, & Rischall, 2003), and spending personalities (Rick, Small, & Finkel, 2009). A common theme in the literature is that money arguments are related to couples deciding how to allocate resources within the household. Klohnen and Mendelsohn (1998) found that many individuals dislike their personal spending behavior and are attracted to partners with opposite spending behaviors. For instance, a person who tends to overspend might be most attracted to a person who saves. This could prove problematic when couples must decide how to allocate household resources (Rick et al.).

This study provides a context for understanding money arguments and examines the determinants of money arguments. Understanding the context and determinants of money arguments will help practitioners identify ways to reduce conflict, which may help to increase relationship satisfaction and reduce the risk of divorce (Amato & Rogers, 1997; Gudmunson, Beutler, Israelsen, McCoy, & Hill, 2007; Markman & Hahlweg, 1993).

LITERATURE REVIEW

Of the empirical research that explores marriage and money, virtually none focus on the specific predictors of money arguments (for an exception see Lawrence et al., 1993). However, practitioners have written articles providing their opinions of why couples might be arguing about money (e.g., Clark, 2006, Siegel, 1990, and Stolz, 2009). Researchers and practitioners agree that financial issues are a common topic of spousal arguments (Lawrence et al.; Miller, Yorgason, Sandberg, & White, 2003; Oggins, 2003; Stanley et al., 2002). Issues such as children, chores, communication, and leisure have also been ranked as frequent sources of conflict (Papp, Cummings, & Goeke-Morey, 2009), though financial disagreements are associated with negative resolution tactics and are more likely to remain unresolved (Dew & Dakin, 2009; Papp et al.). The literature that follows focuses on the three general areas of spousal differences, level of resources, and household constraints in influencing money arguments between spouses.

Spousal Differences

Practitioners and researchers have found that spousal differences affect money conflict as couples must decide how to spend their money based on different preference structures. Financial planners have reported that differences in gifting preferences and financial risk tolerance levels, as well as perceived power/control by one spouse are common themes related to money conflict between spouses (Stolz, 2009). Financial risk tolerance is a difficult area of conceptualization and measurement for financial planners because men and women generally have varying degrees of tolerance for fluctuations in the value of their investments. Therefore, arguments can arise during the process of asset allocation negotiation. Marriage counselors have also noted that control is a common theme related to money (Siegel, 1990).

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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Andreoni et al. (2003) offered an empirical explanation related to differences in preferences among couples. They found that when there is conflict over giving the husband's preferences generally outweigh those of the wife's. The authors concluded that men and women do not seem to share the same utility function, at least when it comes to charitable giving, suggesting that husbands and wives receive satisfaction from different philanthropic causes.

Similar to Andreoni et al.'s (2003) finding, Rick et al. (2009) also found evidence of conflict being predicted by differences in spousal preferences in terms of spending behavior. Unlike positive assortative mating (marrying based on similar characteristics) that is usually observed in couple formation, Rick et al. found a pattern of negative assortative mating (marrying based on dissimilar characteristics) when it comes to spending behaviors, which is associated with increased conflict. They found the highest levels of conflict when a "spendthrift" (chronic over-spender) was married to a "tightwad" (chronic under-spender) and greatest relationship satisfaction when spending behaviors were the same. Smith, Heaven, and Ciarrochi (2008) also found that couples with similar personalities report higher levels of relationship satisfaction. As hypothesized, Rick et al. found positive assortative mating related to awareness of price and sales. They suggest that individuals who exhibit "spendthrift" and "tightwad" tendencies tend to be unhappy with their behavior, whereas price and sale conscious individuals do not seem bothered by their financial behaviors. Both Klohnen and Mendelsohn (1998) and Rick et al. found that when individuals are displeased with their personal characteristics they become attracted to partners with the opposite characteristics. Greater spousal differences related to financial characteristics are associated with increased conflict.

Resource Availability

A household's resources in terms of financial and human capital are associated with marital conflict; when resources are low, conflict is high. Dew (2007) found that net worth is an important predictor of conflict between spouses. Specifically, couples with higher debt loads report greater levels of stress and more conflict with their spouse. Other research also has shown that debt, general financial situation (Risch, Riley, & Lawler, 2003), and measures of economic pressure (i.e., lower levels of income and education) (Dew & Yorgason, 2010) predict conflict in marriage.

Household Constraints

Other household factors, such as children, financial management strategy, and communication style, may pose constraints on the household to allocate their scarce resources of time and money. According to prior research, marital satisfaction decreases when children are present in the household (Jose & Alfons, 2007), which may indicate that households are not as satisfied when they have to distribute their limited resources to more members.

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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Lawrence et al. (1993) used financial management strategies to predict arguments about money, which was measured similar to the current study, with a sample of older adults (mean age of 62). Couples who reported healthy financial management strategies, such as recordkeeping and goal setting, were less likely to argue in comparison to other couples. This indicates that couples who are in agreement about their financial situation likely have little to argue about. Couples, who do not keep financial records and develop goals together, may be spending more time (a limited resource) trying to negotiate how to use household resources. It should be noted that the older age of the Lawrence et al. sample may be associated with longer marital durations. Couples who were likely to have frequent arguments about money, would probably have already dissolved their relationship and not be included in the study.

Family studies researchers have established that a lack of communication between spouses has a negative impact on the relationship (Gottman & Notarius, 2002; Stanley et al., 2002), which suggests some arguing may be beneficial to a relationship when viewed as a form of communication (Smith et al., 2008). However, money conflict presents additional problems not found with other types of conflict. For instance, conflict over money has been associated with elevated levels of anger (Dew & Dakin, 2009; Papp et al., 2009) and depression and is more likely to remain unresolved (Papp et al.). Spouses who spend time being angry and depressed are likely prevented from using their resources in more satisfying activities.

Summary

In the current literature, money issues within a marriage are typically not well conceptualized and may be referred to as money conflict, money arguments, or money disagreements. The empirical evidence on specific predictors of money arguments is limited. Given that conflict over money is quite common among spouses (Lawrence et al., 1993; Miller et al., 2003; Oggins, 2003; Stanley et al., 2002) and may be more damaging to the relationship than other types of conflict (Dew & Dakin, 2009; Papp et al., 2009), determining what predicts money arguments may be crucial to understanding how to help couples improve relationship satisfaction and reduce the likelihood of divorce. This study will address specific predictors of money arguments using an economic, specifically a collective bargaining, approach.

THEORETICAL FRAMEWORK

As noted by Papp et al. (2009), "despite the general acceptance that money is a significant source of marital conflict, there has been little conceptual development of why this is the case" (p. 91), which may be associated with a lack of understanding for what money arguments mean. In this study, money arguments are conceptualized as a spousal negotiation activity (communication) about financial matters (see Figure 1). Spouses, who do not agree on household resource allocation or the use of money, are using a greater portion of their relatively scarce resources for this negotiation process (indirect utility), leaving them with fewer resources to devote to direct utility providing (more satisfying)

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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activities. Couples with no, or infrequent, money arguments will generally have more resources (e.g., time, energy) to allocate to other activities as opposed to couples who argue about money more frequently. The negotiation process, and arguing in particular, can be viewed as a costly form of communication. By accounting for the time spent communicating, the focus of the money negotiation process is on the financial content.

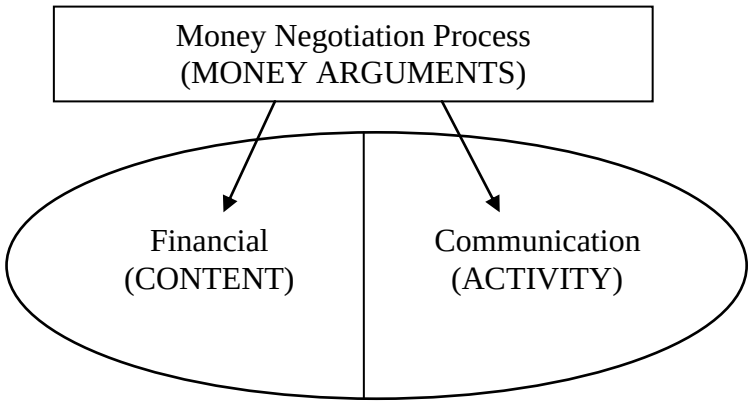

Figure 1.

Conceptual Framework for Money Negotiations

Economic theory has commonly been used to address marital choice and decision making. Specifically, Browning and Chiappori (1998)'s collective bargaining model assumes that 1) all goods can be private or public, 2) spouses maintain their own preference structures, and 3) collective decisions are Pareto efficient (i.e., one spouse cannot be made better off without making the other spouse worse off). Household utility (U^{HH}) is represented through Equation 1.

$$U^{HH} = \alpha * u^{A}(V^{A}) + (1 - \alpha) * u^{B}(V^{B}) \qquad (1)$$

V^A represents the individual utility function of spouse A, V^B represents the individual utility function of spouse B, and α represents the bargaining power of each spouse in allocating resources to their individual utility function. The individual utility functions of each spouse are dependent on how satisfaction is derived for each spouse (i.e., the utility functions represent how satisfied each spouse is with additional goods consumed). Bargaining power describes the ability of each spouse to allocate resources to their individual function (Browning & Chiappori).

According to Alderman, Chiappori, Haddad, Hoddinott, and Kanbur (1995), a collective bargaining approach is appropriate for modeling decision making or negotiation between spouses. Under a collective bargaining approach, a spouse who is unhappy with the resources being allocated to his/her own individual utility function (V^A and V^B) would be more likely to report arguments about money. As guided by Browning and Chiappori's

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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(1998) collective bargaining model[2], the resource negotiation process, as evidenced in part by the frequency of arguments about money, is dependent upon three main concepts – relative bargaining power of the spouse, the resources available to the household, and the existing constraints upon those available resources to provide utility to the household (see Equation 2).

Money negotiation = f (power, resource availability, household constraints) (2)

The power concept represents how much bargaining power each spouse has in obtaining his/her share of household resources for individual utility. According to Browning and Chiappori (1998) any variable that shifts bargaining power should be considered when operationalizing power and may include changes in divorce law and discrimination against women (Browning & Chiappori). In general, Browning and Chiappori concluded that "μ [distribution of power] may also depend on other factors, such as the individual incomes of the two partners, or any factor of the household environment that may affect the decision process" (p. 1247). Abraham, Auspurg, and Hinz (2009) suggested that the spouse with greater opportunities in the marriage/remarriage market will have the greatest bargaining power within the marriage. Spouses with higher incomes are more attractive to potential partners therefore the spouse contributing a greater proportion to household income will be seen as more power in negotiating resources for individual consumption (Abraham et al.; Jianakoplos & Bernasek, 2008). Research also indicates that substantial differences in education (Andreoni et al., 2003; Jianakoplos & Bernasek) and age between spouses (Jianakoplos & Bernasek; Risch et al., 2003) may shift distribution power within the household. Thus, it is hypothesized that an older spouse with more education and a higher level of income would have more power in the relationship and be able to control a greater proportion of household resources and would have the potential to allocate resources toward individual consumption.

Resource availability represents the level of household resources available to each spouse, captured through the variables of household net worth as well as the income and education level of each spouse. Higher levels of income and education provide individuals with greater access to monetary and human resources that can be used to provide utility. Individuals with higher educational levels have higher levels of human capital allowing them to use their time and other resources more efficiently. Households with greater net worth have the potential for greater attained utility levels compared to households with lower levels of net worth.

Household environmental factors such as children, recent income decline, and costly communication place constraints on household resources (Browning, 1992). Children can be seen as a household constraint since more household members place constraints on existing resources. A recent decrease in income places constraints on the household's ability compared to the previous year. Costly communication represents time spent

[2] See Browning and Chiappori's (1998) article for a complete discussion of the concepts hypothesized to influence the negotiation process.

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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arguing versus using resources to maximize utility. Couples who spend their time arguing are not immediately enjoying their commodities, making their communication costly.

DATA

The data used for this study are from the National Longitudinal Survey of Youth 1979 (NLSY79) sponsored by the Bureau of Labor Statistics. The NLSY79 is a nationally representative sample of 12,686 individuals first surveyed in 1979 when they were between the ages of 14 and 22. The respondents and their current spouses, if applicable, were surveyed every year in their home by a trained interviewer until 1994 and have been surveyed every other year since 1994 allowing the researcher to make predictive statements about the same participants across time. The NLSY79 asks female respondents only to indicate their frequency of money arguments, thus the sample used for this research is limited to married women who responded to this question in the most recent administration of the NLSY79 in 2006 resulting in a sample size of 1,371.

METHOD

The money negotiation process was measured by a threshold where the respondent was coded as either being part of a couple who argues about money or not. Two logistic regression models were used. The first model used the money argument threshold as the dependent variable and included various independent variables to represent the concepts of power, resource availability, and household constraints. To further isolate the dependent variable to capture the content (money) rather than the communication activity (arguing) inherent within the money negotiation process, the second regression model included an additional household constraint variable, costly communication, to control for the couple's proclivity to argue in general.

Dependent Variable

The frequency of money arguments was measured on a scale ranging in value from 1 (never argues about money) to 4 (often argues about money). The married women responding with values of three or four were coded as being money arguing couples and respondents with values of one or two were coded as not being in a marriage with frequent money arguments.

Independent Variables

Power. The variables in the NLSY79 data that were available to represent a power differential between spouses included differences in spousal age, education, and income. Each variable was divided into three categories: (a) wife has less power (younger or less educated or lower income), (b) spouses have equal power, and (c) wife has more power (older or more educated or higher income). It was hypothesized that women in marriages with unequal power would be more likely to report increased money arguments within the marriage because more resources are required to negotiate for resources.

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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Women with less power (younger, less educated, and/or lower income) may argue with their spouses more often because they are trying to secure a greater share of resources or less often because they do not have the comparative advantage to be successful in the negotiation process. Alternatively, women with greater power (older, more educated, and/or higher income) may argue with their spouses less often because they inherently control a greater portion of the household resources or more often because they have more confidence in being successful.

Age differences were operationalized following Jianakoplos and Bernasek (2008) and Risch et al. (2003) using three categories: (a) the wife was six or more years younger than her husband, (b) spouses were within five years of age from one another, and (c) the wife was six or more years older than her husband. The middle category was used as the reference group in the regression. Education differences were coded as 1 = the wife had a lower level of education than her husband, 2 = couples had the same educational level, and 3 = the wife had a higher educational level than her husband. The educational categories used were (a) less than 12 years of education, (b) 12 years of education, (c) 13 – 15 years of education, (d) 16 years of education, and (e) more than 16 years of education. Income differences were measured by the spousal percentage of income contributed to total household income. According to Jianakoplos and Bernasek, most researchers agree that income contributions of 40% to 60% to overall household income are essentially equivalent. In this study, wives who contributed less than 40% to household income were coded as 1, wives who contributed an equal (40% – 60%) proportion to household income were coded as 2, and wives who contributed more than 60% to household income were coded as 3.

Resource Availability. Higher levels of resources afford greater potential consumption opportunities and were hypothesized to be associated with lower levels of arguing about money. The NLSY79 provides data on each spouse's level of income and education (human capital), though wealth data is available at the household level only. Household net worth and spousal income were measured by quartiles, with the highest quartile being the reference group in the regression analyses. The NLSY79 does not include 2006 net worth data, so household net worth from the previous administration (2004) was used. Education level served as a proxy for ability within the household to use time productively. The highest educational level in the household (attained by either spouse) was used to measure household education. Five education levels were used: 1 =less than 12 years, 2 = 12 years (reference group), 3 = 13 – 15 years, 4 = 16 years, and 5 = more than 16 years of education.

Household Constraints. Households with additional constraints have a reduced level of resources available for consumption. Given the available data in the NLSY79, presence of children and income decline were used to represent additional resource constraints within the household environment. A household with children living at home was categorized as 1 and a household without children at home was categorized as 0. To measure income

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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decline, a household that experienced a 15% or more decline in income from 2004 to 2006 was coded 1 and all other households were coded as 0[3].

In the second regression model an additional household constraint variable, costly communication, was added to control for arguing in general. The NLSY79 asked respondents to identify 10 sources of conflict, including arguing about money. A principal component analysis revealed that all 10 arguments group into 1 factor (see Table 1 for conflict content and factor loadings). The loading-weighted factor score from the principal component analysis was used to create a standardized variable which represented costly communication. A higher factor score indicates that wives reported more frequent arguing and a lower score indicates that wives reported less frequent arguing.

Table 1
Principal Component Analysis of Costly Communication

Topic of Argument	*Factor Loading*
Money	.65
Chores	.63
Children	.57
Affection	.61
Religion	.52
Free Time	.61
Drinking	.50
Spouse's relatives	.47
Own relatives	.54
Other women	.57
Alpha	**.76**
Mean (standard deviation)	**~0 (1)**

RESULTS

Descriptive Statistics of Sample

Table 2 shows the descriptive statistics of the married female sample (n = 1,371). There was a 60% - 40% split between money arguing couples (respondents who hardly ever/never reported arguing about money) and non-money arguing couples (respondent who report ed always/sometimes argue about money). Approximately 21% of the sample reported to never argue about money, 39% reported to hardly ever argue, 32% reported to sometimes argue, and the remaining 8% of respondents reported to always argue about money with their spouse. Only a small percentage (5%) of the sample was more than five years older than their spouse. The majority (77%) of the sample was within five years of age from their spouse and 18% were more than five years younger than their spouse.

[3] Note that prior literature does not offer a recommendation for what percent of income decline should be considered a constraint on households. Therefore, 15% to 20% of the respondents were sought to represent households who experienced a decline in income, which resulted in measuring income declines of 15% or more as a form of constraint on the household. Measuring income decline as a continuous variable did not change the significance of the results.

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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Wives tended to have a similar or higher educational level than their spouse (42% and 35%, respectively), yet many (46%) contributed 40% or less to household income. Slightly less than 23% of the sample had a lower educational level than their spouse. Approximately 35% contributed within 40% - 60% to household income and nearly 20% contributed more than 60% to household income.

Wives' average salary was $35,903 (median = $29,000, range = $147 – $614,816) and husbands' average salary was $53,648 (median = $45,000, range = $0 – $475,183). The average household net worth was $210,737 with a median of $140,000 and range of -$905,895 to $1,377,670. The average level of education level of the most educated spouse was some college (13 – 15 years) with the following distribution: 2% with less than 12 years, 28% with 12 years, 30% with 13 – 15 years, 19% with 16 years, and 21% with more than 16 years of education.

Over 77% of the sample had children living at home with a mean of 1.5 and a range of 0 – 7 children at home. Almost 16% of the sample experienced a decline of 15% or more of their household income from 2004 to 2006. The costly communication variable was obtained through a principal component factor analysis of all 10 sources of arguments (i.e., money, chores, children, affection, religion, free time, drinking, spouse's relatives, own relatives, other women). The alpha for the factor was .76 and the average factor score was nearly 0 (4.12^{-17}) with a range of -1.70 to 3.94. According to Hair, Anderson, Tatham, and Black (1995), "the factor score represents the degree to which each individual scores high on the group of items that load high on a factor" (p. 390). A higher score was therefore interpreted to mean that couples were arguing more frequently, especially about money and chores in this factor analysis.

Table 2
Descriptive Statistics of the Sample in 2006 (n = 1,371)

Variable	*%*
Money arguing couples	40.12%
Non-money arguing couples	59.88%
Age difference 1 = Wife 6+ years younger	17.72%
2 = Within five years of age	76.95%
3 = Wife 6+ years older	5.32%
Education difference 1 = Wife lower education	22.98%
2 = Same education	41.72%
3 = Wife higher education	35.30%
Income difference 1 = Wife contributes < 40%	45.66%
2 = Wife contributes 40% – 60%	34.65%
3 = Wife contributes > 60%	19.69%
Wife income: Mean (Range)	$35,903 ($147 – $614,816)
Husband income: Mean (Range)	$53,648 ($0 – $475,183)
Household net worth: Mean (Range)	$210,737 (-$905,895 - $1,377,670)
Highest level of education of household	
1 = Less than 12 years	2.04%
2 = 12 years	28.23%
3 = 13 – 15 years	29.83%
4 = 16 years	19.04%
5 = More than 16 years	20.86%

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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Children living at home: Mean (Range)	1.48 (0 – 7)
1 = Children at home	77.32%
0 = No children at home	22.68%
Income decline (2004 – 2006 changes)	
1 = Income declined by more than 15%	16.48%
0 = Income increased or declined by less than 15%	83.52%
Costly communication: Mean (Range)	0 (-1.70 – 3.94)

Regression Analysis

Results from the logistic regressions showed that the three concepts of power, resource availability, and household constraints contained statistically significant variables that differentiated couples (as reported by wives) who argued about money and those who did not. However, when controlling for arguments in general (costly communication), a clearer picture of variables related to money content specifically emerged.

Regression 1: Money Arguments

The results for the first regression model are presented in Table 3. Based on standardized beta estimates, resource availability (wife income) accounted for the most variation in arguing about money followed closely by household constraints (children in the home) and power (income and age differences). In terms of resource availability, married women with income levels in the first through third quartiles argue were more likely to be part of a money arguing couple compared to married women with the highest levels of income. Net worth did not appear to impact the likelihood of being a money arguing couple.

Table 3
Logistic Regression Results without Controlling for Costly Communication

Variable	*Coefficient*	*Point estimate*	*Standardized beta estimate*
Power			
Age difference (vs. same)			
Wife six or more years younger	-0.4104**	0.663	-0.0864
Wife six or more years older	-0.4889	0.613	-0.0605
Education difference (vs. same)			
Wife has lower educational level	0.1099	1.116	0.0255
Wife has higher educational level	0.2020	1.224	0.0533
Income difference (contribute 40-60%)			
Wife contributes less than 40%	-0.1454	0.865	-0.0399
Wife contributes more than 60%	0.4987**	1.647	0.1094
Resource Availability			
Wife income (vs. Quartile 4)			
Quartile 1	0.5702*	1.769	0.1371
Quartile 2	0.6063**	1.834	0.1438
Quartile 3	0.4750**	1.608	0.1139
Husband income (vs. Quartile 4)			
Quartile 1	-0.2400	0.787	-0.0569
Quartile 2	-0.0987	0.906	-0.0234

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253
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Quartile 3	-0.1192	0.888	-0.0287
Household net worth (vs. Quartile 4)			
Quartile 1	0.2871	1.333	0.0681
Quartile 2	0.2637	1.302	0.0632
Quartile 3	0.2073	1.230	0.0496
Highest level of education (vs. 12 yrs.)			
Less than 12 years	0.3885	1.475	0.0303
13 – 15 years	-0.0283	0.972	-0.0071
16 years	0.0001	1.001	0.0001
More than 16 years	-0.1192	0.888	-0.0267
Household Constraints			
Children living at home (vs. none)	0.5928***	1.809	0.1369
Income decline (vs. none)	0.1339	1.143	0.0274

*$p < .05$, **$p < .01$, ***$p < .001$

In terms of household constraints, women with children living in the home were nearly twice as likely to report being a money arguing couple compared to married women with no children living in the home. A recent income decline did not impact the likelihood of being a money arguing couple.

With respect to power, married women who were six or more years younger than their spouses were less likely to argue about money than couples with spouses who were within five years of age. Wives were almost twice as likely to report arguments about money when they contributed 60% or more to household income (i.e., they out earned their husbands) compared to wives who contributed equally to total household income.

Regression 2: Money Arguments (Controlling for Costly Communication)

Results for the second regression are shown in Table 4. To control for the communication element within the money negotiation process, the second regression model included an additional variable within the household constraint concept – costly communication. According to the standardized beta estimates, household constraints (costly communication) were the strongest predictor of money arguments, followed by resource availability (income and net worth) and power (income differences).

Table 4
Logistic Regression Results Controlling for Costly Communication

Variable	*Coefficient*	*Point estimate*	*Standardized beta estimate*
Power			
Age difference (vs. same)			
Wife six or more years younger	-0.0517	0.950	-0.0109
Wife six or more years older	-0.5252	0.591	-0.0650
Education difference (vs. same)			
Wife has lower educational level	0.2115	1.236	0.0491
Wife has higher educational level	0.1434	1.154	0.0378
Income difference (contribute 40-60%)			
Wife contributes less than 40%	-0.1704	0.843	-0.0468

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253
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Wife contributes more than 60%	0.5237*	1.688	0.1149
Resource Availability			
Wife income (vs. Quartile 4)			
Quartile 1	0.6555*	1.926	0.1576
Quartile 2	0.6872**	1.988	0.1630
Quartile 3	0.5851**	1.795	0.1403
Husband income (vs. Quartile 4)			
Quartile 1	-0.3839	0.681	-0.0910
Quartile 2	-0.0792	0.924	-0.0188
Quartile 3	-0.2006	0.818	-0.0484
Household net worth (vs. Quartile 4)			
Quartile 1	0.4788*	1.614	0.1136
Quartile 2	0.3523	1.422	0.0844
Quartile 3	0.2417	1.273	0.0579
Highest level of education (vs. 12 yrs.)			
Less than 12 years	0.0288	1.029	0.0023
13 – 15 years	-0.0985	0.906	-0.0249
16 years	0.0328	1.033	0.0071
More than 16 years	-0.0308	0.970	-0.0069
Household Constraints			
Children living at home (vs. none)	0.3131	1.368	0.0723
Income decline (vs. none)	0.1270	1.135	0.0260
Costly communication	1.5160***	4.554	0.8358

*$p < .05$, **$p < .01$, ***$p < .001$

As expected, the higher the degree of arguing in general (as measured by the costly communication variable) the greater the likelihood of being a couple who argues about money. Costly communication accounted for the most variation in money arguments according to the standardized beta estimate. However, when controlling for costly communication, children living at home were no longer a factor in predicting which couples were likely to be money arguers.

Regarding resource availability, results for the wife's income were consistent with the first regression model. Married women with lower levels of income were about twice as likely to be part of a money arguing couple compared to married women with the highest levels of income. When accounting for costly communication, women in marriages with the lowest household net worth were now revealed to be more likely to argue with their spouses about money compared to couples with the highest levels of net worth, consistent with theory.

In terms of power, results were similar to the first regression where wives who out earned their husbands were nearly twice as likely to be in a money arguing marriage compared to wives who contributed less than their husbands to total household income. When controlling for costly communication, age difference was no longer a statistically significant predictor of money arguments.

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253
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DISCUSSION

Couples who are more likely to be money arguers are differentiated by their ability to consume, household constraints, and power inequality. When measuring money negotiation through the frequency of money arguments reported by wives, wives with lower levels of income, having children, increased power evidenced through the wife's contribution to total household income, and decreased power evidenced through the wife's younger age are associated with an increased likelihood of being in a couple who argues about money.

This study conceptualizes the money negotiation process as having a content (allocation of money) as well as a communication (arguing) component. When controlling for arguing in general (costly communication) a clearer picture of the factors that impact money arguing emerges. The regression results, including costly communication as a household constraint, reveal that costly communication is the strongest predictor of money arguments suggesting that being a money arguing couple is more a function of communication than either resource availability or power distribution within the household.

When controlling for the communication activity inherent within negotiation (measured by general arguing), both the level of the wife's income as well as the contribution of her income to total household income play an important role in terms of negotiation content -- i.e., the use of money in the household. While wives with the highest levels of income are least likely to be part of a money arguing couple, wives who out earn their husbands are more likely to report having a money arguing marriage. The latter may be an indication of resistance from one or both spouses to adapt to more non-traditional roles in the household. Both of the statistically significant income findings are consistent with collective bargaining theory, in that an increased ability for consumption decreases the likelihood of arguing about money and that women with income power are more likely to engage in money arguing as they have the comparative advantage to negotiate for individual consumption within the marriage.

Results from the regression model that controlled for costly communication also revealed that couples from the lowest net worth households are more likely to be money arguing couples compared to households with the highest net worth, providing additional evidence to suggest that the ability for consumption is driving the likelihood of being a money arguing couple. This result is only apparent when controlling for costly communication, implying that net worth is more specifically related to the content of the argument rather than the act of arguing itself.

Other differences from comparing the two regressions provide further insight into the content of the money negotiation process versus the communication aspect. For example, having children is a statistically significant factor in the first regression, but not the second. This suggests that children present in the home may be more reflective of the communication activity captured within the money negotiation process rather than the use

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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of money within the household since the addition of the communication control variable eliminated the statistically significant children finding. Similarly, age difference, specifically when the wife is six or more years younger than her husband, is capturing a power differential that appears to be more related to arguing than it is to the particular reason for the arguing, which in this case is the use of money within the household. While some arguing is expected in spousal decision making (Gottman & Notarius, 2002; Smith et al., 2008; Stanley et al., 2002), costly communication, in general, is perhaps more of an issue for households with children and a power differential in terms of age (wife being younger) and not necessarily related to money content.

CONCLUSION

Framing money negotiation as a two-fold construct comprised of content and communication may be a useful tool for both financial- and relationship-related professionals. Controlling for costly communication helps to provide a more precise determination of the predictors of arguments specifically related to the use of money within the household. As evidenced by reports of wives, the topic of money allocation within the household is shown to be influenced by spousal bargaining power (specifically when wives out earn husbands) as well as the level of resources (specifically wife's income and household net worth) which represents the ability for consumption. The results are limited to representing married couples based on wives' (specifically between the ages of 41 and 49) reports. Given that Amato and Rogers (1997) found that women are more likely to report problems in the marriage compared to men, it may be appropriate to sample women when predicting money arguments.

Results from this study highlight the need for professionals trained in "financial therapy," an emerging area dedicated to the integration of economic, cognitive, emotional, behavioral, and relational aspects of financial well-being (Financial Therapy Forum, 2008) since money arguments are influenced by both financial and relational factors. Without controlling for costly communication in the first regression model, it might be concluded that money arguments are predicted by a large age difference between spouses and having a presence of children in the household. However, the second regression model shows that age difference and presence of children may be more related to the communication, rather than the content, aspect of money negotiation.

Many financial planners are aware that their jobs involve much more than financial calculations and have developed methods of connecting with their clients on a more personal level to address other concerns (Kahler, 2005; Maton, Maton, & Marty, 2010; Paskin, 2009). This study provides empirical support for practitioner hypotheses that communication is a large contributor to arguments about money. Financial planners may want to consider adding a marriage and family therapist or psychologist to their practice or have a list of relationship professionals to refer clients to since most financial planners are not equipped to deal with in-depth couple communication issues. According to Maton and associates, the benefits of collaborating with a financial therapist include more open communication between the practitioner and client and better client follow-through. More

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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open communication allows financial professionals to make more appropriate recommendations and better client follow-through ensures that the most difficult stage of the financial planning process, implementation, occurs (Maton et al.).

Further research on the predictors of money arguments using additional data will help to build upon the money negotiation model presented in this study. Understanding that money negotiations involve both a topic (money) and an activity (communication) can provide insight into strategies designed to address money arguments among married couples. Recognizing that arguments specific to the content of money are influenced by consumption ability and spousal power distribution can help to increase our understanding of how money issues impact marriage outcomes such as satisfaction and divorce. The results from this study suggest that financial professionals should pay particular attention to household net worth and income levels as well as household's in which the wife out earns the husband for arguing cues specifically related to money decisions. Households with couples that frequently argue in general (i.e, about more than just money), have resident children, and spousal age differences (specifically younger wife) may be more indicative of the need for communication therapy rather than financial intervention.

Practitioners can immediately use the money negotiation framework (see Figure 1) as a tool with couples to examine why money arguments may be occurring (i.e., unaligned allocation preferences regarding how to allocate money vs. communication behavior). The results from this study may help professionals pinpoint specific areas for action and referral, depending on their focus (financial and/or relationship). The results of this study identify particular groups of clients that practitioners should be most sensitive to for detecting money arguments, which in turn affects utility maximization. These groups include wives who outearn their husbands, wives with lower incomes, and households with lower levels of net worth. The results also provide support for the framework that money arguments are a result of communication behavior with the statistically significant finding of more arguments about money when wives report to also argue about a variety of other issues, leading to a form of time intensive or costly communication.

With this increased understanding of the predictors of money arguments, practitioners and researchers can focus on potential problem areas in a marriage before unwanted outcomes (e.g., reduced marital satisfaction and/or divorce) result. Specifically, most financial planning practitioners gather demographic information that includes income of both spouses and household net worth, which can easily be used to determine which spouse contributes more to the household budget. Marital counseling practitioners may not gather detailed financial data, however the results suggest this is an important diagnostic tool in identifying whether the couple is at increased risk for arguments about money. Conversely, marital counselors are likely to gather information on the topics of conflict in a relationship, whereas financial planners may not have this information on their intake form. Similar to specific financial data, information on how often a couple is arguing in general is important in predicting their frequency of money arguments. In essence, this study suggests that collaboration among financial planners and marriage counselors to

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

© 2010 Journal of Financial Therapy Association

understand the intermingling of clients' multi-dimensional lives is important in reducing arguments about money among married spouses.

ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253
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ISSN: 1945-7774
DOI: 10.4148/jft.v1i1.253

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