Understanding the Marriage–Cohabitation Gap in Income Pooling. Evidence from 29 European Countries*

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Abstract

Objective To determine how cohabiting and married couples manage their incomes across 29 European countries.

Background Pooling all incomes was long seen as the norm in male-breadwinner marriages, but in a time of dual-earner families, cohabitation, and divorce, the underpinnings of this model are eroding. What consequences does this have for income pooling?

Method We compare ca. 130,000 married and cohabiting couples from 29 European countries in the 2010 European Union Survey of Income and Living Conditions (EU-SILC) via random effects logit models.

Results We show that cohabiting couples are generally more likely than married couples to keep at least some income separately, the so-called cohabitation gap. Roughly a fifth of this gap we can attribute to compositional differences between married and cohabiting couples. Further, the cohabiting group is heterogeneous and smaller when comparing only couples with children or only couples with a long relationship duration. Lastly, we show that there is substantial variation in the size of the cohabitation gap across countries. The size of this gap varies with the country-specific cohabitation rate, divorce rate, and female labor force participation rate.

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Conclusion While there is considerable heterogeneity among cohabiting couples, married and cohabiting couples remain distinct in their resource-sharing behavior. Income pooling does not become more comparable when cohabitation, marital instability, and women’s economic independence become more widespread in the broader society. Our study reconciles disparate findings of previous cross-national research on the cohabitation gap.

Introduction

Cohabitors are more likely than their married counterparts to favor financial arrangements that separate some or all of their resources (Hamplová and Le Bourdais, 2009), reflecting what has been called the “cohabitation–marriage gap” (Hamplová *et al.*, 2014). Union type is one of the strongest predictors of how money is organized, but the magnitude of the difference varies cross-nationally (Hiekel *et al.*, 2014). How much financial practices diverge by union type is of interest, because couple arrangements for managing money speak to broader debates on the forces behind the rise in non-marital unions and the changing meaning of marriage and cohabitation (Cherlin, 2004; Ishizuka, 2018; Zaidi and Morgan, 2017).

At issue is whether marriage and cohabitation have, at least in some places, become virtually the same. Studies have addressed the congruence or difference of the two union types on a number of dimensions, such as contraceptive practice (Sweeney *et al.*, 2015), relationship quality (Soons and Kalmijn, 2009; Tai *et al.*, 2014), home ownership (Thomas and Mulder, 2016), couple disagreements (Van der Lippe *et al.*, 2014), time allocated to work and home (Bianchi *et al.*, 2014), mental health (Perelli-Harris and Styrc, 2017), and union stability (Musick and Micheltore, 2018). For 17, largely European countries in the early 1990’s, however, Heuveline and Timberlake (2004) identified only Swedish cohabitation as conforming to an ‘indistinguishable from marriage’ ideal type.

Others posit a convergence over time between marriage and cohabitation. For example, Kiernan’s (2001) four-stage cohabitation trajectory starts with 1) cohabitation being a deviant phenomenon practiced by a minority of couples, 2) moves to cohabitation serving as a trial form of marriage, 3) then cohabitation being a valid alternative to marriage, as evidenced by children being born to cohabitants, and 4) finally marriage and cohabitation being virtually the same with children being born and raised in both types of union. The implication is that cohabitations will become like marriages, that is, committed and enduring relationships that are accepted as fully normalized. Evolutionary-stage theories of family change have been criticized for failing to appreciate path-dependent differences between countries, for assuming a single end point, and for neglecting the heterogeneity of cohabitations (Thornton, 2005; Zaidi and Morgan, 2017).

Nonetheless, important empirical questions are raised by the theoretical clarity and intuitively appealing logic of cohabitation typologies (Heuveline and Timberlake, 2004; Hiekel *et al.*, 2014; Hiekel and Castro-Martín, 2014; Kiernan, 2001; Sassler and Miller, 2017; Sobotka and Toulemon, 2008).

One unanswered question concerns the magnitude of the cohabitation–marriage gap in income pooling. Given interest in the similarity in union types today, how much country-to-country variation is there in this gap in the financial arrangements of married and cohabiting couples? Do differences in this gap stem from the differences between countries in the individual and couple characteristics of their populations? Or, do they reflect contextual differences between countries that influence the salience of the nature of marriage and cohabitation and their associated practices of resource pooling and separation?

Drawing on the literature on marriage, cohabitation, and the organization of money in intimate unions, this study formulates theoretically informed hypotheses to explain country-to-country differences in the cohabitation–marriage gap. Data come from the European Union Survey of Income and Living Conditions (EU-SILC) 2010. Its question module on ‘intra-household sharing of resources’ contains nationally representative information on about 130,000 married and cohabiting couples from 29 European countries. The 2010 EU-SILC is arguably the best available data set to address the cohabitation–marriage gap cross-nationally.

This study makes three contributions. First, we address the universality of the cohabitation–marriage gap by exploiting a data source covering more countries than previously available to researchers. Establishing that cohabitators across countries are more likely than married persons to keep their money separate, we investigate not just the existence, but also the magnitude of the cohabitation–marriage gap. Second, testing theoretically motivated hypotheses of the micro-level predictors of couples’ financial practices across European societies, we evaluate whether country differences in the pooling gap reflect country differences in population composition. Third, building on theoretical arguments that both cohabitation and income segregation are mechanisms to manage risks in partnerships, we test country-level factors argued to predict the cohabitation–marriage gap in financial arrangements.

Different Partnership Institutions, Different Financial Practices

Marriage and to a lesser degree cohabitation are institutionalized arrangements with established customs and practices. Their different functions and meanings make them compatible with different ways of organizing money. Several features of the unions—the risks arising from their divergent purposes, the pro-

tections afforded by social norms and legal regulation, the reliance on a breadwinner-homemaker model—are of particular importance. Depending on the degree of differentiation between cohabitation and marriage, union type may be more or less closely coupled with financial arrangements across countries.

From historical and theoretical perspectives, the integration of economic resources has been a pivotal function for marriage as a social institution. Traditionally, marriage consolidated the wealth, land, and power of spouses and their extended families (Lauer and Yodanis, 2011). Engels (1902) highlighted the role of private property in the creation of the modern family, arguing that monogamous marriages were invented to ensure the legitimate inheritance of family wealth. Today, many scholars implicitly or explicitly assume that husbands and wives pool their resources to maximize a joint utility function promoting mutual satisfaction and wellbeing (Becker, 1981; Bennett, 2013; Lersch, 2017).

Although income pooling continues to be associated with formal marriage, the last half century witnessed a dramatic rise in unmarried cohabitation (Noack *et al.*, 2014; Sánchez Gassen and Perelli-Harris, 2015), a co-residential union that has a different logic for organizing and managing financial resources (Brines and Joyner, 1999; Oppenheimer, 2003). Compared to married persons, unmarried cohabitators are less likely to pool their resources and more likely to hold money back from the common pot (Ashby and Burgoyne, 2008; Elizabeth, 2001; Kan and Laurie, 2014; Lyngstad *et al.*, 2011; Oropesa *et al.*, 2003; Vogler *et al.*, 2006).

Qualitative distinctions between the institutions of marriage and cohabitation may account for why resources are pooled or partitioned differently in the two types of unions. Marriages—being bolstered by strong symbolic meaning, social norms, and legal obligations—embody ideals of commitment and permanence (Treas *et al.*, 2014). Traditionally, marriage assumed highly gendered roles that promised mutual benefits from male-breadwinner-and-female-homemaker specialization (Becker, 1981). This model of marriage, however, gives rise to the wife’s economic dependency on her husband. Women are placed at risk by gender specialization, not only because women’s wage prospects decline if they forgo employment, but also because their remarriage chances decrease with age (Treas, 1993). Despite vulnerabilities, legal marriages enjoy robust normative and institutional regulation that compels partner performance and fosters union continuity, as well as providing state protections for a financially dependent partner (Sánchez Gassen and Perelli-Harris, 2015). Thus, marriages invite resource pooling by creating ‘enforceable trust’ between spouses (Cherlin, 2004).

Whether they are a step toward marriage or an alternative to singlehood (Rindfuss and VandenHeuvel, 1990), cohabitations are often short-term and provisional. Focus groups in Australia and nine European countries all describe cohabitation as accommodating limited commitment, relationship testing, and

personal freedom (Perelli-Harris *et al.*, 2014). Lacking many of the institutional protections of marriage, cohabitations pose greater risks of partner opportunism and union dissolution. Indeed, cohabitators are more likely than married couples to split up (Liefbroer and Dourleijn, 2006). Whether financial, social, or psychological, cohabitation’s risks discourage partners from making big personal investments in the relationship, especially unequal investments that can balance out only over extended periods of time (Brines and Joyner, 1999). Unmarried couples favor separate financial arrangements that put fewer personal resources at risk and are easier to undo if the relationship ends (Lyngstad *et al.*, 2011). In any case, cohabitators have less need for a common pot. Avoiding a highly gendered, male-breadwinner-and-female-homemaker marriage, each cohabiting partner is apt to have own income to sustain independent financial arrangements (Lyngstad *et al.*, 2011).

Observers point to social changes impacting factors consequential for the financial organization of resources (Vogler, 2005). Increasingly, cohabiting couples, like married ones, have children (Eickmeyer *et al.*, 2019; Hiekel and Castro-Martín, 2014). This union investment suggests a more marriage-like commitment by cohabitators and a need to pool resources to support offspring. Meanwhile, marriages are argued to be undergoing a deinstitutionalization, weakening social expectations for behavior that distinguished them from unmarried unions (Cherlin, 2004). Across countries, expectations for the breadwinner–homemaker marriage have certainly diminished (Treas *et al.*, 2014). At the same time, cohabitations have been subject to greater institutionalization; with growing social acceptance and legal regulation, cohabitations are increasingly equated with marriages (Lyngstad *et al.*, 2011; Treas *et al.*, 2014). These grounds for congruence between the two types of unions underscore the call for considering the cohabitation–marriage gap in income pooling in terms of both the characteristics of individuals and the country-contexts that give rise to couples’ financial practices.

Personal Characteristics: Who Pools, Who Separates Resources?

Cohabiting couples are less likely to pool resources and hold money back than married couples (Hamplová and Le Bourdais, 2009; Heimdal and Houseknecht, 2003; Kan and Laurie, 2014; Knudsen and Wærness, 2009; Vogler *et al.*, 2006). Cohabitation is selective of people whose circumstances and needs differ from those attracted by marriage—often with implications for financial arrangements. For instance, young people favor unmarried cohabitation with its looser expectations, because they appreciate intimacy and shared living expenses, even if they are not ready for the life-long commitment to one person (Oppenheimer,

2003). Being less committed, they are less inclined to pool all money.

Compared to married persons, cohabitators are younger, are less committed to the relationship, and experience unions of shorter duration (Hiekel *et al.*, 2014). They are more likely to have been married previously (Hiekel *et al.*, 2014) and to make equal financial contributions to the cohabiting relationship (Brines and Joyner, 1999). If only because personal and couple characteristics influence how money is organized, marriages and cohabitations differ in financial practices.

Consistent with lower relationship commitment, there are fewer union-specific investments in cohabitations (Poortman and Mills, 2012). Cohabitators are less likely than their married counterparts to have children although the two types of unions are converging (Hiekel *et al.*, 2014). Couples with children in the household, especially own children (Lyngstad *et al.*, 2011; Hiekel *et al.*, 2014), are more likely to pool income (Lauer and Yodanis, 2011; Treas, 1993; Winkler, 1997). Having children has been found to moderate the relation between union status and pooling, reducing the marriage–cohabitation gap in parents’ financial practices (Winkler, 1997).

If only because they do not transfer readily to new relationships (Treas, 1993), ‘sunk costs’ encourage pooling by locking partners into a union and, thus, minimizing risks of break ups. Indicative of greater investments, longer union duration promotes pooling (Hamplová *et al.*, 2014; Lersch and Vidal, 2016; Lyngstad *et al.*, 2011). The shorter duration of cohabitations, however, discourages pooling. Unlike children, union duration does not appear to moderate the marriage–cohabitation gap (Hamplová *et al.*, 2014).

Although a current marriage encourages pooling, a previous marriage promotes separate financial arrangements (Burgoyne and Morison, 2008; Hamplová *et al.*, 2014; Hiekel *et al.*, 2014; Kan and Laurie, 2014). Perhaps, prior marriage sensitizes individuals to dissolution risks (Perelli-Harris and Styr, 2017; Treas, 1993). Alternatively, it may involve constraints (e.g. children from earlier unions) on how resources are organized (Lersch and Vidal, 2016).

The joint investment in breadwinner–homemaker specialization—more common in marriage—calls for pooled income that the woman can access. By contrast, women’s independence and individualized relationships are linked to both cohabiting and keeping resources separate. Women’s employment is associated with less pooling (Hiekel *et al.*, 2014; Treas, 1993). Separate resources are reported when the woman’s income is higher than (or similar to) the man’s (Hamplová and Le Bourdais, 2009; Yodanis and Lauer, 2007a), when her income increases (Lott, 2017), when she works full-time (Lott, 2017), when she is employed more hours than her partner (Hamplová *et al.*, 2014), and when gender attitudes support women’s employment (Hamplová and Le Bourdais, 2009; Lauer and Yodanis, 2011).

Demographic characteristics show mixed results. Studies find that being

older favors separate resources (Hamplová *et al.*, 2014; Knudsen and Wærness, 2009; Yodanis and Lauer, 2007a), but Lauer and Yodanis (2011) show that age is negatively linked to keeping some—but not all—money separate. The association of age and separate money is positive, negative, or nonsignificant depending on the country examined (Hamplová and Le Bourdais, 2009; Hiekel *et al.*, 2014). The relation may be nonlinear. Wife’s age is positively associated with a common bank account in the U.S., but both partners tend to keep separate accounts in old age (Treas, 1993). Male respondents are less likely than females to report pooling, but also more likely to point to separate management for both self and partner (Yodanis and Lauer, 2007b). Hamplová and Le Bourdais (2009), however, do not find gender to be significant in three European countries and the U.S.

Education may be positively related to holding resources back (Hamplová *et al.*, 2014; Hiekel *et al.*, 2014; Lersch and Vidal, 2016), but some studies report the opposite (Yodanis and Lauer, 2007a). Joint bank accounts in the U.S. are linked to the husband’s, not the wife’s, schooling (Treas, 1993). Household income is unrelated (Hamplová *et al.*, 2014; Lersch and Vidal, 2016), but others report a positive relationship for family income and pooling (Yodanis and Lauer, 2007a). Among U.S. couples, higher income is significantly associated not only with joint accounts, but also with separate accounts for both partners (Treas, 1993). In Germany, the wife’s, but not husband’s, income relates positively to separate arrangements (Lott, 2017).

The Cohabitation–Marriage Gap in Cross-National Perspective

Research has identified micro-level predictors of income pooling, but results are mixed on whether country context matters for the cohabitation–marriage gap in financial arrangements. Hiekel *et al.* (2014) find that cohabitators are significantly less likely to pool than married persons in France, Germany, Romania, and Russia, but find no cohabitation gap in Georgia or Bulgaria. The researchers speculate that contextual differences account for this exceptionalism where cohabitations are usually short-lived arrangements prior to marriage, and low incomes do not permit the budget inefficiencies of separate purses.

Some studies find no country differences in the size of the cohabitation gap. Heimdal and Houseknecht (2003) compare Sweden and the U.S. and find that cohabiting couples are more likely to keep some or all money separate. Besides prior divorce, only cohabitation predicts money management in both countries. However, the cohabitation–marriage gaps are of comparable size, indicating no contextual influences on how money is handled in the two types of unions. Comparing French and English-speaking Canada—which differ in culture, laws, and

cohabitation levels—also reveals no difference in the size of the cohabitation gap (Hamplová *et al.*, 2014). Nor does the magnitude differ between the American, Danish, French, and Spanish contexts (Hamplová and Le Bourdais, 2009).

Others report that the size of cohabitation–marriage gap does vary from country to country (Hiekel *et al.*, 2014; Treas and Widmer, 2000). It does not depend on welfare regime type (Hamplová and Le Bourdais, 2009; Heimdal and Houseknecht, 2003), but there is a strong North–South difference in Europe, perhaps due to cohabitation being high in Nordic countries and low in Southern European ones (Atkinson and Marlier, 2010). The largest study on the cohabitation–marriage gap so far reports that the cohabitation gap across twenty industrialized countries is bigger where there is greater gender equality (Pepin, 2018).

Insights on contextual influences also come from research that is restricted to married couples (Lauer and Yodanis, 2011; Yodanis and Lauer, 2007a,b) or that does not distinguish between married and cohabiting persons (Ludwig-Mayerhofer *et al.*, 2011; Roman and Vogler, 1999; Treas and Widmer, 2000). Treas and Widmer (2000) provide an early cross-national indication of cohabitation’s role, as separate money in a marriage was predicted by an earlier experience cohabiting. Separate finances stood out in countries where more people had past cohabitation experiences and where public opinion supported women working for pay. Elsewhere, studies of married couples identify more institutional factors. Macro-level predictors of separate resources include ‘individualized alternatives to marriage’ such as non-marital fertility, a male breadwinner culture indicated by women’s labor force share, and inequality in national income (Lauer and Yodanis, 2011; Yodanis and Lauer, 2007a,b).

Hypotheses

A high degree of relationship commitment distinguishes marriage from the more provisional institution of cohabitation and may account, in part, for the willingness of unmarried couples to pool resources. The theorizing on the evolution of cohabitation, however, posits the convergence of the two union types not only on commitment, but also on related variables such as union permanence and childbearing. Given these observations, we propose hypotheses informing the cohabitation gap in pooling.

At the individual level, we anticipate greater pooling when couples have invested more in their union. That is, *there will be more pooling when children are present in the household and when the union has lasted longer*. Because cohabiting unions are shorter and contain fewer children, we would expect less pooling than in marriages. Controlling for these relationship investments should, therefore, reduce any difference in financial arrangements associated with union

status. This is our *composition* hypothesis. Assuming that there is greater uniformity in investments for marriages than for less fully institutionalized cohabitations, we expect a significant interaction with union status. Specifically, *children and longer unions will contribute to pooling more for cohabitations than for marriages*. This is our *heterogeneity* hypothesis.

Beyond the personal characteristics of individuals and couples, contextual features of countries are also expected to predict the cohabitation–marriage gap. Three contextual factors are especially relevant.

First, we evaluate the *cohabitation rate*. Following Liefbroer and Dourleijn (2006), when cohabitators make up a small share of couples, they can be drawn from one extreme of the population distribution, where there is, say, limited commitment and more reluctance to invest in the relationship. Strong selective forces favoring separate monies cannot be sustained when cohabitation has become a ‘normative life event for most population subgroups’ (Kroeger and Smock, 2014), as is the case in the U.S. and many parts of Europe. Drawn from a broader population, cohabitators will be more heterogeneous and more like married persons in financial arrangements and their predictors. Furthermore, pervasive cohabitation is tied to greater social acceptance and legal institutionalization of non-marital unions (Sánchez Gassen and Perelli-Harris, 2015). If such stabilizing influences reduce the risks of unmarried cohabitation, they reduce the need for cohabitators to hold money back from the common pool. Thus, *higher cohabitation rates will be associated with a smaller cohabitation gap in pooling*.

Second, as noted above, pooling is desirable and even necessary in traditional unions founded on male breadwinning and female homemaking. Higher *female labor force participation* raises the likelihood that women, regardless of union status, can look to personal incomes that mitigate risks associated with economic dependency on a partner. This implies diminished forces of selection in terms of who chooses to cohabit versus marry. Greater involvement of women in the economy also implies that married people, like cohabiting ones, will be in a position to hold back some resources from the common pot. *Higher female labor force participation rates will be associated with a smaller cohabitation gap in pooling*.

Third, we consider *divorce rates*, which are shown to be closely coupled with the rise in cohabitation in 15 European countries (Perelli-Harris and Styrce, 2017). Focus groups confirm that Europeans, whatever their own partnership history, are well aware of the costs of divorce (Perelli-Harris *et al.*, 2014). We have argued that their higher risk of union dissolution discourages cohabitators from pooling resources. If higher divorce rates translate to greater uncertainty about the continuity of marriage, husbands and wives can be expected to behave more like their cohabiting counterparts—investing fewer resources in a common

pot and more in separate purses. This reduces the difference in financial practices based on union status. Thus, *a higher divorce rate will be associated with a smaller cohabitation gap in pooling.*

Method and Data

We use data from the European Union Survey of Income and Living Conditions (EU-SILC) 2010 module on ‘intra-household sharing of resources.’ EU-SILC is a representative, cross-nationally comparable survey that is used by researchers and policy makers alike. The European Commission primarily uses the survey to calculate poverty rates. We enrich our individual- and couple-level data with country-level data from different sources.

The 2010 data contain information about 150,000 heterosexual couples from 31 European countries, namely the 28 member states of the European Union as well as Switzerland, Iceland, and Norway. We excluded two countries from the analysis. Lithuania, a country known for having a low share of cohabitators (Sánchez Gassen and Perelli-Harris, 2015), did not distinguish between married and cohabiting couples in its questionnaire. Romania only assessed marital status for a subsample. Table A1 in the supplementary material shows country-specific sample sizes and country-level variables.

Measures

The outcome variable of *income pooling* was measured on the household level by the question ‘How are the incomes you receive in your household dealt with?’ with responses being ‘all incomes are common resource,’ ‘some incomes are common resource,’ and ‘all incomes are private resource.’ The last category—all incomes are kept separately—was chosen by only six per cent of respondents. Therefore, keeping some and keeping all money separate were combined, resulting in a dichotomized variable (not all income pooled =1, else = 0). The cohabitation gap is expressed as the percent of cohabiting couples keeping at least some income separate minus the percent of married couples keeping at least some income separate. Households without income ($N = 287$) were excluded. Given that income sharing is a household-level item, it may be reported by either partner or by a third household member. If the reporting person was not a partner (5% of households), the case was excluded from analysis.

We distinguish between *married* and unmarried, *cohabiting* couples. Further, a dummy variable compares couples with own *children in the household* with couples without any children under the age of 18 years in the household. Given the relatively high age of couples in our data, this variable likely underestimates the share of couples with children, as older children have left the household already. To ameliorate this problem, we control for age in all models.

Our measure further cannot distinguish between biological or step-children. Respondents also report the *length of cohabitation* irrespective of the legal status of their partnership. This relationship duration was broken into dummy variables (less than ten years, ten to 19 years, 20 to 29 years, and 30 or more years).

We report *employment status* of both partners with the five most prevalent combinations, namely both working full time, male partner working full time and female not working, male partner working full time and female working part-time, male partner not working and female partner working, and a residual category for other options, including neither partner working.

We control for the *educational level* of the couple. We control for the educational attainment of both partners separately, distinguishing low (up to lower secondary, ISCED levels 0–2), medium (higher secondary, ISCED 3–4), and high education (tertiary, ISCED 5–6) (UNESCO, 2006).

For *income*, we collapsed the after-tax household income, adjusted for household size, into country-specific quantiles.

Lastly, we control for the *sex* of the respondent who answered the household questions. Given that the correlation between male and female partners' ages is greater than .9, we control only for the male partner's *age*, as expressed in a set of dummy variables.

There are three country-specific variables. *Cohabitation rates* are calculated from our data set as the percentage of cohabiting couples per country. Correlating .78 with out-of-wedlock birth rates (Eurostat, 2018, 'demo.find') for our countries, our measure is a reasonably valid indicator of cohabitation for the societies under study. *Divorce rates*, expressed as the number of divorces per 1,000 marriages in a given year, are drawn from Eurostat (2018, 'demo.ndivind'). *Female labor force participation rates* for women aged 15–64 years are also obtained from Eurostat (2018, 'lfsa_argan').

Analytical strategy

We estimate random coefficient logit models to test our hypotheses. A statistically significant, negative coefficient for marriage signifies the anticipated cohabitation gap associated with union status. Data comprise individuals clustered in countries, making it necessary to account for this clustering with a random intercept. We are further interested in cross-national variation in the cohabitation gap, requiring a random slope for the marital status variable as well as a covariance between the two random parameters. For replicating the analyses presented in this manuscript, we provide a Stata do-file on-line [here](#). The EU-SILC data used for our analyses are publicly available for researchers accredited by Eurostat.

Results

There is country-to-country variation in the percentage of couples keeping income separate (Figure 1, Panel A). While less than 15 per cent of all couples keep income separate in Malta, Greece, and Hungary, more than 40 per cent do so in Iceland, Austria, Finland, and Slovenia. In virtually all 29 countries, cohabiting couples are more likely than married ones to keep income separate (Figure 1, Panel B). The size of this marriage-cohabitation gap varies considerably across countries, however. While the percentage point difference between married and cohabiting couples in keeping income to oneself is not significantly different from 0 in Croatia, the cohabitation gap equals 55 percentage points in Switzerland and ranges from 35 to 40 in France, Germany, and Denmark.

Table 1 presents descriptive statistics for individual-level variables. Across all countries, 25 per cent of couples keep some income separate. Only twelve per cent of all couples cohabit, but the large sample allows us to study comparatively small populations. As relates to the composition and heterogeneity hypotheses, 42 per cent report a relationship of thirty or more years while 40 per cent have children in the household.

Table 2 reports micro-level findings from the logit models for separate income. Consistent with the cohabitation gap, marital status is a significant predictor of income practices. Considering only union status, married couples are, indeed, less likely than cohabiting ones to keep income separate. As Model 1 shows, after controlling for respondent's sex and the man's age, the odds of keeping income separate are approximately 68 per cent lower for married than cohabiting couples ($OR = .32, p < .001$). Model 2 adds the two indicators of investment in the union, namely, children in the household and relationship duration. As expected, both are negatively associated with the odds of keeping income separate. With these controls, the size of the cohabitation gap in separate income versus pooling changes. The odds for married couples having separate income are now 62 per cent lower ($OR = .38, p < .001$). This means that we find some support for our *composition* hypothesis, which attributed the cohabitation gap to compositional differences by union status to the presence of children and to union duration.

Model 3 adds socioeconomic controls, namely couple work status tapping female dependence, as well as income, and education. With respect to work status, the reference couples with both partners working full time have predictably higher odds of keeping income separate than breadwinner-homemaker couples where the husband works full-time and the woman not at all. The full-time, dual-career couples also have higher odds of separate income than couples with neither partner working. We find no significant difference in separate income practices compared to those with a full-time male breadwinner and a woman working part time. Nor are there differences when only the woman works.

Figure 1: *Panel A*: Per cent of couples with separate income and *Panel B*: marriage-cohabitation gap in separate income, by country.

Note: Error bars denote 95% confidence intervals.

Table 1: Descriptive statistics

	Proportion/Mean (SD)	Min.	Max.
Not all incomes as common resources	0.25	0	1
Married	0.88	0	1
Children in household	0.40	0	1
Relationship duration:			
less than 10 years	0.18	0	1
10-19 years	0.20	0	1
20-29 years	0.20	0	1
30+ years	0.42	0	1
Employment status:			
Both full-time	0.30	0	1
Man FT, woman not working	0.17	0	1
Man FT, woman PT	0.11	0	1
Man not working, woman working	0.08	0	1
Both not working or other	0.33	0	1
Education female:			
Lower educated	0.31	0	1
Medium educated	0.44	0	1
Higher educated	0.25	0	1
Education male:			
Lower educated	0.29	0	1
Medium educated	0.46	0	1
Higher educated	0.25	0	1
Household income:			
First quintile (poorest)	0.14	0	1
Second quintile	0.18	0	1
Third quintile	0.21	0	1
Fourth quintile	0.23	0	1
Fifth quintile (richest)	0.24	0	1
Female respondent	0.51	0	1
Age male:			
up to 29 years	0.04	0	1
30-39 years	0.16	0	1
40-49 years	0.23	0	1
50-59 years	0.23	0	1
60-69 years	0.19	0	1
70-79 years	0.12	0	1
80+ years	0.04	0	1
Divorces per 100 marriages	45.15 (15.70)	2	70
Cohabiting couples, %	12.13 (6.79)	1	26
Female LFP, 15-64 y	65.00 (7.99)	43	82
Observations	129,623		

Table 2: Models predicting keeping at least some income separate, logit random intercept models, coefficients reported as odds ratios

	Model 1	Model 2	Model 3	Model 4	Model 5
Married (ref.: cohabiting)	0.32***	0.38***	0.36***	0.28***	0.30***
Child(ren) in household (ref.: no)		0.70***	0.81***	0.53***	0.82***
Married $\times$ Child(ren)				1.74***	
Relationship duration: less than 10 years (ref.)					
10-19 years		0.61***	0.61***	0.61***	0.53***
20-29 years		0.72***	0.74***	0.75***	0.47***
30+ years		0.52***	0.55***	0.59***	0.33***
Marital status $\times$ rel. duration					
Married $\times$ 10-19 years					1.28***
Married $\times$ 20-29 years					1.75***
Married $\times$ 30+ years					1.85***
Work status: both fulltime (ref.)					
Man FT, woman not working			0.78***	0.78***	0.78***
Man FT, woman PT			1.03	1.04	1.03
Man not working, woman working			1.00	1.01	1.01
Both not working or other			0.86***	0.86***	0.86***
Woman: education (ref.: medium)					
Lower educated			1.12***	1.12***	1.12***
Higher educated			1.09***	1.09***	1.10***
Man: education (ref.: medium)					
Lower educated			1.06**	1.06**	1.06**
Higher educated			0.97	0.97	0.97
Household income (ref.: First quintile)					
Second quintile			1.32***	1.32***	1.32***
Third quintile			1.74***	1.74***	1.75***
Fourth quintile			2.20***	2.19***	2.20***
Fifth quintile (richest)			2.58***	2.58***	2.59***
Female respondent (ref.: male)	1.10***	1.11***	1.14***	1.14***	1.14***
Man: Age (ref.: 30-39 years)					
up to 29 years	1.26***	0.97	1.14***	1.09*	1.10*
40-49 years	1.14***	1.24***	1.25***	1.23***	1.24***
50-59 years	1.60***	1.65***	1.66***	1.65***	1.66***
60-69 years	1.18***	1.26***	1.40***	1.40***	1.41***
70-79 years	0.83***	0.90**	1.12**	1.12**	1.12**
80+ years	0.60***	0.66***	0.86**	0.86**	0.86*
No. countries	29	29	29	29	29
No. individuals	129,623	129,623	129,623	129,623	129,623
Deviance	136,004	134,966	132,503	132,301	132,396
Chi-squared (df)	4,886 (8)	5,809 (12)	7,793 (24)	7,911 (25)	7,871 (27)
% keeping some separate	25.2	25.2	25.2	25.2	25.2

Note: Exponentiated coefficients. Logit coefficients, standard errors, and variance components available in Table A2.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Compared to women with medium levels of education, both lower- and higher-educated women have higher odds that income is kept separate; this equates to 12 per cent higher odds ($p < .001$) for the lower-educated and 9 per cent odds ($p < .001$) for the higher-educated, even when controlling for the education of the male partner. Also couples with lower-educated men are more likely to keep some income separate ($OR = 1.06$, $p < .05$); couples with higher- and medium-educated male partners are comparable in being more likely to pool. We find a clear social gradient in household income: For the richest income quartile, there are more than double the odds of keeping some income separate ($OR = 2.58$, $p < .001$) compared to couples from the lowest quintile. Taken together, however, socioeconomic factors hardly affect the cohabitation gap ($OR = .36$, $p < .001$).

Models 4 and 5 test our *heterogeneity* hypothesis. It posits not only that unions with longer duration or with children in the household will be associated with a greater likelihood of pooling all resources, but also that the financial practices of cohabiting couples will be more responsive to these union investments than married couples. Interaction terms testing the hypothesis are indeed significantly different from zero at conventional levels, indicating that married couples with children and with longer relationship duration are more likely to pool their incomes than cohabiting couples in the same situations. This confirms our heterogeneity hypothesis.

Figure 2 summarizes these results, presenting predicted probability differences based on the models shown in Table 2. Only 23 per cent of married couples keep income separate compared to 47 per cent of cohabiting couples, yielding a cohabitation gap of 24 percentage points in Model 1. (The cohabitation gap without controls for age and respondent sex is of the same size.) Models 2 and 3 reveal a smaller net cohabitation gap in financial practices once composition (in terms of sex, age, union investments, and socioeconomic circumstances) is taken into account. The gap is by a fifth smaller—20 percentage points—in Model 2. Nonetheless, socio-economic factors, including gender specialization in work, do not narrow the cohabitation gap above and beyond the contributions of age, sex, children, and union duration (Model 3). Importantly, taking account of the relationship investments known to distinguish cohabitation from marriage results in a smaller cohabitation gap in financial practices.

Models 4 and 5 both yield several estimates of the net cohabitation gap. Couples with children show a cohabitation gap of 14 percentage points, half of the cohabitation gap of married couples (28 percentage points). Similarly, relationship duration moderates the size of the cohabitation gap, from more than 25 percentage points for those who have spent less than ten years to a roughly ten percentage points gap for those after 30 or more years. This is in line with the heterogeneity hypothesis, which posits both having children and

Figure 2: Predicted probability differences in keeping income separate (cohabitation gap) before and after control variables based on Table 2 models.

Note: Error bars denote 95% confidence intervals.

having spent more years together are linked to greater similarity between the married and cohabiting in how couples manage their money.

Figure 3: Predicted probability of keeping income separate by cohabitation, divorce, and female labor force participation rates shown for marital status and presence of children.

Note: Shaded areas denote 95% confidence intervals. Full models shown in Table A3

Figure 3 presents results for the country-level contextual hypotheses as based on the full models in Table A3 in the supplementary materials. Given the importance of heterogeneity among married and cohabiting couples in Figure 2, we further stratify our analyses by children in the household. Panel A shows that the higher a country's cohabitation rate, the greater the cohabitation gap. In countries with little cohabitation, married and cohabiting couples are more similar in their financial practices. Where cohabitation is common, the more likely cohabiting couples are to keep some of their incomes separate. This is true of cohabitators with children in the household as well as those without. Married couples' pooling behavior, however, is only very weakly associated with the cohabitation rate in a country. Married couples are less likely than cohabitators to keep money separate, regardless of the prevalence of cohabiting couples around them. This is not in line with our hypothesis regarding cohabitation rates,

which had argued that higher cohabitation rates would translate to a bigger cohabitation gap. All couples seek more separate arrangements with greater cohabitation rates, but the influence is visibly greater for the cohabiting.

Panel B of Figure 3 shows the size of the cohabitation gap for couples with and without children by country-specific divorce rate. We present a quadratic specification of the divorce rate that provided a better model fit. The greater the divorce rate, the bigger the cohabitation gap. However, at higher rates of divorce, the cohabitation gap becomes a bit smaller. This finding does not support our hypothesis, which had posited that the insecurity of higher marital instability would lead to a smaller cohabitation gap in income pooling, because married couples would behave more like cohabiting ones.

Panel C of Figure 3 reveals that female labor force participation does predict the extent of the cohabitation gap. In countries with higher female labor force participation, both married and cohabiting couples are more likely to keep income separate, but cohabitations without children are more likely than married couples to do so when more women work. This does not support the hypothesis that greater female labor force participation would translate to a smaller cohabitation gap. Across all three panels, it is of note that the pooling behavior of married couples is less responsive to country-level factors than the pooling behavior of cohabiting couples.

Robustness checks

We assessed the sensitivity of our findings with several robustness checks, which all lead to substantively similar conclusions. First, we modeled our outcome variable with a multinomial random effects logit model, where we distinguish between couples keeping some or all income separately as opposed to collapsing both categories (Table A4). Second, we stratified models by respondent sex, given its significant main effect in the previous models (Table A5). Third, we restricted the sample to younger respondents only (25–50 years) (Table A6). Fourth, we replicated analyses with a linear probability model with a random intercept to assess the extent that unobserved heterogeneity is affecting our findings (Table A7).

Discussion

Analyzing the income pooling behavior of almost 130,000 couples from 29 European countries confirms that there is a cohabitation–marriage gap, with cohabiting partners being more likely to keep income separate than married ones. First, we show that some of this gap is due to composition differences, including the extent to which married and cohabiting couples invest in the union. Cohabiting couples are less likely to have union investments that make pooling income more

likely—children in the household and shorter relationship duration. Second, we show that there is heterogeneity among cohabiting couples. Cohabiting partners with characteristics long associated with marriage—children and longer relationships—treat their income more like married couples do. Some gap in income pooling remains even for relationships of 30 or more years, however, suggesting that fundamental differences between marriage and cohabitation persist. Third, we show that the cohabitation–marriage gap in income pooling varies considerably across countries. It is associated with the cohabitation rate, the divorce rate, and the female labor force employment rate in a country, albeit not in the direction suggested by theorizing about risk and uncertainty in the two union types.

Our study reconciles disparate findings of previous research on the cohabitation gap across countries. Previous studies either suggested no country differences (Hamplová and Le Bourdais, 2009; Hamplová *et al.*, 2014; Heimdal and Houseknecht, 2003) or quite substantial cross-country variation (Hiekel *et al.*, 2014). Our results show that the latter is true: There is substantial variation in the size of the cohabitation gap in resource-sharing. However, in line with the findings of (Hamplová and Le Bourdais, 2009), we also show that the cohabitation gaps in Denmark, France, and Germany are of similar size. Moreover, we confirm the results of Hiekel *et al.* (2014), who reported small or non-significant cohabitation gaps in four central and eastern European countries.

Further, we show that the financial behaviors of cohabiting and married couples do not become more comparable when cohabitation, marital instability, and women’s economic independence become more widespread in the broader society, a novel and key finding for understanding the nature of conjugal unions. Based on theorizing about the evolution of cohabitation, we had hypothesized that the cohabitation gap would be smaller under these circumstances because cohabitators would have fewer incentives to keep incomes separate. Yet, our empirical results showed that the opposite is the case. This is particularly true among cohabitators without children. Cohabitators with children are more similar to married couples than those without. Furthermore, for married couples, the having children in the household does not moderate the effect of the institutional factors on the likelihood of keeping money separate. In other words, the institutional context is most consequential for childless cohabitators.

We provide two complementary explanations for these findings. First, both keeping income separate and cohabitation rates could be driven by the same processes: the cultural importance of individual autonomy and self-fulfillment (Lesthaeghe, 2014) and more individualized, romantic relationships (Cherlin, 2004; Treas and Widmer, 2000). Both independent money management and cohabitation are individualized relationship practices and therefore coincide in institutional contexts where cohabitation is more common and institutional-

ized. Resource-pooling is a riskier strategy when male-breadwinner marriage is less entrenched, when policies facilitate women’s continuous labor market participation, and relationship instability is greater. These conditions promote independent money management, particularly among those not protected by the legal status of marriage.

A second explanation would be the composition of the groups of cohabiting and married couples. As cohabitation becomes more widespread, cohabiting couples grow more diverse and overlap more with married couples in background characteristics and relationship commitment. The increasing normalization of cohabitation means that it encompasses not only couples with limited expectations for the future, but also couples with marriage-like commitments whose cohabitation is a viable alternative to marriage given broad social acceptance. Further, the number of couples who have no long-term expectations for the future, but prefer sharing a household to a dating relationship, may also increase when the social acceptance and practical feasibility of cohabitation are greater. Such a selection into cohabitation when cohabitation is more widespread helps explain our finding that childless cohabitators are more likely to keep income separate in contexts of widespread cohabitation, female labor force participation, and marital instability. At the same time, cohabitation serves as an alternative to marriage, which is visible in the substantial differences we find between cohabitators with and without children in the household, with the first group more similar to married couples in financial practices.

When looking at married couples, income pooling is rather constant across countries and institutional contexts. While the size of the cohabitation gap varies across contexts, this is mostly due to the financial behavior of cohabiting couples. This finding is consistent with the idea that the symbolic value of marriage remains strong (Billari and Liefbroer, 2016). The symbolic and normative value of making a public commitment to a life partner may actually increase when cohabitation exists as an accepted alternative to marriage, and thereby foster marital solidarity as well as selection of couples into marriage based on these properties.

We have to acknowledge several limitations of our study. Given the data at hand, we lack a dynamic perspective on the cohabitation gap, which would allow us to distinguish between pre-marital and non-marital cohabitation. Further, we cannot address the values and attitudes of respondents with our data, but the rich socio-economic information at our disposal counterbalances this limitation.

Overall, our study makes important contributions to our understanding of resource-sharing by couples in contexts where marriage and cohabitation exist side by side. The results reveal substantial cross-national variation in the cohabitation gap and show that this variation reflects differences in population composition only to a limited extent. We find strong evidence that married

and cohabiting couples remain distinct in their resource-sharing behavior, in that cohabiting couples are less likely to pool incomes. In times when income inequalities between households are at the center of attention, this inequality within households sheds light on the current state of the two institutions within which individuals partner and raise children.

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Supplement

Additional information

Table A1 shows the sample sizes by country and values for the country-level variables used in the analyses. Table A2 shows Table 2 from the main text as log odds coefficients rather than odds ratios, as well as standard errors and variance components. Table A3 shows the cross-level interaction models underlying Figure 3 from the main text.

Table A1: Sample sizes by country and country-level variables

Country	Sample size	Divorce rate	Female labor force participation rate	Cohabitation rate
Austria	3,446	14.1	46.5	68.9
Belgium	3,433	18.8	68.6	61.8
Bulgaria	3,593	7.7	45.3	62.2
Switzerland	3,859	14.0	51.0	75.3
Cyprus	2,721	3.0	31.7	67.4
Czech Republic	5,424	10.2	65.9	61.5
Germany	7,560	11.0	49.0	70.9
Denmark	3,584	14.1	46.7	76.0
Estonia	2,981	26.0	59.0	71.1
Spain	8,651	9.1	62.0	66.3
Finland	6,700	20.5	45.5	72.5
France	6,629	22.6	53.2	65.8
Greece	4,508	1.2	23.6	57.5
Croatia	2,110	4.1	23.8	59.6
Hungary	5,492	13.1	67.2	56.3
Ireland	2,354	9.0	15.1	64.5
Iceland	1,849	24.9	36.4	81.8
Italy	11,390	6.8	24.9	51.1
Luxembourg	3,293	12.3	61.9	60.3
Latvia	2,957	17.8	53.1	70.8
Malta	2,437	1.5	1.6	42.5
The Netherlands	6,065	15.0	44.7	72.6
Norway	3,049	23.2	43.9	75.5
Poland	7,975	3.1	26.8	58.5
Portugal	3,346	6.8	69.8	69.7
Sweden	3,001	24.3	47.2	76.2
Slovenia	5,472	14.8	37.2	67.4
Slovak Republic	3,461	4.0	47.3	61.3
United Kingdom	2,283	14.4	47.2	69.3

Notes: *Divorce rates:* number of divorces per 1,000 marriages, drawn from Eurostat (2018, ‘demo_ndivind’). *Female labor force participation rate* for 15–64 year-olds from Eurostat (2018, ‘lfsa_argan’). *Cohabitation rates:* percentage of cohabiting couples per country from EU-SILC. All variables refer to 2010.

Table A2: Models predicting keeping at least some income separate, logit random intercept models, coefficients reported as log odds ratios

	Model 1	Model 2	Model 3	Model 4	Model 5
Married (ref.: cohabiting)	-1.15*** (0.02)	-0.96*** (0.02)	-1.01*** (0.02)	-1.29*** (0.03)	-1.20*** (0.03)
Child(ren) in household (ref.: no)		-0.36*** (0.02)	-0.21*** (0.02)	-0.63*** (0.04)	-0.20*** (0.02)
Married $\times$ Child(ren)				0.55*** (0.04)	
Relationship duration: less than 10 years (ref.)					
10-19 years		-0.49*** (0.02)	-0.49*** (0.02)	-0.50*** (0.02)	-0.64*** (0.04)
20-29 years		-0.33*** (0.03)	-0.30*** (0.03)	-0.28*** (0.03)	-0.75*** (0.06)
30+ years		-0.65*** (0.03)	-0.60*** (0.03)	-0.53*** (0.03)	-1.12*** (0.09)
Marital status $\times$ rel. duration					
Married $\times$ 10-19 years					0.25*** (0.05)
Married $\times$ 20-29 years					0.56*** (0.07)
Married $\times$ 30+ years					0.62***

Table A2—*Continued from previous page*

			(0.09)
Work status: both fulltime (ref.)			
Man FT, woman not working	-0.25***	-0.24***	-0.25***
	(0.02)	(0.02)	(0.02)
Man FT, woman PT	0.03	0.03	0.03
	(0.02)	(0.02)	(0.02)
Man not working, woman working	0.00	0.01	0.01
	(0.03)	(0.03)	(0.03)
Both not working or other	-0.16***	-0.15***	-0.15***
	(0.03)	(0.03)	(0.03)
Woman: education (ref.: medium)			
Lower educated	0.11***	0.11***	0.11***
	(0.02)	(0.02)	(0.02)
Higher educated	0.09***	0.09***	0.09***
	(0.02)	(0.02)	(0.02)
Man: education (ref.: medium)			
Lower educated	0.05**	0.06**	0.06**
	(0.02)	(0.02)	(0.02)
Higher educated	-0.03	-0.03	-0.03
	(0.02)	(0.02)	(0.02)
Household income (ref.: First quintile)			
Second quintile	0.28***	0.28***	0.28***
	(0.03)	(0.03)	(0.03)

Table A2–Continued from previous page

Third quintile			0.56***	0.55***	0.56***
			(0.03)	(0.03)	(0.03)
Fourth quintile			0.79***	0.79***	0.79***
			(0.03)	(0.03)	(0.03)
Fifth quintile (richest)			0.95***	0.95***	0.95***
			(0.03)	(0.03)	(0.03)
Female respondent (ref.: male)	0.09***	0.10***	0.13***	0.13***	0.13***
	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Man: Age (ref.: 30-39 years)					
up to 29 years	0.23***	-0.03	0.13***	0.09*	0.09*
	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
40-49 years	0.13***	0.22***	0.22***	0.21***	0.22***
	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)
50-59 years	0.47***	0.50***	0.51***	0.50***	0.51***
	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
60-69 years	0.16***	0.23***	0.34***	0.34***	0.34***
	(0.02)	(0.03)	(0.04)	(0.04)	(0.04)
70-79 years	-0.19***	-0.11**	0.11**	0.11**	0.11**
	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)
80+ years	-0.51***	-0.42***	-0.15**	-0.15**	-0.15*
	(0.05)	(0.05)	(0.06)	(0.06)	(0.06)
Constant	-0.32***	0.04	-0.66***	-0.46***	-0.56***
	(0.09)	(0.09)	(0.10)	(0.10)	(0.10)

Table A2–*Continued from previous page*

Intercept variance	0.23*** (0.06)	0.24*** (0.06)	0.24*** (0.06)	0.24*** (0.06)	0.24*** (0.06)
No. countries	29	29	29	29	29
No. individuals	129,623	129,623	129,623	129,623	129,623
Deviance	136,004	134,966	132,503	132,301	132,396
Chi-squared (df)	4,886 (8)	5,809 (12)	7,793 (24)	7,911 (25)	7,871 (27)
% keeping some separate	25.2	25.2	25.2	25.2	25.2

Note: Standard errors in parentheses.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A3: Models predicting keeping at least some income separate, cross-level interactions, logit random slope models, coefficients reported as logit odds ratios, all controls shown

	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11
Married (ref.: cohabiting)	-0.98*** (0.10)	-1.19*** (0.10)	-0.99*** (0.10)	-1.19*** (0.09)	-0.90*** (0.10)	-1.14*** (0.10)
Children	-0.20*** (0.05)	-0.61*** (0.05)	-0.21*** (0.05)	-0.59*** (0.06)	-0.20*** (0.05)	-0.54*** (0.06)
Married $\times$ Child(ren)		0.66*** (0.05)		0.52*** (0.04)		0.47*** (0.05)
Cohabitation rate					0.04*** (0.00)	0.06*** (0.01)
Married $\times$ Cohabitation rate						-0.03* (0.01)
Child(ren) $\times$ Cohabitation rate						-0.02* (0.01)
Married $\times$ Child(ren) $\times$ Cohabitation rate						0.04*** (0.01)
Divorce rate	-0.00 (0.00)	0.00 (0.01)				
Divorce rate squared	-0.00*** (0.00)	-0.00** (0.00)				
Married $\times$ Divorce rate		-0.01 (0.01)				

Table A3—*Continued from previous page*

Child(ren) $\times$ Divorce rate	-0.00					
	(0.00)					
Married $\times$ Child(ren) $\times$ Divorce rate	0.00					
	(0.00)					
Married $\times$ Divorce rate $\times$ Divorce rate	0.00					
	(0.00)					
Child(ren) $\times$ Divorce rate squared	0.00					
	(0.00)					
Married $\times$ Child(ren) $\times$ Divorce rate squared	-0.00***					
	(0.00)					
Female labor force participation rate		0.03***	0.06***			
		(0.00)	(0.01)			
Married $\times$ Female labor force participation rate			-0.03*			
			(0.01)			
Married $\times$ Child(ren) $\times$ Female labor force participation rate			0.04***			
			(0.01)			
Relationship duration: less than 10 years (ref.)						
10-19 years	-0.49***	-0.50***	-0.49***	-0.50***	-0.49***	-0.50***
	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)
20-29 years	-0.32***	-0.29***	-0.32***	-0.31***	-0.32***	-0.30***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
30+ years	-0.62***	-0.54***	-0.62***	-0.56***	-0.62***	-0.56***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

Table A3—*Continued from previous page*

Work status: both fulltime (ref.)						
Man FT, woman not working	-0.24***	-0.24***	-0.23***	-0.23***	-0.23***	-0.23***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Man FT, woman PT	0.03	0.04	0.03	0.04	0.04	0.04
	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
Man not working, woman working	0.02	0.01	0.02	0.02	0.02	0.02
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Both not working or other	-0.14***	-0.15***	-0.14***	-0.15***	-0.14***	-0.14***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Woman: education (ref.: medium)						
Lower educated	0.11***	0.12***	0.11***	0.11***	0.12***	0.11***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Higher educated	0.08***	0.08***	0.08***	0.08***	0.08***	0.07***
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Lower educated	0.06**	0.07***	0.06**	0.06**	0.06**	0.06**
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Higher educated	-0.02	-0.03	-0.02	-0.03	-0.02	-0.03
	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Household income (ref.: First quintile)						
Second quintile	0.27***	0.27***	0.27***	0.27***	0.27***	0.27***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Third quintile	0.55***	0.54***	0.55***	0.54***	0.55***	0.55***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)

Table A3—Continued from previous page

Fourth quintile	0.78*** (0.03)	0.78*** (0.03)	0.78*** (0.03)	0.78*** (0.03)	0.78*** (0.03)	0.78*** (0.03)
Fifth quintile (richest)	0.95*** (0.03)	0.96*** (0.03)	0.95*** (0.03)	0.96*** (0.03)	0.96*** (0.03)	0.96*** (0.03)
Female respondent (ref.: male)	0.13*** (0.01)	0.13*** (0.01)	0.13*** (0.01)	0.13*** (0.01)	0.13*** (0.01)	0.13*** (0.01)
Man: Age (ref.: 30-39 years) up to 29 years	-0.12** (0.04)	-0.15*** (0.04)	-0.12** (0.04)	-0.16*** (0.04)	-0.12** (0.04)	-0.16*** (0.04)
30-39 years	-0.24*** (0.03)	-0.21*** (0.03)	-0.24*** (0.03)	-0.23*** (0.03)	-0.24*** (0.03)	-0.23*** (0.03)
50-59 years	0.30*** (0.02)	0.31*** (0.02)	0.30*** (0.02)	0.31*** (0.02)	0.30*** (0.02)	0.31*** (0.02)
60-69 years	0.13*** (0.03)	0.15*** (0.03)	0.13*** (0.03)	0.15*** (0.03)	0.13*** (0.03)	0.15*** (0.03)
70-79 years	-0.10** (0.04)	-0.08* (0.04)	-0.10** (0.04)	-0.08* (0.04)	-0.10** (0.04)	-0.08* (0.04)
80+ years	-0.37*** (0.06)	-0.35*** (0.06)	-0.38*** (0.06)	-0.35*** (0.06)	-0.38*** (0.06)	-0.36*** (0.06)
Child(ren) $\times$ Female labor force participation rate				-0.02** (0.01)		
Constant	-0.25* (0.11)	-0.09 (0.16)	-0.60*** (0.10)	-0.42*** (0.10)	-0.55*** (0.09)	-0.43*** (0.09)

Table A3–Continued from previous page

Slope variance married	0.48 (0.13)	0.24 (0.06)	0.42 (0.11)	0.33 (0.09)	0.47 (0.13)	0.42 (0.12)
Slope variance children	0.06 (0.02)		0.06 (0.02)	0.06 (0.02)	0.06 (0.02)	0.05 (0.02)
Intercept variance	0.24 (0.06)	0.34 (0.08)	0.22 (0.05)	0.23 (0.05)	0.23 (0.05)	0.25 (0.08)
Covariance married, children	0.02 (0.04)		0.01 (0.04)	0.01 (0.03)	0.02 (0.04)	0.03 (0.04)
Covariance intercept, married	-0.15 (0.09)	-0.18 (0.06)	-0.12 (0.07)	-0.12 (0.06)	-0.07 (0.07)	-0.00 (0.07)
Covariance intercept, children	-0.02 (0.02)		0.01 (0.01)	0.02 (0.01)	-0.01 (0.01)	-0.00 (0.01)
No. countries	29	29	29	29	29	29
No. individuals	129,623	129,623	129,623	129,623	129,623	129,623
Deviance	131,396	131,385	131,377	131,117	131,407	131,147
Chi-squared (df)	4,380 (26)	4,823 (33)	4,418 (25)	4,579 (29)	4,518 (25)	4,591 (29)
% keeping some separate	25.2	25.2	25.2	25.2	25.2	25.2

Note: Standard errors in parentheses. Model 7 has convergence problems when including all random slope and covariance terms. Further inspection of the model has shown that these slopes and covariances are substantively small and we removed them from the model to facilitate convergence.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Robustness checks

We assessed the sensitivity of our findings with several robustness checks, which all lead to substantively similar conclusions. First, we modeled our outcome variable with a multinomial random effects logit model, where we distinguish between couples keeping some or all income separately as opposed to collapsing both categories (Table A4). Second, we stratified models by respondent sex, given its significant main effect in the previous models (Table A5). Third, we restricted the sample to younger respondents only (25–50 years) (Table A6). Fourth, we replicated analyses with a linear probability model with a random intercept to assess the extent that unobserved heterogeneity is affecting our findings (Table A7).

Table A4: Models predicting keeping income separate (reference category: all income pooled), multinomial logit random intercept models, coefficients reported as odds ratios

	Model 1		Model 2		Model 3		Model 4		Model 5	
	Some common	All private	Some common	All private	Some common	All private	Some common	All private	Some common	All private
Married (ref.: cohabiting)	0.38***	0.19***	0.43***	0.27***	0.41***	0.26***	0.32***	0.19***	0.33***	0.23***
Child(ren) in household (ref.: no)			0.73***	0.60***	0.86***	0.68***	0.58***	0.45***	0.87***	0.68***
Married × Child(ren)							1.65***	1.84***		
Relationship duration: less than 10 years (ref.)										
10-19 years			0.61***	0.62***	0.61***	0.61***	0.61***	0.61***	0.52***	0.53***
20-29 years			0.80***	0.49***	0.83***	0.51***	0.84***	0.52***	0.48***	0.44***
30+ years			0.60***	0.34***	0.63***	0.36***	0.67***	0.39***	0.35***	0.25***
Marital status X rel. duration										
Married × 10-19 years									1.30***	1.26**
Married × 20-29 years									1.95***	1.21
Married × 30+ years									1.99***	1.50**
Work status: both fulltime (ref.)										
Man FT, woman not working					0.77***	0.82***	0.77***	0.82***	0.77***	0.82***
Man FT, woman PT					0.97	1.25***	0.98	1.26***	0.97	1.25***
Man not working, woman working					0.97	1.12*	0.98	1.12*	0.98	1.12*
Both not working or other					0.84***	0.93	0.84***	0.93	0.84***	0.93
Woman: education (ref.: medium)										
Lower educated					1.11***	1.16***	1.11***	1.16***	1.11***	1.16***
Higher educated					1.11***	1.05	1.11***	1.04	1.11***	1.05
Man: education (ref.: medium)										
Lower educated					1.04	1.13***	1.04	1.13***	1.04	1.13***
Higher educated					0.96	1.00	0.96*	0.99	0.96	1.00
Household income (ref.: First quintile)										
Second quintile					1.37***	1.19***	1.37***	1.19***	1.38***	1.19***
Third quintile					1.86***	1.44***	1.85***	1.44***	1.86***	1.44***
Fourth quintile					2.34***	1.80***	2.34***	1.80***	2.34***	1.81***
Fifth quintile (richest)					2.70***	2.26***	2.70***	2.26***	2.71***	2.26***
Female respondent (ref.: male)	1.13***	0.98	1.14***	1.00	1.17***	1.02	1.17***	1.03	1.17***	1.03
Man: Age (ref.: 30-39 years)										
up to 29 years	1.28***	1.19**	0.99	0.91	1.17***	1.05	1.13**	1.01	1.12**	1.02
40-49 years	1.13***	1.17***	1.18***	1.42***	1.19***	1.40***	1.18***	1.38***	1.19***	1.40***
50-59 years	1.60***	1.58***	1.54***	1.95***	1.56***	1.91***	1.56***	1.91***	1.56***	1.92***
60-69 years	1.14***	1.33***	1.13***	1.74***	1.28***	1.81***	1.28***	1.81***	1.28***	1.81***
70-79 years	0.78***	1.02	0.78***	1.37***	0.99	1.57***	0.99	1.58***	1.00	1.58***
80+ years	0.49***	1.04	0.50***	1.40***	0.67***	1.66***	0.67***	1.66***	0.67***	1.66***
Constant	0.49***	0.24***	0.69***	0.36***	0.33***	0.20***	0.40***	0.24***	0.37***	0.21***
No. countries	29		29		29		29		29	
No. individuals	129,623		129,623		129,623		129,623		129,623	
Deviance	170,747		169,527		166,970		166,784		166,845	

Note: Exponentiated coefficients

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A5: Models predicting keeping at least some income separate, stratified by respondent sex, logit random intercept models, coefficients reported as odds ratios

	Model 1		Model 2		Model 3		Model 4		Model 5	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Married (ref.: cohabiting)	0.32***	0.32***	0.39***	0.38***	0.37***	0.36***	0.29***	0.27***	0.32***	0.29***
Child(ren) in household (ref.: no)			0.70***	0.70***	0.80***	0.83***	0.52***	0.55***	0.81***	0.84***
Married $\times$ Child(ren)							1.72***	1.73***		
Relationship duration: less than 10 years (ref.)										
10-19 years			0.63***	0.60***	0.62***	0.61***	0.61***	0.60***	0.57***	0.50***
20-29 years			0.70***	0.74***	0.71***	0.77***	0.72***	0.80***	0.45***	0.49***
30+ years			0.51***	0.54***	0.53***	0.57***	0.56***	0.62***	0.33***	0.32***
Marital status $\times$ rel. duration										
Married $\times$ 10-19 years									1.16*	1.37***
Married $\times$ 20-29 years									1.69***	1.81***
Married $\times$ 30+ years									1.72***	2.01***
Work status: both fulltime (ref.)										
Man FT, woman not working					0.79***	0.77***	0.79***	0.77***	0.79***	0.77***
Man FT, woman PT					1.04	1.01	1.05	1.02	1.04	1.01
Man not working, woman working					0.99	1.01	0.99	1.02	1.00	1.02
Both not working or other					0.82***	0.89***	0.82***	0.89**	0.82***	0.89**
Woman: education (ref.: medium)										
Lower educated					1.15***	1.09**	1.15***	1.10***	1.15***	1.10***
Higher educated					1.08**	1.11***	1.07**	1.11***	1.08**	1.11***
Man: education (ref.: medium)										
Lower educated					1.03	1.07*	1.03	1.07*	1.03	1.07*
Higher educated					1.01	0.93**	1.01	0.93**	1.02	0.93**
Household income (ref.: First quintile)										
Second quintile					1.29***	1.35***	1.29***	1.34***	1.29***	1.35***
Third quintile					1.72***	1.76***	1.72***	1.75***	1.72***	1.76***
Fourth quintile					2.15***	2.23***	2.15***	2.22***	2.15***	2.23***
Fifth quintile (richest)					2.41***	2.75***	2.41***	2.75***	2.41***	2.76***
Man: Age (ref.: 30-39 years)										
up to 29 years	1.31***	1.21***	1.03	0.93	1.19**	1.10*	1.13*	1.07	1.15*	1.06
40-49 years	1.08*	1.19***	1.21***	1.27***	1.22***	1.27***	1.20***	1.25***	1.22***	1.26***
50-59 years	1.49***	1.69***	1.60***	1.69***	1.61***	1.69***	1.61***	1.68***	1.61***	1.69***
60-69 years	1.04	1.32***	1.16**	1.37***	1.32***	1.48***	1.33***	1.47***	1.33***	1.48***
70-79 years	0.73***	0.94	0.82***	0.98	1.05	1.20**	1.05	1.19**	1.05	1.20**
80+ years	0.54***	0.66***	0.62***	0.69***	0.84*	0.87	0.84*	0.86	0.84*	0.87
No. countries	29	29	29	29	29	29	29	29	29	29
No. individuals	64,119	65,504	64,119	65,504	64,119	65,504	64,119	65,504	64,119	65,504
Deviance	65,160	70,858	64,703	70,282	63,634	68,866	63,549	68,755	63,595	68,794
Chi-squared (df)	2,424 (7)	2,409 (7)	2,841 (11)	2,911 (11)	3,699 (23)	4,058 (23)	3,747 (24)	4,124 (24)	3,727 (26)	4,112 (26)
% keeping some separate	23.8	26.6	23.8	26.6	23.8	26.6	23.8	26.6	23.8	26.6

Note: Exponentiated coefficients

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A6: Models predicting keeping at least some income separate, restricted to younger couples (i.e. where the male is between 25 and 50 years old), logit random intercept models, coefficients reported as odds ratios

	Model 1	Model 2	Model 3	Model 4	Model 5
Married (ref.: cohabiting)	0.32***	0.41***	0.39***	0.32***	0.35***
Child(ren) in household (ref.: no)		0.49***	0.57***	0.47***	0.58***
Married $\times$ Child(ren)				1.36***	
Relationship duration: less than 10 years (ref.)					
10-19 years		0.62***	0.62***	0.62***	0.53***
20-29 years		0.76***	0.81***	0.82***	0.49***
30+ years		0.65***	0.74*	0.76*	0.17**
Marital status $\times$ rel. duration					
Married $\times$ 10-19 years					1.26***
Married $\times$ 20-29 years					1.77***
Married $\times$ 30+ years					5.00*
Work status: both fulltime (ref.)					
Man FT, woman not working			0.68***	0.68***	0.68***
Man FT, woman PT			0.90**	0.91**	0.90**
Man not working, woman working			0.87**	0.87**	0.87**
Both not working or other			0.82***	0.82***	0.82***
Woman: education (ref.: medium)					
Lower educated			1.03	1.03	1.03
Higher educated			1.10***	1.09***	1.10***
Man: education (ref.: medium)					
Lower educated			0.94	0.94	0.94
Higher educated			1.07*	1.06*	1.07*
Household income (ref.: First quintile)					
Second quintile			1.25***	1.25***	1.25***
Third quintile			1.52***	1.52***	1.52***
Fourth quintile			1.75***	1.74***	1.74***
Fifth quintile (richest)			2.07***	2.07***	2.08***
Female respondent (ref.: male)	1.03	1.06*	1.09***	1.09***	1.09***
Man: Age (ref.: 30-39 years)					
up to 29 years	1.20***	0.85***	0.95	0.93	0.93
40-49 years	1.14***	1.18***	1.18***	1.18***	1.18***
No. countries	29	29	29	29	29
No. individuals	54,440	54,440	54,440	54,440	54,440
Deviance	57,413	55,984	54,967	54,931	54,918
Chi-squared (df)	2,243 (4)	3,487 (8)	4,243 (20)	4,249 (21)	4,281 (23)
% keeping some separate	25.2	25.2	25.2	25.2	25.2

Exponentiated coefficients

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table A7: Models predicting keeping at least some income separate, linear probability models with random intercepts

	Model 1	Model 2	Model 3	Model 4	Model 5
Married (ref.: cohabiting)	-0.24***	-0.21***	-0.21***	-0.28***	-0.26***
Child(ren) in household (ref.: no)		-0.07***	-0.04***	-0.16***	-0.04***
Married $\times$ Child(ren)				0.14***	
Relationship duration: less than 10 years (ref.)					
10-19 years		-0.09***	-0.09***	-0.09***	-0.14***
20-29 years		-0.06***	-0.06***	-0.05***	-0.16***
30+ years		-0.12***	-0.11***	-0.09***	-0.24***
Marital status $\times$ rel. duration					
Married $\times$ 10-19 years					0.08***
Married $\times$ 20-29 years					0.12***
Married $\times$ 30+ years					0.15***
Work status: both fulltime (ref.)					
Man FT, woman not working			-0.05***	-0.04***	-0.04***
Man FT, woman PT			0.00	0.00	0.00
Man not working, woman working			-0.00	-0.00	-0.00
Both not working or other			-0.03***	-0.03***	-0.03***
Woman: education (ref.: medium)					
Lower educated			0.02***	0.02***	0.02***
Higher educated			0.02***	0.02***	0.02***
Man: education (ref.: medium)					
Lower educated			0.01***	0.01***	0.01***
Higher educated			-0.01	-0.01*	-0.01
Household income (ref.: First quintile)					
Second quintile			0.04***	0.03***	0.04***
Third quintile			0.08***	0.08***	0.08***
Fourth quintile			0.12***	0.12***	0.12***
Fifth quintile (richest)			0.15***	0.15***	0.15***
Female respondent (ref.: male)	0.02***	0.02***	0.02***	0.02***	0.02***
Man: Age (ref.: 30-39 years)					
up to 29 years	0.05***	-0.00	0.02***	0.01	0.01
40-49 years	0.02***	0.04***	0.04***	0.04***	0.04***
50-59 years	0.08***	0.09***	0.09***	0.09***	0.09***
60-69 years	0.03***	0.04***	0.06***	0.06***	0.06***
70-79 years	-0.02***	-0.01	0.03***	0.03***	0.03***
80+ years	-0.06***	-0.05***	-0.00	-0.00	-0.00
Constant	0.44***	0.51***	0.40***	0.46***	0.43***
Intercept variance	0.01	0.01	0.01	0.01	0.01
Residual variance	0.17	0.17	0.17	0.17	0.17
No. countries	29	29	29	29	29
No. individuals	129,623	129,623	129,623	129,623	129,623
Deviance	140,439	139,346	136,900	136,524	136,720

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$