

Husbands still seen as the experts on their household's finances

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Men were more likely to be the spouse with the most knowledge of a couple's finances in 2016 than they were in 1992—especially in wealthy couples, a new study suggests.

Results come from a survey that interviewed the spouse in mixed-sex married couples that was identified by a household member as "more knowledgeable about the household finances."

In 2016, 56% of [husbands](#) were designated as most knowledgeable, up from 53% in 1992 and 49% in 1995. But among households in the top 1% of net worth, the husband was designated as the most knowledgeable in 90% of the households in 2016.

"Despite the progress women have made in society, there still seems to be a gender gap in who takes care of the finances, especially in wealthy households," said Sherman Hanna, lead author of the study and professor of consumer sciences at The Ohio State University.

The study was published online recently in the journal *Financial Planning Review*.

The researchers used data from the Survey of Consumer Finances, sponsored by the Federal Reserve Board. It included surveys of U.S. households conducted every three years from 1992 to 2016. The 2016 survey included 6,248 households.

Results showed that the likelihood that the husband was designated as the most knowledgeable was not related to household income, but only overall wealth based on their assets. Age differences between the spouses and the age of the husband did not have any effects.

Education had a strong effect, with the more educated spouse being more likely to have the most knowledge about the household finances.

Overall, the percentage of husbands listed as most knowledgeable about household finances ranged from 49% to 57% over the 24 years of the study, with the percentage rising or falling slightly from survey to

survey, with a slight upward trend, Hanna said.

But the most notable statistic may be the connection between [household wealth](#) and who knows the most about the finances, he said.

Among the lowest quartile of household total wealth in the 2016 survey, about half reported the husband as knowing the most. That went up to about 65% among those who were in the 75th to 95th percentile in wealth and 90% among those in the top 1% of wealth.

"As net worth increases, the husband is going to be designated as the most knowledgeable and presumably the one making the financial decisions," said study co-author Kyoung Tae Kim, associate professor of consumer sciences at the University of Alabama.

The data in the study can't say why, but the researchers have some ideas based on previous research.

For most people, the majority of their wealth was tied to houses and cars. But for the wealthiest, most of their assets were businesses, investment [real estate](#) and [financial instruments](#) such as stocks and bonds, the SCF data showed.

"These things generally mean taking big risks, and research suggests men are generally more comfortable than women with risky choices," Hanna said. "In addition, studies show that men generally have more financial confidence than women."

That interpretation is bolstered by the fact that the other group in which husbands were most likely to be designated as knowing the most about household finances—other than the wealthiest—were households with negative [net worth](#).

"These may be cases where the risks that the husbands took did not pay off and actually put them in debt," Hanna said.

There may be some reliance on traditional gender roles, as well, the researchers said. In lower-wealth households, where the financial decisions are relatively simple and limited to bill paying and record keeping, men may be more willing to have their wives handle the money.

But as [wealth](#) increases and, with it, the complexity of the finances, men may push to be the decision-makers, Hanna said.

The results have important implications for financial professionals, especially those who work with the wealthy, said study co-author Sunwoo Tessa Lee, a doctoral student in consumer sciences at Ohio State.

"Wealth advisers need to make sure that they work with wives as well as husbands," Lee said.

"Our results suggest many of these wives may not know enough about their household finances, which may be critical if they are ever widowed or divorced."

More information: Sherman D. Hanna et al, Husbands, wives, and financial knowledge in wealthy households, *FINANCIAL PLANNING REVIEW* (2021). [DOI: 10.1002/cfp2.1110](https://doi.org/10.1002/cfp2.1110)

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