

Coworking with their spouses helps women to improve earnings

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School of Business. Credit: Aalto University / Mikko Raskinen

Women and men in coworking couples are disproportionately more likely to have similar earnings, new research finds. Existing research believed that the reason for an apparently excessive number of couples where women earn just a bit less than their partners is the existence of gender norms according to which women should avoid earning more than their partners.

However, the new research, conducted by Dr. Natalia Zinovyeva a visiting professor at Aalto University School of Business and Dr. Maryna

Tverdostup an economist at the Vienna Institute for International Economic Studies, found overwhelming support in favor of the idea that this is caused by self-employed and co-working couples balancing their individual earnings.

When couples start being self-employed, it is more advantageous for both individuals to equalize earnings, as this may help to reduce income tax payments, facilitate accounting, or avoid unnecessary family negotiations. As a result, [couples](#) shift much closer to parity from a typical situation where [women](#) earn only about 42% of [family income](#).

Interestingly, women also benefit from working together with their [partners](#) in the same firm, possibly due to improved negotiation of their wages.

The researchers used linked employer-employee data from Finland that has detailed information on the individual employment and earnings history of the entire population of Finnish individuals for the period between 1988 and 2014.

"This does not imply that [gender norms](#) do not play a role in marriage and in women's labor supply decisions. It is possible that the norm gradually gains importance with the increase in the relative earnings of women, but there is no sharp discontinuity in spouses' preferences around the point with equal earnings," says Dr. Zinovyeva.

The research was published in the *American Economic Journal: Applied Economics*.

More information: Natalia Zinovyeva et al, Gender Identity, Coworking Spouses, and Relative Income within Households, *American Economic Journal: Applied Economics* (2021). [DOI: 10.1257/app.20180542](#)

Provided by Aalto University

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