

Joint bank accounts make for happier couples

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Credit: Anna Langova/public domain

In a world of dual-income households and relationships formed years into one's career (and accumulation of assets and debts), many couples today choose to keep their finances at least partially separate.

A 2014 survey by TD Bank found that 42 percent of couples who had joint accounts also had separate bank accounts. Bank of America

reported in 2018 that 28 percent of millennials in a [relationship](#) keep their banking completely separate.

The Case for Pooling Resources

But research suggests there's a compelling reason to consider 100 percent joint pooling of bank accounts: happiness.

Across five studies they reported in a working paper, University College of London's Joe Gladstone, Notre Dame's Emily Garbinsky and UCLA Anderson's Cassie Mogilner Holmes found that long-term committed couples who pool all their money into joint bank accounts are happier in their relationship and less likely to break up, compared to couples that keep some or all of their money separate.

Notably, the authors assert causation, not mere correlation. "Our findings are not simply the result of more satisfied couples being more likely to join their accounts. Rather, these results demonstrate that method of account management can also influence relationship quality."

It seems that the "mundane" act of household banking plays into a more general sense of togetherness. "It is not that financial autonomy (or maintaining separate accounts) is in itself disadvantageous," the researchers report. "Rather, it is important for couples to perceive their possessions and financial goals as shared, and our research identifies one practical way to facilitate this: merging bank accounts."

A side note for newbie couples: Don't rush. One of the studies the team conducted found that the positive impact reported by long-term committed couples that share all their bank accounts does not persist among couples that have been dating for less than a year.

Gladstone, Garbinsky and Holmes' research started with rounding up

more than 1,000 [married people](#) and asking them to rate on a scale of 1 (not very) to 7 (very) how satisfied they are in their relationship. Participants were typically long past the newlywed stage; the median length of their marriage was more than 12 years and three quarters had kids.

Nearly two thirds of these participants reported having 100 percent pooled bank accounts with their spouse, and this group was the most content, with a median relationship score of 6.10. The 22 percent of participants who reported having both joint and separate bank accounts had a median happiness score of 5.82. The 12 percent of participants who keep their bank accounts entirely separate reported the lowest median level of satisfaction, 5.46.

Using the British Cohort Study, a deep data trove that has tracked a group of children born in Britain in a single week in 1970 for more than 40 years, the authors found that couples that bank together are likelier to stay together than couples that don't.

Gladstone, Garbinsky and Holmes identified more than 7,500 [study participants](#) in a committed relationship during the 2000–2002 wave of the study (when participants were 30–32) and then compared those findings with data pertaining to the same participants in the 2010–2012 wave. Once again, people who said they pooled all their bank assets with their significant other were the most content in their relationship.

To be sure, there can be very good reasons to keep finances separate. For many, maintaining a separate bank [account](#) is an important psychological exclamation of personal control and independence. For some it is the lifeline that makes it possible to leave an abusive relationship. And, alas, for others it may be a necessity to maintain financial secrets: A 2017 survey by TD Ameritrade reported that one third of married participants admit they aren't 100 percent "financially faithful" to their spouse.

Those without a strong reason to keep their finances separate may want to consider: Of participants in the British Cohort Study who reported in 2000–2002 that they kept all their bank money apart, 30 percent were separated by 2010–2012. Among the partial poolers, 26 percent were separated. Among participants 100 percent committed to pooling their bank accounts, 24 percent were separated 10 years on.

Another survey the researchers conducted suggests that it's the "togetherness" vibe that comes with pooling that leads to higher levels of relationship happiness. More than 1,000 married participants were asked to rate their sense of togetherness on a scale of 1 (totally mine) to 7 (totally shared) in a variety of scenarios that include "I view purchases I make as..." and "The goals I have for saving money are..." They were also asked to report their level of relationship happiness on a 1–7 scale.

Once again, the poolers (65 percent of participants) reported the highest satisfaction with their relationship, and they also reported higher levels of "sharing."

More information: Pooling Finances and Relationship Satisfaction.
[www.anderson.ucla.edu/Document ... sites/faculty/review
%20publications/Gladstone-Garbinsky-
Mogilner_Pooling_Finances_and_Relationship_Satisfaction_2018.pdf](http://www.anderson.ucla.edu/Document...sites/faculty/review%20publications/Gladstone-Garbinsky-Mogilner_Pooling_Finances_and_Relationship_Satisfaction_2018.pdf)

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