Effects of Mother's vs. Father's Control of Money on Investments in Children

Catherine Kenney
Bowling Green State University

DRAFT: PLEASE DO NOT CITE WITHOUT PERMISSION

Brief Abstract:

Although developing-country research has found that spending on children's food, healthcare, and education varies depending on which parent controls income, developed-country research on child wellbeing tends to ignore intrahousehold allocation. This study uses data from the Fragile Families and Child Wellbeing 36-Month In-Home Study (N = 1,101 couples) and the Fragile Families 36-Month Core Study (N = 1,615 couples) to analyze how mothers' versus fathers' control of money affects parental investments in children in the United States.

Introduction:

The importance for children's wellbeing of understanding issues of intra-household allocation of resources has come to the forefront in research in developing countries over the past few decades. Studies of investments in children's nutrition, health, and education in such countries have shown that there can be significant differences depending on how and by whom money is managed and controlled within the household and how responsibility for different spending domains is allotted to mothers, fathers, or, in some cases, others such as grandparents. In many different parts of the world, money controlled by women and/or mothers is used differently than money controlled by men and/or fathers. The pattern of the differences varies substantially from culture to culture, with greater investment in a particular domain by fathers in one region or among one subgroup contrasted with greater investment in that domain by mothers in other regions or among other subgroups. In spite of a now substantial body of evidence supporting this conclusion for developing countries, very little research in developed countries has attended to the causes or consequences of differences in money management and control within households. Too often, family scholarship concerning the United States and other developed countries continues to rely, at least implicitly, on a unitary or consensus-based model of household decision-making that ignores the possibility that the use of money in the household may depend on who controls it.

This research builds upon an earlier study (Kenney, forthcoming), also using data from the Fragile Families and Child Wellbeing Study (FFCW), in which I found that there was more likely to be food insecurity for children in households in which fathers controlled either pooled or separate money than those in which mothers controlled pooled or separate money. That finding was consistent with earlier qualitative research (DeVault 1991) finding that in the United States, at least, mothers are more likely than fathers to bear responsibility for the child-feeding domain. However, the evidence from developing countries suggests that different household domains relating to investments in children can be gendered differently—in some places, for example, fathers are responsible for spending on education but not food, while the reverse is true in other places. Thus, in order to understand the influence of parents' allocation of resources and responsibility on investments in children—and ultimately on children's wellbeing—it is important to examine a variety of spending domains. In this paper, I investigate the associations between parents' management and control of money and three different outcomes that represent investments in children and may have an impact on children's wellbeing: the number of developmentally appropriate toys the FFCW focal child has, whether that child has had a regular medical checkup in the past year, and how much is spent out-of-pocket on childcare for the child.

Background

In recent years, development economists and demographers have been influenced by ethnographic work conducted in developing countries on the effects of income under women's versus men's control and have begun to question—and test the assumptions of—the "unitary household" as a model for explaining household resource allocation. These researchers have developed a substantial body of evidence that corroborates the ethnographic evidence: household income is not treated as if it were homogeneous and

fungible; money under women's control is spent differently than money under men's control; and these differences in spending can have serious consequences for children's wellbeing.

At first, a consensus began to form among some researchers that increases in mothers' control over income universally benefit children. Examples of such studies include evidence that income under mothers' control was associated with improvements in child health in Brazil (Thomas, 1990) and with increased spending on nutrients, health and housing in rural Mexico (Djebbari 2005). In Cote d'Ivoire, Hoddinott and Haddad (1995) found that the wife's income share had a positive effect on the budget share allocated to food, and a negative effect on the budget share for clothing, alcohol, and cigarettes. More recent research, which has branched out into different spending domains and a wider variety of cultures, shows that which parent is responsible for particular kinds of investment in children depends on social rules regarding the gendered responsibilities of women and men within households and that such rules vary across cultures. Thus, Quisumbing and de la Briere's (2000) research in Bangladesh showed that increases in mothers' income share resulted in increased spending on children's clothing and education, but it was increases in fathers' income share that lead to increased spending on food. Similarly, Quisumbing and Mallucio (2003) found that increases in fathers' income share increased spending on education in Indonesia and Ethiopia, but in South Africa women's income share increased spending on education and decreased spending on food.

In recent research examining the effects of mothers' versus fathers' control of money on children's food insecurity in the United States, I found that children were more likely to be food insecure when their father controls either pooled or separate income than when their mother controls pooled income. In addition, children were not significantly more likely to experience food insecurity in households in which women control separate money than those in which they control pooled money, once differences in the poverty and hardship levels of these two kinds of households are controlled. The finding that male control of money is associated with greater food insecurity for children was consistent with prior evidence regarding the gendered division of responsibility for acquiring, preparing, and serving food in U.S. households: women are the primary family food-providers, particularly in households with children. However, as the developing country evidence demonstrates, different domains of family investment or spending on children can be gendered differently—that is, just because fathers are less likely to spend money they control on food for children doesn't necessarily mean they will invest less in clothing, or education, or health care.

Data and Methods

This study uses data from two components of the Fragile Families and Child Wellbeing Study (FFCW): the Core Surveys and the "In-Home Longitudinal Study of Pre-School Children" (In-Home Study). The FFCW Core survey is an on-going, national birth cohort survey of unmarried parents and their children with a comparison sample of married parents. It was designed to be representative of non-marital births in U.S. cities with populations over 200,000 (for more on the study design, see Reichman, Teitler, Garfinkel & McLanahan, 2000). Mothers (and many fathers) were first interviewed in the hospital within approximately 48 hours of their child's birth, and they have been re-

interviewed when the child was approximately 12, 36, and 60 months old.   The In-Home Study is a special module added on to the FFCW Core at 36 and 60 months. For respondents to the FFCW who agreed to participate, the In-Home Survey involved an interview conducted in the family's household with more extensive questions on parenting and child health and behavior and various interviewer observations.

The FFCW Core and In-Home data provide a unique opportunity to examine the influence of parents' allocative systems on children's wellbeing. The FFCW 36-month Core Survey included questions on how both married and cohabiting parents manage their money and which partner (or both) really controls money in the household, while the In-Home Survey includes a variety of questions on the child's environment and wellbeing.

Overall response rates in the FFCW Core and In-Home Surveys have been good. Of 4,789 participants in the FFCW baseline survey, over 86% were interviewed for the 36-month Core Survey, while approximately 79% of those 36-month Core survey participants completed the In-Home Study (3,288). Response rates to the In-Home Study differed only slightly by race/ethnicity (79.1% of non-Hispanic White, 80.5% of non-Hispanic Black, 78.5% of Hispanic and 73.5% of Others who responded to the Core participated) and marital status (78.6% of married and 80.1% of unmarried but romantic couples participated).

I use two different samples for the analyses that follow. The first sample is limited to those who participated in the In-Home Survey, because the dependent variables in the first two analyses are derived from that part of the FFCW. The second sample is drawn from the full 36-month Core Survey. Both samples are limited in several ways. First, only couples who were either married or cohabiting at the time of the 36-month Core Survey were asked questions about how they managed or controlled money, and to make causal sense of the results, given that most explanatory variables were drawn from the 12-month survey, couples also had to have been married or cohabiting at the time of the 12-month survey. To avoid situations in which the mother was married to or cohabiting with one individual at the 12-month survey but someone else at the 36-month survey, only couples in which both members are the biological parents of the focal child are included. Second, because the questions on money management and control were not asked in two of the 20 cities in the 36-month FFCW, the analytic sample for this study is drawn from the responses of study participants in the remaining 18 cities. Because of these restrictions, the sample size for the In-Home Study analyses is N=1,101 and the sample size for the Core Study analyses is N=1,615).

Dependent variables. This paper conducts analyses using three different dependent variables associated with investments in children: the number of developmentally appropriate toys the child has; whether the child has had a regular medical checkup in the past year; and how much is spent out-of-pocket (as opposed to subsidies or scholarships) for child care for the focal child.

The dependent variable in the first analysis is the sum of the number of several different kinds of toys the mother says (when asked in the In-Home Study) the child has. One way in which parents can invest in their child's cognitive and social development— and ultimately in their child's human capital—is by providing for the child age-appropriate opportunities for stimulating play that helps to develop large and small motor skills, role-playing and imagination, and other abilities associated with learning.

Although owning particular kinds of toys is certainly not necessary for providing such an environment (motivated parents could provide similar stimulation using a variety of ordinary household items, for example), the presence of developmentally appropriate toys (once the household's ability to afford them is taken into consideration) is nonetheless an indicator of awareness on the part of one or both parents of the value this kind of play can have for children's learning. The first dependent variable combines questions that ask, how many, if any, push or pull toys does child have? How many toys that let child work his/her muscles? How many that have pieces that fit together? How many that can be put together in different ways? How many cuddly, soft, or role-playing toys? How many books for child? How many toys that let him/her make music? How many toys with wheels? The constructed dependent variable, which adds the answers to each separate question, ranges from 8 to 80.

The second dependent variable is a simple indicator of whether or not the child has had a regular medical checkup in the past year. Again, controlling for the ability of the family to afford appropriate medical care, making sure that children get regular checkups is another way that parents can invest in children's short- and long-term wellbeing.

The third analysis actually uses two different, but related, dependent variables: the mother's and the father's reports of how much the family spends per week, out of pocket (as opposed to the full cost of the care, if there are any subsidies), on childcare for the focal child. In cases in which the child is not cared for by someone else, this variable takes a value of zero. I do the analyses separately using each parent's report of the amount spent on child care because it is possible that, if parents keep their money separate, or if only one is really responsible for child care spending, the other may not be aware of how much is spent. By analyzing both parents' responses, I can better understand the extent to which such differences in information may be affecting my results.

Explanatory variables. The key explanatory variable in this study is a measure of how the management and control of money is divided or shared between parents. I measure the couple's management and control of money using a typology of household allocative systems developed in Great Britain by Jan Pahl (1980, 1983, 1990). This measure is created by combining two questions that were asked in the mothers' FFCW 36-month Core Survey. The first question asked, "Couples handle their money differently. Which of the following do you do?" Responses were (a) each keep your own money separate, (b) put some of your money together but keep the rest separate, and (c) put all your money together. The second question asked, "Who would you say controls the money in this household?" The possible responses were (a) respondent herself, (b) husband/partner, (c) both equally, (d) other. Fewer than 3% of respondents answered "other" to the second question, and they were dropped from the sample. For the remaining respondents, I collapsed the first two responses to the first question and combined those results with the second question to create a six-category variable that follows Pahl's typology as follows: (a) Pooled money under both/equal control (Pahl's "genuine joint pool," used by 29% of the analytic sample); (b) Pooled money controlled by the woman (23%); (c) Pooled money controlled by the man (13%); (d) Separate money, controlled equally ("independent management" in Pahl's typology, 14%); (e) Separate money, controlled by the woman (15%); and (f) Separate money, controlled by

the man (the "housekeeping allowance" system, 6.5%). In the final analysis using child care spending as the dependent variable, I test a model that uses the simple three-category money management variable (all separate, some separate, all together) without control over money. In addition, I also include a measure of the proportion of overall household income that is derived from the mother's earnings, to determine whether it is the size of her contribution as it *enters* the household, as opposed to the way in which money is managed and controlled once it is *in* the household (at least metaphorically), that matters.

In addition to the management and control of money, I include a variety of controls for couple or household characteristics, the individual parents' characteristics, and the child's characteristics. Couple/household characteristics include the household's income-to-poverty ratio; an index of material hardships they have suffered over the past year (such as having the gas turned off, or not being able to pay the rent); whether the parents are married or cohabiting; the numbers of adults and children in the household; the quality of the parents' relationship with one another, and whether either parent has had a child with a previous partner ("multi-partner fertility"). Mother's characteristics include her age, education, race-ethnicity, and employment status. Father's characteristics include his employment status. Child's characteristics include the child's sex.

Results

Table 1 provides some evidence that the management and control of money influences parents' investments in children through making available to them developmentally appropriate playthings. In all analyses, the omitted category of the key explanatory variable—the management and control of money—is the mother controlling pooled household monies. Compared to this arrangement, children have significantly fewer developmentally appropriate toys when their fathers control pooled household income. The direction of the coefficient for the effect of fathers controlling separate money is also negative, but because only a small number of couples use this system, the effect is not significant. There is weaker evidence (significant at the .10 level) that when mothers control money that is kept separate (as opposed to pooled with the father's money), children have access to even more toys than when mothers control pooled money. Several of the control variables are strongly associated with this outcome. In particular, children have more developmentally appropriate toys when the household's income is higher or their mother has more education, and they have fewer such toys when their parents cohabit, when their mother is non-Hispanic Black, Mexican-origin, Puerto Rican, or of other Hispanic origin. While this analysis suggests that mothers are responsible for spending on children's toys, I also find that children have more such toys when their father spends more days per week engaged in activities with them.

Table 2, by contrast, shows no effect of parents' management and control of money on whether the child has had a medical checkup in the past year. Interestingly, however, the proportion of household income that comes from the mother's earnings is associated with substantially (and significantly) higher odds that the child will have had a checkup (odds ratio 3.93). Thus, in the case of medical care, it is not how money is managed or controlled once it belongs to one or both adult members of the household, but how much of that money is earned by the mother that appears to matter.

In Table 3, regressions of the mother's and the father's estimates of spending on child care (in which censored normal regression is used to account for the fact that many households do not use paid childcare) show that parental management and control of money do appear to matter. Compared to when the mother controls pooled money, less is spent on child care when the father controls pooled money (and the difference is significant at the .05 level using the father's estimate of spending) and more money is spent on child care when the woman controls separate money. The fact that, given two situations in which the mother 'controls' money, even more money is spent on child care when money is kept separate than when it is pooled, suggests that separation of household monies may be associated with systems in which women's spending is "earmarked" differently—for different household domains—than men's (as is suggested by Zelizer (1994)).

Table 1

Coefficients from Regression of Number of Developmentally Appropriate Toys on Parents' Management and Control of Money and Other Explanatory Variables (N = 1101). Fragile Families 36-Month In-Home Sample.

Predictor	Model 1	
	B	*SE B*
Management/control of money		
Pooled, joint or equal control (pool, woman control omitted)	0.34	1.27
Pooled, man controls	-4.17**	1.59
Separate, equal control	0.30	1.54
Separate, woman controls	2.59†	1.57
Separate, man controls	-3.24	1.99
Couple/household characteristics		
Income-to-poverty ratio	0.68**	0.25
Material hardship index (1-7)	0.52	0.45
Proportion of household income from woman's earnings	-2.20	1.68
Cohabiting	-2.89**	1.09
#Adults in household	-0.40	0.63
#Children in household	-0.71†	0.41
Relationship quality index (1-3)	.08	1.35
Either parent has child(ren) with another partner	0.03	1.06
Woman's characteristics		
Age	0.13	0.09
Education high school or some college (less omitted)	4.46**	1.15
Education college or more	6.57**	1.80
Non-Hispanic Black (Non-Hispanic White omitted)	-8.07**	1.27
Mexican/Central American	-5.25**	1.63
Puerto Rican	-9.16**	2.26
Other Hispanic	-6.57**	2.02
Other race/ethnicity	2.69	2.40
Foreign born	-7.39**	1.52
Unemployed (out of labor force omitted)	-2.39	1.60

Employed part time	0.90	1.49
Employed full time	-2.24†	1.17
Man's characteristics		
Unemployed	-0.39	1.51
Index of avg. #days/wk dad does various activities w/kid	0.95*	0.38
Child's characteristics		
Female	0.19	0.89
Constant	50.09**	5.07
R-squared	0.2671	

Table 2

Odds Ratios from Logistic Regression of Whether Child Has Had a Regular Medical Checkup in the Past Year on Parents' Management and Control of Money and Other Explanatory Variables (N = 1101). Fragile Families 36-month In-Home Sample.

	Model 1	
Predictor	*Odds Ratio*	*SE*
Management/control of money		
Pooled, joint or equal control (pool, woman control omitted)	1.48	.66
Pooled, man controls	0.76	0.37
Separate, equal control	1.54	0.87
Separate, woman controls	1.06	0.58
Separate, man controls	1.92	1.53
Couple/household characteristics		
Income-to-poverty ratio	1.20	0.14
Material hardship index (1-7)	0.96	0.15
Proportion of household income from woman's earnings	3.93*	2.54
Cohabiting	0.71	0.28
#Adults in household	0.91	0.18
#Children in household	1.24	0.21
Relationship quality index (1-3)	2.10†	0.89
Either parent has child(ren) with another partner	1.54	0.60
Woman's characteristics		
Age	0.99	0.03
Education high school or some college (less omitted)	0.58	0.25
Education college or more	0.33†	0.21
Non-Hispanic Black (Non-Hispanic White omitted)	0.77	0.34
Hispanic	1.03	0.52
Other race/ethnicity	1.01	0.78
Foreign born	0.55	0.26
Unemployed (out of labor force omitted)	1.37	0.83
Employed part time	0.87	0.42
Employed full time	0.95	0.39
Man's characteristics		
Unemployed	1.59	1.01
Child's characteristics		
Female	0.91	0.29
Likelihood ratio chi squared (25) = 21.76		
Pseudo R squared = 0.06		

Table 3

Multiple Imputation Parameter Estimates from Censored Normal Regression of Mother's and Father's Estimates of Out-of-Pocket Child Care Costs for FFCW Focal Child on Parents' Management and Control of Money and Other Explanatory Variables (N = 1615).

Predictor	Mother's Estimate of Child Care Cost		Father's Estimate of Child Care Cost	
Management/control of money				
Pooled, joint/equal control (pool-woman omit)	-4.72	8.59	-19.12*	8.99
Pooled, man controls	-22.27†	11.51	-34.03**	11.90
Separate, equal control	15.64	9.98	13.36	10.49
Separate, woman controls	29.38**	9.87	32.36**	10.49
Separate, man controls	19.50	12.47	16.18	13.38
Couple/household characteristics				
Income-to-poverty ratio	11.52**	1.48	8.81**	1.61
Material hardship index (1-7)	-4.67	3.22	-2.59	3.35
Prop. of hh income from woman's earnings	-14.86	12.09	-23.48†	12.98
Cohabiting	-5.90	7.25	-11.97	7.88
#Adults in household	7.14†	3.79	3.13	3.90
#Children in household	-4.71†	2.77	-3.36	3.00
Relationship quality index (1-3)	-1.34	8.85	7.39	9.40
Either parent has child(ren) with another partner	-0.24	7.14	2.11	7.90
Woman's characteristics				
Age	0.68	0.58	0.74	0.62
Education college or more (less omitted)	20.14*	9.02	22.72*	9.66
Non-Hispanic Black (Non-H. White omitted)	18.46*	8.34	13.00	8.96
Mexican origin	-4.46	11.82	-7.60	11.88
Puerto Rican origin	-13.07	15.30	0.51	15.74
Other Hispanic origin	1.56	13.31	-4.12	13.85
Other race/ethnicity	-2.24	15.55	-27.62	17.28
Foreign born	12.84	9.36	22.17*	10.02
Unemployed (out of labor force omitted)	40.77**	11.08	45.96**	11.71
Employed part time	40.28**	10.56	36.29**	11.09
Employed full time	75.59**	8.63	83.22**	9.19
Man's characteristics				
Unemployed	-20.69*	10.37	-21.00†	11.09
Child's characteristics				
Female	3.90	5.84	-6.21	6.26
Constant	-132.54	33.65	-124.55	35.60

11

Table 4

Multiple Imputation Parameter Estimates from Censored Normal Regression of Mother's and Father's Estimates of Out-of-Pocket Child Care Costs for FFCW Focal Child on Parents' Money Management (Separate, Mixed, or Pooled) and Other Explanatory Variables (N = 1602).

Predictor	Mother's Estimate of Child Care Cost		Father's Estimate of Child Care Cost	
Money management system				
All money separate (all money pooled omitted)	35.70**	8.97	36.15**	9.88
Some money separate, some together	22.09**	7.39	30.06**	8.10
Couple/household characteristics				
Income-to-poverty ratio	11.18**	1.48	11.20**	1.63
Material hardship index (1-7)	-4.18	3.24	-4.01	3.54
Prop. of hh income from woman's earnings	-13.25	12.17	-14.08	13.51
Cohabiting	-3.88	7.33	-6.26	8.25
#Adults in household	8.45*	3.82	8.19†	4.26
#Children in household	-3.48	2.80	-1.38	3.16
Relationship quality index (1-3)	-2.24	8.84	-3.81	9.74
Either parent has child(ren) with other partner	2.92	7.24	-0.08	8.47
Woman's characteristics				
Age	0.25	0.59	0.73	0.66
Education h.s. or some college (less omitted)	40.95**	8.36	42.84**	9.21
Education college or more	58.01**	12.07	60.18**	13.35
Non-Hispanic Black (Non-H. White omitted)	18.22*	8.39	11.45	9.30
Mexican origin	-0.60	11.41	-9.16	12.56
Puerto Rican origin	-9.81	15.43	-11.81	16.84
Other Hispanic origin	2.58	13.33	-8.24	14.64
Other race/ethnicity	-8.68	15.64	-30.58†	17.65
Foreign born	15.84†	9.38	17.88†	10.48
Unemployed (out of labor force omitted)	45.32**	11.21	54.63**	12.63
Employed part time	38.05**	10.60	40.52**	11.62
Employed full time	71.59**	8.67	84.11**	9.69
Man's characteristics				
Unemployed	-17.39†	10.40	-17.12	11.48
Child's characteristics				
Female	3.13	5.87	-0.96	6.47
Constant	-160.92**	33.97	-180.36**	37.53