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17/05: Intra-household entitlements and gender inequality: An Australian perspective

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INTRA-HOUSEHOLD ENTITLEMENTS AND GENDER INEQUALITY:
AN AUSTRALIAN PERSPECTIVE
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Abstract

This paper analyses factors which affect the intra-household distribution of entitlements between men and women in Australian couple households. Several studies have been undertaken into the effects of intra-household bargaining on labour, domestic violence, fertility decisions, and wealth. However, Australian studies of the intra-household distribution of economic resources are rare. Following the methodology in De Hanau and Himmelweit's (2013) British study as published in the *Journal of Marriage and Family* this paper generates new data and analysis which accounts for the distribution of entitlements between Australian men and women in couple households. The study exploits quantitative data from the survey of Household, Income, and Labour Dynamics in Australia (HILDA), whereby, between 2001 to 2014, individuals in 7902 couple households responded to questions on their satisfaction with their financial situation (SWFS). Changes in SWFS indicate changes in perceived benefits from pooled household finances and thus provide insights into the intra-household distribution of entitlements.

1. **Introduction**

While many policy makers and economists tend to regard intra-household decision-making as a private matter, the effects of the internal affairs of households cannot be ignored as intra-household inequalities are a significant aspect of overall gender inequalities. Moreover, once these inequalities are understood policies, such as those relating to the payment of child benefits and intimate partner violence, can be more efficiently designed to achieve stated goals, such as the improved wellbeing of children and increased safety.

Because issues relating to the intra-household allocation of resources are currently under researched there are large research gaps. This paper helps to redress this by developing an analysis of the effect of gender norms and other factors on the intra-household distribution of entitlements (or the command of resources) in Australian heterosexual couple households. Using a person's satisfaction with their household's financial situation (SWFS) as a proxy for entitlements, the specific research questions addressed are threefold: Do different types of contributions to household resources, such as unpaid domestic contributions versus financial contributions, have different impacts on each partner's level of satisfaction with the household's financial situation (SWFS)? Does the influence of a type of contribution on SWFS, in either or both partner's assessment, depend on the gender of the contributor? Does an individual's contribution that has a positive impact on household income increase their SWFS more than their partner's SWFS?

The paper follows an empirical strategy developed by De Henau and Himmielweit (2013) for their analysis of data from the British Household Panel Survey. Informed by Amartya Sen's (1990) model on cooperative conflicts, each partner's subjective financial wellbeing is the key dependent variable, whilst explanatory variables include gender, levels of paid and unpaid work, and household income. The approach attempts to capture how household income might be imperfectly correlated with the subjective wellbeing of different household

members. As is well known, Sen emphasises that what individuals can 'be or do' with a given level of income, their 'capabilities', can differ. He also highlights how individuals' contributions to household resources might be valued differently, with implications for their ability to control (and thus achieve wellbeing from) household income. Moreover, because patterns of valuation might neglect the importance of nonmarket activities (such as cooking and looking after the children which indirectly support earnings) and only consider the direct money earning as a contribution to the household, gender inequalities might arise that are linked to the paid and unpaid contributions of the males and females within the household.

The results presented in this paper provide external validity to De Henau and Himmielweit's (2013) approach to modelling intra-household entitlements and contributes toward Australian evidence on the important issues that it raises. They are drawn from data from the survey of Household, Income, and Labour Dynamics in Australia (HILDA) on 7902 distinct couples and 42,398 couple observations over the period between 2001 and 2014. Using fixed effects regression models, the paper examines the respondents' self-reported level of satisfaction with their financial situation (SWFS) and how changes in these levels correlate with changes in individuals' own and their partners' paid work status and unpaid care roles. Details of the HILDA data, measures and methods are provided in Section 3, after a discussion of the background literature on intra-household issues (Section 2). The results of the analysis of the HILDA data are presented in Section 4, and Section 5 and 6 provides and discussion and conclusion.

2. <u>Background Literature</u>

The first and most simple models of household bargaining followed the notion that the household is a unitary decision maker. That is, traditionally household behaviour was analysed based on the assumption of a single utility function, which is to be maximised in relation to a single budget constraint. However this view has raised many doubts and more recent literature

on household bargaining models accounts for differences in preferences within the household (Purkayastha 2003, Iversen 2003, Himmelweit 2001). Many household bargaining and collective economic models now portray the household to be a place of cooperation and conflict (Bennett et al. 2012, Nyman and Dema 2007, Sen 1990). The individual utility of each partner depends upon the decision process and often favours whichever spouse has the greater bargaining power (see Bargain et al. 2006).

Several empirical studies within this tradition have focused on the effects of intra-household relations on labour market outcomes (Fagan et al. 2006, Sigle-Rushton and Waldfogel 2007, Crompton and Lyonette 2005), domestic violence (Anand and Santos 2007), social and childcare provision (Himmelweit 2007), wealth (Freidberg and Webb 2006), and fertility decisions and population change (Del Boca and Locatelli 2007). A smaller number of empirical studies have examined the factors that impact on control over expenditure within the household. For example, Himmelweit et al. (2013) identify the relevance of changes in individuals' wages or income transfers (for instance through government payments and inheritance).

Several theoretical studies have explored how gender norms might impact upon the bargaining process and the fall-back position of each individual in the household (Lundberg and Pollak 1993, 1996, and Folbre 1997). These economic models, which have been useful in assessing further the determinants and outcomes of intra-household bargaining, more often than not assume an unequal gender distribution of bargaining power.

A further important branch of the relevant theoretical literature, inspired by the work of Amartya Sen, explores the influence of gender norms and other institutions on the capabilities, entitlements, and perceptions of household members. Several key ideas in Sen's (1990) work are relevant to this study. First is his critique of the traditional economic assumption that higher levels of income are the basis of a good life. Sen argues instead that income is not perfectly

correlated with wellbeing. He emphasises that what is essential is in fact what is done, and what can be done with income, or each person's *capability* and hence he focuses on these determinants of the good life as opposed to 'economic welfare'. Sen also emphasises that a person's capability depends in part on their control over available resources, or their *entitlement.* In a couple household context, Sen's approach implies that each spouse's entitlement will be influenced by both the level of household resources *and* the distribution of control over these resources between the spouses. The approach also implies that household resources and individual entitlements might not be perfectly correlated.

Sen highlights the role of perceptions and notes that individuals in a couple household might value each other's contributions to household resources differently, with implications for their entitlements. Often such perception biases ignore the role of nonmarket activities (such as cooking and looking after the children which indirectly support earnings) and only consider the direct money earning as a contribution to the household. This type of argument has been pursued in several empirical studies. For example, Feree (1990) and Vogler (1998) examined how the value of particular contributions to household resources are perceived differently when a woman rather than a man makes the contributions. Additionally, Bennett et al (2012), Goodie et al. (1998), Nyman and Dema (2007), Vogler and Pahl (1994) back this view with interview data showing that men and women perceive contributions differently. Other studies have examined how differences in perceptions of the relative worth of contributions to household resources feed power imbalances within the household and reproduce existing gender inequalities (Komer 1989, Tichenor 1999, Zelizer 1994). These findings imply that gender and other social norms influence household members' perceptions of the value of contribution to household resources and, thus, may affect the distribution of entitlements.

Finally, Sen (1990) stresses that perceptual factors can also affect individuals' willingness to claim a share of household resources. He highlights how traditional gender

norms can encourage women to not pursue their own personal interests but, rather, align their own interests with their family's welfare. Individuals with low entitlements may also become accustomed to their situation and not seek change. As Sen (126, 1990) puts it: "inequalities often survive precisely by making allies out of the deprived". The absence of questioning of such inequalities and protests does not mean there is an absence of inequalities. Deprived groups are so familiarised with these inequalities that they may not be aware of the fact that there are possibilities of social change. They often accept these imbalanced norms and take pleasure in small mercies to avoid disappointments and frustration. This has important implications for empirical work as it implies that there is more accuracy in analysing a person's wellbeing in terms of his or her capabilities (what she or he can do or be), with reference to his or her subjective wellbeing (Sung and Bennett 2007, Pahl 2005, Woolley 2004, Iversen 2003, Sen et al. 2003, Agarwal 1997), as measured, for example, by reported levels of satisfaction with a household situation.

Whilst the literature on intra-household issues is rich, important gaps persist. The majority of prior work using Sen's capability approach has been theoretical in nature and, as a result, empirical studies of key relationships affecting the intra-household distribution of entitlements is scarce. Some scholars argue that the difficulties involved in measuring human capabilities limit the scope for empirical studies of intra-household allocations of entitlements. However, others disagree and have demonstrated the potential to measure resources, capabilities and wellbeing using secondary data sources (see De Henau and Himmelweit 2013, Alkire 2002, Anand and van Hees 2006, Anand, Hunter and Smith 2005, Burchardt and Le Grand 2002, Klasen 2000, Kuklys and Robeyns 2005). These studies help establish the feasibility of empirical investigations on the determinants of the intra-household distribution of entitlements, and show how cross-national comparison can be utilised to achieve insights into the role played by gender and other social norms.

Informed by Sen's (1990) model on cooperative conflicts, De Henau and Himmelweit (2013) explore the relationship between individuals' paid and unpaid contributions towards household resources and their entitlement, using data from the British Household Panel Survey. They hypothesise that, in a couple household context, each partners' answer to a survey question on their satisfaction with household income will be influenced by their valuation of their current contribution (financial or domestic) to the household's resources. Their measure of satisfaction is "How satisfied are you with your household's income (SWHI)?", and, by using fixed effects with BHPS panel data, they measure how changes in SWHI correlate with changes in each partner's employment status (their measure of perceived contribution). The analysis controls for factors such as presence of children and equivalised real household income. Some key findings from the British data include: Men's employment status is more influential than women's on SWHI, providing evidence towards persisting male breadwinner ideologies; less than full time employment has a negative effect on each partner's entitlements; and, for both men and women, greater financial contributions from full time employment increases their own benefit from their household resources by a greater amount than their partners.

3. **Methodology**

3.1. Data

To explore the determinants of the distribution of entitlements in Australian couple households the current study utilises data from the Household, Income and Labour Dynamics in Australia survey. HILDA provides information on employment, health and wellbeing, income, life events, childcare, values and attitudes towards certain subjects, and relationships. It is the only such survey of the kind available in Australia and is comparable to not only the British Household Panel Survey data used by De Henau and Himmelweit, but also the Panel Survey on Income Dynamics (USA) and the German Socio-Economic Panel (Germany). The HILDA

survey currently consists of 15 waves (beginning in 2001). The first wave consisted of a sample including 19,914 individuals in 7,682 households. Over time, the sample has been affected by attrition, however, and a top up sample of 2,153 households was added in wave 11 and currently 23,292 individuals in 9,631 households are followed in the HILDA panel (Summerfield et al. 2016). Compared to the data relied on by De Henau and Himmelweit, HILDA provides more observations, over a longer time period.

Following De Henau and Himmielweit (2013), the current study focuses on a particular sample, namely working aged heterosexual couples with or without children. Couples were included in the sample if both partners are of working age; in an event where one partner was retired and the other was not, the observation was dropped. Each couple was followed for as many waves as they stayed together, cumulatively leading to a sample that includes 7902 distinct couples and 42,398 couple observations over the period between 2001 and 2014. It is important to note that a couple who has been together through more waves will yield more observations. Hence, the sample is more demonstrative of couples who have stayed together over longer periods.

3.2. <u>Model Estimations</u>

Also following De Henau and Himmielweit (2013), a key assumption in the modelling of intra-household entitlements is that changes in household members' satisfaction with their financial situation (SWFS) indicate changes in their perceptions of the value of household finances for their own capabilities, and their ability to mobilize these resources to achieve their valued goals (their entitlements). The individual factors that are hypothesised as relevant to entitlements include each partner's employment status, household contexts, including factors such as household income, the number and age of children, which are relevant to unpaid contributions, as well as 'cultural' factors such as perceptions of gender roles (Himmelweit 2007, Figari et al. 2007, Fortin 2005, Folbre 1997, Agarwal 1997).

Expressed formally, in a single country context, the approach models each partner's SWFS as a linear function of independent variables relating to their own and their partner's employment status and their household context:

$$s_{jt}^m = \beta_{1m} M_{jt} + \beta_{1f} F_{jt} + \gamma_1 C_{jt} + \mu_{1j} + \varepsilon_{1jt} \quad \textbf{(1)}$$

$$s_{jt}^f = \beta_{2m} M_{jt} + \beta_{2f} F_{jt} + \gamma_2 C_{jt} + \mu_{2j} + \varepsilon_{2jt} \quad \textbf{(2)}$$

s_{jt}^m and s_{jt}^f = satisfaction with financial situation of the male and female in the jth household at time t, respectively

M_{jt} and F_{jt} = employment status of the male and female in the jth household with full time employment as the reference category.

C_{jt} includes controls for factors that may have independent impacts on each partner's SWFS. The set of factors included in this study include number and ages of children, household equivalised income and year dummies.[1]

μ_{1j} and μ_{2j} = fixed effects from time-invariant characteristics of the man and woman, such as unobserved personality traits, in the jth household

ε_{1jt} and ε_{2jt} = randomly distributed error terms with a mean of zero.

Coefficients from Equation **(1)** and **(2)** uncover answers to the first two research questions: Do different types of contributions to household resources, such as unpaid domestic contributions versus financial contributions, have different impacts on each partner's level of satisfaction with the household's financial situation (SWFS)? Does the influence of a type of contribution on SWFS, in either or both partner's assessment, depend on the gender of the contributor?

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[1] In De Henau and Himmielweit's (2013) model, extra controls for each individual's overall satisfaction with life were included. In this paper however, controls for overall satisfaction with life were left out because this tends to be a 'bad control'. Independent variables are causal to the dependent variable. Life satisfaction is not necessarily causal to financial satisfaction, in fact life satisfaction may include aspects of financial satisfaction within the measure which raises correlation issues.

A third equation gathering the *difference* between the male and female SWFS in the household provides insights to the third research question: Does an individual's contribution that has a positive impact on household income increase their SWFS more than their partner's SWFS? Equation **(3)** is as follows:

$$s_{jt}^m - s_{jt}^f = \beta_{1m}M_{jt} + \beta_{1f}F_{jt} + \gamma_1 C_{jt} + \mu_{1j} + \varepsilon_{1jt} \quad \textbf{(3)}$$

The variables in Equation **(3)** are the same as described above, with additional details provided in the following paragraphs.

3.3. Measures

To measure entitlements, this study utilises the responses to a HILDA survey question that, each year, asks each respondent: "How satisfied are you with the financial situation?" (SWFS). The responses to these questions are organised on a scale from 0 to 10, with a score of 0 indicating total dissatisfaction and a score of 10 indicating total satisfaction. As seen in Table 1, the average score of SWFS for men and women is 6.65 and 6.67 respectively.

This measure of entitlements differs slightly from the one used in De Henau and Himmelweit's (2013) model, which used "Satisfaction with Household Income" as the left hand side variable. The difference in model specification is due to differences in data availability. However, looking at financial situation as opposed to just income is advantageous as it captures aspects of wealth (such as assets) and not just income that might influence well-being.

Each partner's employment status is measured by dummy variables that distinguish between unemployed, full-time employed, part-time employed, long-term disabled and economically inactive statuses. There are large differences in the employment statuses of men and women in the sample, with women having a much larger involvement in part-time work.

Table 1: Descriptive statistics of variables used in the model estimations

Variable	% or Value	Standard Deviation
Men's employment status		
Full time	81.78%	
Part time	9.50%	
Unemployed	2.29%	
Economically Inactive	6.22%	
Long-Term Disabled	0.21%	
Women's employment status		
Full time	37.13%	
Part time	35.94%	
Unemployed	2.42%	
Economically Inactive	24.27%	
Long-Term Disabled	0.23%	
No dependent child in Household	15.75%	
Youngest child 0-4 years	24.28%	
Youngest child 5-9 years	21.55%	
Youngest child 10-14 years	21.55%	
Youngest child 15-24 years	16.87%	
Equivalised monthly household income	$4,209	$2,786
Man's SWFS average score	6.65	1.92
Female's SWFS average score	6.67	1.97
N (couples)	7902	

Note: This sample consists of heterosexual working age couples with or without dependent children (HILDA survey, Waves 1-14). SWFS=satisfaction with financial situation.

Referring to Table 1, in our sample 35.9% of women work part-time compared to 9.5% men who work part time. The differences in full time employment between men and women are also apparent whereby 37.1% of women work full time compared to 81.8% of men who work full time. The employment status categories differentiates between non-financial and financial contributions to household well-being. For instance, individuals who are part-time employed or economically inactive may be making large contributions through their roles in provisioning for their household's care needs. In the sample, Australian women who are part-time employed

or economically inactive spend 14.6 hours and 21.3 hours respectively on housework per week compared to 10.4 hours by women who work full time.

For the set of control variables C_{jt}, monthly household income is equivalised using the modified OECD equivalence scale[2] then controlled for in logarithmic form. Gardner and Oswald (2001) emphasize that it is important to control for income when analysing measures of subjective wellbeing. This is particularly important because there is a short-term positive relationship between increased subjective wellbeing and income (Smith and Razzell 1975, Brickman, Coates and Janoff-Bulman 1978). On the other hand, Argyle (1999) argues that there is a weak long term relationship between income and subjective wellbeing because over time individuals tend to adjust their desired income levels to their earnings. By controlling for income, this study attempts to account for these effects.

To account for the possible effects of children on SWFS, variables are included which measure the number of dependent children aged 0 to 4, 5 to 9, 10 to 14 and 15 to 24. The presence of children may influence the perceived value of the contributions of partners who do not work full time. Dummy variables for all years after 2001 are also included in the model, to control for macroeconomic effects such as policy reforms and changes in other aggregate trends (other than changes in employment trends) through the business cycle that may also influence SWFS.

3.4. <u>Empirical strategy</u>

Linear fixed-effects regressions are used to estimate equations **(1)** and **(2)**. Estimations are carried out using Stata, the Huber/White/sandwich "robust" estimator is used to calculate

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[2] The 'modified OECD' equivalence scale is built up by allocating points to each member in the household. The first adult in the household is allocated a weight of 1 point, each additional person over the age 15 years or above is allocated 0.5 points, and each child under the age of 15 is allocated 0.3 points.

standard errors hence taking into account the panel design. The choice of a linear fixed effects approach for the study of subjective wellbeing is controversial given arguments about whether measures of subjective wellbeing should hold the assumption of ordinality or cardinality (see Kristoffersen 2010 for a summary). Some economic papers assume satisfaction variables are only comparable ordinally and hence use ordered probit or logit models of estimations. However, a large number of studies impose causal parameters leading to OLS methods of estimations (Argyle 1999). A more recent trend by some researchers is to report results for both models, covering both possibilities by imposing cardinality and ordinality assumptions (Blanchflower and Oswald 2004, 2005, Gardner and Oswald 2001, Headey and Wooden 2004). Yet the results in these papers demonstrate that assuming cardinality or ordinality on measures subjective wellbeing provide very similar outcomes. That is, the coefficient signs and whether or not coefficients are statistically significant or not are very close across linear and ordinal fixed-effects regressions (Ferrer-i-Carbonell and Frijters 2004). As such, in this paper the effects of factors such as changing employment status on each individual's satisfaction with their financial situation is modelled as a linear relationship and estimated using OLS techniques.

4. Results

The results from the initial estimation are presented in Table 2. Estimates for equation **(1)** demonstrating changes in SWFS for men with and without controls for number and ages of children and income are shown in Column 2 and 3 respectively; Estimates for equation **(2)** demonstrating changes in SWFS for women with and without controls for number and ages of children and income are shown in Column 4 and 5 respectively. The bracketed terms are robust standard errors (clustered on individuals).

Table 2: Regression Results for Man's and Woman's Satisfaction with Financial

Situation (SWFS)

Variable	Man's SWFS		Woman's SWFS	
	Model A	Model B	Model A	Model B
Man's Employment Status				
Unemployed	-1.268***	-1.302***	-0.696***	-0.728***
	(0.079)	(0.079)	(0.074)	(0.075)
Part Time	-0.367***	-0.403***	-0.219***	-0.257***
	(0.041)	(0.041)	(0.041)	(0.041)
Economically Inactive	-0.891***	-0.941***	-0.440***	-0.490***
	(0.071)	(0.072)	(0.062)	(0.063)
Long-term Disabled	-1.015***	-1.090***	-0.652**	-0.716***
	(0.347)	(0.347)	(0.255)	(0.256)
Woman's Employment Status				
Unemployed	-0.298***	-0.358***	-0.973***	-1.052***
	(0.061)	(0.061)	(0.071)	(0.070)
Part Time	-0.061**	-0.109***	-0.213***	-0.280***
	(0.026)	(0.026)	(0.029)	(0.029)
Economically Inactive	-0.109***	-0.181***	-0.403***	-0.510***
	(0.035)	(0.034)	(0.040)	(0.038)
Long-term Disabled	-0.321	-0.382*	-0.540***	-0.628***
	(0.212)	(0.211)	(0.199)	(0.199)
Log Equivalised Household Income	0.377***		0.374***	
	(0.030)		(0.031)	
No. Children 0-4 years	0.005		-0.049**	
	(0.022)		(0.024)	
No. Children 5-9 years	-0.004		-0.003	
	(0.022)		(0.024)	
No. Children 10-14 years	-0.023		-0.047**	
	(0.021)		(0.023)	
No. Children 15+ years	-0.056**		-0.025	
	(0.022)		(0.024)	
Constant	3.590***	6.559***	3.763***	6.692***
	(-0.243)	(0.037)	(0.254)	(0.039)
N (observations)	42398	42398	42398	42398
N (groups households)	7902	7902	7902	7902
R² (within)	0.049	0.039	0.044	0.034
R² (between)	0.036	0.014	0.031	0.007
F	33.799	31.061	34.439	33.65

Note: Sample as in Table1. The bracketed terms are robust standard errors (clustered on individuals).

*p < .10. **p < .05. *** p < .01.

The first research question of interest is to identify whether different types of contributions influence SWFS differently. That is, whether paid employment has a greater impact on SWFS than domestic work for men and women. The coefficients in Table 2 help uncover the impact of different contributions on SWFS. For both men and women, working less than full time has negative impacts on SWFS. For men, at mean values, being unemployed or working part-time rather than full-time reduces SWFS by 1.27 points and 0.37 points respectively. For women, at mean values, being unemployed or working part-time rather than full-time reduces SWFS by 0.97 points and 0.21 points respectively. This pattern of results implies that both men and women attain more value from paid contributions than domestic contributions to household resources.

Comparing the differences in the results for Model B and Model A, where controls for the number and age of children and household income are included, reveals that the controls reduce but do not alter the statistical significance of the employment variables. Model B results reveal that, when moving from full time to part time employment, both men's and women's SWFS still reduces by 0.40 and 0.28 points respectively. In other words, employment status is independently important in determining SWFS when household income and the age and number of children are held constant. These results follow the same pattern as those reported by De Henau and Himmelweit (2013) for the UK.

The results in Table 2 also provide insights to the second research question: Does the influence of a type of contribution on SWFS, in either or both partner's assessment, depend on the gender of the contributor? We can answer this question by comparing changes in each person's SWFS associated with their own employment status with changes in SWFS brought about by a change in employment status of their partner. For men, less than full time employment has much larger negative implications on their own SWFS than less than full time employment of their partner. For example, if a man moves from full time to part time work his

SWFS drops, on average, by 0.37 points, whereas when his partner moves from full time to part time work his SWFS is only reduced by 0.06 points. The results also show that when a man moves from being full time employed to being economically inactive his SWFS drops by 0.89 points, whereas when his partner makes the same 'move' his SWFS is only reduced by 0.11 points. The latter effects were not statistically significant in the UK study.

For women, moving to part time employment has a similar negative impact on their own SWFS as does a move into part time employment by their partner. Referring to Table 2, if a female moves from full time to part time work her SWFS drops by 0.21 points; similarly, when her partner moves from full time to part time work her SWFS drops by 0.22. These results are similar to those reported by De Henau and Himmelweit. However, the results in the UK study suggest that, for women, their partner's unemployment is more detrimental to SWFS than her own unemployment. This is not apparent in the Australian context where if a female moves from full time employment to being unemployed her SWFS drops by 0.97 points, and when her partner moves from full time employment to being unemployed her SWFS drops by 0.70 points.

Comparing results from Model A and B in Table 2 enables us to assess whether changes in income and the number of children affects the relationship between contributions and SWFS. Controlling for income allows us to explore what happens to a person's SWFS when their paid contributions fall even when household income remains the same, as would occur in a situation where one partner's work hours increase as the other's falls. Controlling for presence of children is also important as this may influence perceived contributions, for example less than full time employment might be perceived differently if there are children present. The similarity in results between Model A and Model B confirm that, controlling for the presence of children and changes in income, employment status continues to play a large part in determining one's financial satisfaction. In model B, all employment categories delivered

significant results in terms of their effects on SWFS. A similar pattern was observed by De Henau and Himmelweit (2013), however, in the Australian context, a man's less than full time employment appears, on average, to more detrimental to own SWFS than his partner's less than full time employment. This result conforms to the possible presence of breadwinner ideologies, whereby a man's financial contributions to the household will have a greater influence on perceived financial satisfaction than a financial contribution by his partner.

The third research question addresses whether an individual's contribution that has a positive impact on household income increases their SWFS more than their partner's SWFS. This question differs from research question two by shifting the focus to the intra household gap in SWFS. Research question two focuses on the male and female samples separately, and is concerned with, for example, the impacts of a change in the person's employment status and the impact of a change in their partner's employment status on their own SWFS. Research question three focuses on households, and is concerned with, for example, how the change in a man's employment status affects his own and his partner's SWFS. In order to gain insights on this a new regression is run, based on equation **(3)**, as described earlier. The results from this estimation are shown in Table 3 and, as such, they measure the effect of changes in each partner's employment status on the *difference* between the man's SWFS and the woman's SWFS in the couple household. The figures in Column 2 and Column 3 show the *differences* in SWFS between men and women when either partner moves from full time employment to less than full time employment. Similar to previous estimations, Model A includes controls for number and ages of children and income whereas Model B does not. As before, the bracketed terms are robust standard errors (clustered by individuals).

Since the dependent variable is the man's SWFS take the woman's SWFS in the couple household, a positive coefficient on a 'male' factor implies that this factor impacts more favourably on the man's SWFS than on his partner's SWFS; and a negative coefficient implies

that the factor has a larger adverse impact on the man's SWFS than on his partner's SWFS. The opposite pattern applies to the coefficient on 'female' factors: a negative coefficient on these factors implies that they impact more favourably on the woman's SWFS than on her partner's SWFS; and a positive coefficient implies that the factor has a larger adverse impact on the woman's SWFS than on her partner's.

The data in Table 3 demonstrates that for both men and women, full-time employment has a larger positive impact on a person's own SWFS than on his/her partner's satisfaction. For instance, on the one hand, for men, when moving from being full time employed to unemployed their SWFS decreases by 0.57 points more than their partner's SWFS. On the other hand, for women, when moving from being full time employed to unemployed their SWFS decreases by 0.67 points more than their partner's SWFS. The impact of full-time work on the difference in SWFS is statistically significant for all comparator groups other than long term disabled. The results for Model A reveal that controlling for the presence of children and household income does not alter these patterns. Comparatively, similar conclusions were reached in the British study – however, the impacts on SWFS for men who were economically inactive and long-term disabled were both not statistically significant.

The results in Table 3 also reveal that increases in the number of young children between the ages of 0 and 4 reduces a woman's SWFS relative to her partner's. The same result was apparent in the results from the British study. Additionally, both the British and Australian data showed that the influence of presence older dependent children on the differences in SWFS between males and females is not statistically different from zero.

Overall, the results demonstrate the complexities involved with understanding intra-household allocation of entitlements. Keeping in mind this paper adapts De Henau and Himmelweit's (2013) model, it yields for the Australian context that are similar to those found in the UK.

Table 3: Regression Results for Difference between Man's and Woman's Satisfaction with Financial Situation (SWFS)

Variable	Model A	Model B
Man's Employment Status		
Unemployed	-0.572***	-0.574***
	(0.084)	(0.084)
Part Time	-0.147***	-0.146***
	(0.045)	(0.045)
Economically Inactive	-0.452***	-0.450***
	(0.069)	(0.069)
Long-term Disabled	-0.363	-0.374
	(0.301)	(0.300)
Woman's Employment Status		
Unemployed	0.675***	0.694***
	(0.077)	(0.076)
Part Time	0.152***	0.171***
	(0.031)	(0.030)
Economically Inactive	0.293***	0.329***
	(0.042)	(0.039)
Long-term Disabled	0.219	0.246
	(0.223)	(0.222)
Log Equivalised Household Income	0.003	
	(0.031)	
No. Children 0-4 years	0.054**	
	(0.025)	
No. Children 5-9 years	-0.001	
	(0.025)	
No. Children 10-14 years	0.024	
	(0.024)	
No. Children 15+ years	-0.030	
	(0.025)	
Constant	-0.172	-0.133***
	(0.255)	(0.042)
N (observations)	42398	42398
N (groups households)	7902	7902
R² (within)	0.009	0.008
R² (between)	0.018	0.019
F	8.32	9.777

Note: Sample as in Table 1. The bracketed terms are robust standard errors (clustered on individuals).

*$p < .10$. **$p < .05$. *** $p < .01$.

5. **Discussion**

The findings in this study address three questions. First, how different types of contributions to household resources impact on individuals' satisfaction with their household's financial situation. The results of this study conform to previous literature suggesting that financial contributions have a greater impact on one's financial security than domestic non-paid contributions, and this is true for both men and women. This is an important finding since it indicates that individuals who make more paid (versus unpaid) contributions to household resources achieve greater capabilities from those resources. In accordance with Sen's theoretical analysis, while household income may be high, one may not feel *entitled* to it if he/she is not contributing equally towards it via paid work. In such circumstances it is likely that the person will perceive lower satisfaction with household finances than their partner if their contributions are unpaid rather than paid. This highlights how entitlements can diverge from household income, suggesting that in policy and other discussions *household* income is a limited indicator of the wellbeing of *individuals* within the household. Moreover, it shows the importance of opportunities for paid work in determining entitlements and thus wellbeing. These findings are particularly important for the Australian context given that 44 percent of women work part time compared to 15 percent of men who work part time (http://abs.gov.au/ausstats). Many women experience time away from paid work for child-caring roles, and this has negative effects on their future full-time career prospects (O'Riley and Fagan 1998; Manning and Petrongolo 2008).

This study also explored whether financial satisfaction is affected by whether household resources in the form of paid or non-paid contributions are contributed by the male or female partner. The results indicate that men value their own financial contributions above the financial contributions from their partners. This trend is not apparent for women, as women tend to value their own financial contributions to household resources about the same as their

partners' contributions. The difference in these effects could indicate the possible presence of a male-breadwinner hegemony whereby men perceive their legitimate role within the household is as a 'provider' of financial support.

Some scholars (Potuchek 1992 and Markusen 1981), believe that models that focus on male breadwinner ideologies need to be reconsidered given the breakdown in the patriarchal family pattern (where the male is the key earner and women's earnings are of lesser importance). However, the findings about the possible persistence in breadwinner ideologies in this study are thought-provoking given the important transformations in labour trends over the last few decades. Despite the increased number of women joining the labour force and the increase in dual-earner couples there appear, from the results, persistence of traditional roles and perceptions. This raises questions as to whether some aspects of the patriarchal family trend are still persistent in our *modern* society and how these might continue to impact on the allocation of contributions and entitlements in Australian households.

A third finding in this paper is that, an individual's contribution that has a positive impact on household income increases their SWFS more than their partner's SWFS. This view is different from the older literature which finds that some couples 'do gender' (West and Zimmerman 1987). This occurs when women downplay their own contributions in the household in order to maintain traditional conventional marriage roles – whereby women are seen to be good at household chores, while men are good at making money. Women in couple relationships that 'do gender' do not use financial contributions to claim more power, or in this case entitlements to household resources. Fortunately, this was not the case in our sample as 'doing gender' tends to worsen gender inequalities within the household.

When comparing results of this study to the results in the British study, it appears that there are many similarities, however, the results are not identical and some differences in results are apparent. This study therefore demonstrates that despite similarities in both

developed economies, individual country analysis provides greater specificity of outcomes which is essential for accurate policy implementation.

6. <u>Conclusion</u>

In conclusion, financial contributions have greater positive outcomes on one's perceived entitlements or *capabilities* compared to non-paid domestic contributions. Additionally, this paper provides evidence that within Australian households, male hegemony ideologies may still be present. This is a *somewhat* surprising occurrence in a *modern* economy and goes to show the persistence of ideologies and traditions have implications for gender equality. Thus, it is important that policy continues to take account of intra-household differences in entitlements when attempting to achieve and promote the wellbeing of individuals in households and promote gender equality. Finally, it is revealed that, within the Australian household context, on average, women appear to make more claims on entitlements when their employment status improves. Hence, on a positive note, within the sample it appears that on average couples no longer 'do gender'.

Because this analysis of intra-household allocations has focused on changes in the financial subjective well-being it suffers some limitations. Employment status is a rough estimate of contributions and thus there is scope for additional research which could examine the effects of other factors on entitlements such as the wage rates, hours spent on household work, and levels of education. There is also scope for research on how the intra-household entitlements varies across groups within the Australian community defined by ethnicity, class and/or age.

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