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HUSBAND-WIFE INFLUENCE IN
FAMILY FINANCIAL ECONOMIC BEHAVIOR

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This study explores the hypothesis that unlike the views implicit in economic theory, the family is not a homogeneous unit for the purposes of financial economic behavior. Rather, it is essentially a collection of individuals whose interrelationships affect substantially asset and saving behavior. If this is true, it is important in studying family purchases and financial behavior to obtain information on who is the family "financial officer" and to seek information from different individuals in the family as a basis for a better understanding of the factors influencing their financial behavior. Thus, in a recent study of the asset preferences and allocations of the sample members, both husbands and wives were found to have significant influences, with the direction of these influences being more opposite than coincident.*

In the present study we plan to explore this question further by investigating the extent to which husbands and wives in recently married young couples exert independent influences on the financial behavior of the couple. In particular, this study has the following objectives:

1. What roles do husbands and wives play in money management?
2. What factors seem to influence whether the husband or the wife exerts the principal role in money management?
3. Does it seem to make any difference on various aspects of family financial behavior if the dominant role in money management is exerted by the husband or by the wife?

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*Ferber, Robert and Nicosia, F. M., "Newly Married Couples and Their Asset Accumulation Decisions," to be published in a volume of essays in honor of George Katona.

Insofar as possible, this study seeks to pinpoint the "financial officer" of a family (as defined later), what seems to determine who takes the initiative in this regard, and whether this seems to make any difference in the financial behavior of the family.

The focus of this study is on recently married couples. These data are from a panel of couples married in the summer of 1968 in the cities of Peoria and Decatur, Illinois, where the husband was 30 years of age or less. These couples have been interviewed approximately every six months since the fall of 1968, and as a result a fair amount of data is available relating to their money management and financial economic behavior, in particular, on which member handles the finances, on their purchases of durable goods, on their financial portfolios, and on their saving practices. Data are also available on which member of the couple answered questions at different times in the interview as well as on various attitudes relating to spending and saving behavior.

Hypotheses relating to the primary objectives that form the basis of this study are advanced in the next section. Following sections present the results obtained from testing these hypotheses on the panel data, while a final section summarizes the results.*

First, however, let us consider what is meant by the "family financial officer" (FFO). As used in this study, the FFO refers to the individual that carried the main responsibility for the family finances from the point of view of both decision-making and execution with reference to:

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*A more complex description of these data is available in a brochure obtainable from the Survey Research Laboratory, University of Illinois, Urbana, Illinois, 61801.

a. Looking after the payment of bills

b. Keeping track of expenditures in relation to budgets

c. Use of money left over at the end of the pay period

The primary focus in all three instances is on decision-making rather than on the physical execution of the activity, though in the first two of these three activities both aspects are likely to amount to the same thing. In the case of use of money at the end of a pay period, however, the person that executes an act may not be the one who makes the decision: this must be discerned from the questioning process. If the people involved are different, the decision-maker is considered as the more influential.

The FFO is defined as the person who is responsible for these three tasks. This "person" may in fact be the couple, if they report looking after such tasks on a joint basis. If the three tasks are split between the husband and wife, the member that looks after two of them is designated the financial officer. If the tasks are split evenly so that no member looks after most of them (as may happen if one member looks after one task each and the third is decided jointly), the financial officer is considered to be indeterminate.*

1. Hypotheses to be Investigated

Three hypotheses are advanced as a basis for the analysis for these data. On the subject of roles, it seems logical in this age of women's liberation to hypothesize that in many young families the wife rather than the husband is likely to serve as the FFO, and the more so the more educated is the

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*Another study seeking to pinpoint the financial officer in families was carried out by the Life Insurance Agency Management Association. This study also found it was relatively easy to identify the family financial officer.

wife both absolutely and relative to the husband. Other studies also indicate that over the years women have been playing an increasing role in family finances, and especially so for educated women.*

Based in part also on these previous studies, it can be hypothesized that whether the wife or the husband acts as the FFO will depend to a large extent on the personal and background characteristics of each, but especially of the wife. In particular, based on these previous studies it is hypothesized that the wife is more likely to act as the FFO if she is:

a. gainfully employed

b. more educated than the husband

c. more educated in an absolute sense

d. more price and money conscious

A third hypothesis is that the identity (sex) of the FFO will influence various other aspects of the family's financial behavior, holding constant family income and socioeconomic characteristics. This influence will be exerted in at least three areas--in the purchase of durable goods, in the management of the financial portfolio, and in the saving practices of the family. The specific hypotheses are:

a. If the wife is the FFO, purchases of durable goods will be more oriented toward meeting home necessities, such as refrigerators, stoves and air conditioners.

b. A wife as a FFO is more likely to press for a higher rate of saving and a more steady rate of asset accumulation than the husband. This is based on the premise that the wife will be

*See Ferber, Robert, "Family Decision-Making and Economic Behavior," to be published in a volume of proceedings of the Williamsburg Conference on family decision-making.

more conscious of the need for financial security as the basis for a likely growing family and for family stability.

c. The wife as the FFO will be more concerned with investing savings in fixed dollar form, essentially for the same reasons as noted in the preceding point.

In connection with this third hypothesis, various regressions will be run to investigate the extent to which family saving and investments are influenced by the differing opinions and attitudes of husband and wife.

The presentation of the results will follow the order in which the three objectives of the study were presented on the first page, and will seek to test the validity of the three hypotheses advanced in this section. Thus, the following section is devoted to consideration in some detail of the roles exerted by husbands and wives in money management and in the tasks that each performs as the FFO. Information is provided in that section on the types of families in which one member or the other tends to serve as the FFO, thereby also throwing some light on the first of our three basis hypotheses.

The validity of the second hypothesis, on the factors that influence whether the wife or the husband is the FFO, is investigated in Section 3 through a series of cross-tabulations and regression analyses.

The influence if any of the sex of the FFO on various aspects of the family's financial behavior is explored in Section 4, again primarily through a series of regression analyses. A final section summarizes the results and discusses their implications for the understanding and further study of family financial economic behavior and with specific reference to the basic hypothesis raised in the opening of this paper on the homogeneity of the family.

2. Identity and Role of the Family Financial Officer

Information about the financial roles of the husband and wife were obtained in two waves of interviews in the study--Wave 1, which was in the first year of marriage, and Wave 3, approximately one year later in the second year of marriage. Using the criteria presented in the preceding section, it becomes clear from these data that the identity of the FFO was not fully stable during this period. Thus, as is evident from Table 1, in the first year of marriage a financial officer could be pinpointed in 97% of the sample couples, as was true of nearly all the couples in the second year of marriage. Where a financial officer could be pinpointed, it was the husband 17% of the time, the wife 16% of the time and both acting jointly 47% of the time. However, although the most frequent financial officer both times was the couple acting jointly, it is evident that a pronounced shift was taking place to reduce the frequency of joint action and toward the wife assuming this role.

This is brought out by the following tabulation, abstracted from Table 1, which presents the distribution of the identity of the FFO for those sample members where a financial officer could be pinpointed:

	Wave 1	Wave 3
Husband	26%	27%
Wife	25	36
Both	49	37
Total	100%	100%
Base	223	229

1. Interrelation of Identity of Financial Officer on Wave 1 and on Wave 3

	Wave 1				
Wave 3	Husband	Wife	Both	Indeterminate	Total
Husband	41	1	19	0	61
Wife	4	39	34	5	82
Both	13	15	56	2	86
Indeterminate	1	0	0	0	1
Total	59	55	109	7	230

During this second year of marriage the frequency of the couple acting jointly as financial officers declined from half to a little over one-third. The assumption of this role by one particular member acting individually rose for both husband and wife, but the increase was far more pronounced in the case of the wife, whose assumption of this role increased from one-fourth of the time to nearly as often as joint action.

This shift in the identity of the FFO was characteristic of approximately one-third of the sample families, to judge by that part of the matrix in Table 1 for which a FFO could be pinpointed on both waves. For 6 of every 10 of those 222 couples, the identity of the FFO remained unchanged. The preponderant shift was from joint action to individual action, which was characteristic of 24% of the sample families, the most frequent such shift being, as noted previously, from joint action to the wife.

In only 12% of the couples was there a shift from individual action to joint action, such a shift taking place approximately equally where the husband or the wife had been the FFO. In other words, while joint action remained the most popular means of exerting financial responsibility, there was a clear shift toward individual action and especially toward the wife taking over this responsibility.

To what extent does the FFO perform each of the three duties entering into this designation? The answer, shown in Table 2, suggests that by far the most common practice where the husband or the wife serves individually as the FFO is to look after the payment of bills and keep track of expenditures but for the couple jointly to decide how money left over is to be used. This is true on Wave 1 more than half the time where the husband was the FFO and

2. Identity of Financial Officer, by Duties Performed, Waves 1 and 3

Financial officer	Duties performed			Frequency			
	Pay bills	Use of residual funds	Keep track of exp.	Wave 1		Wave 3	
Husband	H	H	H	6		15	
	H	H	W or B	4		0	
	H	H	X	7		1	
	H	W	H	0		1	
	H	X	X			3	
	H	B	H	21		14	
	H	X	B			1	
	H	X	H	0		8	
	H	B	X	18		15	
	W or B	H	H	1		2	
	B	H	X	2	59	1	61
Wife	W	W	W	2		10	
	W	W	H or B	2		1	
	W	W	X	3		5	
	W	H	W	0		2	
	W	B	W	28		30	
	W	X	X or B	0		3	
	W	X	W	0		7	
	W	B	X	17		23	
	H or B	W	W	2		1	
	B	W	X	1	55	0	82
Both	B	B	B	27		25	
	B	B	H	4		7	
	B	B	W	9		4	
	B	B	X	17		12	
	B	H or W	B	4		2	
	B	X	B	1		2	
	H	B	B	22		10	
	W	B	B	17		18	
	B	H or W	W or H	1		1	
	H or W	B	W or H	5		0	
	B	X	X	0		2	
	H or W	W or H	B	2	109	3	86
Total					223		229

more than three-quarters of the time where the wife was the FFO. Where the couple acted jointly as the FFO the most frequent tendency was for them to perform all three tasks together, both on Wave 1 and on Wave 3.

At the same time, Table 2 brings out even more clearly than Table 1 the tendency over time for one individual or the other to take full financial responsibility. Thus, the frequency with which all three tasks were performed by the husband rose from six couples on Wave 1 to 15 couples on Wave 3, while the comparable frequencies in the case of the wife rose from two to ten. Wives most frequently took over payment of bills and keeping track of expenditures.

By comparison, the decline in the frequency of couples acting jointly as the FFO was most evident where the two of them had acted jointly to keep track of expenditures and to decide on the use of leftover funds while the husband paid the bills. The most pronounced shift seems to have been in the payment of bills. Thus, if we compare the frequency of involvement of husband and wife in specific tasks regardless who was the FFO, we find that the frequency of involvement of the husband in the payment of bills declined from 37% on the first wave to 30% on the third wave, while that of the wife increased from 33% to 44%, respectively. Both husband and wife increased in their frequency of involvement in the other two tasks, as is evident from the following tabulation:

	Husband		Wife	
	Wave 1	Wave 3	Wave 1	Wave 3
Payment of bills	37%	30%	33%	44%
Use of residual funds	11	11	6	9
Keeping track of expenses	16	21	21	24

In all three respects, the wife became active in Wave 3 more frequently than the husband; the only case of any approximate equality was in the decision on the use of left over funds.

3. Determinants of the Financial Officer

Now let us consider the extent to which our hypotheses advanced earlier are valid with regard to the determinants of whether the wife or the husband is the FFO. We are faced here with the classification of a set of observations into three categories, that is, whether the FFO is the husband, the wife, or both (we exclude the indeterminate cases from this analysis). We also need to consider means of explaining why the FFO should change in some couple rather than in others and the determinants of the direction of this change.

For analytical purposes it seems desirable to separate this problem into two parts, namely, what distinguishes whether the FFO is the couple acting jointly or one member of the couple acting individually, and second, if the FFO is an individual member of the couple, what distinguishes if it is the husband or the wife. Although the hypotheses formulated in the previous section relate primarily to the second of these questions, one would expect that much the same variables would enter into the determination of whether the FFO is the couple acting jointly or one member acting individually, with the modification that greater equality between the members of the couple may be associated with joint activity as the FFO. In other words, a couple is more likely to act jointly as the FFO if, say, both members are gainfully employed, if both members have the same amount of education, and if both members are equally price and money conscious.

Accordingly, the absolute differences of the variables for which measures are available from both members of the couple are used in the function seeking to discriminate between the FFO as a joint operation and the FFO as an individual operation, while the arithmetic differences of these variables are used in the function seeking to differentiate whether the wife or the husband is the FFO in those cases where only one member of the couple performs this task. At the same time, all the variables individually are tested in both types of functions, as a rough yardstick against which to assess the results using the difference variables.

The results of attempting to explain what determines whether the FFO is a joint operation are presented in Table 3. Two regression functions are shown in this table, one with a longer set of variables (Function 1), and one with certain deletions that will be explained shortly (Function 2). In both cases, the dependent variable is a dichotomy, taking the value one for those families where the two members acted jointly as the FFO, and zero for the wife or husband separately as the FFO.

Function 1 in Table 3 represents a reduction from a larger function that contained 41 variables, including different types of asset holdings as well as variables to test the hypotheses noted on the preceding pages, such as educational differences and employment status of the wife. It contains those variables from the larger function that had *t* ratios of 1.0 or more. For this reason, what is not shown in the list of variables in Table 3 is as relevant for our hypotheses as the variables that are shown. Thus, neither education nor employment status of the wife appears in Function 1, leading to the inference that no support is provided for the hypotheses that similarity

3. Regression Results (Beta Coefficients) to Explain Whether FFO is Joint or an Individual

Variable	Function 1	Function 2
Rank of US bonds	-.062	
Rank of real estate	-.175**	-.160**
Set goal for total savings	.198**	.188**
Would save in govt. bonds	-.103	-.111
Would save in real estate	-.143*	-.140*
Would save in pensions and insurance	.174**	.193**
Noted savings accounts ads	.149*	.129
Noted government bond ads	.174**	.179**
Saving priority: |W-H|	-.128	-.150*
Quality minded: |W-H|	-.185**	-.187**
Economy minded: |W-H|	.117	.115
Experiment minded: |W-H|	-.121	-.122
Conservativeness: |W-H|	-.085	-.085
Bargain-minded: |W-H|	-.070	
Seeking opportunities: (W-H)	-.096	-.100
Simplifier: (W-H)	-.066	
Adjusted R^2	.131	.140
Sample size		144

*Significant at .10 level

**Significant at .05 level

of education or employment status of the wife has any effect on whether the FFO is the couple jointly or individually.

The one hypothesis that does receive a fair amount of support from these results is that if both members have similar attitudes with regard to such matters as saving priorities, importance of quality, or conservative tendencies, to name a few, the FFO is more likely to be the couple acting jointly. The one exception, not statistically significant at the 10 percent level, is the reverse effect of economy-mindedness; in other words, the more similar are the two members of the couples likely to be in this regard, the more likely is one member or the other to act as the FFO. Possibly in this case the couple may be so much in agreement that one is willing to delegate this task to the other.

The most important variable in determining whether the couple or the individual is the FFO is, however, not any of these variables but whether they have set a goal for total savings. The more likely they are to have done so, the more likely is the couple jointly to act as the FFO.

Inclination to save in particular forms also seems to be associated with who is the FFO. In particular, if saving in the form of real estate is assigned a high priority in one sense or another, one member rather than both is likely to be the FFO. Further investigation suggests that the reason is that in such a case one member tends to have a dominant interest in saving and in money management and this person, usually the husband, then takes charge of the family finances. On the other hand, if the couple is interested in saving primarily in the form of such more conservative forms as insurance,

savings accounts, and government bonds, financial management is more likely to be a joint undertaking.

Function 2 in Table 3 is a modification of Function 1, representing an attempt to refine Function 1 and highlight key variables by eliminating those variables which again have t ratios less than one. The result is a slight improvement in the goodness of fit, though the estimates of the parameters are essentially unchanged. The overall goodness of fit is not especially high, being not much more than 15%. A test of the ability of the function to classify couples correctly by the value of the dependent variable indicates that 70% of the couples are correctly classified. However, since 67% of the couples acted separately as the FFO, the improvement over a naive forecast of assuming all couples to have a joint FFO is only slight and not statistically significant at anywhere near the usual .05 level. Clearly, therefore, other explanatory factors remained to be detected.

The extent to which it is possible to explain whether the wife or the husband is the FFO for those families where an individual rather than the couple acts in this capacity is brought out in Table 4. The dependent variable here is again a dichotomy but in this case a value of "one" is assigned to the couple if the wife is the FFO, and zero if the husband is the FFO. Since joint arrangements are now excluded, the sample size drops to 96. Function 3, like Function 1 in Table 3, again represents a reduction from a larger function, the criterion for deletion being the purely statistical one of variables with t ratios less than one.

In broad outline, the results with regard to our hypotheses are very similar to those obtained in Table 3. In other words, differences in education

4. Regression Results (Beta Coefficients) to Explain Whether FFO is Wife or Husband

Variable	Function 3	Function 4
Pct. of income saved	-.296***	-.287***
Owns government bonds	.146	.132
Owns real estate	.109	.125
Set goal for total savings	-.002	
Would save in saving accounts	.129	.121
Would save in government bonds	.418	.154
Would save in real estate	-.100	-.099
Noted saving account ads	.073	
Saving priority (W-H)	.209**	.217**
Quality minded (W-H)	.166*	.156
Economy minded (W-H)	.185*	.188*
Extravagant (W-H)	-.112	-.105
Bargain minded (W-H)	.188*	.186*
Clarifier (W-H)	-.117	-.123
Simplifier (W-H)	.110	.115
Adjusted R^2	.220	.234
Sample size		96

*Significant at .10 level

**Significant at .05 level

***Significant at .01 level

or employment status of wife do not seem to have any effect in influencing whether one member or the other is the FFO. However, differences between the wife and the husband on various attitudes definitely do seem to influence who is the family financial officer. In particular, the wife is more likely than the husband to be the FFO if she gives more priority to saving, if she is more concerned with high quality, more economy minded, and more bargain minded.

Again, however, the most important of the independent variables is another variable altogether, in this case, percent of income saved. Other variables held constant, the higher the proportion of income saved, the more likely is the husband to be the FFO. This may seem inconsistent in view of the findings for the attitudinal variables and it may indicate that families saving a fair proportion of their incomes can only do so if the husband is actively involved in the process.

Function 4 in Table 4 represents, as in the case of Function 2 in Table 3, an attempt to refine the previous function by excluding once more the variables with t ratios less than 1. Some improvement in the goodness of fit is obtained, the adjusted value of the coefficient of determination rising to 23%, with the estimates of the parameters substantially unchanged.

A test of the ability of this final function to classify the wife or the husband as the FFO indicateds that 75% of the couples were correctly classified. Since the husband-wife split is actually 52:48, this is a substantial improvement.

<u>Effect of Financial Officer on Family Financial Behavior</u>

To what extent is the economic behavior of the couple affected by whether the wife or the husband is the FFO? This question is investigated

with regard to three aspects of family financial behavior, namely, the type of assets owned, the rate of saving of the couple, and purchases of durable goods.

With regard to type of assets owned, it will be recalled, it was hypothesized that if the wife was the financial officer the couple would be more likely to have their assets in fixed dollar form. One test of this hypothesis is provided by the upper part of Table 5 which indicates what percent of the couples in the sample owned each of five selected assets according to which member of the couple was the FFO.

As is evident from this table, the hypothesis receives mixed support. Where the wife is the FFO, ownership of the more speculative assets, namely, marketable securities and real estate is indeed less frequent than when the husband or both members are the FFO. However, with regard to ownership of the more conservative assets (savings accounts, U.S. government bonds and insurance), the level of ownership of these assets appears to be much the same whether the wife or the husband if the FFO. The main difference appears to be that if both members of the couple serve as the FFO, ownership of insurance tends to be higher and of savings accounts to be appreciably less than if one member individually serves as the FFO.

As a further test of this hypothesis, the lower part of Table 5 presents the distribution of the couple's funds among the five assets by identity of the FFO. The results indicate that couples where the husband is the FFO do indeed tend to have a larger proportion of their portfolio in the variable dollar assets, mainly because those couples are more likely to own their own home. As a result, such couples have approximately 82% of these five assets

5. Percent of Couples Owning Selected Assets by Identity of FFO

Asset	Identity of FFO: Husband	Wife	Both
	Ownership of Asset		
Savings accounts	83%	78%	69%
Government bonds	17	24	22
Insurance	87	84	89
Marketable securities	28	14	26
Real estate	64	53	55
	Distribution of Portfolio		
Savings accounts	9%	7%	9%
Government bonds	*	1	*
Insurance	10	17	17
Marketable securities	3	17	5
Real estate	79	58	69
Total	100%	100%	100%

in the form of variable dollar holdings as compared to 75% or less in the case of the couples where the wife or both members are the FFO. At the other extreme, a smaller proportion of the asset of couples where the husband is the FFO is in the form of insurance, and this is the most noticeable difference in the distribution of fixed-dollar assets among these couples. A multiple regression with the proportion of these assets in variable dollar forms as dependent, and identity of the FFO among other variables as independent, yields results in the same direction though not statistically significant. In other words, the proportion in variable dollar form tends to be more if the husband is the FFO and less if the wife is the FFO.

While none of these differences is large, and the sample sizes are small, they seem to suggest that husband-led married couples are more inclined to save in the form of variable dollar assets and also to save more than other couples. As is brought out in Table 6, for example, with the husband as the FFO, the couple was more likely to purchase a home in an early stage of their marriage. Thus, within the first six months of marriage, 28% of the couples where the husband was the FFO purchased a home as compared to 16% to 17% of other couples. This high frequency of home ownership among couples where the husband was the FFO persisted through the first three years of marriage. Only by the fourth year of marriage (the sixth wave) did the rate of home ownership among husband-led couples almost equal the rate of home ownership among couples wh-- both members were the FFO, and even then couples where the wife was the FFO had a lower frequency of home ownership.

6. Cumulative Percent of Couples Owning Their Home, by FFO & Wave

Wave	Identity of FFO		
	Husband	Wife	Both
1	28%	17%	16%
2	40	26	30
3	51	40	37
4	62	51	47
5	68	62	63
6	77	69	76

A similar set of differences appears for the percent of income saved in the first year of marriage (Table 7). A substantial rate of saving (21% or more of family disposable income) was reported by nearly half of the families where the husband was the FFO, but by only 38% of the joint FFO families and by only 24% of the wife FFO families. At the same time, dis-saving was reported by 7% of the wife FFO families but virtually none of the other families.

As a further test of this phenomenon, multiple regressions were carried out with the percent of income saved as the dependent variable and with the identity of the FFO included among a number of other independent variables such as those listed in Table 3. The result was a highly significant (beyond the .01 level) positive coefficient for the dummy variable for the husband as the FFO. Other variables held constant, the equation indicates that the percent of income saved was increased by 7.4 percentage points if the husband were the FFO. (The goodness of fit was quite respectable, the value of R^2 adjusted for degrees of freedom being .33.)

With regard to the purchase pattern of durable goods, the evidence on the effect of the identity of the FFO is mixed, as is evident from Table 8. Auto purchases were generally less frequent where the husband was the FFO than in either of the other two instances. This pattern prevailed throughout the first three years of married life. For other products, however, it is not at all clear whether the identity of the FFO had any effect on purchase of durable goods. One thing clear from these data is that purchase of kitchen-type appliances, such as refrigerators, freezers, stoves, washing machines, and dryers were definitely not more frequent where the wife was the FFO. If

7. Percent of Income Saved in Third Year of Marriage, by FFO

Percent Saved	Identity of FFO		
	Husband	Wife	Both
Dissaving	0%	7%	2%
No saving	11	9	14
Positive, under 11%	29	39	27
Positive, 11-20%	11	21	19
Positive, 21% or more	48	24	38
Total	99%	100%	100%
Base	61	82	85

8. Percent of Couples Purchasing Selected Items by Wave and by Financial Officer

	2			3			4			5		
	H	W	B	H	W	B	H	W	B	H	W	B
Car	18%	28%	30%	31%	26%	30%	16%	25%	18%	20%	27%	33%
TV-black and white	3	4	8	5	7	4	7	6	4	2	1	5
TV-color	2	5	5	8	5	7	11	6	7	7	5	5
Stereo set	16	5	4	2	6	10	5	2	10	5	4	7
Refrigerator	8	12	11	15	15	13	16	10	5	10	7	13
Freezer	0	0	2	2	1	1	0	0	6	5	0	2
Stove	7	9	14	13	7	12	8	7	1	8	5	16
Washing machine	21	7	14	15	15	12	11	11	5	11	7	12
Dryer	15	5	8	16	14	13	11	10	5	13	6	8
Air conditioner, room	7	6	7	11	13	6	3	5	5	13	15	8
Air conditioner, central	0	0	0	0	1	4	2	0	2	5	2	4
Dish washer	0	0	0	5	2	0	0	1	1	2	2	1
Waste disposal	0	0	0	0	1	0	0	0	1	0	4	5

anything, the wife seemed to be leaning over backward when she was the FFO not to purchase such items, while the same thing was true of the husband, since these purchases appeared to be if anything most frequent when the husband or both members of the couple were the FFO.

Summary and Conclusions

This study has sought to investigate the feasibility of identifying a family financial officer (FFO) in young married couples and whether differences in the identity of the family financial officer seems to affect the financial behavior of these couples.

The results of the study would seem to confirm the meaningfulness of the concept of a FFO. In terms of the member of the couple that looks after payment of bills, keeps track of expenditures and decides on the use of leftover funds at the end of a pay period, there seems to be little difficulty in pinpointing the FFO in young married couples. By the frame of reference used in this study, the FFO by the end of the second year of marriage in slightly over one-third of the families was the wife, in about the same proportion was the couple acting jointly, and in slightly over one-fourth was the husband.

Based on information from similar questions asked immediately after marriage, the role of the FFO seems to have shifted mostly from joint action to individual action. Thus, immediately after marriage, the FFO in nearly half the families was the couple acting jointly as compared to only 37% one year later. The main shift was toward the wife assuming the role of the FFO, especially with regard to payment of bills and use of extra funds.

The results of some multivariate analyses suggest that the principal determinant of whether the FFO is the couple acting jointly is a goal for

total savings and having similar attitudes on saving priorities. Contrary to what was postulated, similarity of education or of employment status of husband and wife did not seem to affect either individual or joint action of the couple as the FFO or whether the wife or the husband assumed that role.

Where the role of the FFO was carried out by an individual, the wife was much more likely to do so than the husband if she was more quality-minded, more economy-minded, or more bargain-minded. The wife was also much more likely to serve in that capacity if the two members of the couple differed substantially on saving priorities, thus suggesting that in the case of financial disagreement, the wife was more likely to take charge!

To what extent does the identity of the FFO affect financial behavior? Though it was not possible to investigate this question in much detail, indications are that such effects may be appreciable. In particular, if the husband is the FFO, the couple is likely to save a higher proportion of its income and to have a higher proportion of its gross assets in variable dollar form, that is, in the form of real estate and negotiable securities. Auto purchases also tend to be less frequent if the husband is the FFO (as might be expected from the preceding findings), but otherwise the frequency of durable goods purchases does not exhibit any particular pattern.

All things considered, therefore, the results of this study would seem to lend support to the idea that the family may not be a homogeneous unit for study of at least certain aspects of economic behavior. Rather, the interrelations among the members of a couple and the roles each of them play in family financial management would seem to be a distinctive factor to be considered in seeking a better explanation of consumer behavior.