

Pooling Finances and Relationship Satisfaction

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When couples decide to share their lives, they are simultaneously faced with the more mundane decision of how (or whether) to pool their finances. Does the way in which couples keep their money affect happiness in their relationship? Across five studies, including evidence from a largescale longitudinal survey, we find that couples who pool all of their money through the use of joint bank accounts experience greater relationship satisfaction, compared to couples who keep all (or some) of their money separate. We find evidence that joint accounts increase feelings of financial togetherness—making purchases and financial goals feel shared—and this mediates the relationship between joint accounts and well-being.

Keywords: Money, Happiness, Relationship Satisfaction, Finances, Financial Togetherness

When couples make the enormous, life-altering decision to share their lives, they are simultaneously faced with the far more mundane decision of how (or whether) to share their money. They can keep their money in separate accounts, pool their money together in joint accounts, or choose a hybrid approach by maintaining both separate and joint bank accounts (Burgoyne, Reibstein, Edmunds, & Dolman, 2007; Pahl, 2005). Could such a banal decision regarding finances play out to influence the success and happiness of one's relationship?

Given that money is a particularly pervasive and recurrent source of conjugal conflict (Dew, 2011; Papp, Cummings, & Goeke-Morey, 2009), the manner by which partners keep their money may prove important to maintaining harmony. We thus examine the consequences of couples pooling their finances in joint accounts (vs. keeping their money in separate accounts) for relationship satisfaction and longevity.

Arguments both for and against the various methods of money management have been put forth by sociologists and economists. For instance, a feminist perspective asserts that for the sake of a woman's financial autonomy (i.e., freedom from financial dependence on her male partner), couples should keep their money in separate bank accounts (Bennett, De Henau, Himmelweit, & Sung, 2012; Pahl, 2005). Furthermore, keeping money in separate (vs. joint) bank accounts establishes financial resources as more "individual, calculable, and accountable" (Singh & Lindsay, 1996; Treas, 1993), which could benefit *both* partners by clarifying which partner is entitled to spend money from each account, thus limiting opportunities for money-related arguments. Indeed, those who keep their money separate report greater ease in measuring contributions to the household's necessities, because expenses are typically paid according to agreed-upon formulas like splitting bills in half (Treas, 1993; Vogler, Brockmann, & Wiggins, 2006).

On the other hand, the use of joint bank accounts not only affords the practical advantages of having fewer accounts to keep track of and a larger amount of money for either individual to draw from, but pooling finances may also urge individuals to view their household as a collective unit (Daly & Leonard, 2002; Smith & Reid, 1986; Treas, 1993). That is, rather than allowing whichever individual's name is associated with an account to dictate whose money it is, who gets to spend the money, and for whom the money is spent (or saved), keeping money in a joint account establishes the money as shared—along with the related purchases and goals. This sense of “financial togetherness” should reduce partners' inclinations to keep track of what is ‘yours and mine,’ and instead lead couples to view themselves as a ‘partnership’ or ‘team’ (Bennett et al., 2012).

While the decision to open joint bank accounts is more administrative than romantic, if pooling finances does promote feelings of financial togetherness, this should carry over to enhance a more general sense of togetherness, which bodes well for relationship quality. Indeed, research in psychology points to overlapping self-concepts as both a key indicator and antecedent of strong, loving relationships. For instance, partners who are more likely to use pronouns such as “we,” “us,” and “our” exhibit better couple interactions (Seider, Hirschberger, Nelson, & Levenson, 2009); and individuals whose Facebook profile picture includes their partner report greater relationship satisfaction (Saslow, Muise, Impett, & Dubin, 2013). Viewing one's romantic partner as part of oneself typifies being in love (E. N. Aron & Aron, 1996), and couples who report feeling more interconnected tend to be more satisfied with their relationship (Agnew, Van Lange, Rusbult, & Langston, 1998; A. Aron, Aron, & Smollan, 1992).

We thus hypothesized that the mundane decision to pool finances (vs. keep them separate) could have a lasting impact on the long-term health of one's relationship by increasing

feelings of financial togetherness. To test this effect of account pooling on relationship satisfaction, we relied on both primary data collection, including experiments that leverage random assignment, as well as secondary data analysis of a largescale publicly available longitudinal survey. Across these forms of inquiry, we found that compared to couples who kept all (or some) of their money separate, couples who pooled all of their money together in shared bank accounts reported greater relationship satisfaction (Studies 1-5) and were less likely to break up (Study 2). This effect held when couples were randomly assigned to consider their money as joint versus separate (Studies 3 and 5), and was mediated through feelings of financial togetherness (Study 4).

Study 1: Pooling Finances and Relationship Satisfaction

Method

To test for an association between pooling finances and relationship satisfaction, we first conducted a survey among married Americans on Amazon's Mechanical Turk (MTurk). Following recommended recruitment procedures (Sharpe Wessling, Huber, & Netzer, 2017), we conducted an unpaid prescreen survey that included a relationship status question among eight filler items. Only those who indicated currently being married ($N = 1,005$; 42.1% male; $M_{\text{age}} = 38.94$) advanced to the actual survey and received \$0.85 for its completion.

In the main survey, participants reported on a 1-7 scale their current level of relationship satisfaction using the three items of the relationship satisfaction subscale of the scale for relationship quality (Fletcher, Simpson, & Thomas, 2000): "How satisfied are you with your relationship?" "How content are you with your relationship?" and "How happy are you with your relationship?" We averaged these three responses to create a composite measure (Cronbach's $\alpha =$

.96)¹. Amongst the demographic questions that followed, participants indicated how they currently organize finances with their partner: “We pool all of our finances together (i.e., we have one or more joint bank accounts);” “We keep all of our finances completely separate (i.e., we maintain separate bank accounts);” “We partially pool our finances (i.e., we have a mixture of joint and separate bank accounts).”

In addition to age and gender, we also measured relevant covariates. Couple members reported how many years they had been married ($M = 12.48$, $SD = 10.62$), and whether or not they had children (74.1% yes). We also measured financial satisfaction (Griskevicius et al., 2013) by asking participants to indicate the extent to which they agreed with the following three statements on a 1-7 scale: “I have enough money to buy the things I want;” “I don’t need to worry too much about paying my bills;” and “I don’t think I have to worry about money too much in the future.” We averaged these three responses to create a composite measure (Cronbach’s $\alpha = .92$), with higher numbers representing greater satisfaction with one’s finances ($M = 4.12$, $SD = 1.70$).

Results

Of the participants, 65.4% ($n = 657$) pooled all of their finances; 22.5% ($n = 226$) partially pooled their finances; and 12.1% ($n = 122$) kept all of their finances completely separate.

The results showed a significant effect of account pooling on relationship satisfaction, $F(2, 1002) = 16.73$, $p < .001$, $\eta^2 = .032$. More specifically, those who pooled all of their money were significantly more satisfied in their relationship ($M = 6.10$, $SD = 1.15$) than those who kept

¹ In addition to these three items, we also included the remaining fifteen items from the relationship quality scale. Our results for the 18-item relationship quality scale and the 3-item relationship satisfaction sub-scale are the same. We report the relationship satisfaction results in text, as this is our dependent variable of interest.

all of their money completely separate ($M = 5.46$, $SD = 1.42$), $t(1002) = 5.44$, $p < .001$, $d = .50$. Those who partially pooled their money fell in between ($M = 5.82$, $SD = 1.20$), reporting less relationship satisfaction than those who pooled all of their money together, $t(1002) = 3.02$, $p = .003$, $d = .24$, but greater relationship satisfaction than those who kept their money completely separate, $t(1002) = 2.70$, $p = .007$, $d = .28$.

When we repeated the analysis including age, gender, length of marriage, whether they had children, and perceived financial satisfaction as covariates, the effect of account pooling on relationship satisfaction remained significant, $F(2, 991) = 18.62$, $p < .001$, $\eta^2 = .036$.

Study 2: Pooling Finances and Subsequent Relationship Dissolution

Study 2 sought to replicate and extend the effect observed in Study 1 using a largescale longitudinal survey conducted among a representative cohort sample in the U.K. We analyzed data from the British Cohort Study, which has tracked a sample of children born in Britain during a single week in 1970 for over 40 years. In addition to examining relationship satisfaction, we took advantage of the longitudinal nature of the survey to examine whether pooling finances predicts relationship dissolution—a clear behavioral manifestation of relationship satisfaction (or dissatisfaction). We hypothesized that those who pooled their money in joint bank accounts would report higher relationship satisfaction and be less likely to end their relationship over subsequent years than those who kept their money totally or partially separate.

Method

Data from the British Cohort Study were collected through interviews conducted in respondents' homes, with each wave of data collection taking place over a two-year period. We focused our analysis on the wave collected between the years 2000-2002, when participants were 30-32 years old (49% male, $M_{age} = 30.9$). In this wave, respondents in a committed relationship

($n = 7,511$, 66.8% of total) were asked whether they pooled finances with their partner. In a separate section of the interview, they were asked how satisfied they were with their relationship. These questions were also asked in the most recent wave of available data (in 2012-2014), when cohort members were 42-44 years old. As these two waves represent the focus of our analysis, for convenience we will refer to them as time 1 (t_1 ; age 30-32) and time 2 (t_2 ; age 42-44). The descriptive statistics provided below for each measure correspond to time 1.

Account Pooling. Participants in a relationship were asked: “How do you/your partner organize your money?” The response options were “Pool all money” ($n = 4311$, 57.3%), “Pool some, separate rest” ($n = 2104$, 28.0%), or “Keep all money separate” ($n = 1096$, 14.6%).

Relationship Satisfaction. We assessed relationship satisfaction using two items. The first captured happiness in the relationship: “How happy is [respondent’s] relationship,” on a 7-point scale from 1 = Very Unhappy to 7 = Very Happy ($M = 5.13$, $SD = 2.27$). The second item measured whether respondents regretted being in their relationship. The question wording depended on whether they were married or cohabiting with their partner: “Do you ever wish you were not married to [living with] your partner?” (1 = no never, 4 = yes frequently). We reverse coded the second measure to aid interpretation, so that higher scores represent greater satisfaction (and less regret) with one’s partner ($M = 3.46$, $SD = 0.75$). Because the regret item was only measured at time 1, we analyze the two measures separately in our results. The two measures are positively correlated ($r(6863) = .15$, $p < .001$).

Relationship Dissolution. As part of the interview process, participants provided a retrospective history of all cohabiting and marital relationships lasting one month or more since age 16. Cohort members were asked to provide the month and year of the beginning of the cohabiting relationship, and the month and year of the end of the cohabiting relationship (if

applicable). We used these responses to provide a measure of whether, and if so when, couple members' relationships ended over the study period. To improve the accuracy of our measure, we excluded participants whose partner had passed away during the study period ($n = 45$), in order to avoid these relationships being classified as relationship dissolution.

Relevant Demographics. Following prior work in this area, we considered relevant covariates collected in the British Cohort Study that might confound the association between pooling finances and relationship dissolution, and controlled for these in our analysis. We included respondent gender (51% female), whether they were unemployed (3.4%), their partner's age ($M = 30.8$, $SD = 12.5$) and gender (54.6% female), information on whether they had their own child(ren) living in the household (43% had resident children), and the age the respondent finished full-time education ($M = 17.0$, $SD = 2.3$). Because the sample represents a cohort born in the same week, respondent age was already controlled for and thus not included in the analysis.

Financial Distress. Money management practices may, for some, be driven by economic necessity rather than choice. Therefore, we included a measure of financial distress, where participants were also asked how they and their partner were getting by financially. Responses were: "Living comfortably" (33%), "Doing alright" (38%), "Just about getting by" (21%), "Finding it quite difficult" (5%), or "Finding it very difficult" (2%). We treated this variable as a scale (from 1-5), with higher numbers representing greater financial distress ($M = 1.96$, $SD = .90$).

Mental Health. Lastly, we included a measure of mental health to capture the influence of an individual's general mental well-being on the well-being of their relationship. We used the General Health Questionnaire (or GHQ-12), a 12-item screening tool for gauging non-specific

psychiatric morbidity in the general population (Goldberg & Williams, 1988). The tool asked to what extent the respondent was unable to carry out normal functions (e.g., “Lost much sleep over worry”), and whether they have been feeling distressed (e.g., “Been thinking of yourself as a worthless person”). Responses were on a 4-point scale from 1 = Better than usual, to 4 = Much less than usual. The items were averaged, and the subsequent measure was reverse-scored so that higher numbers represent better mental health ($M = 2.89$, $SD = 0.35$).

Results

Our analysis proceeded in four steps. The first repeated the approach used in Study 1, where we analyzed whether participants (t_1 , age 30-32) who pooled their money also reported being more satisfied in their relationship. In the second step, we used a proportional hazards model to understand which relationships ‘survived’ over the following 12-14 year period, and to test whether couples with pooled accounts stayed together longer. Step 3 utilized a cross-lagged panel analysis, where we tested whether pooling money (t_1) predicted relationship satisfaction (t_2), controlling for relationship satisfaction at baseline (t_1). To parse the direction of the link between account pooling and relationship satisfaction, we also tested the reverse causal ordering with an additional regression model predicting account pooling (t_2) from relationship satisfaction (t_1), controlling for account pooling at baseline (t_1). In step 4, we compared participants who changed their account structure (e.g., by moving from separate to pooled accounts between t_1 - t_2 , or vice-versa) to test whether those who began pooling their money during this time period reported an increase in happiness (t_2).

Account Pooling and Relationship Satisfaction (t_1). To assess whether keeping money pooled predicted greater relationship satisfaction, we ran an ordinal logistic regression using reported relationship satisfaction as our dependent variable (a 1-4 scale of how frequently the

participant regrets the relationship, reverse-coded). We also control for participant gender, partner gender, partner age, whether they had a child participant education, current financial situation, and mental health. We found that keeping money jointly was associated with higher levels of relationship satisfaction compared to keeping money partially pooled ($b = .27, z(6894) = 4.65, 95\% CI = [.16, .39], p < .001$). Furthermore, keeping money separate was associated with lower levels of relationship satisfaction compared to keeping money partially pooled ($b = -.29, z(6894) = -3.68, 95\% CI = [-.44, -.14], p < .001$). Regression coefficients are presented in Table 1.

Table 1. Ordinal Logistic Regression Predicting Relationship Satisfaction from Account Pooling at Age 30

	Model 1				Model 2			
	<i>b</i>	<i>z</i>	95%CI		<i>b</i>	<i>z</i>	95%CI	
Pooling Money								
All Pooled	0.15**	2.77	0.05	0.26	0.27***	4.65	0.16	0.39
All Separate	-0.31***	-3.97	-0.46	-0.15	-0.29***	-3.68	-0.44	-0.14
Female	-	-	-	-	0.67*	2.53	0.15	1.18
Has Child	-	-	-	-	-0.36***	-6.60	-0.46	-0.25
Education	-	-	-	-	0.02*	2.08	0.00	0.05
Mental Health	-	-	-	-	1.27***	15.52	1.11	1.43
Financial Distress	-	-	-	-	-0.15***	-5.09	-0.21	-0.09
Unemployed	-	-	-	-	-0.10	-0.74	-0.38	0.17
Partner: Female	-	-	-	-	0.32	1.20	-0.20	0.83
Partner Age	-	-	-	-	0.00**	-3.25	-0.01	0.00

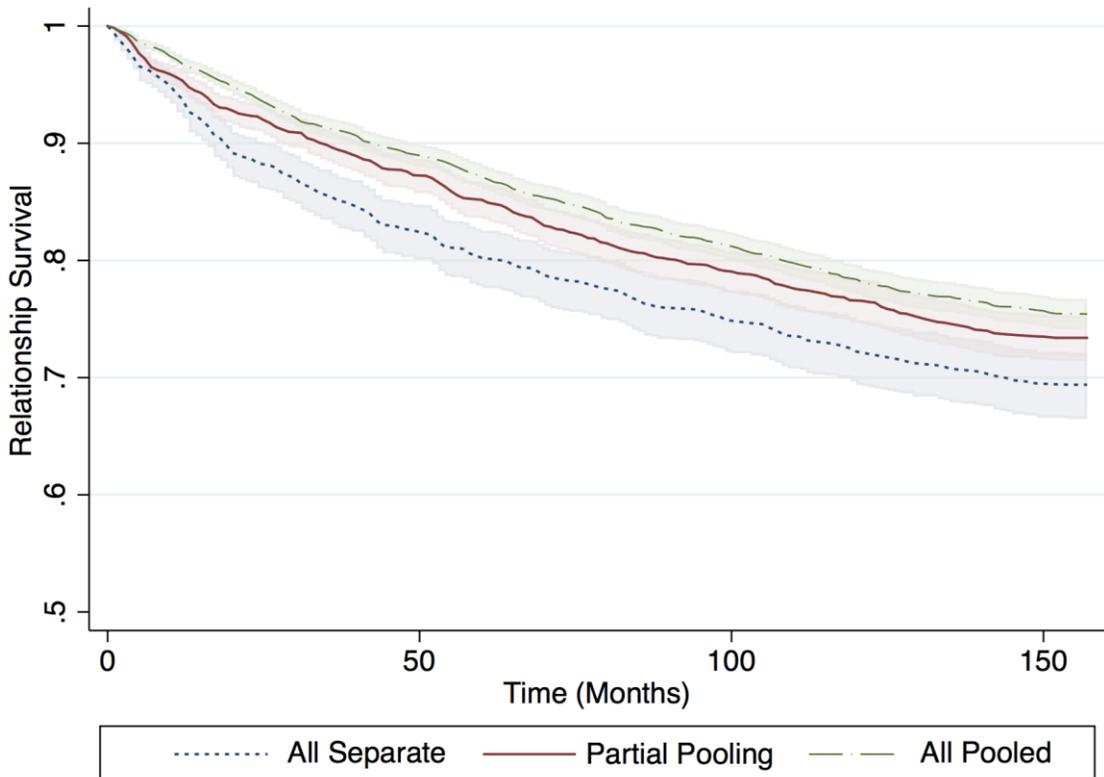
Notes: * $p < .05$, ** $p < .01$, *** $p < .001$. $N = 6905$.

We found the same pattern of results when using the alternative measure of relationship satisfaction (reported relationship happiness, 1-10 scale) as the dependent variable (keeping

money jointly, $b = .13$, $z(6894) = 2.46$, 95% CI = [.03, .23], $p = .014$; keeping money separate, $b = -.20$, $z(6894) = -3.01$, 95% CI = [-.33, -.07], $p = .003$).

Cox Hazards Model of Relationship Dissolution. We next examined whether pooling accounts predicted the likelihood of breaking-up over the subsequent 12-14 year period. Consistent with our hypothesis, we found that couples who pooled their money (t_1) had lower rates of relationship dissolution. Figure 1 illustrates this result; the survival curves show an increased risk of relationship dissolution for those who kept their finances completely separate, with 30.2% (312 of 1033) of them breaking-up, compared to 24.2% (1012 of 4182) of those who completely pooled their money, and 26.2% (525 of 2001) of those who partially pooled their money.

Figure 1. Kaplan-Meier Survival Curve Illustrating Relationship between Account Pooling and Relationship Dissolution



Note. Shaded areas represent 95% confidence intervals.

To formally test the effect of pooling on relationship dissolution, we used a Cox proportional-hazards regression model. Without the inclusion of any controls (see Model 1 in Table 2), the risk of relationship dissolution at any point in time was 21% higher for separate account holders, and 10% lower for pooled account holders, relative to those who partially pool their money. After including the covariates in the model, pooling money (t_1) remained a statistically significant predictor of relationship dissolution (Model 2).

Table 2. Cox Proportional-Hazards Regression Models Predicting Relationship Dissolution over Time

	Model 1				Model 2			
	HR	z	95%CI		HR	z	95%CI	
Pooling Money								
All Pooled	0.90*	-1.97	0.81	0.99	0.84**	-2.96	0.75	0.94
All Separate	1.21*	2.54	1.04	1.39	1.15†	1.89	1.00	1.33
Female	-	-	-	-	1.42	0.89	0.64	3.23
Has Child	-	-	-	-	0.89*	2.10	0.81	0.99
Education	-	-	-	-	0.92***	-6.46	0.89	0.94
Mental Health	-	-	-	-	0.76***	-4.02	0.67	0.87
Financial Distress	-	-	-	-	1.16***	5.56	1.10	1.22
Unemployed	-	-	-	-	1.02	0.41	0.83	1.34
Partner: Female	-	-	-	-	1.23	0.59	0.57	2.84
Partner Age	-	-	-	-	0.99*	-2.14	0.97	1.00

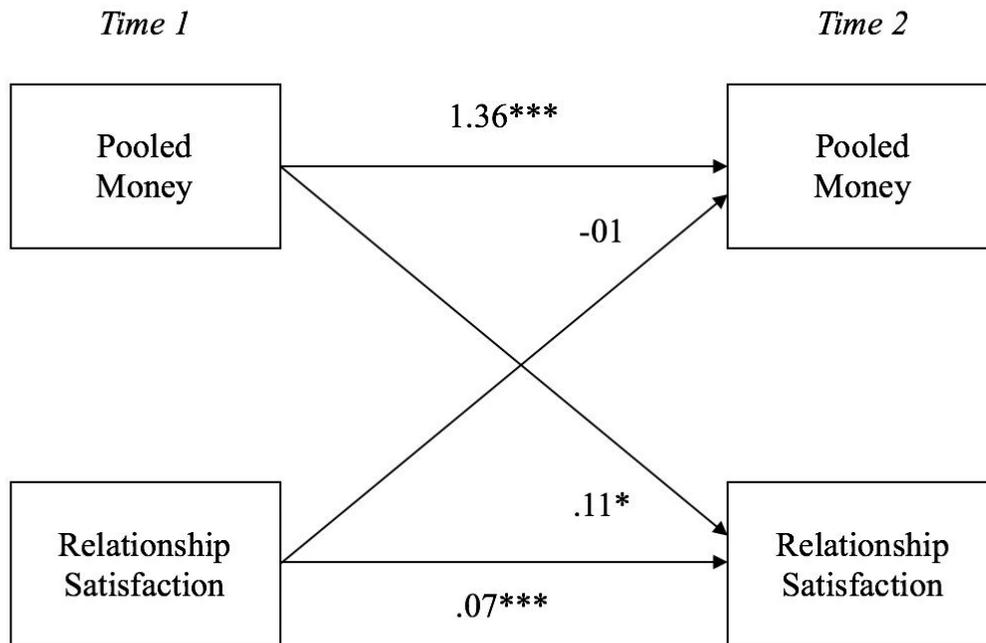
Notes. † $p < .1$, * $p < .05$, ** $p < .01$, *** $p < .001$. All predictor variables were measured at t_1 . The comparison group for Pooling Money was 'Partial Pooling.' Hazard ratios reported. $N = 6891$.

Cross-Lagged Panel Analysis. While the results thus far have provided evidence for an association between pooling accounts and relationship satisfaction, an alternative explanation for these results is that those who are unhappy in their relationship (or at least less certain about its future) are less likely to pool their finances (i.e., the effect we have described is driven instead by reverse causality). One way to assuage this concern is to clarify the temporal sequence of influence by testing whether pooling money predicts future relationship satisfaction controlling

for prior levels of relationship satisfaction. To measure relationship satisfaction, we use the question on reported happiness, as this was measured at both time points.

To do this, we used the generalized structural equation modeling² (GSEM) suite of commands in Stata version 15 to conduct a cross-lagged panel analysis. We predicted relationship satisfaction (t_2) from account pooling (t_1), while controlling for relationship satisfaction at baseline (t_1). We simultaneously predicted account pooling (t_2) from relationship satisfaction at baseline (t_1), while controlling for account pooling at baseline (t_1). As one would expect, relationship satisfaction (t_1) was positively correlated with relationship satisfaction (t_2) ($b = .07$, $z(3657) = 2.59$, 95% CI = [.05, .10], $p < .001$), meaning that, on average, couples who were happier in their relationships at age 30-32 also tended to be happier in those same relationships 12-14 years later. Consistent with our hypothesis, however, account pooling (t_1) uniquely predicted relationship satisfaction (t_2) above and beyond baseline relationship satisfaction (t_1) ($b = .11$, $z(3657) = 2.59$, 95% CI = [.03, .19], $p = .010$). In contrast, relationship satisfaction (t_1) did not significantly predict account pooling (t_2) above and beyond account pooling at baseline (t_1) ($b = .01$, $z(3657) = 0.42$, 95% CI = [-.02, .04], $p = .678$), suggesting that account pooling predicted subsequent relationship satisfaction, but not vice-versa. These results are illustrated in Figure 2.

² Generalized structural equation modeling combines standard structural equation modeling approaches with the broader generalized linear modeling (GLM) estimation framework. This allows us to model our measure of account pooling (1 = Keeping all money separate, 2 = Pool some, separate rest), 3 = Pool all money) as an ordinal rather than continuous measure.

Figure 2. Cross-lagged Analysis Between Account Pooling and Relationship Satisfaction

Note. Time 1 and Time 2 are between 12 and 14 years apart. Results estimated using generalized structural equation model, with responses modelled as ordinal variables.

** $p \leq .01$, *** $p \leq .001$

Changes in Account Structure. Over the 12-14 year follow-up period, the majority of participants kept the same account structure ($n = 2399$, 66.3%); (see Appendix for the figure illustrating which groups changed their account structure). If account pooling had a causal influence on relationship satisfaction, then it would be reasonable to expect that those who began pooling their money during that period (between t_1 and t_2) should report greater relationship satisfaction relative to their baseline response.

To test this, we divided those participants who changed how they pooled their finances into two groups. The first were those who changed their account structure to one that was more shared with their partner (i.e., separate \rightarrow partial or full pooling, or partial \rightarrow full pooling; $n =$

716, 19.6%). The second group consisted of those who changed their account structure to one that was less shared (i.e., full pooling → partial pooling or separate, or partial pooling → separate; $n = 519$, 14.2%). We then compared the two groups on their standardized relationship satisfaction difference score ($t_2 - t_1$). A high difference score means that a respondent reported being happier in their relationship at time 2 compared to time 1. We observed from an independent samples t-test that individuals who moved to a more shared account structure reported higher relationship satisfaction ($M = 0.42$, $SD = 1.35$) compared to participants who separated their accounts ($M = -0.11$, $SD = 1.34$, $t(1231) = 1.98$, $p = .048$, $d = .11$). Those who did not change their account structure had a relationship satisfaction score in-between the two other groups ($M = 0.01$, $SD = 1.34$).

Study 3: Manipulating Separate versus Joint Accounts in the Field

The results of Studies 1 and 2 suggest that those who pool all of their money in joint accounts experience greater relationship satisfaction than those who keep all (or some) of their money in separate accounts. Furthermore, our longitudinal analysis in Study 2 provides initial evidence that account pooling may actually influence one's satisfaction in their relationship. As a more direct test for this causal effect, we conducted an experiment in which we randomly assigned participants to think of their money as separate or joint, and then measured the effect on their subsequent relationship satisfaction.

Method

We conducted this study at a busy intersection on a Midwest college campus the weekend of a football game that attracts thousands of university alumni. The study was conducted from a table set up with a sign inviting those in a committed romantic relationship to participate. During

data collection (10:30AM to 3:00PM), 184 people who self-identified as being in a committed romantic relationship participated (61.3% male, $M_{\text{age}} = 41.63$).

In the study, participants were given a plastic bag with \$1 worth of nickels (20 nickels in total) that they could use to purchase a branded school mug. To induce participants to view the money as their own versus as shared with their romantic partner, we gave participants a sticker to label the bag of money with just their own name (separate account condition), or to label the bag of money with their name *and* their partner's name (joint account condition).

After deciding whether to use the money to purchase the mug or keep the money (98% chose to purchase the mug), participants completed a survey in which they reported their relationship satisfaction by rating on 5-point scales how happy and satisfied they were with their relationship in that moment (Cronbach $\alpha = .86$). In addition to answering demographic questions, participants completed a manipulation check: "To what extent did you feel the bag of money was yours alone versus shared between you and your partner?" (1 = totally my money, 5 = totally shared money).

Results

Of the 184 participants, 3 failed to complete both sides of the survey, leaving us with a final sample of 181 participants ($n = 92$ in the separate condition; $n = 89$ in the joint condition). The results of the manipulation check confirmed that those in the joint condition perceived their money more as shared ($M = 3.98$, $SD = 1.21$) than those in the separate condition ($M = 3.10$, $SD = 1.48$), $t(179) = 4.38$, $p < .001$, $d = .65$.

A t-test conducted on reported relationship satisfaction revealed that those who had been randomly assigned to view their money as joint were more satisfied in their relationship ($M = 4.40$, $SD = .64$) than those who had been randomly assigned to view their money as separate (M

= 4.18, $SD = .67$), $t(179) = 2.25$, $p = .026$, $d = .34$. This effect held controlling for whether one's partner was present during the study, the length of their relationship, how they actually pooled their finances, and their decision of whether to purchase the mug, $F(1,175) = 4.01$, $p = .047$, $\eta^2 = .022$.

Study 4: Why Pooling Finances Increases Relationship Satisfaction

Study 4 was conducted to explore *why* pooling finances might increase relationship satisfaction. We theorized that pooled accounts could increase relationship satisfaction by promoting a sense of financial togetherness. To test this, we developed a survey measuring two aspects of financial togetherness: feelings of shared possessions and shared financial goals.

Method

Identical to Study 1, we recruited married participants on MTurk using an unpaid prescreen survey ($N = 1,014$; 42.6% male, $M_{age} = 38.72$). Of these, 1,012 completed the main study and were paid \$0.50 to participate. In the study, participants first reported their level of relationship satisfaction using the same three items from Study 1 (Cronbach's $\alpha = .96$).

Participants then reported their degree of financial togetherness with their partner using six items on a 7-point scale (1 = totally mine, 7 = totally shared). Three items assessed feelings of *shared possessions*: "I view my current possessions as...", "I view purchases that I make as...", and "I view purchases that my partner makes as..." (Cronbach's $\alpha = .86$). And three items assessed feelings of *shared financial goals*: "The goals I have for saving money feel like they are...", "The goals I have for paying off debt feel like they are...", and "The goals I have for being able to buy things in the future feel like they are..." (Cronbach's $\alpha = .89$). A factor analysis confirmed that these two sets of items load onto two distinct factors; this two-factor solution is supported by both a parallel analysis and model fit. Lastly, participants completed

demographic questions, including how they currently keep their finances: pool all finances together in joint accounts, partially pool finances in joint and separate bank accounts, or keep all finances separate in separate accounts.

Results

Of the 1,012 participants who completed the survey, 65.9% ($n = 667$) pooled all of their finances; 23.6% ($n = 239$) partially pooled their finances; and 10.5% ($n = 106$) kept all of their finances separate.

We again found a link between account pooling on relationship satisfaction, $F(2, 1010) = 18.48, p < .001, \eta^2 = .035$. Those who pooled all of their money were significantly more satisfied in their relationship ($M = 6.15, SD = 1.16$) than those who kept all of their money completely separate ($M = 5.42, SD = 1.53$), $t(1010) = 5.68, p < .001, d = .54$. Those who partially pooled their money fell in between ($M = 5.85, SD = 1.31$), showing less relationship satisfaction than those who pooled all of their money, $t(1010) = 3.21, p = .001, d = .24$, but greater relationship satisfaction than those who kept their money separate, $t(1010) = 3.01, p = .003, d = .30$.

To test whether the two aspects of financial togetherness mediated the relationship between account pooling and relationship satisfaction, we entered feelings of shared possessions and shared financial goals as mediators into the same model to obtain the 95% confidence interval (CI) for each indirect effect with 5,000 bootstrap resamples (Hayes, 2013). The results suggested that feelings of shared possessions ($b = .37, SE = .08, 95\% CI = [.23, .53]$), as well as shared financial goals ($b = .70, SE = .10, 95\% CI = [.51, .91]$), mediated the relationship between account pooling and relationship satisfaction.

Study 5: When Pooling Finances Does Not Increase Relationship Satisfaction

Among married and co-habiting couples, the results thus far suggest there to be a relational benefit of keeping money in joint accounts. Study 5's sample included newer couples to examine whether the benefit of merging finances only transpires among couples who have made the decision to merge their lives more generally. Prior to this level of commitment, there may be advantages to financial autonomy. To test for relationship phase as a potential moderator, we conducted an experiment in a university laboratory, where undergraduate couples participated together by playing a money management game. We manipulated whether the money they used to play the game was joint or separate by giving participating couples either separate or joint envelopes of money with which to play the game.

Method

Seventy-nine undergraduate couples ($N = 158$ participants) completed this study for \$10. Upon arriving to the laboratory, they were told that they would be playing the Lemonade Stand Game with their partner. This was a popular video game for the Apple 2 home computer released in 1979. The game simulates running a lemonade stand, requiring participants to make financial decisions (e.g., how much to spend on signage for the lemonade stand, how many cups of lemonade to make) that determined their financial payout (i.e., lemonade sales).

Participants were randomly assigned to run their own lemonade stand with separate money (separate condition) or to run a lemonade stand together using joint money (joint condition). We made these conditions clear by providing participants with envelopes of money: each participant was provided with their own envelope containing \$2.00 in nickels in the separate condition, or both participants were provided with a single envelope containing \$2.00 in nickels in the joint condition. At the end of each round, participant's either earned money (if the lemonade stand was successful) or lost money (if the stand was unsuccessful). Depending on

their performance, following each round, couple members would take from or place money into a cup labelled “Bank.” At the end of the game (4 rounds), all participants returned their envelope to the experimenter to receive their individual (or joint) pay-out.

After receiving their pay-out, all participants were accompanied to a different room where they each completed a follow-up survey. In this survey, participants reported their degree of relationship satisfaction using the same three items from Studies 1 and 4, and we measured the length of their relationship. Three couples were excluded from the analysis because they indicated highly discrepant answers regarding the length of their relationship, suggesting they may have been friends claiming to be in a relationship in order to participate in the study.

Results

The results showed a significant interaction between account pooling and the duration of the couple’s relationship ($b = -2.27$, $z(150) = -3.19$, 95% CI = [-3.66, -.87], $p = .001$). Consistent with the effect observed in studies 1-4, those in an established relationship (i.e., who had been together for 12 months or more; $n = 30$ couples; 60 participants) reported greater relationship satisfaction if they had played the game from a joint rather than separate account ($b = 1.18$, $z(58) = 2.02$, 95% CI = [-2.33, -.04], $p = .043$). However, among those in a newer relationship (i.e., had been dating less than 12 months; $n = 46$ couples; 92 participants), partners who had a joint account reported *lower* relationship satisfaction than those with separate accounts ($b = -1.19$, $z(90) = 2.79$, 95% CI = [.36, 2.03], $p = .005$).

General Discussion

This research shows that couples who join their finances in a shared account (vs. those who keep all or some of their money in separate accounts) enjoy greater relationship satisfaction and are more likely to stay together. We internally replicated this effect in five studies—finding

evidence across populations: married Americans recruited online (Studies 1 and 4) or entering a Midwest college football game (Study 3), a representative cohort sample of married or cohabitating adults in the U.K. (Study 2), as well as undergraduate students in established romantic relationships (Study 5).

The results of our cross-lagged panel analysis (Study 2) and two experiments (Studies 3 and 5) suggest that our findings are not simply the result of more satisfied couples being more likely to join their accounts. Rather, these results demonstrate that method of account management can also *influence* relationship quality. Indeed, couple members to whom we randomly allocated joint (vs. separate) money subsequently reported greater satisfaction in their relationship. While prior research has observed a link between shared money and relationship satisfaction in specific populations, including mainland Puerto Ricans (Oropesa & Landale, 2005) and low-income couples (Addo & Sassler, 2010), our research generalizes this finding to couples more broadly and provides evidence for the causal direction of the link.

In an effort to explain how such a mundane decision as account structure might influence such an important outcome as satisfaction in one's relationship, we explored the role of financial togetherness. This revealed that keeping one's money in a shared account with one's partner frames each partners' financial goals and expenditures as shared. It is this greater sense of financial togetherness that benefits the relationship overall. Thus, it is not that financial autonomy (or maintaining separate accounts) is in itself disadvantageous. Rather, it is important for couples to perceive their possessions and financial goals as shared, and our research identifies one practical way to facilitate this: merging bank accounts. Our findings thus contribute to prior research examining the effects of having money on interpersonal connection (Brick, Chartrand, & Fitzsimons, 2017; Kraus & Keltner, 2009; Vohs, Mead, & Goode, 2006) by showing the

consequences of methods for keeping money in romantic relationships. Our findings also contribute to an emerging area of research on financial decision-making within romantic couples (Brick, Fitzsimons, Chartrand, & Fitzsimons, 2017; Dzhogleva & Lamberton, 2014; Rick, Small, & Finkel, 2011) by investigating the potential downstream consequences of account setup.

Future research should explore boundary conditions—identifying cases in which joining accounts might aggravate rather than cultivate relationships. Indeed, the results of Study 5 suggest that merged finances might *reduce* relationship satisfaction when the partners are not yet ready to merge their lives more generally. Once partners are committed, however, the sense of togetherness engendered by account pooling would presumably benefit all couples, but it may prove differentially beneficial for partners within the couple—depending on gender (Oropesa & Landale, 2005) or one’s role as the primary earner versus the financial dependent, for instance.

Though achieving marital satisfaction is itself an important life goal for many, satisfaction in this particular domain is critical to satisfaction with one’s life overall (Diener & Seligman, 2002; Nelson-Coffey, 2018). Indeed, in Study 1, individuals who reported greater relationship satisfaction also reported greater life satisfaction³. Moreover, through increasing satisfaction in their relationship, pooling finances with their partner increased people’s satisfaction in life. More specifically, 72.6% of the effect of pooling finances on life satisfaction was explained through relationship satisfaction. Similarly, this was 55.8% in Study 2 (t₁) and 62.3% in Study 4. Our findings thus contribute to the burgeoning research on happiness, which seeks to identify predictors of subjective well-being (Diener, Oishi, & Tay, 2018). While past research has shown that how money is spent can influence happiness (Dunn & Norton, 2014;

³ In Studies 1 and 4, life satisfaction was assessed on a 1-7 scale by asking participants to indicate their level of agreement with the following five statements (Diener et al., 1985): “I am completely satisfied with my life;” “The conditions of my life are excellent;” “In most ways, my life is close to my ideal;” “So far, I have gotten the important things I want in life;” and “If I could live my life over, I would change nothing.”

Dunn, Aknin, & Norton, 2008; Gilovich, Kumar, & Jampol, 2015; Matz, Gladstone, & Stillwell, 2016; Van Boven & Gilovich, 2003), our work demonstrates that happiness can also be influenced by something as simple as how money is kept.

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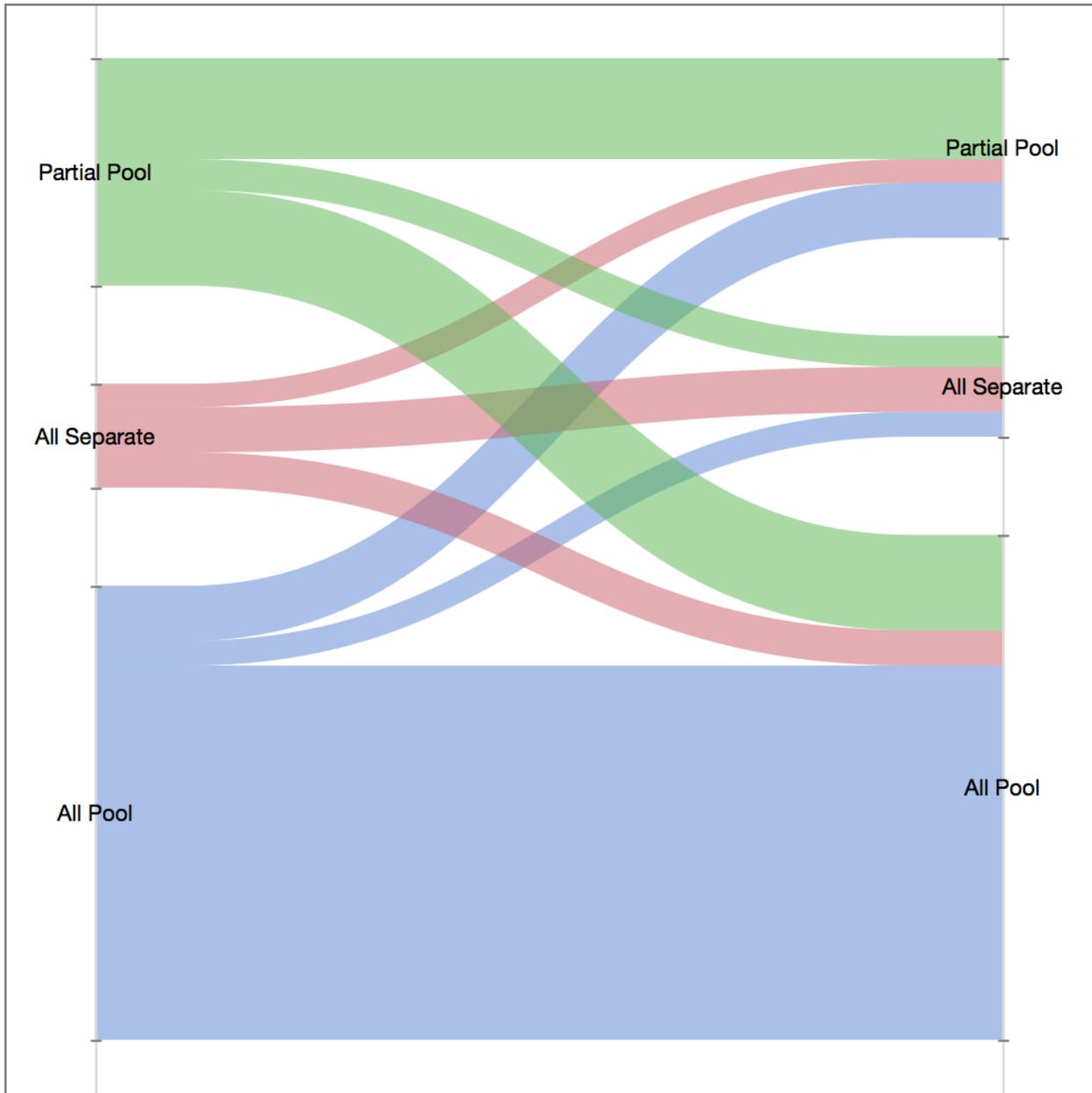
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Appendix

Parallel Coordinates Plot of Changes in Pooling Money Between Age 30-32 (t₁) to 42-44 (t₂)



Notes. The width of the lines representing the proportion of participants who changed account structure between the two periods.