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Monetary conflicts within co-residential unions: a comparative perspective

Anniina Kaittila
University of Turku

Although various studies indicate that money is a major source of conflict between cohabiting and marital partners, the existing research on what causes conflict within intimate relationships remains insufficient. Using data from the European Social Survey 2004/2005, this article explores the factors that predict monetary conflict between partners across 23 European countries. Previous research concerning financial conflicts has concentrated on individual-level factors. This study adds a macro-level perspective to the existing body of research by exploring whether the rate of female labor force participation and societal gender equality are associated with the prevalence of conflict. Individual-level factors, such as personal characteristics, household controls, relative resources, and gender equality, explain the frequency of disagreements. At the macro-level, this study shows that relationship dynamics are affected by the institutional characteristics of countries. In particular, in countries where the rate of female labor force participation is high, conflicts over money are more common. However, societal gender equality does not explain the frequency of conflicts.

Keywords: co-residential conflict, family finances, Europe, multilevel model

Introduction

Traditionally, a family has been viewed as a "black box", a single financial unit in which financial resources are assumed to be shared with members of the same family, and in which financial decision making occurs in mutual understanding. In criticizing this approach, Pahl (1989) pointed out that monetary decision making is not always unanimous, and that partners may have differing needs and wants with regard to money management. Indeed, in recent decades, several studies have indicated that money is one of the most frequent sources of conflicts[1] between partners (Miller et al., 2003; Oggins, 2003; Stanley et al., 2002).

Despite this finding, little information exists about the factors affecting money-related conflicts. Moreover, as previous studies were conducted primarily in the U.S. context, the findings offer only a limited perspective on couples' conflict tendencies in Europe and other parts of the globe. Another gap in the field of money conflicts is that, in existing research, the amount of financial disagreement is, to my knowledge, explained by only individual-level factors. As Treas (1993) points out, "family financial practices exist in a context of cultural values and societal ideologies." Therefore, in a cross-national study of the prevalence of financial conflicts, it is vital to recognize possible differences between countries. The present study aims to fill the gap in the existing literature by generating more data on monetary conflicts, focusing on both micro- and macro-level predictors of conflicts in the European context. Of particular interest are gendered perspectives at the societal-level since Ruppanner (2010) has shown that these perspectives explain well conflicts over housework. In this article, I attempt to answer the following question: What explains the prevalence of monetary conflicts among European co-residential unions? After testing four individual-level approaches: individual characteristics, household controls, relative resources, and gender equality I present multilevel findings for two country-level variables: a country's societal gender empowerment (GEM) score and the rate of female labor force participation. As Ruppanner´s (2010) study, this article makes use of data from the European Social Survey (ESS) 2004/2005.

In addition to the frequency of monetary conflicts, two other factors highlight the importance of research on this topic. First, monetary conflicts differ from other types of conflicts. Money-related conflicts are typically more intense, more severe, and last longer than other types of arguments. Financial disagreements typically also remain unresolved or conceal problems that have been discussed earlier (Papp et al., 2009). Second, extensive empirical evidence illustrates a correlation between conflicts and the well-being and happiness of individuals and families. Disagreements are significant risk factors for both psychological and physical health

The author works as a doctoral student at the Department of Social Research, University of Turku. Address: Faculty of Social Sciences, Social Policy and Social Work, FI-20014 University of Turku, Finland. E-mail: anniina.kaittila@utu.fi

[1] In this study a conflict is understood as a process that occurs when there is a disagreement or difference of opinion between partners (Cahn, 1992). A conflict situation between partners may involve a large range of actions from negotiating disagreement through discussion to highly aggressive occasions, which end up in physical violence (see Straus et al., 1996). As in several previous studies, in this article the terms conflict and disagreement are used as synonyms (e.g. Papp et al., 2009; Ruppanner, 2010).

(Choi & Marks, 2008). Furthermore, conflicts are related to marital dissatisfaction (Cahn, 1992) and they increase the tendency to divorce (Birditt et al., 2010; Cleek & Pearson, 1985). Finally, marital conflicts also have a negative influence on children (Grych & Fincham, 2001).

Theoretical perspectives

Micro-level view

According to the relative resource theory developed by Blood and Wolfe (1960), the distribution of personal resources, such as employment status and education, affect a person's decision-making power within a marriage. The theory specifically argues that, because men tend to provide more resources to a marriage than women do, they have a greater say in family decision making. However, when the women's share of the earnings increases or she is more highly educated than her partner, her possibilities to participate in family decision making increases as well. It may be assumed that, when woman's relative resources are higher than her partner's, conflicts are more likely to occur. This argument is supported by Ruppanner (2010), whose cross-national analysis of housework found that increases in women's relative work hours predict more conflict. However, the relative resource theory has also been strongly criticized. Several studies indicate that an increase in women's resources does not necessary result in greater power (see Dema-Moreno & Díaz-Martínez, 2010; Roman & Vogler, 1999). Resource theory may be too simplistic, failing to capture the complexity of relations within households (Safilios-Rothschild, 1970).

Researchers have also argued that values concerning gender equality are important factors in explaining couples' tendency to disagree about everyday matters. Over the past decades, several studies have proven egalitarian values to be related to a greater amount of conflict between partners (Kluwer et al., 1997; Scanzoni & Szinovacz, 1980; Ruppanner, 2010), though contradictory evidence has also been found (Coleman & Straus, 1986). When values become more egalitarian, traditional gender roles and decision-making patterns may be questioned, which in turn might cause more conflicts between partners. The reasons for this pattern may be derived from gender theory, which suggests that interpersonal interaction between partners is a reflection of how gender roles are produced in everyday life (Ferree, 1990; Potuchek, 1992).

In previous research, personal characteristics have most commonly been listed as the factors explaining monetary conflicts. In particular, gender, marital status, age, and presence of children have been linked to the prevalence of conflicts. Furthermore, differences between the sexes in terms of ways of reporting and expressing dissatisfaction have been widely noticed. When asked about the frequency of disagreements, women tend to report a higher amount of conflict than men do (Miller et al., 2003). Within the last ten years, a notable number of studies have compared cohabiting and married couples. Convincing empirical evidence demonstrates that couples living in a cohabiting union have a poorer quality relationship and more disagreements than married persons do (Chen et al., 2006; Stafford et al., 2004). However, previous research suggests that the influence of marital status depends on the level of gender equality and institutionalization of cohabitation. For example, in Norway, where both of these levels are high, the influence of marital status on human behavior is rather low (Lyngstad et al., 2011).

Age has been observed to be one of the key factors in explaining differences in couples' tendency to disagree. For example, Lawrence et al. (1993) observed age to be the only demographic factor explaining monetary conflicts. Indeed, the propensity of older couples to disagree less than younger couples is well documented in several studies (Hatch & Bulcroft, 2004; McGonagle et al., 1992; Swensen et al., 1981). In addition, the presence of children in the home predicts more disagreements between partners, and the time when couples raise infants is when the most severe conflicts occur (Hackel & Ruble, 1992; Hatch & Bulcroft, 2004). However, contradictory evidence has also been found (McGonagle et al., 1992).

There are also two household characteristics related to conflicts over money. In addition to relative resources, the overall resources available to a couple may shape their tendency to disagree. According to Hardie and Lucas (2010), the subjective experience of economic hardship is associated with more conflict. Dew (2007), however, suggests that conflicts are also more frequent among couples who have consumer debt, but personal assets do not seem to affect the frequency of conflicts over money. Ruppanner (2010) finds that decision-making patterns affect couples' tendency to disagree: The lowest amount of conflict occurs in relationships in which the partners make decisions together.

Based on previous research presented above, the following hypothesis is derived:

Hypothesis 1: Women´s higher relative resources, egalitarian gender role attitudes, living in a cohabiting union, young age, presence of children, experience of economic hardship and unequal decision-making patterns increase the tendency for conflicts over money.

Macro-level view

As Cherlin (2004) notes, individual-level explanations often omit the institutional links between family and society that shape social norms and assumptions about everyday behavior. Indeed, behavior within the family sphere, such as financial decision making, may be seen as a result of interaction between societal gender norms and institutions (Yodanis & Lauer, 2007b; 2007a). However, studies concerning marital disagreements have typically concentrated on individual-level explanations, with the exception of the study conducted by Ruppanner (2010) on housework conflicts. According to this study, couples' tendency to disagree is associated with institutional arrangements, namely female labor force participation and gender equality. The results demonstrate that in countries with high gender equality and female labor force

participation, individuals report the least housework conflict. In contrast, high rates of female labor force participation and low gender egalitarianism indicate the most housework conflict.

An important motivation for adding a country-level perspective to the topic at hand derives from Rodman's (1967; 1972) theory of resources in cultural context. As noted in the previous section, relative resources and values concerning gender equality are linked to decision-making patterns within families. However, the theory questions whether this link between resources and decision-making power should be explored only in terms of individual-level resources and argues that the possibilities to make use of one's individual resources are also shaped by the institutional context of the country. In practice, this means that norms override the effect of resources. For example, in traditional countries, even when a woman earned more than her husband did, the husband would still dominate decision making because of cultural beliefs and the institutional context of the man being the head of the household. Indeed, it may also be questioned whether equal gender role values shape decision making in countries with patriarchal norms. In conclusion, in the study of couples' conflicts over money, taking into account only resources and gender equality at the individual level may overlook relevant information at the country level.

On a macro-level, previous research clearly presents that there are considerable differences in resource division and gender equality among countries. These distinctions are often explained by the considerable variation in the timing and extent of the shift of women's labor out of the household (Einhorn, 1993) as well as by character variation among countries and the effects of social provisions on gender relations (Orloff, 1993).

As Scott, Crompton and Lyonnette (2010) state, there has been a "paradigm shift" in gender relations, which may be seen both in labor market changes and in gender equality issues. The female share of the labor force started to rapidly increase in many countries across the Western world during the 1960s (Esping-Andersen, 2009)[2]. At the same time as this structural change, people began questioning traditional beliefs about the appropriate division of sex roles, and cultural perceptions of gender equality shifted. These changes accelerated the recognition of women's rights at the policy level, and support for equality between the genders became an important political theme (Inglehart & Norris, 2003). Before the changes, work culture was extensively gendered: men had the primary responsibility to earn an income and women to care for home and children, which made women substantially dependent on their husbands financially. As the primary supporters of the family, men controlled the money and made the main decisions concerning household finances. (Bernasek & Bajtelsmit, 2002.)

As a consequence of changes both in resource division and gender equality at the societal level, women gained more relative power within families and started to have a greater say in financial decision making (see Bennett et al., 2010; Blumstein & Schwartz, 1983). As mentioned above, the individual-level resource division between partners and perceived gender equality predicts disagreements between couples. Indeed, this logic might also be seen at the macro-level. Wilson (1987) hypothesizes that in strong male breadwinner cultures, money is not a source of conflict in marriages because men have the first call for the available money, and this is always undisputed. In contrast, in societies where women have gained more resources at the societal and personal levels, more conflicts might occur between partners (Whitehurst & Booth, 1980).

From these arguments two further hypotheses are formulated:

Hypothesis 2: A high level of female labor force participation at the country-level increases the tendency for monetary conflicts between partners.

Hypothesis 3: Financial conflicts among partners are more common in countries where gender equality is high at a societal level.

It is vital to differentiate the two hypotheses since, as Inglehart and Norris (2003) point out, increases in women's labor force participation does not necessarily go hand in hand with advancing the position of women in every society. In Europe, this is the case especially in post-communist countries, where the rate of women's labor force participation has been high for a long time (Pascall & Lewis, 2004), but gender equality measured by, for example, women's participation in legislative bodies, is distinctly lower than in Europe on average (Chiva, 2005).

Data and measures

This paper makes use of data from the European Social Survey (ESS) 2004/2005 to explore monetary conflicts within co-residential unions. The ESS is a high-standard, multi-country survey that concentrates on public attitudes, values, and beliefs in Europe. It has been carried out in two-year intervals since 2002; the analyses presented in this paper are based on its second wave. The fieldwork for the second wave was conducted between September and December 2004, and the data are drawn from 26 countries (Jowell et al., 2006). Twenty-three countries, for which the questions used in this study were available, are included in the analysis. The countries included are Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, Germany, Greece, Hungary, Iceland, Ireland, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK, and Ukraine. In the preliminary analysis, Turkey appeared to be an outlier, whereupon it was excluded from the final analysis. For the purpose of this study, the sample is restricted to individuals who were at least 16 years old and

[2] It should be noted that this development has not proceeded at the same rate in every European county. For example, in Finland female employment rate has been high even before industrialization since the structural possibilities for the male breadwinner model were poor (see Julkunen, 1994).

living with a partner at the time. After cases that failed to produce data on key variables were excluded, the total sample consisted of 24,306 women and men.

Outcome variable: How often couples disagree about money

The dependent variable in this research is based on the question, "How often do you and your husband/wife/partner disagree about money?" Responses are set on a seven-point scale: never, less than once a month, once a month, several times a month, once a week, several times a week, or every day. As Ruppanner (2010) states, in cases where data exhibit right skewness and about half the sample report some presence of a phenomenon and other half none, it is justifiable to recode the dependent variable dichotomously. On the basis of right skewness with the dependent variable of this study, the variable was recoded into two categories, with 0 representing no conflicts ("never disagree") and 1 some reported conflicts. Also, an alternative cutting point for the dependent variable was tested (0=never, less than once a month) (1=more often), and the changes for the results were only minor.

Level 1 measures

Individual characteristics. As individual characteristics, three key variables are included in the analysis: age, marital status, and presence of children. Age is standardized into four categories, 16–30, 31–45, 46–65, and 66–99. Marital status is dichotomously coded into two categories: married and not married. All the respondents included in the sample reported living with a partner; thus, the "not married" category represents couples living in cohabiting unions. The presence of children is simply coded into two categories: children under 18 living in the household, and children under 18 not living in the household.

Relative resources. As resources, the effects of relative income and relative education are tested. Relative income measures the income distribution between partners. The variable is recoded into three categories: women earns more, both partners are equal contributors, and men earns more than his partner. Relative education describes the possible difference between partners' education levels. The variable is coded into three categories: the woman is more educated, partners have the same level of education, and the man is more educated.

Gender equality. Values concerning gender equality are measured using a gender egalitarianism index, which is a composite measure of the following statements: 1) A women should cut back on her paid work for the sake of her family; 2) when jobs are scarce, men should have more right to them than women should; 3) when there are children in the home, parents should stay together even if they do not get along; and 4) a person's family ought to be his or her main priority in life. The Cronbach's alpha for the index is 0.62. The variable was recoded into three categories: traditional gender ideology, neither traditional nor modern ideology, and equal gender ideology.

Household controls. In addition to individual characteristics, relative resources and gender equality, two household controls, subjective experience of income and financial decision-making practice, which, according to previous research, affect the prevalence of conflicts, are added into the analysis. "Subjective experience of income" is a variable measuring respondents' subjective experiences of household income. It is coded into two categories: easy to cope with current income, and difficult to live comfortably with household financial resources. Financial decision making refers to decision-making roles between partners. Respondents were asked to indicate who generally makes the main decisions concerning household financial purchases. In this study, answers were coded into three categories: the woman makes the decisions mainly by herself, partners make the decisions together, and the man typically decides.

Level 2 measures

Level 2 measures describe gender resource division and gender equality at the societal level[3]. To measure the effect of country on monetary disagreements, variables measuring gender empowerment (GEM)[4] and female activity rate were used. Both measures were created by the United Nations, and for this study, calculations were collected from the United Nations Development Report 2004.

The Gender Empowerment Measure GEM is an index developed to explore variation in societal gender equality across countries. It examines three dimensions in gender equality: economic participation and decision making, political participation and decision making, and power over economic resources. GEM scores for each country range from 0 to 1, with the higher values representing greater societal gender equality. Female economic activity rate measures the share of the female population aged 15 and above who participate or are available to participate in the labor force. Scores for each country range from 0 to 100 percent, where the higher values represent a higher employment rate.

Analysis

The analysis addresses the following question: What explains the prevalence of monetary conflicts between coresidential partners in Europe? It specifically examines the

[3] The macro-level aim of this study is to explore how gendered perspectives (female activity rate, GEM) shape the frequency of conflicts. To differentiate gendered effects from economic ones, the association between conflicts and GDP and conflicts and societal unemployment rate was tested, but neither GDP nor unemployment rate were significantly related to conflicts over money.

[4] To measure gender equality, the effects of the gender egalitarianism index, presented on page 11 were tested also at macro-level. Both measures of gender equality, GEM and gender egalitarianism gave the same results in the model. The GEM is included in the final model since it has been more commonly used in previous studies (see Fuwa, 2004; Ruppanner, 2010).

Table 1
Sample size, country-level measures and percentages for dependent variable

	N	GEM	Female economic activity rate	Mean disagreement for women	Mean disagreement for men
Austria	986	.770	44.1	51.4	52.0
Belgium	1070	.808	40.1	44.5	43.1
Chez Republic	1350	.586	61.3	62.0	59.1
Denmark	965	.847	61.8	42.8	42.7
Estonia	1023	.592	60.4	47.0	43.4
Finland	1264	.820	56.9	61.5	64.4
Germany	1622	.804	47.9	54.4	48.5
Greece	1456	.523	38.4	35.6	31.3
Hungary	868	.529	48.6	43.0	38.6
Iceland	367	.816	66.7	60.9	60.8
Ireland	1252	.710	37.9	35.1	32.2
Luxemburg	969	.624	38.2	38.5	41.3
Netherlands	1117	.817	45.8	42.2	45.0
Norway	1165	.908	59.9	55.5	57.3
Poland	967	.606	57.1	53.6	50.6
Portugal	1133	.644	51.6	40.4	33.5
Slovakia	730	.607	62.7	61.9	54.2
Slovenia	773	.584	54.4	43.0	42.9
Spain	941	.716	38.1	38.7	33.8
Sweden	1202	.854	62.7	39.8	43.3
Switzerland	1128	.771	51.0	43.0	40.2
UK	956	.689	53.2	45.5	53.4
Ukraine	982	.411	55.4	49.0	49.1

effects of individual-level factors and country-level characteristics on conflicts over money.

To answer this question, multilevel logistic regression analyses were conducted. Analyses were performed using the two-level random intercept model with the statistical program STATA11.

The empty model is the following:

$$log(\pi_{ij}/1 - \pi_{ij}) = \beta_0 + u_{0j} \quad (1)$$

The model with independent variables is the following:

$$log(\pi_{ij}/1 - \pi_{ij}) = \beta_0 + \beta_1 x_{1ij} + u_{0j} \quad (2)$$

For the model with independent variables, β_0 is the overall intercept in the linear relationship between the log-odds and x. Then, $\beta_1 x_{1ij}$ denotes the fixed part, and u_{0j} the random part. Three models with stepwise inclusion of explanatory variables were computed. In past research, differences between the sexes regarding ways of reporting and expressing dissatisfaction have been widely noticed. Given that on the individual-level different factors explain the prevalence of disagreements for men and women in previous studies (Ruppanner, 2010; Williams & Berry, 1984), and that in the preliminary analysis, this appears to be the case in this study too, analyses of all three models were conducted separately for men and women.

Results

Table 1 presents the sample sizes for each country, country-level percentages for women and men regarding mean conflict (i.e., the percentage of respondents who report some disagreements in their relationship) and macro-level variables, GEM and female activity rate. Comparison of GEM scores across countries reveals that the Ukraine has the lowest scores at 0.41, and Norway the highest at 0.91. In terms of female activity rate, Ireland has the lowest female activity rate at 37.9 percent, and Iceland the highest at 77.7 percent. The table indicates that the number of conflicts varies widely according to the sex of the respondent and the country. Women report more disagreement than men in 65 percent of the countries and less disagreement than men in 35 percent of the countries. Women in the Czech Republic report the most conflict (62 percent), and women in Ireland the least (35 percent). Men living in Finland report the most conflict (64 percent), and men living in Greece report the least (31 percent).

Table 2 presents the log odds of "never disagree" and "disagree" for women and men at individual and country levels. For women, the first column is an empty model (Model 0), which includes no independent variables. Model 1 includes all individual-level variables: personal characteristics, household controls, relative resources, and gender ideologies. Personal characteristics influence the prevalence of

Table 2
Log odds, standard errors and significance levels for frequency of financial conflicts, models for women and men. ESS 2004/2005

	MEN			WOMEN		
	Model 0	**Model 1**	**Model 2**	**Model 0**	**Model 1**	**Model 2**
FIXED EFFECTS						
Age						
–30		ref.	ref.		ref.	ref.
31–45		-.21 (.06)**	-.21 (.06)**		-.08 (.08)	-.08 (.08)
46–60		-.38 (.06)***	-.38 (.06)***		-.46 (.08) ***	-.46 (.08)***
61–		-.96 (.07) ***	-.96 (.07) ***		-.99 (.08) ***	-.99 (.08)***
Presence of children						
Yes		ref.	ref.		ref.	ref.
No		-.33 (0.5)***	-.33 (0.5)***		-.34 (.05) ***	-.34 (.05)***
Marital status						
Married		ref.	ref.		ref.	ref.
Not married		.14(.06)*	.13 (.06) *		.17 (.06)**	.16 (.06)*
Subjective experience of income						
Easy		ref.	ref.		ref.	ref.
Difficult		.41 (.05) ***	.41 (.05) ***		.30 (.05) ***	.30 (.05)***
Main decision maker						
Woman		ref.	ref.		-.06 (.07)	-.06 (0.7)
Together		-.23 (.05) ***	-.24 (.05) ***		-. 40 (.06) ***	-.40 (.06)***
Man		.41 (.08) ***	.41 (.08) ***		ref.	ref.
Contributed proport. of household income						
Woman earns more		.13 (.06) *	.13 (.06) *		ref.	ref.
About the same		.09 (.05)	.09 (.05)		.02 (.07)	0.2 (.07)
Man earns more		ref.	ref.		.07(.06)	.07(.06)
Relative education						
Woman more educated		ref.	ref.		-.02 (.05)	-.01 (0.5)
Equally educated		-.12 (.06)	-.10 (.06)		- 09 (.06)	-.08 (.06)
Man more educated		-.08 (.05)	-.06 (.05)		ref.	ref.
Gender equality						
Traditional		ref.	ref.		ref.	ref.
Neither traditional nor equal		.24 (.05) ***	.24 (.05) ***		.16 (.05)**	.15 (.05)**
Equal		.29 (.06) ***	.29 (.06) ***		.04 (.06)	.02 (.06)
Female activity rate			.03 (.01) ***			.02 (.01)***
GEM			.66 (.45)			1.03 (.47)*
Intercept	-.13 (.08)	.23 (.11)**	-1.42 (.44)**	-.18 (.08)*	.50 (.14)***	-1.49 (.46)**
RANDOM EFFECTS						
Country-level variance	.12 (.04)	.11 (.04)	.06 (.02)	.14 (.04)	.14 (.04)	.07 (.02)
N	12543	12543	12543	11 763	11 763	11 763

conflicts in the same manner as presented in previous research. The three oldest age cohorts differ significantly from the youngest one, and the tendency to disagree decreases with age. Compared to individuals with children under 18 living at home, individuals with no children at home report significantly fewer conflicts, and those who are not married tend to engage in conflict more often than married persons do.

Both household controls, subjective experience of income and decision-making practices are significantly related to conflicts. In relationships where partners make financial decisions together, disagreements occur less often, and in relationships where a husband makes decisions alone, conflicts are more common than in relationships where the wife does.

In previous studies, the effects of income have been somewhat contradictory. However, the effect of experience of household income in this analysis is clear: those who feel that living with their current income is difficult report more conflict than those for whom making ends meet is easier.

Regarding relative resources, the findings are somewhat contradictory. The relative resource perspective suggests that respondents with greater resources hold bargaining power in conflicts over money, and especially in situations where a wife's resources are higher than her husband's, conflicts are postulated to occur fairly easily. Indeed, women who contribute over half of the family income report more conflicts than those who are more financially dependent on their partner. However, relative education is not significantly related to conflicts. As predicted, respondents who hold more egalitarian gender role ideologies report more disagreements than those with traditional gender role ideologies.

Model 2 answers a central question of this study by adding the country-level measures, GEM and female activity rate, to the individual-level model for women. As predicted, in countries where the rate of female labor force participation is high, women report more conflicts than in countries where it is lower. However, the GEM does not function as a significant moderator in explaining monetary disagreements in the model for women. Despite this finding, including country-level variables in Model 1 reduces the country-level variance by 54. 5 percent (from 0.11 to 0.06).

Table 2 also presents log odds for monetary conflicts as reported by men. Consistent with the women´s results, Model 0 is the empty model, Model 1 includes all individual-level variables, and Model 2 adds country-level variables to Model 1. Similar to the findings of previous research and the model for women, personal characteristics and household controls explain men's tendency to report disagreement over money. The presence of children and not being married are associated with greater disagreements. In addition, older respondents report less disagreement than younger ones. Subjective experience of income is positively correlated with conflicts, and men who make decisions concerning money together with their partner report significantly less disagreement than those where the couple´s decision-making patterns are less equal.

In terms of relative resources, the theory does not gain support from the analysis. Unlike in the model for women, relative income contribution is not significantly related to disagreements, and as for women, relative education is not associated with money conflicts. As predicted, gender role ideology is positively associated with monetary conflicts. Individuals with neither a traditional nor an egalitarian ideology report significantly fewer disagreements than those who hold a traditional gender role ideology. Surprisingly however, men with an egalitarian ideology do not differ significantly from men with a traditional gender role ideology.

Adding explanatory variables into a logistic multilevel model typically reduces the intercept variance. However, examination of country-level variance shows that, although independent variables were added to model, the variance stays the same from Model 0 to Model 1. According to Snijders and Bosker (1999, 227–229), in cases where the Level 1 variable is constantly distributed across macro-level units and is also uncorrelated with other added fixed effects, the value of intercept variance may stay the same or increase. In conclusion, this tendency in current research is not considered problematic.

Finally, Model 2 adds the country-level measures, GEM and female activity rate, to the individual-level model. For men, adding Level 2 into the analysis reduces the country-level variance by 50.0 percent (from 0.14 to 0.07). Consistent with the model for women, high levels of female activity are associated with higher levels of conflict. Unlike in the model for women, however, the GEM is positively associated with disagreements over money.

Discussion and conclusion

As previous research concerning the prevalence of money-related conflicts was conducted primarily in the U.S. context, the objective of this study was to investigate monetary conflicts among European couples from a comparative perspective with three hypotheses. This study both confirms existing individual-level explanations of monetary conflicts and advances research by examining the effects of the contextual level.

Confirming the first hypothesis, four observed individual-level factors, personal characteristics, household controls, relative resources, and gender equality, predict conflict frequency among European couples to some extent. Among personal characteristics, presence of children, age, and marital status influence the frequency of conflicts: older couples and those who do not have children living at home disagree less than younger cohorts and those who live with children, respectively. Moreover, individuals living together without being married disagree more than married couples do. The effects for all three variables are the same for women and men. Furthermore, both household controls are significantly associated with conflicts over money: equal contribution to household decision making and feeling comfortable about current income is associated with lower levels of conflicts.

This study clearly demonstrates that gender equality at the individual level plays an important role in financial conflict. Equal gender role attitudes predict more conflicts, though this is particularly the case for women. This observation is made in several studies exploring different types of disagreements, such as conflicts over housework. (Kluwer et al., 1997; Scanzoni & Szinovacz, 1980; Ruppanner, 2010) Though resource division between partners at the individual level is, according to previous research, strongly associated with marital power (Blood & Wolfe 1960), and relative resources affect conflicts over housework (Ruppanner, 2010), the effects of relative resources are in this study minor. Only in the model for women is the wife's breadwinning role associated with prevalence of conflict. In this study, relative resources are defined only by socioeconomic factors. However, as Roman and Vogler (1999) point out, analysis of the effects of relative resources, for example, in studies concerning financial practices would benefit from broadening the concept

of resources. Furthermore, Foa and Foa (1980) argue that, in addition to socioeconomic-resources, the dynamics and the balance of power in a relationship are affected by resources such as intelligence, attractiveness or a feeling of love.

In her recent study, Ruppanner (2010) has shown that conflicts over housework are affected by country-level characteristics, GEM and female activity rate. The purpose of this study is to test whether these factors are also related to conflicts over money. All in all, examination of data across 23 countries finds consistent support for the idea that monetary conflicts are also shaped by institutionalized practices. The inclusion of macro-level characteristics, female labor force participation and GEM, decreases the country variance by a half.

Adding the Level 2 results into the logistic multilevel model demonstrates that country characteristics measured by female labor force participation are significantly associated with disagreements over money for both men and women. Whitehurst and Booth (1980) hypothesize that, in societies where women have gained more resources at the societal level, more conflicts occur between partners. This study clearly supports the hypothesis by indicating that individuals in countries with high rates of female employment report the highest levels of conflict over money. The strong effect of female labor force participation on marriages across countries is observed in other empirical research. For example, Kalmijn (2007) discovered that female labor force participation is also positively associated with low marriage rates and high rates of cohabitation and divorce.

The effects of the GEM on financial conflicts are less clear. A high level of GEM in a country increases men's tendency to report conflicts, but for women, the GEM is not significantly associated with the prevalence of disagreements. This result may seem somewhat surprising because gender equality at the individual level increases conflicts, especially among women both in this study and previous ones. In addition, gender equality at the country-level predicts conflicts over housework (Ruppanner, 2010). Inglehart and Norris (2003) note that a rise in female labor force participation and a focus on gender equality within a society do not necessarily go hand in hand. This study shows that the differences in these themes becomes visible in the investigation of human behavior, given that only female activity in the labor market is clearly associated with monetary conflicts.

Some of the findings presented in this paper should be read with caution. Firstly, this study is not able to capture the complexity and detail that single-country studies may reveal. It uses a random intercept model, in which the effect of each explanatory variable is assumed to be the same. As Rodman (1967, 1972) asserts, the effects of individual-level factors, such as resources or gender equality, may be determined by country characteristics. This study does not reveal whether, for example, the effect of individual-level gender ideology is the same across countries or perhaps stronger for individuals living in gender egalitarian countries (see Fuwa, 2004). Future research would benefit from analysis using a random slope model that allows the effects of independent variables to vary across countries.

Secondly, though the dependent variable may be coded dichotomously on the grounds of right skewness, one may question whether the best way to measure human behavior is to divide it into two classes. In future studies, it would be useful to take into account how often couples actually disagree, given that the number of disagreements among those who report some conflict may vary significantly.

Thirdly, there are some limitations with the macro-level perspective of this study. It should be noted that the female activity rate is a common predictor for modernization (see Inglehart & Norris, 2003). Thus, in future it would be useful to explore what the effects of other factors of modernization are on conflicts over money. This study did not document a strong relationship between the GEM and monetary conflicts. As earlier studies point out, since the GEM is an index derived from three estimates, in future research it would be useful to test how the specific measurements of the GEM are related to conflicts (see Fuwa, 2004; Ruppanner, 2010). In addition, besides the gendered perspective, other structural-level factors should be explored while studying conflicts over money, in particular measurements for inequality. As Yodanis and Lauer (2007b) point out, inequality on a national level may trickle down into intimate relationships.

Moreover, this study focuses on regional rather than temporal variation (see Yodanis & Lauer, 2007b; Raymo & Xie, 2000). Given the lack, to my knowledge, of research exploring the effects of macro-level characteristics on conflicts over money, this study may be seen as a first step towards understanding the contextual effects of monetary conflicts. However, in the situation of current world economics, it would be useful to explore whether changing financial circumstances shape disagreement patterns and the influence of individual- or country-level variables. As Rodman (1972) notes, in exploring the contextual effects of marital dynamics, it is important to consider the aspects of stability and transition. Indeed, the ESS provides opportunities for temporal examination of monetary conflicts. However, unlike longitudinal data, it does not present an opportunity for researchers to explore the responses of the same individuals over time.

In brief, it is clear that monetary decision making is highly contested in many households across Europe. However, the analysis presented here clearly indicates that the number of monetary conflicts is not constant among individuals living in different countries. Indeed, conflicts may be seen as a complex phenomenon the prevalence of which is affected by several individual- and country-level factors. This study adds a new perspective to earlier studies by pointing out that conflicts may not be explained merely by individual or partnership characteristics; rather, they are influenced by the larger institutional context within which couples live.

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