

# FINFAM

## FINANÇAS, GÉNERO E PODER

PTDC/IVC-SOC/4823/2012-FCOMP-01-0124-FEDER-029372

# NEGOTIATION AND INTRAHOUSEHOLD EXPENDITURE ALLOCATION – TRENDS AND DYNAMICS OF AGREEMENT IN PORTUGUESE COUPLES

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(FINFAM TEAM – CES)

31 August - 1 September 2015

International Seminar

Couples' Finances in the Crisis: Gender, Power and Inequalities

### OBJECTIVES

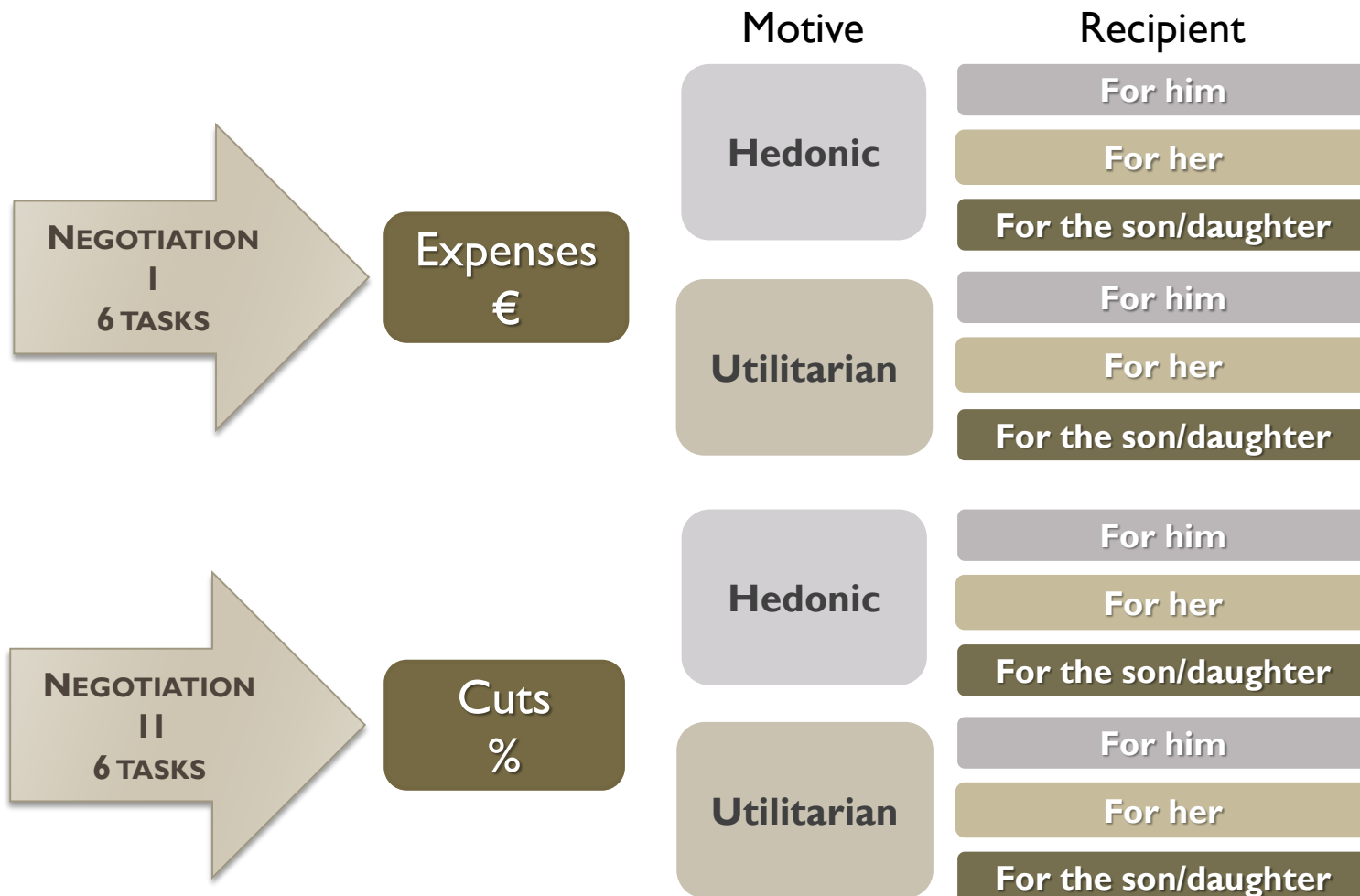
- ▶ On-going study on how the economic crisis is affecting Portuguese families' and their female and male gender practices on the domain of household financial management
- ▶ Intended to understand the negotiation process of household expenditure allocation within Portuguese couples considering:
  - ▶ Different consumption expenses' motives (hedonic & utilitarian)
  - ▶ The different household Recipients (he, she and son/daughter)
  - ▶ Distinct sphere of financial decision-making (expenditure or spending cut)
- ▶ To evaluate gender and power dynamics and inequalities of outcomes for household Recipients

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### PROCEDURE - INDEPENDENT VARIABLES



Eye contact allowed/Verbal Communication not allowed during task performance – nonverbal behavior registered

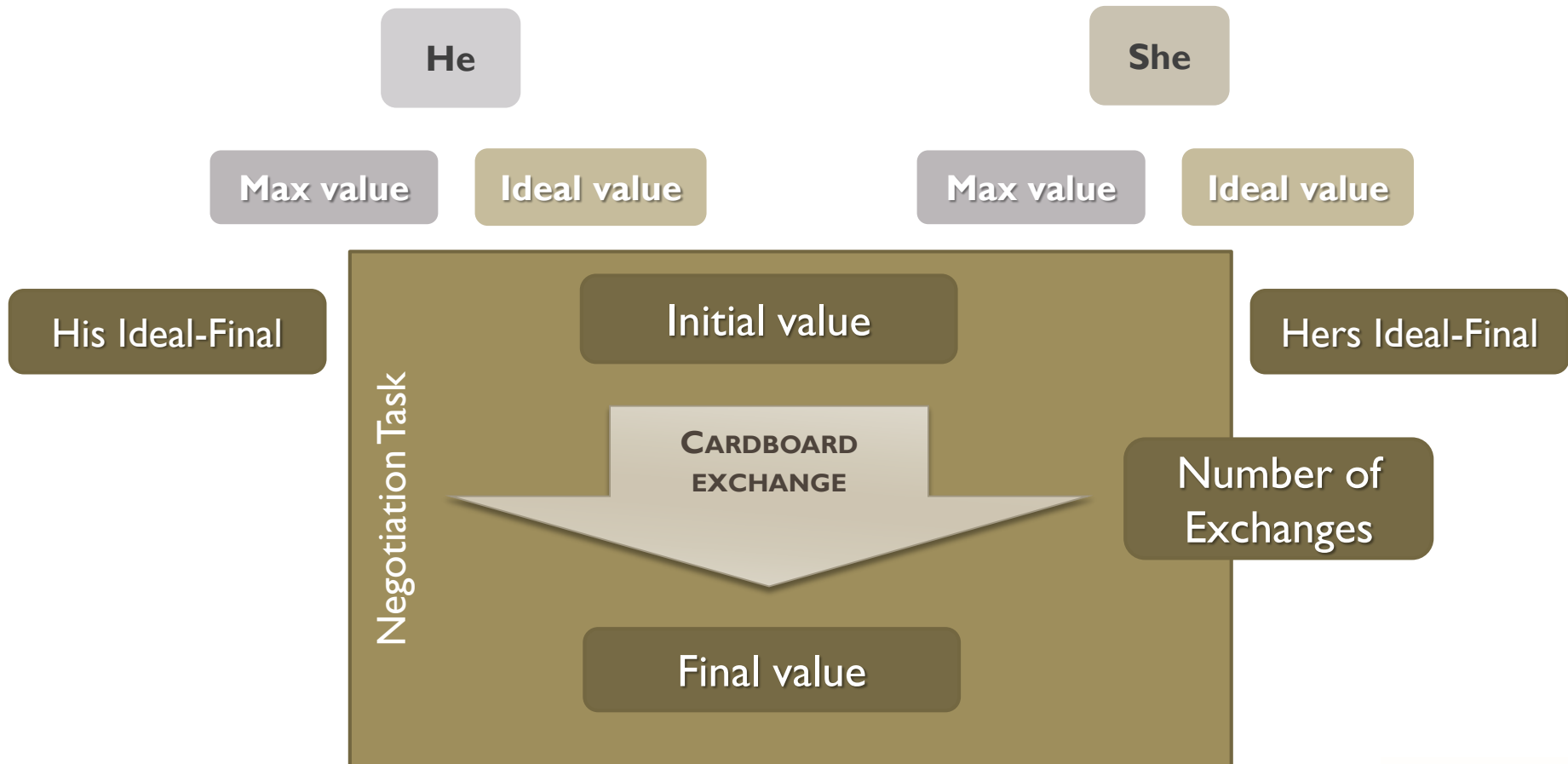
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### PROCEDURE

### Dependent Variables



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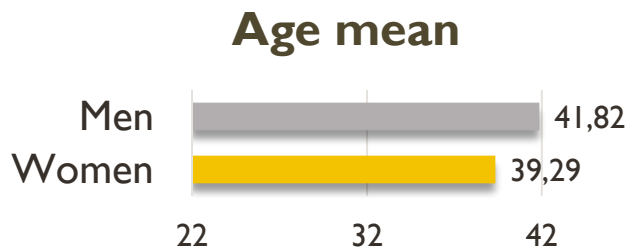
## FINANCES, GENDER AND POWER

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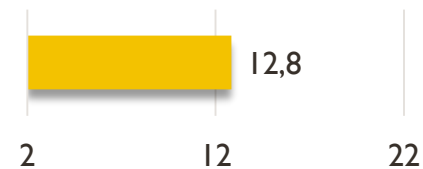
### PARTICIPANTS

#### ▶ 34 Portuguese couples:

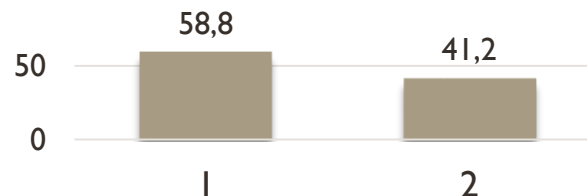
- ▶ At least one married or cohabiting heterosexual couple
- ▶ At least one spouse between 30 and 50 years old
- ▶ At least a dependent child (younger than 18 years old or economically dependent).



#### **Length of cohabitation (years)**



#### **Number of children**



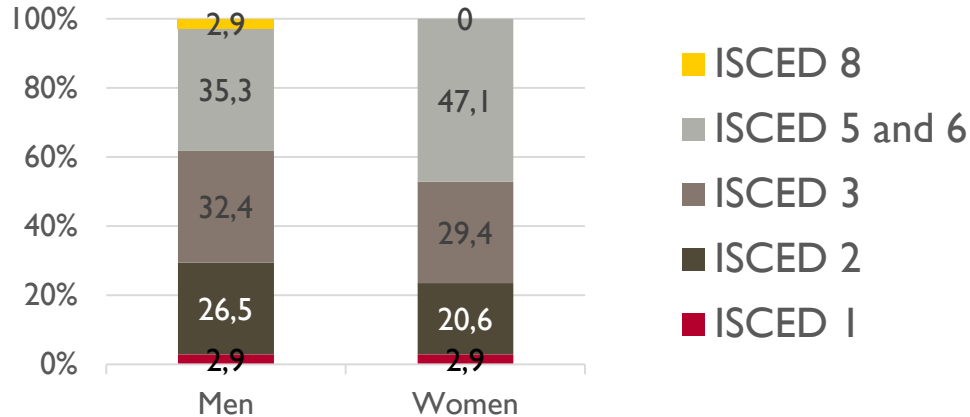
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## FINANCES, GENDER AND POWER

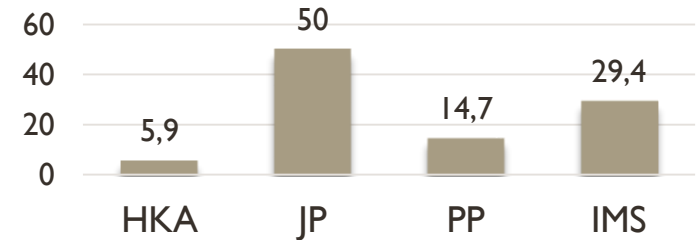
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### PARTICIPANTS

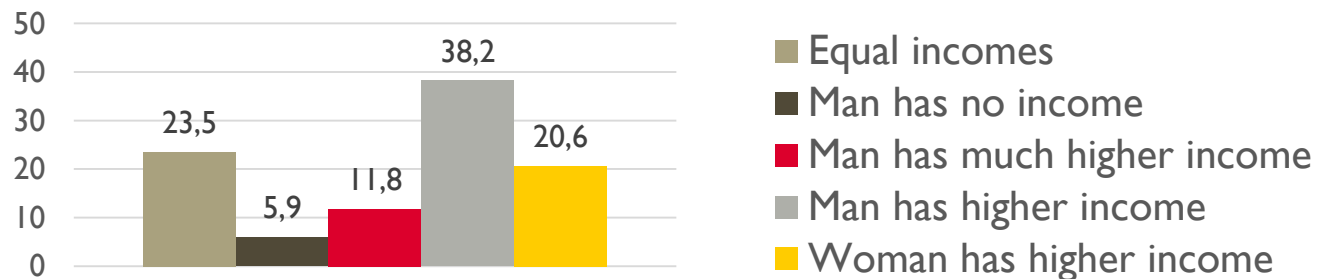
#### Partners level of education



#### Money management arrangements



#### Relative income contribution of the partners



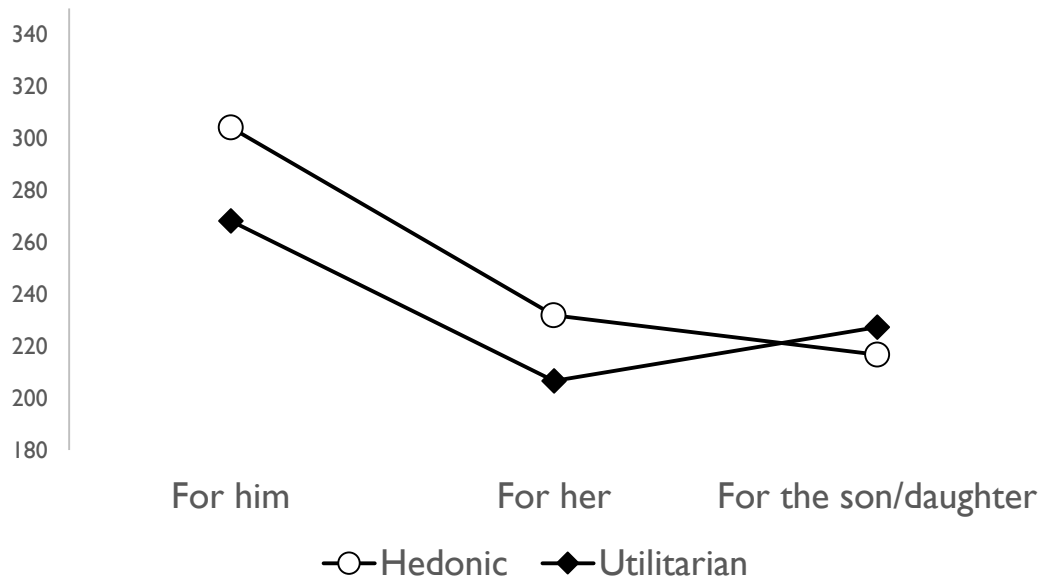
# Expenses

**Task instruction for the couple:** “considering the values you usually spend on such kind of expense, how much should be spent to buy/acquire ...”

### RESULTS - EXPENSES

#### ▶ FINAL VALUE (€):

- ▶ Main effect Motive (hedonic vs. utilitarian): *non significant*
- ▶ Main effect Recipient (him vs. her vs. son/daughter): marginal  $p = .065$
- ▶ Interaction Motive \* Recipient: *non significant*



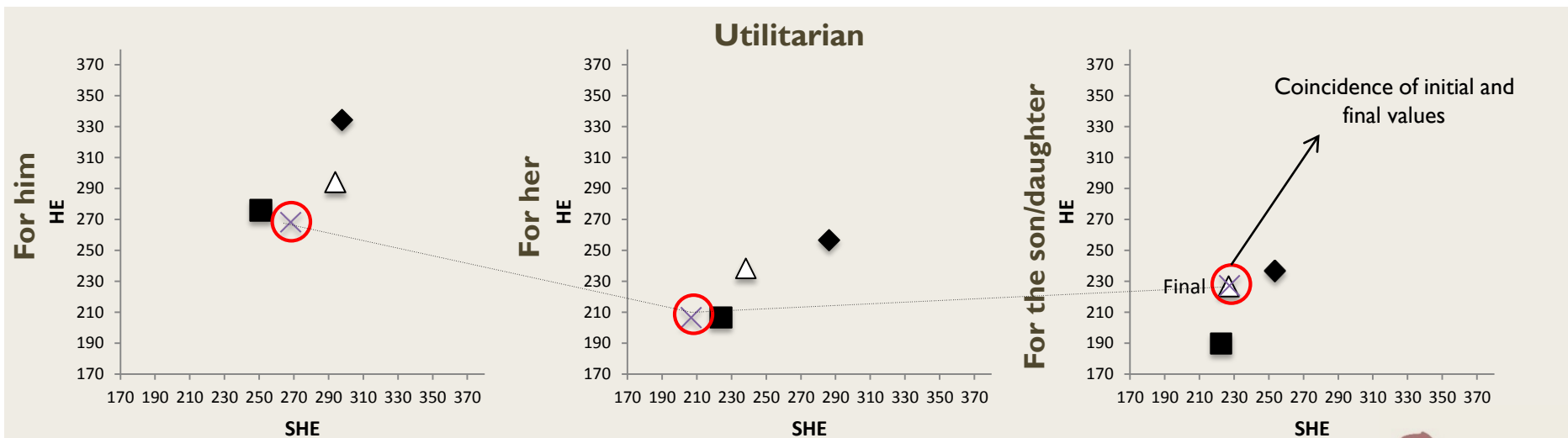
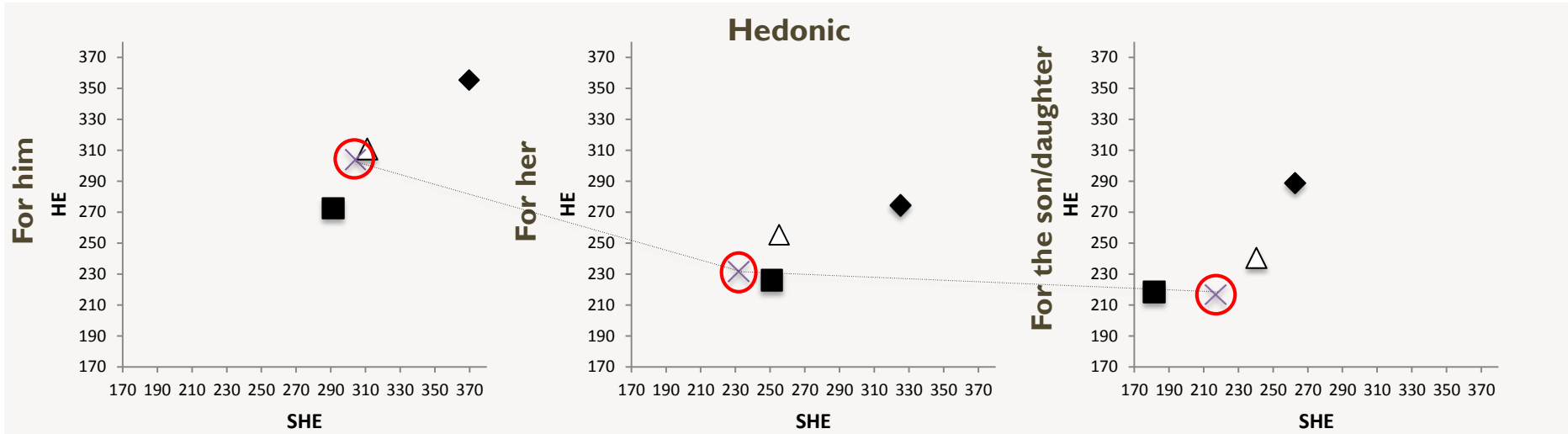


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### Results – Expenses (€)



◆ Max   ■ Ideal   △ Initial   ✕ Final

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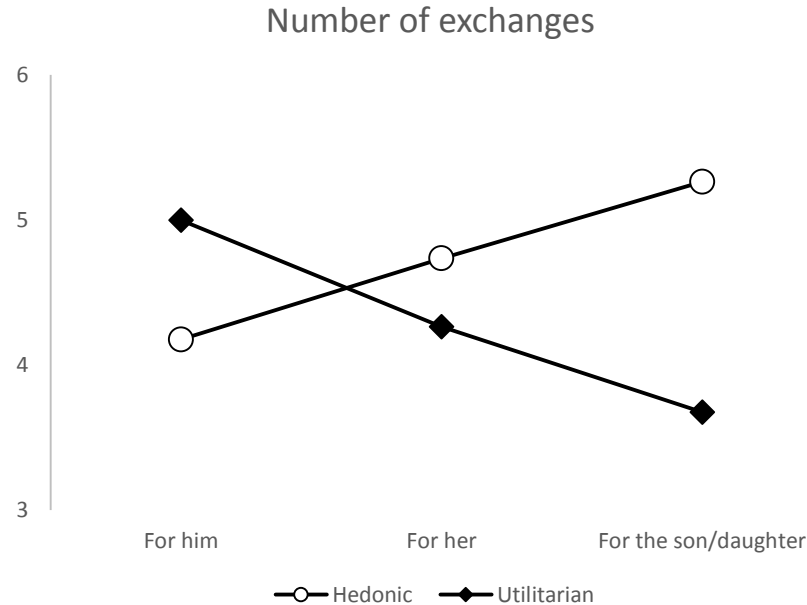
## FINANCES, GENDER AND POWER

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### RESULTS - EXPENSES

#### ▶ NUMBER OF EXCHANGES:

- ▶ Main effect Motive (hedonic vs. utilitarian): *non significant*
- ▶ Main effect Recipient (him vs. her vs. son/daughter): *non significant*
- ▶ Interaction Motive \* Recipient:  $p = .073$  (CONTRASTS  $p = .038$ )

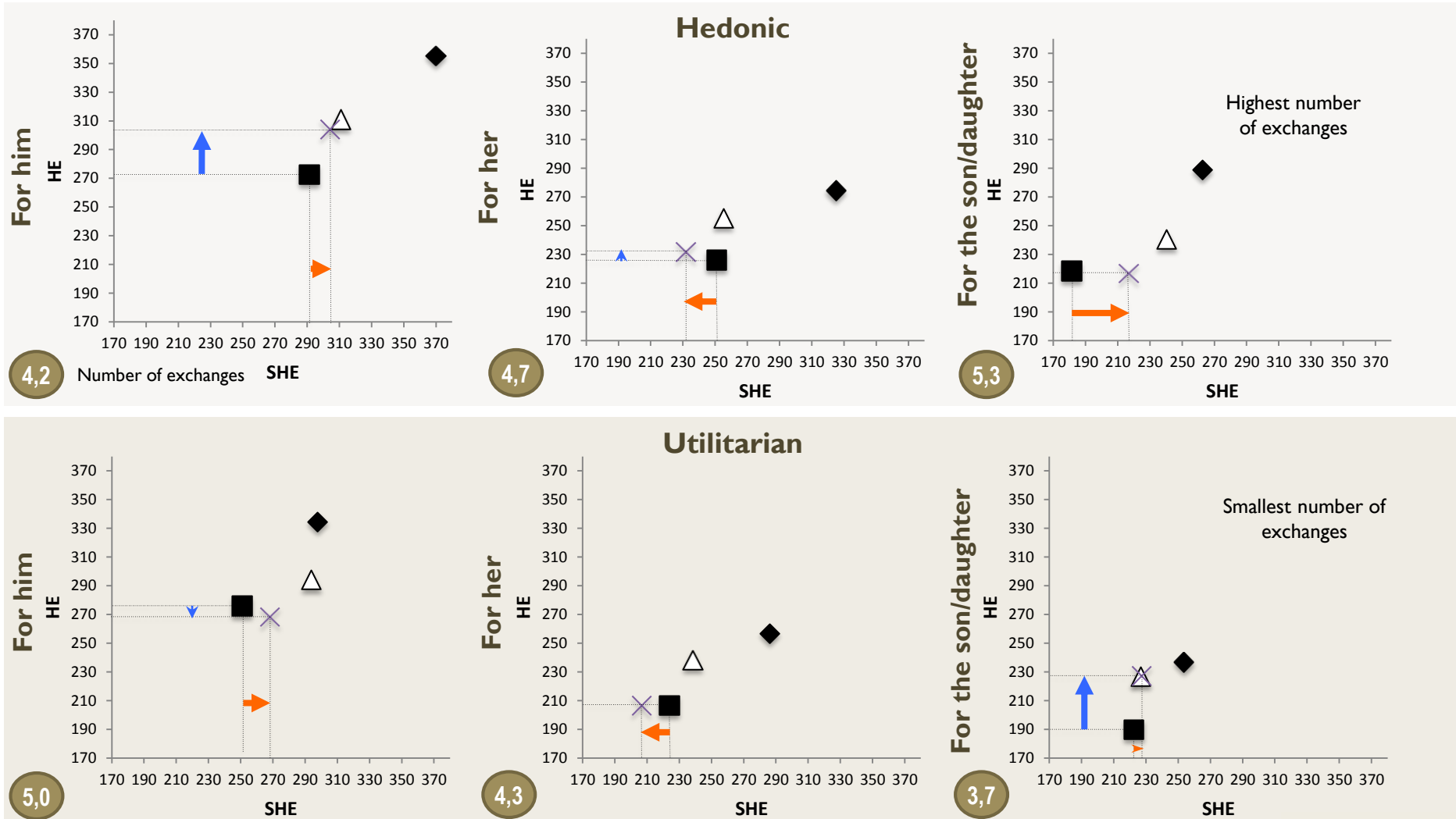


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## FINANCES, GENDER AND POWER

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### Results - Expenses



4,2

Number of exchanges SHE

4,7

5,3

5,0

4,3

3,7

◆ Max ■ Ideal △ Initial × Final

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## FINANCES, GENDER AND POWER

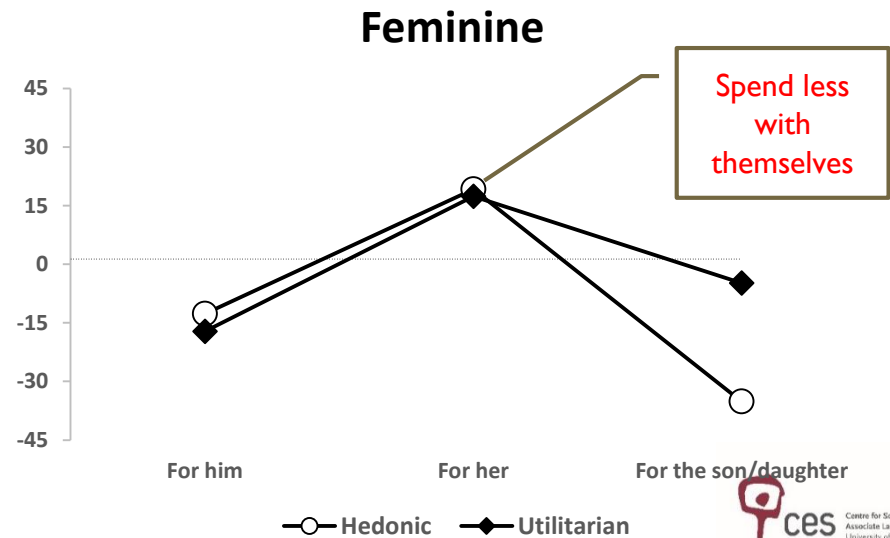
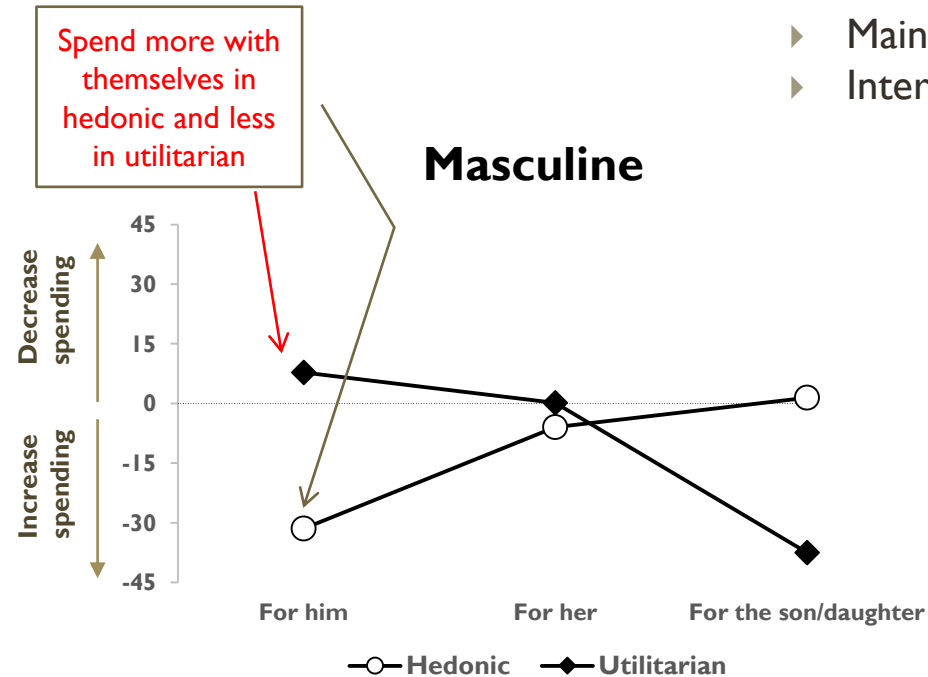
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### RESULTS – EXPENSES – GIVE IN

- ▶ **MASCULINE GIVE IN** (ideal value – final value):
  - ▶ Main effect Motive (hedonic vs. utilitarian): *non significant*
  - ▶ Main effect Recipient (him vs. her vs. son/daughter): *non significant*
  - ▶ Interaction Motive \* Recipient:  $p = .003$

No give in = 0

- ▶ **FEMININE GIVE IN** (ideal value – final value):
  - ▶ Main effect Motive (hedonic vs. utilitarian): *non significant*
  - ▶ Main effect Recipient (him vs. her vs. son/daughter):  $p = .043$
  - ▶ Interaction Motive \* Recipient: *non significant*



### MAIN CONCLUSIONS FOR NEGOTIATION OUTCOMES AND PROCESS FOR EXPENSES

- ▶ Although no significant differences were found for final values of agreement across Recipients there is a trend displaying slightly higher final values (expenses in euros) for him than final values for her and son/daughter
- ▶ Number of exchanges (or degree of bargaining difficulty) yielded no significant differences – contrasts showed a disordinal interaction Motive x Recipient:
  - ▶ lower number of exchanges in hedonic for him become higher number of exchanges in hedonic for son/daughter — easy agreement in hedonic for him, and difficult in hedonic for son/daughter;
  - ▶ higher number of exchanges in utilitarian for him become lower for son/daughter — truly easy agreement on utilitarian for the kids; virtually unchanged bargaining difficulty for her.
- ▶ She is likely to:
  - ▶ give in on both utilitarian and hedonic expenses, expending less with herself;
  - ▶ give in by increasing expenses for him and for the kids in hedonic and for him in utilitarian expenditures;
- ▶ He is likely to:
  - ▶ give in for the kids by increasing expenses, especially in utilitarian
  - ▶ give in to decrease expenses in utilitarian but to increase in hedonic for himself.
- ▶ She remains the Recipient who gives in more to herself either on hedonic or utilitarian expenses

# Cuts

**Task instruction for the couple:** “you just suffered an income loss of 30%. Considering the values you usually spend on such kind of expense, what percentage should be cut when buying/acquiring ...”

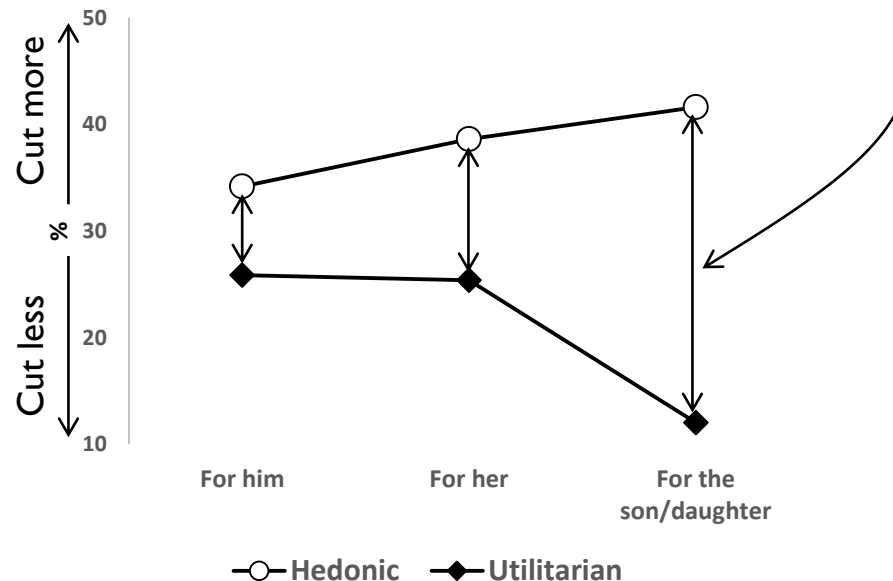
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## FINANCES, GENDER AND POWER

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### RESULTS - CUTS

- ▶ FINAL VALUE (% cut on expense):
  - ▶ Main effect Motive (hedonic vs. utilitarian):  $p < .001$
  - ▶ Main effect Recipient (him vs. her vs. son/daughter): *non significant*
  - ▶ Interaction Motive \* Recipient:  $p < .001$



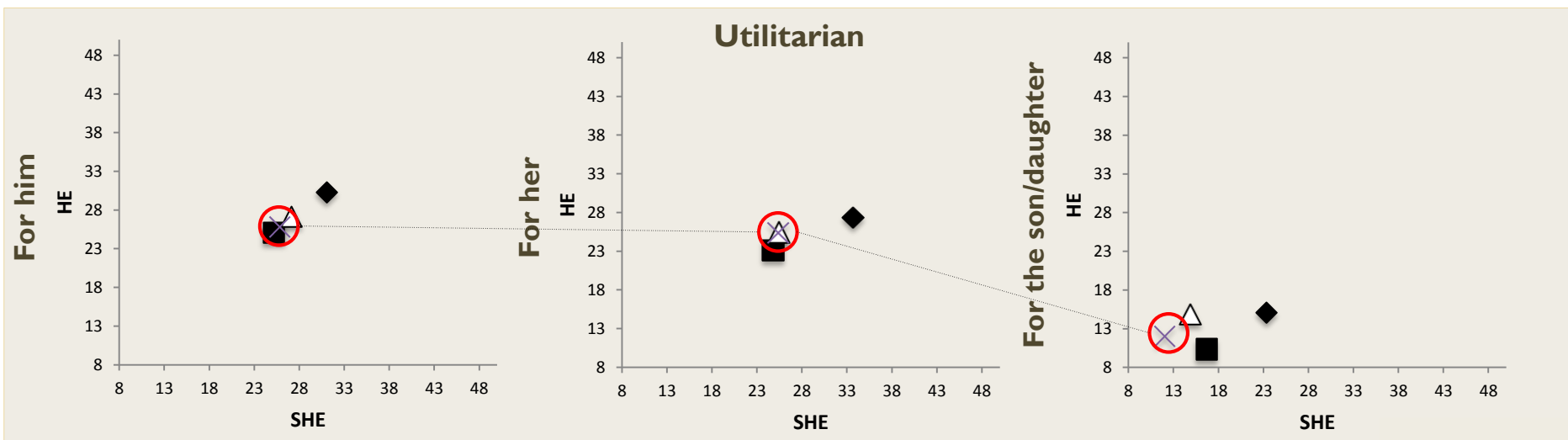
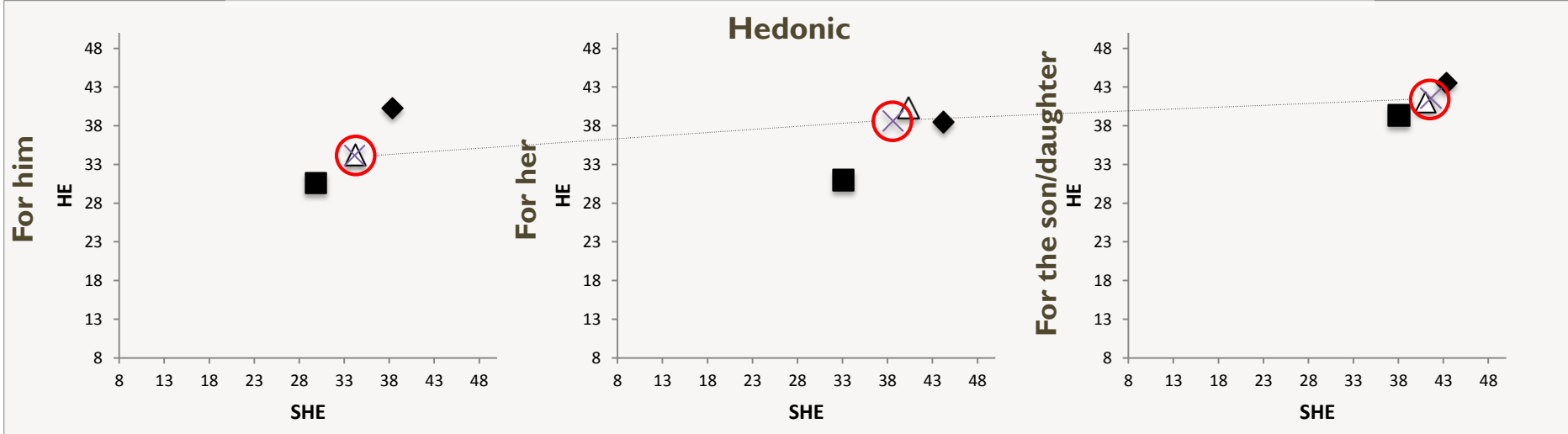
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## FINANCES, GENDER AND POWER

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### Results - Cuts

Reduced range of values on the Negotiation Space compared with Expenses



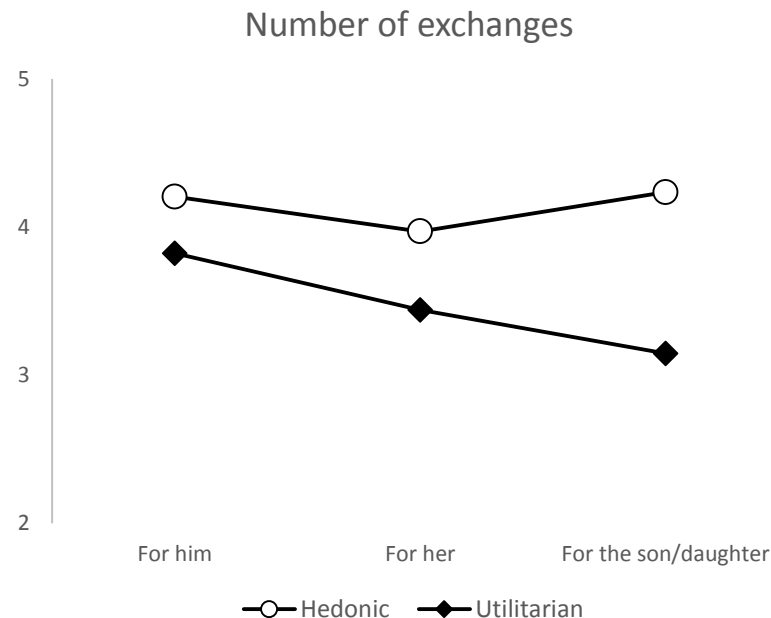
◆ Max ■ Ideal △ Initial × Final



### RESULTS - CUTS

#### ▶ NUMBER OF EXCHANGES:

- ▶ Main effect Motive (hedonic vs. utilitarian):  $p = .025$
- ▶ Main effect Recipient (him vs. her vs. son/daughter): *non significant*
- ▶ Interaction Motive \* Recipient: *non significant*

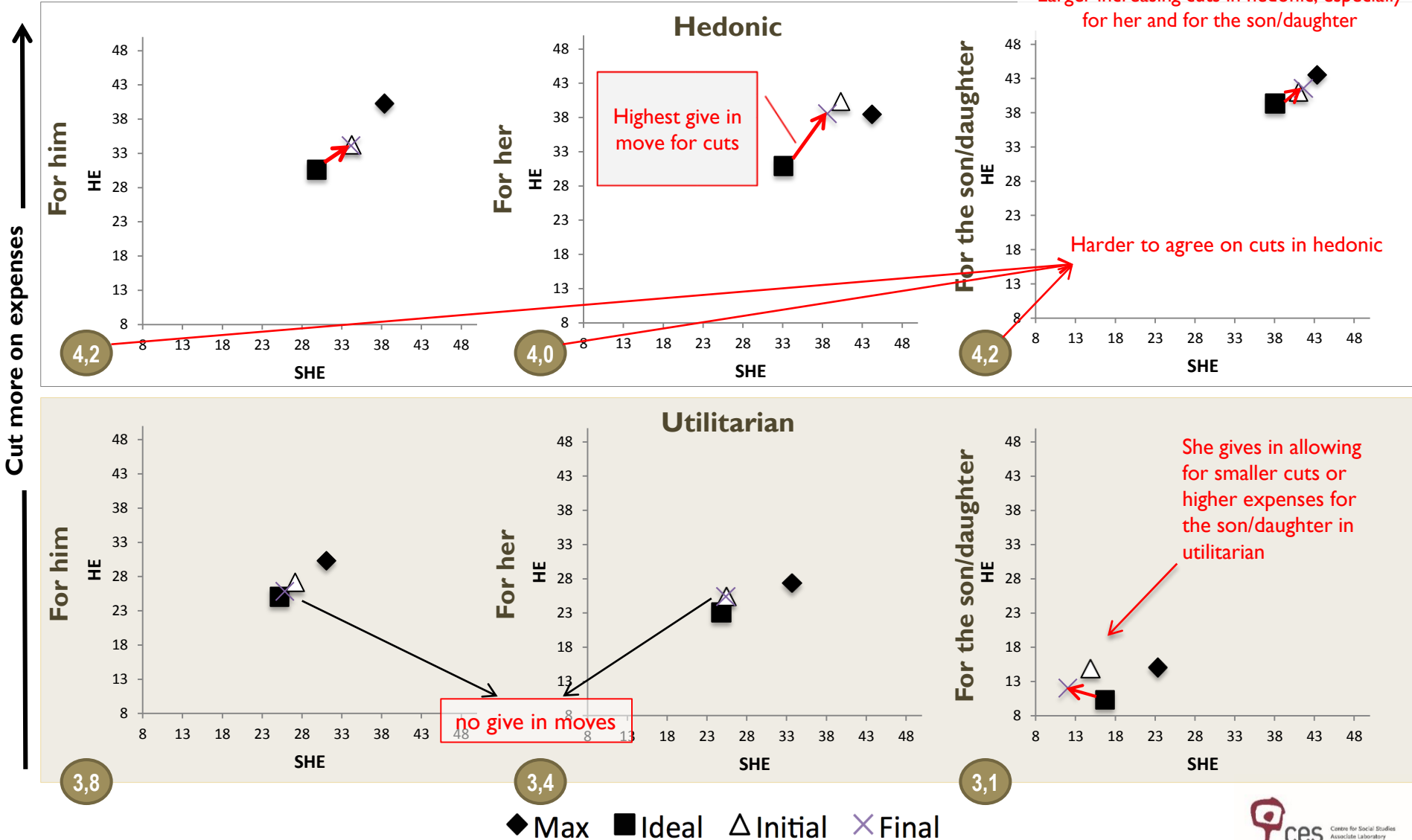


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### Results – Cuts/Give in



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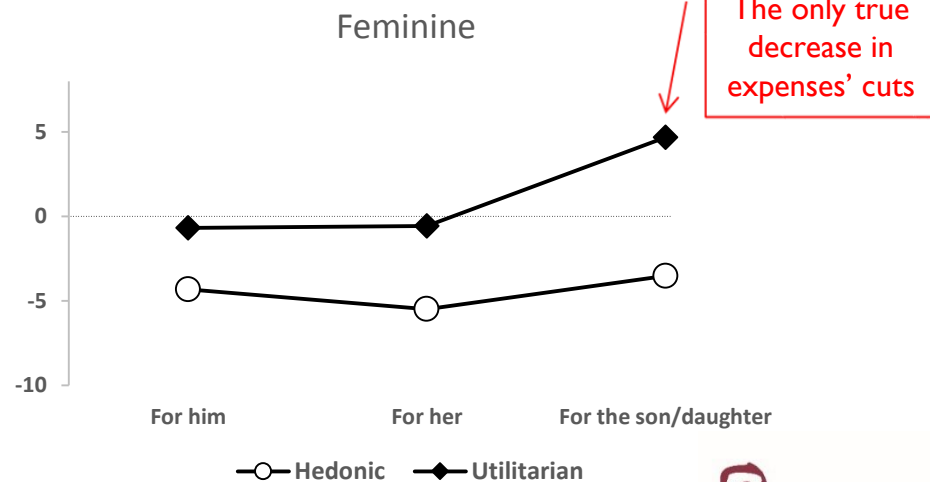
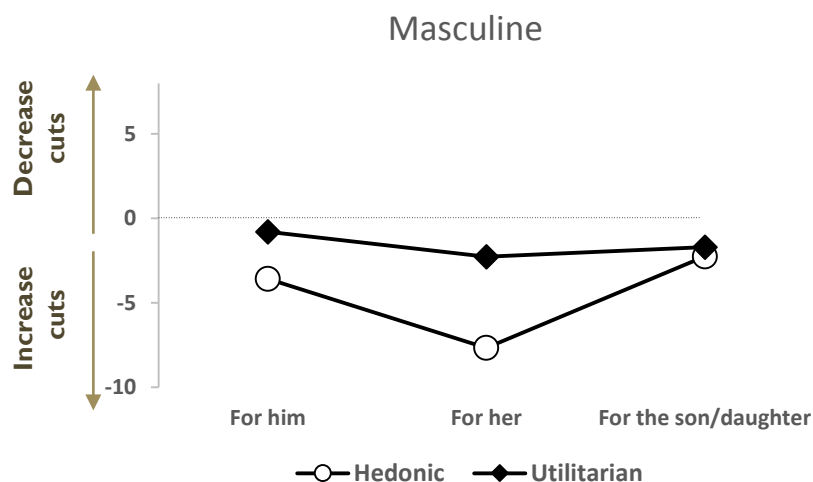
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### RESULTS - CUTS

No give in = 0

- ▶ MASCULINE GIVE IN (ideal value – final value):
  - ▶ non significant differences
- ▶ FEMININE GIVE IN (ideal value – final value):
  - ▶ Main effect Motive (hedonic vs. utilitarian):  $p = .042$
  - ▶ Main effect Recipient (him vs. her vs. son/daughter): non significant
    - ▶ Interaction Motive \* Recipient: non significant



### MAIN CONCLUSIONS FOR NEGOTIATION OUTCOMES AND PROCESS FOR CUTS

- ▶ Reduced range of values on the Negotiation Space compared with Expenses
- ▶ Significant Effect of Motive:
  - ▶ Higher cuts and more difficult agreement in hedonic compared with utilitarian
  - ▶ Lower cuts in utilitarian for kids than for him and her
- ▶ Give in:
  - ▶ She gives in to cut less in utilitarian for the kid

### FINAL REMARKS AND STUDY LIMITATIONS

- ▶ Negotiation process analysis and measures suggest that families agree more on:
  - ▶ Cuts than on expenses
  - ▶ Utilitarian for the kids
- ▶ Women persuade men to spend more on utilitarian for the kids but are persuaded to cut less
  
- ▶ Limitations:
  - ▶ Sample size
  - ▶ Experimental control and uniformity (4 different experimental assistants)
  - ▶ Demanding characteristics (impact of learning process)
  - ▶ Difficulties in the expenditures' operationalization

# FUTURE RESEARCH

- ▶ **Analysis of negotiation process and outcomes concerning:**
  - ▶ Individual and dyadic negotiation strategies through protocol case study;
  - ▶ Verbal and nonverbal behavior during negotiation;
  - ▶ Socio-demographic variables (e.g. couples financial arrangements, length of cohabitation)
  - ▶ Individual differences in personality and negotiation skills

**Thank you very much for your attention**

**Obrigado**