The different meanings of cohabitation across Europe

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4. Income pooling strategies of cohabiting and married couples. A comparative perspective[1]

4.1. Introduction

Income pooling strategies constitute an important aspect of a coresident couple's everyday life regardless whether the partners are married or not. Income pooling strategies reflect how individuals try to resolve the conflict between on the one hand, the commitment towards the partner and on the other hand, the maintenance of individual autonomy. Whether and how cohabiting and married couples differ with respect to income pooling strategies is a research topic of growing relevance because cohabitation is becoming more common, often preceding or replacing marriage (Kiernan, 2001) and national governments aim at regulating its practice. If cohabiters more frequently keep money separate and if the number of cohabiters continues to increase, the popular assumption of policy makers that households share all of their financial assets would be challenged.

A consistent finding in existing research about income pooling strategies of cohabiting and married couples has been that cohabiters are more likely to keep money separate than their married counterparts (Ashby and Burgoyne, 2008; Bradatan and Kulcsar, 2008; Elizabeth, 2001; Lyngstad, Noack and Tufte, 2011; Oropesa, Landale and Kenkre, 2003; Vogler, Brockmann and Wiggins, 2006; Winkler, 1997). The majority of these studies focused on the role of selection. It has been suggested that cohabiters differ from married couples before they enter cohabitation (Axinn and Thornton, 1992; Van de Kaa, 1993). Hence, individuals with certain characteristics are both effectively selected into cohabitation as well as into individual money management. Our first research question therefore is: To what extent do cohabiting and married couples differ in the manner in which they manage money and how much of this variation is due to selection into one of the two union types?

Selection may, however, only be part of the story. Differences in the manner in which money is managed could also result from inherent differences between cohabitation and marriage, for instance in the level of interpersonal commitment (Rhoades *et al*., 2010; Stanley *et al*., 2004). It has been argued

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that the most important difference between cohabitation and marriage is –besides the legal differences– that cohabiters face a higher level of insecurity about the relationship's future, because cohabitation lacks strong institutional and normative rules as well as the public affirmation of the marriage vow (Brines and Joyner, 1999; Cherlin, 2004; Winkler, 1997). Cohabiting partners are thus expected to be less committed to each other, resulting in a lower likelihood of income pooling. Commitment within cohabitation and marriage, however, may vary. First, the economic lives of couples are likely get more intertwined with time; hence, long-term unions have a larger tendency to pool economic resources than unions that have lasted for a shorter period of time. Second, the presence of joint biological children in the household might indicate a joint investment in the relationship that increases interdependence and solidarity between partners and might reduce the difference between cohabitation and marriage (Seltzer, 2004). Third, doubts about the long-term stability of the union might discourage individuals to strive for more financial interdependency. Our second research question therefore is: To what extent are the differences between cohabiters' and spouses' income pooling strategies reduced when the level of interpersonal commitment is taken into account?
A number of studies have shown that cohabiting relationships in which marriage plans are present are not qualitatively different from marriages (Brown and Booth, 1996; Wiik *et al*., 2009). Marital intentions might not only be a sign of high commitment which reduces the perceived risk of income pooling but may also imply that these cohabiters are more likely to pool income because they comply with what they consider typical marital behavior. Also, the experience of premarital cohabitation has been argued to signal lower commitment to the relationship as partners have not been sure enough to marry directly (Forste and Tanfer, 1996). But premarital cohabitation becomes an increasingly common way to start a co-resident union in many countries (Liefbroer and Billari, 2010). We will therefore explore differences in the income pooling of cohabiters with and without marital intentions as well as spouses with and without premarital cohabitation experience.

Barely any prior research compared income pooling strategies of cohabiting and married couples across different cultural and institutional settings. Most studies focused either on the differences between spouses and cohabiters in one country (Ashby and Burgoyne, 2008; Elizabeth, 2001; Lyngstad *et al*., 2011; Oropesa *et al*., 2003; Vogler *et al*., 2006; Winkler, 1997) or compared married couples across countries (Lauer and Yodanis, 2011; Yodanis and Lauer, 2007). The only two existing studies that compared married and cohabiting couples with regard to their income pooling strategies cross-nationally, have found persistent differences between cohabiters and spouses in their income pooling strategies after controlling for a limited set of selection and commitment factors but do not identify variation in the effect of cohabitation on money management strategies across countries representing very different welfare state regimes (Hamplova, 2009; Heimdal and Houseknecht, 2003).

Studying income pooling strategies of cohabiters and spouses in different social and cultural contexts increases our understanding of the interplay between institutional context, the selection into different union types, the meaning attached to cohabitation, and the way intimate relationships are organized. First, when cohabitation is marginal, the cohabiting population is more likely to consist of an overrepresentation of individuals with specific characteristics that attach one predominant meaning to cohabitation.

Second, countries might vary with regard to the commitment that is involved in cohabitation. In Western European countries where most unions start by unmarried cohabitation, the level of commitment involved in these unions might vary largely across individuals. Whereas some unions might dissolve relatively soon, for others, the difference between cohabitation and marriage might be blurry as they view their union as a long term alternative to marriage and are very committed to their relationship. In Eastern European countries, where cohabitation is marginal and its social approval is low, the commitment involved in cohabiting unions might generally be higher as cohabitation tends to be short lived and quickly converted into marriage.

Third, countries might differ beyond their variation in selection and commitment associated with cohabitation and marriage. Sociologists have posited an individualization of intimate relationships occurring in contemporary Western societies in which partners increasingly value individual autonomy and self-realization. In order to maintain individual autonomy and the ease of leaving a union that is no longer considered self-fulfilling, pooling income might be avoided within individualized unions leading to an increased likelihood of individual money management (Lauer and Yodanis, 2011).

Thus, our third research question is: How do countries differ in the association between union type and income pooling strategies? More specifically, do we find evidence that the country context translates differently in selection processes into cohabitation and the level of commitment involved in cohabitation and do we find indications of different norms concerning money management across Europe that lead to persistent cross-national differences in cohabiters and spouse’s income pooling strategies even when taking selection and commitment into account?

Using data from the Generations and Gender Surveys (*GGS*), we analyzed data from countries that differ widely in the prevalence and institutional context of cohabitation, not only including two Western European countries, namely France and Germany, but also countries located in Eastern Europe, namely Bulgaria, Georgia, Romania, and Russia.

4.2. Theoretical background and hypotheses

The existing literature offers overwhelming evidence that cohabiters are more likely to opt for independent money management than the married although contrasting explanations for these differences are proposed. Our first hypothesis concerns the replication of the finding that cohabiters are more likely to keep money separate than married individuals (*Hypothesis 1*). The two main explanations for this difference focus on the role of selection processes and on inherent differences between marriage and cohabitation.

4.2.1. Explanations focusing on selection processes

The selection argument implies that the same set of factors leads individuals to prefer cohabitation and to opt for individual money management. First, age might be associated with both union type choice and income pooling strategy. Cohabiters are on average younger than married individuals. Young adults are more likely to be economically dependent, for instance on income provided by parents or study grants. They might thus not yet consider merging their income with their co-resident partner or at least keep some income separate.

Second, selection may occur on the basis of cultural characteristics. Within the theoretical framework of the Second Demographic Transition, the increasing popularity of cohabitation has been argued to result from a change in values and attitudes concerning family life in a broader sense (Surkyn and Lesthaeghe, 2004). The highly educated have been considered to be at the vanguard of this value change. Although at later stages of the transition, the educational gradient may have become smaller, as larger parts of the population enter into cohabitation, highly educated individuals have been found to be more progressive in their value orientation, less in favor of marriage and more likely to cohabit (Kiernan, 2000; Manting, 1996). Individuals who value individualism and personal autonomy are also more likely to have a preference for separate purses in order to maintain financial independence (Elizabeth, 2001) or to simply facilitate decision-making on individual expenditures (Ashby and Burgoyne, 2008). Several studies have reported that the higher educated are more likely to keep their money separate (Hamplova and Le Bourdais, 2008; Lyngstad *et al*., 2011), but see Treas (1993) for contradictory evidence for Afro-American married couples in the United States.

It also has been argued that opting for unmarried cohabitation might be a sign of social deprivation. In times of growing globalization and economic crisis, the most disadvantaged social strata of society might be more affected by the negative outcomes of decreasing job stability and wage protection, such as unemployment, job insecurity and economic uncertainty, and thus more likely to opt for cohabitation (Blossfeld *et al*., 2005; McDonald, 2006; Sobotka and Toulemon, 2008).

Religiousness is another cultural resource on which this type of selection might occur. Religious people hold more collectivistic and traditional values that oppose unmarried cohabitation (Kiernan, 2000; Manting, 1996; Thornton *et al*., 2007). Although no empirical evidence is available, it could well be that religious people also prefer income pooling as this highlights the unique relationship that they have.

Selection may also occur on the basis of the division of paid labor within the couple. It has been found that couples in which the female partner is strongly attached to the labor market, are overrepresented among cohabiters (Kiernan, 2000). Female labor force participation and female earnings have been found to be positively associated with independent money management as well (Elizabeth, 2001; Hamplova and Le Bourdais, 2008). Whereas the traditional male breadwinner model requires that the employed partner compensates the partner who specializes in home work by pooling economic resources, the pre-eminence of specialization is reduced when both partners contribute to the household income. Moreover, the bargaining power of the female partner in the way the relationship is structured is enhanced when she contributes to the household income.

Earlier life course experiences could also influence union formation processes and the manner in which relationships are organized (Guzzo, 2006; Liefbroer *et al*., 1994). Individuals who experienced a divorce have been found to be more likely to cohabit (Bumpass and Lu, 2000). At the same time, the experience of a divorce might result in a reluctance to pool resources (Burgoyne and Morison, 1997; Heimdal and Houseknecht, 2003) as for instance, previously married respondents might have financial obligations towards their former partner, or children from a previous relationship which might make them less willing to pool income with the current partner (Burgoyne and Morison, 1997). The presence of children from prior unions in the household might increase the odds of independent money management as the step-parent might not want to pay for the child brought into the relationship or might want to protect the biological parent’s alimony entitlement from his or her former partner.

If selection is at play, the observed differences between cohabiters and spouses with regard to their income pooling strategies would be spurious, because they result from differences in the background characteristics addressed above. In summary, our second hypothesis reads:

The association between union type and income pooling strategy results from selection processes that shape both the preference for cohabitation and for independent money management (*Hypothesis 2*).

4.2.2. Explanations focusing on inherent differences of cohabitation and marriage

In contrast to theoretical approaches that focus on selection, some authors have emphasized that differences in the money management strategies of cohabiters and spouses might also be explained by inherent differences between cohabitation and marriage (Brines and Joyner, 1999; Brown and Booth, 1996; Nock, 1995; Poortman and Mills, 2012). Often, differences in the commitment of married and cohabiting unions have been highlighted. Marriage is a symbol of long term commitment because it is highly institutionalized (Nock, 1995). Marriage is a public affirmation that implies specific norms, obligations and formal ties and leads to "enforceable trust" (Cherlin, 2004). Both financially and socially, marriage implies higher expectations and exit costs than unmarried cohabitation. Married partners are therefore expected to be more committed to each other than cohabiters. These differences in commitment are in turn expected to translate into differences in the ways in which married and cohabiting couples manage their money. Cohabiters face lower exit costs from their cohabiting relationship, are more uncertain about the stability of the relationship due to the shorter time horizon and are confronted with more ambiguity regarding social expectations about what it means to be a cohabiting partner. The uncertainty about the persistence and seriousness of the relationship makes it risky for many cohabiters to pool their income (Treas, 1993), especially when joint property is not legally protected in the case of separation. These differences have been argued to lead cohabiters to opt for independent money management (Winkler, 1997).

Although the level of commitment may generally be lower in cohabitations than in marriages, it is important to realize that the extent to which these union types differ in their level of commitment might depend on specific characteristics of these unions. First, union duration might matter. Cohabiting unions last increasingly longer (Sobotka and Toulemon, 2008). The economic lives of couples most likely get more intertwined with time, hence, long term unions have a stronger tendency to pool economic resources than unions that have lasted a shorter period of time. Treas (1993) has described this as a way to reduce transaction costs within households. Long-term cohabiters might thus be as likely as married individuals to pool income with their partner. The difference between spouses' and cohabiters' money management strategies might be thus largely due to the overrepresentation of short unions among cohabiting relationships.

Second, across Europe, but also the United States and Canada, the increase in non-marital childbearing is largely due to increasing births to cohabiting couples (Kiernan, 2001; Raley, 2001). A growing number of cohabiters have joint biological children. The presence of joint children can represent increasing commitment to the union as it strengthens the bond between the parents (Seltzer, 2000). In turn, children increase the need of a couple to coordinate financial affairs. Moreover, a child increases the amount of work within a household that might ask for at least temporarily specialization of one partner in unpaid labor. This suggests that couples who share responsibilities for a dependent household member are more likely to pool income in order to compensate for specialization. The empirical evidence that cohabiters with joint biological children differ less from married couples in their money management strategies (Hamplova, 2009; Lyngstad *et al*., 2011; Vogler *et al.*, 2006) suggests that the observed difference in the income pooling strategies in cohabitation and marriage could be at least to some extent driven by the smaller proportion of parents among cohabiting couples.

And third, not all married unions are *per se* more committed than cohabitations either. The level of relationship satisfaction has been previously found to be associated with income pooling strategies (Hamplova and Le Bourdais, 2008). Individuals who thought about separation are less committed to their unions which in turn might discourage income pooling. Cohabiters have lower exit costs from their unions and might be overrepresented among those considering a separation from their partner.

From these considerations on the role of commitment we derive a third hypothesis:

The differences in income pooling strategies of cohabiters and the married will be reduced once the level of interpersonal commitment in both union types is taken into account (*Hypothesis 3*).

A final aspect, that may influence income pooling both within cohabitation and within marriage, is whether cohabitation is linked to marriage or not. Some cohabiters plan to marry while others do not. It is widely assumed that cohabiters with marriage plans are more committed to their relationship than cohabiters who lack such intentions. Cohabiters envisaging marriage have been found to be more likely to pool income than cohabiters who do not have marriage plans (Brown and Booth, 1996; Hamplova, 2009; Lyngstad *et al*., 2011). Some spouses cohabited before they got married, others married straight away. When separate purses are more likely during cohabitation, married couples who cohabited before marriage might also be more likely to continue the money management strategy employed during cohabitation. So far, no study on income pooling strategies of cohabiting and married couples has taken the heterogeneity of both union types into account (but see Poortman and Mills, 2012 for other arrangements). We distinguish between those (a) cohabiting without marital intentions, (b) cohabiting with marital intentions, (c) married with premarital cohabitation and (d) married without premarital cohabitation. We expect these four union types to be differently associated with income pooling, suggesting a hierarchical order:

We expect income pooling to be least likely to occur among cohabiters without plans to get married, followed by cohabiters with intentions to marry. Individuals who have cohabited with their partner before getting married are expected to be more likely to pool income than both types of cohabiters and finally, income pooling is expected to be most likely observed among married couples who married directly (*Hypothesis 4*).

4.2.3. The comparative setting

Previous research has mainly focused on the income pooling strategies of couples in Northern and Western Europe, the United States and Canada. Much less attention has been paid to countries in Eastern Europe – countries that differ in many ways and where significant societal, political and demographic changes have taken place during the last few decades. Studying income pooling strategies of cohabiters and married individuals and comparing countries across Western and Eastern Europe allows exploring general and context-specific differences between cohabitation and marriage and ultimately helps us to understand the diversity of cohabitation across Europe. In the following, we will briefly contextually situate the countries in our study with regard to the prevalence and level of institutionalization of cohabitation. We then discuss three reasons why we expect cross-national variation in the effect of union type on money management: Selection, commitment, and level of individualization in cohabitation and marriage.

Whereas the Scandinavian countries have been characterized as the forerunners in the societal diffusion of cohabitation and have been referred to as "cohabitation land" (Syltevik, 2010), Western European countries have been considered following the Scandinavian countries suit. In Western

Europe, cohabitation has replaced direct marriage as the start of a union for the vast majority of the more recent birth cohorts. In France, cohabiters can register their partnership since 1999 when the *Loi sur la Concubinage et le Pacte Civil de Solidarité* (PACS) was promulgated. A registered partnership is largely similar to civil marriage in legal terms. Around half of all first births occur within cohabitation (Perelli-Harris *et al.*, 2012). Cohabitation is part of the transition to adulthood in Germany as well. Several institutional constraints and economic incentives encourage cohabiters to marry and marriage and parenthood are strongly linked. A registered partnership (*Lebensgemeinschaft*) as an alternative to civil marriage is available to homosexual but not heterosexual couples.

Eastern European countries have been considered to be situated at an earlier stage of the diffusion process of cohabitation. Countries like Bulgaria, Georgia, Romania and Russia have been characterized as contexts where cohabitation is marginal, thus, practiced by a subpopulation with particular characteristics. Nevertheless, substantial differences across countries in this region have been found with regard to the prevalence of cohabitation and its function in the childbearing process (Sobotka 2003). For instance, whereas 41 percent of women born between 1971 and 1980 were cohabiting at the birth of their first child, not more than 12 percent of their Romanian counterparts did so (own calculations based on *GGS* data, see Chapter 1). But also the predominant role of cohabitation in the union career differs across countries. For instance, in Russia, divorced individuals as well as urban residents are largely overrepresented among cohabiters (Zakharov, 2008), whereas in Bulgaria, premarital cohabitation has a long tradition, where particularly in rural areas, cohabiters move in together at the moment of engagement, often into the house of one set of parents (Hoem and Kostova, 2008). The proportion of births that occur within cohabitations varies across Eastern Europe and is surprisingly high in Georgia (40%) and lowest in Romania where less than ten percent of all births occur within cohabitation (own calculations based on Generations and Gender Survey data, not shown).

The extent to which cohabiting and married couples differ in their income pooling strategies might vary between countries for at least three reasons. First, differences in the prevalence of cohabitation across countries might lead to different selection processes into cohabitation which in turn might also influence the extent to which cohabiters and married individuals differ in their income pooling strategies across countries. Whereas in most Eastern European countries, only a minority cohabits, in Western Europe, virtually everyone experiences periods of cohabitation. In Eastern Europe, cohabitation might be reserved for individuals with particular characteristics and differences in the income pooling strategies between different union types are expected to be larger, but strongly reduced after selection factors are accounted for. In Western Europe, individuals with a large diversity of characteristics are attracted to cohabitation and differences in the income pooling strategies of cohabiters and spouses might be relatively small and not that much influenced by taking selection into account.

Second, a contrasting hypothesis on cross-national differences in cohabiters' and spouses' income pooling strategies can be derived when examining cross-national differences in the commitment involved in cohabitation. When cohabitation is less widespread, it constitutes a deviant behavior. Often, such a context is characterized by higher levels of religiousness and moral conservatism (Gault-Sherman and Draper 2012), and consequently, strong societal pressure to get married (Lehrer 2004). This may influence how cohabiters view their union, how stable cohabitation is, and if cohabiters marry, how fast they do so. When cohabitation is marginal and stigmatized, cohabitation is likely to be short-lived and quickly transformed into marriage. If the decision to get married is interpreted as a consequence of high interpersonal commitment, we would expect commitment within cohabitation to be higher in these countries. It has to be however noted that the aspiration of marriage can also indicate a perceived absence of alternatives to marriage and thus an expression of conformism (Coast 2009). If cohabiters in Central and Eastern Europe predominantly enter cohabitation with the aspiration to marry soon, they might adopt marriage like patterns of income organization right from the start of their union. At the country level, we would thus hypothesize to find smaller differences between cohabiters' and spouses' money management. In contexts where cohabitation is more prevalent and accepted, premarital cohabitation is viewed as a phase in the "normal" life course and a significant proportion of cohabiters might not marry at all, either because their union dissolves rather than being transformed into a marriage –a process called "weeding" (Klijzing 1992),– or they consider their union as a permanent alternative to marriage. Variation in the commitment that is involved in cohabitation might thus vary largely at the individual level. In addition, in these contexts, the legal protection of non-marital unions often is higher than in countries where cohabitation is a rare practice (Perelli-Harris and Sánchez Gassen 2012; Poortman and Mills 2012). If income pooling strategies reflects the commitment of the union, differences in the money management strategies of cohabiters and spouses might thus be larger among Western Europeans. Accounting for the variation in the level of commitment may however reduce these differences also most strongly in these countries.

Finally, country variation might arise from differences in the socio-cultural context, independently from differences in selection processes and levels of commitment. It has been argued that individualization affects the nature of intimate relationships and how couples manage their money. As the level of individualization varies across countries, it could be that in countries, where the level of individualization is high, intimate relationships would be primarily entered for the sake of satisfaction derived by being with that partner rather than for the social recognition or economic advantage gained by being in a partnership and relationships that do not longer provide these benefits are easily dissolved (Giddens, 1992). Building on new institutional economics, which situates economic action into its institutional context, Lauer and Yodanis (2011) in a cross-national comparative study on spousal income organization, show that the spread of individualized marriage in a country influences spouses' money management strategies. In order to maintain individual autonomy and to ease leaving the union, married couples in individualized contexts are more likely to avoid income pooling. Sociologists have argued that the individualization of intimate relationships is spreading across Western societies (Beck and Beck-Gernsheim, 1990). Keeping income separate as an expression of individualistic values that one holds might be thus more likely in Western Europe than in Eastern Europe. Cohabitation –even more than marriage– might constitute an expression of the valorization of individual autonomy and that the relationship is entered and maintained as long as it is considered self-fulfilling and satisfying. It could thus be that differences between cohabiters' and spouses' money management strategies are larger in Western Europe compared to Eastern Europe. Nevertheless, given that cohabitation is normative in these countries and the majority of marriages are preceded by a period of cohabitation, it is also more likely that spouses in individualized contexts continue the money management strategies employed during cohabitation which would lead to smaller differences between cohabiters and the married in Western Europe compared to Eastern Europe.

In sum, selection variables are expected to more strongly explain the effect of union type on income pooling in Eastern Europe as cohabiters in these countries are considered a more selective group than their Western European counterparts. Commitment variables are expected to strongly reduce the differences between cohabitation and marriage in Western Europe as cohabiters in these countries are expected to be more diverse with regard to the level of interpersonal commitment. Persistent country differences might indicate that cross-national differences in the level of individualisation of intimate relationships exist.

4.3. Data and methods

We analyzed data from six countries that participated in the Generations and Gender Surveys (*GGS*) that have been collected in 2005 and 2006. The *GGS* is a panel survey of a nationally representative sample of the 18-79 year-old resident population in each participating country (Vikat *et al.*, 2007). To date, Wave 1 data of 15 countries has been collected. Six of them include a comparable measurement of the money management strategy employed within the couple. These countries are Bulgaria, France, Georgia, Germany, Romania and Russia. The overall size of the main samples differs by country but most surveys contain about 10,000 respondents. Data were usually collected by a computer assisted personal interview (*CAPI*) and in some countries by paper and pencil interview (*PAPI*). The overall response rates vary between 49.7 percent in Russia and 78.2 percent in Bulgaria. Our analytical sample contains individuals who were either married or cohabited unmarried with a heterosexual partner. Individuals who did not provide information on their organization of household income (n = 157) or who reported to have an "other" manner in which they managed their money (n = 474) were excluded from further analysis. Moreover, we excluded respondents who did not report whether they are married to their current partner (n = 55) as well as cohabiters who did not report whether they have intentions to marry within three years (n = 114). The analyses are based on a final sample of 36,407 (88%) married individuals and 5,049 (12%) cohabiters.

4.3.1. Measurements

Income pooling. Our dependent variable –the extent to which income is pooled– distinguished couples who kept their income at least partly separate from those who pooled all their income. In the *GGS*, respondents were asked:

"How do you and your partner/spouse organize your household income?"
1. *I manage all the money and give my partner/spouse his/her share*
2. *My partner/spouse manages all the money and gives me my share*
3. *We pool all the money and each takes out what we need*
4. *We pool some of the money and keep the rest separate*
5. *We each keep our own money separate*
6. *Other* (Comment: Only for coding, not presented in the card itself)

In line with previous studies (Heimdal and Houseknecht, 2003; Vogler *et al*., 2006), we distinguished individuals who kept their income completely or partly separate (response 4 and 5) from those who pooled all their income (response 1, 2 and 3). Pooling income is considered as the reference category.

Union type. Respondents who were married and live together with their partner are distinguished from those who shared a household with a partner to whom they were not married (coded as 1).

Selection factors. We included 3 *age groups* in the analysis: 18 to 35 years old, 36 to 55 years old and 56 years to 79 years old. The data provide an internationally comparable measure of *education attainment* using the International Standard Classification of Education (UNESCO, 2006). We distinguished three levels: 1 = primary and lower secondary education, 2 = upper secondary and post-secondary non-university education and 3 = all levels of university education.
Religiousness was measured as a combination of religious denomination and the frequency of visiting religious services (with the categories less than once a year, once a year, less than once a month, once a month, less than once a week, once a week, daily). We created a scale ranging from 1 = no denomination or with denomination but visiting religious services less than once a year to 6 = with denomination, going daily to church. A higher value indicated a higher level of religiousness.
Division of paid labor. The data include the self-reported activity status of both partners. Four categories were distinguished: (a) Only the male partner is employed or self-employed, (b) only the female partner is employed or self-employed, (c) both are employed or self-employed (d) none of them is employed or self-employed.

Life course events. Dummy variables were created indicating whether a respondent (a) had ever been married with a former partner (coded as 1) or (b) reports at least one child below age 18 living in the household that is either his or her stepchild or a biological child with a former partner.

Commitment factors. The union duration has been measured in years between the date of interview and the date the couple started living in the same household. A dummy variable was created that takes the value 1 when the respondent reported at least one *joint biological child* younger than 18 years old with the current partner and living in the household. To measure *separation thoughts*, respondents were asked “Over the past 12 months, have you thought about breaking up your relationship?” The answer categories were 0 = no and 1 = yes.

Heterogeneity within cohabitation and marriage. Marital intentions of cohabiters were ascertained by asking whether they intended to marry their partner within the next three years. Respondents who answered 1 = yes or 2 = probably yes were considered as having marriage plans. Those who responded 3 = probably no or 4 = no were treated as having no marital intentions. Among spouses, a distinction was made between those who cohabited before marriage and those who married directly.

4.3.2. Analytical approach

First, descriptive statistics are discussed. These results provide insight into how cohabiters and married individuals across countries differ in terms of selection and commitment measures as well as in income pooling strategies. Within-country differences between cohabiters and spouses have been tested for statistical significance. We explicitly state whenever an observed difference does *not* reach statistical significance. Next, our hypotheses are tested by estimating binomial logistic regression models for each country separately, because the small number of countries does not allow the use of multi-level analysis (Hox, 2010).

Item non-response is hardly problematic, because most of the variables had an item-non-response rate of less than one percent and were excluded from the analyses. The question on separation thoughts has a high item non-response of around 30 percent in both Georgia (for unknown reasons) and France (as interviewers were instructed to skip the question on relationship assessment when the respondent's partner was present at the interview). We created an additional category "no response" for this variable and compared respondents without separation thoughts to respondents with separation thoughts as well as those with a non-response. For additional analyses, we did the same for other categorical variables with missing data. The results did not change and are available upon request.

4.4. Results

Table 4.1 shows for cohabiting and married individuals by country the percent distribution of the variables included in our analysis. In Eastern Europe, pooling all income is by far the most common manner in which couples manage their money, regardless of whether they are married or not. With the exception of Georgia and Bulgaria where married and cohabiting couples do not differ significantly from each other in the way they organize their income, independent money management is clearly more frequently reported by cohabiting couples than by the married. Germany and France differ from Eastern European countries in two respects. First, the share of non-poolers among married couples is higher (12 and 15%, respectively) than in Georgia, Romania and Russia. Second, the proportion of non-poolers among cohabiting couples is much larger than among married couples. More than half of all cohabiting couples keep at least some of their money separate (51 and 58%, respectively).

Countries vary in the *prevalence of cohabitation*. It is particularly uncommon in Romania where approximately five percent of all co-resident unions are cohabitations. In Georgia, Russia, Bulgaria and Germany, the proportion of cohabiters varies between 10 and 15 percent. In France, one fifth of all co-resident unions are cohabitations. More than half of all cohabiting individuals in Bulgaria, Russia, Germany, and France *intend to marry* their partner within three years. The vast majority of Georgian and Romanian cohabiters reports marital intentions for the near future (78 and 67%, respectively). Whereas around 50 percent of all currently married couples in each country experienced *premarital cohabitation*, 17 percent of the Romanian and 32 percent of the Russian married couples cohabited before they got married.

Cohabiters in all countries are on average younger than married individuals, cohabiters in Eastern European countries are in general older than cohabiters in Germany and France. In all countries, except Georgia, the *level of education attainment* of married and cohabiting respondents differs significantly. In Romania and Bulgaria, most cohabiters have completed only low education (around 50%) whereas married respondents are more likely to be highly educated. In Russia and Germany, these differences are smaller. French cohabiters by contrast are on average higher educated than married individuals. Regarding the *division of paid labor*, we find that more than half of French and German cohabiters live in unions in which both partners are employed. The male breadwinner model is more prevalent in Eastern Europe, and in particular among cohabiters in Georgia and Romania. Both cohabiting and married respondents in Romania score on average highest on the *religiousness* scale whereas Russian respondents regardless of union status as well as German cohabiters are least religious. Apart from Russia and Georgia, where the differences do not reach statistical significance, cohabiters are less religious than married individuals. In all countries, cohabiters much more frequently report that they have been *previously married*. Although this proportion varies strongly across countries and is highest in Russia and Romania (48 and 38%, respectively), the difference between married and cohabiting individuals is remarkably large in all countries. *Living together*

Table 4.1. Percent distribution of income management strategies and characteristics of cohabiting and married individuals by country (N = 41,456)

	Bulgaria		Georgia		Romania		Russia		Germany		France	
	Coh	Mar	Coh	Mar	Coh	Mar	Coh	Mar	Coh	Mar	Coh	Mar
Income management												
All income pooled	83.7	85.6	90.8	92.0	85.4	93.1	84.9	93.8	49.0	88.5	42.0	85.2
At least parts of income separate	16.3	14.4	9.2	8.0	14.6	6.9	15.1	6.2	51.0	11.5	58.0	14.8
Types of cohabitation/marriage												
Cohabiting among all co-res. unions	10.2		13.6		5.3		14.7		12.3		20.4	
Cohabiting with marital intentions	43.6		78.3		67.1		48.2		45.9		40.6	
Married after cohabitation		54.4		47.1		17.0		32.5		50.5		48.9
Selection variables												
18-35 years	68.8	23.3	49.7	17.6	37.4	16.6	43.3	24.8	50.8	12.8	50.5	13.4
36-55 years	25.9	46.1	41.8	50.6	40.5	45.9	41.2	47.9	35.9	49.5	41.1	45.0
56+ years	5.3	30.7	8.5	31.8	22.1	37.6	15.6	27.3	13.4	37.7	8.3	41.6
Primary education	50.2	26.4	11.4	12.3	53.4	37.3	14.5	12.3	17.1	11.3	19.8	35.0
Secondary education	38.5	51.2	60.8	59.5	39.9	52.7	56.6	47.7	58.6	60.0	47.5	39.9
Tertiary education	11.4	22.3	27.8	28.2	6.8	10.1	28.9	40.0	24.2	28.8	32.7	25.1
Only man employed	23.0	13.6	46.3	37.1	31.5	18.8	22.2	16.7	16.3	21.9	18.7	14.7
Only woman employed	13.7	12.0	7.1	9.2	8.8	8.1	10.4	9.3	11.7	7.4	7.2	8.1
Both employed	32.4	44.5	21.9	23.6	31.5	37.3	48.3	46.4	53.2	43.1	64.7	45.1
Mean religiousness (1-10)	2.4	2.6	2.9	2.7	3.3	3.8	1.9	1.9	1.6	2.5	1.3	1.8
Divorced	21.9	2.8	6.7	1.3	37.6	4.5	48.7	12.2	21.4	6.0	19.6	7.3
Children from prior unions <18 yrs	10.2	1.2	2.2	0.2	13.1	1.4	24.3	3.6	10.7	5.9	11.9	2.0
Commitment variables												
Mean union duration (yrs)	7.8	24.5	10.7	25.0	10.7	26.3	8.1	22.4	6.7	25.1	8.1	26.7
Joint biological children <18 yrs	56.7	50.1	73.2	50.4	35.8	41.1	26.0	49.9	25.4	38.6	45.1	42.0
With separation thoughts	5.6	2.2	2.9	1.8	6.3	1.8	26.9	13.8	13.5	3.8	14.1	4.7
Total number of observations	845	7,420	5,430	857	444	8,003	945	5,501	747	5,330	1,211	4,723

with children below age 18 from prior unions is much more common among cohabiters and particularly prevalent in Russia.

In all countries, the average *partnership duration* of cohabiting unions is shorter than that of marriages. The difference between cohabiters and spouses is largest in Germany with six years for cohabiting versus approximately 25 years for married couples. Between a quarter (Germany, Russia) and 73 percent (Georgia) of all cohabiting unions involve at least one *joint biological child with the partner*. Neither married nor cohabiting individuals are likely to have *thought about breaking up* with their partner during the last year. Among those who did, cohabiters are largely overrepresented, in particular in Germany and France, but also in Bulgaria, Georgia, and Romania. Cohabiters are overrepresented among those with separation thoughts in Russia as well. The peculiarity of Russia is that these kinds of thoughts are relatively prevalent among married respondents as well.

In order to replicate previous findings and test Hypothesis 1 that cohabiters are more likely to keep money separate, we conducted a logistic regression analysis with independent money management as the dependent variable and union type as the only independent variable for each country separately (results not shown). With the exception of Bulgaria and Georgia where the effect of union type does not reach statistical significance, cohabiters are more likely to opt for independent money management than married respondents. Against our expectation that differences between cohabiters and spouses are initially larger in Eastern European countries where cohabitation is marginal, we find German and French cohabiters to have a 8.0 times higher odds to keep money separate, whereas in Romania and Russia, cohabiters' odds of independent money management is increased by 2.7 and 2.3, respectively.

In Hypothesis 2, we assumed that the variation in income pooling strategies of cohabiting and married individuals should be strongly reduced after controlling for selection into cohabitation as the differences between cohabiters' and spouses' income organization would derive from individual characteristics associated with the entry into cohabitation. *Table 4.2* shows the results of a logistic regression analysis of the association between union type and income pooling when selection processes into cohabitation and independent money management are controlled for. We indeed find that keeping income separate is associated with variables that are considered to select individuals into cohabitation. Although not in all countries, individuals in the oldest age group are most likely to keep money separate in Eastern Europe but the effect reaches statistical significance only in Georgia and Russia.

This finding contradicts our assumptions and might be counter-intuitive. It is however in line with previous research and has been explained as a strategic response of older individuals to country specific inheritance tax regulations and medical care payments (Heimdal and Houseknecht, 2003; Lyngstad e*t al*., 2011; Treas, 1993). In France and Germany, the age effect is reversed but as we will show below, the effect turns positive and significant when we include measurements of interpersonal commitment. In line with prior studies, we find that university educated individuals are more likely to keep money separate. Surprisingly, we find religious people to be slightly more likely to opt for separate purses in Georgia and Russia. In accordance with our theoretical expectation, strong labor market participation of both partners and a female breadwinner model increases the likelihood of keeping separate purses. In line with our assumptions we also find previously married respondents to be more likely to pursue individual money management. We find no empirical evidence that individuals avoid pooling resources when children from prior unions are living in the household. In Germany, having children from prior unions even decreases the odds of separate purses.

Including selection variables into the model reveals that the effect of cohabitation on keeping money separate becomes statistically significant in Bulgaria and Georgia. In Romania and Russia, the effect of union type remains virtually unchanged, whereas in Germany and France, the differences between cohabiters and the married become smaller. Despite differences in the characteristics of cohabiters in Western compared to Eastern Europe, our findings suggest that selection processes into independent money management operate in similar ways across countries. Against our expectation that selection factors would explain more of the variation in Eastern Europe where cohabitation is less widespread, we find that considering selection into cohabitation reveals differences in the money management strategies between cohabitation and marriage in Bulgaria and Georgia but hardly account for variation in two other countries in Eastern Europe. By contrast, taking selection into account explains some of the variation in income pooling strategies by union type in Germany and France. Across Europe, the effect of union type on money management remains large. The odds ratio of separate purses among cohabiters ranges between 1.3 in Georgia and 7.0 in Germany after controlling for selection processes.

In Hypothesis 3, we assumed that differences in the income organization of cohabiters and married would derive from variation in the level of interpersonal commitment both within cohabitation and marriage. In order to test that hypothesis, we add union duration, presence of joint biological

Table 4.2. Summary of logistic regression analysis for variables predicting independent money management by union type for cohabiters (N = 5,049) and the married (N = 36,407), controlling for selection processes, odds ratios

	Bulgaria	Georgia	Romania	Russia	Germany	France
Union type (married omitted)						
Cohabiting	1.60***	1.32**	2.45***	2.74***	7.03***	5.92***
Age (18-35 years omitted)						
36-55 years	1.07	0.97	1.02	0.93	0.90	0.71***
56-79 years	1.24†	1.31**	1.21	1.13**	0.95	0.75**
Education (primary omitted)						
Secondary	1.74***	1.01	1.23**	1.23	1.17	1.52***
Tertiary	2.64***	1.40**	1.50**	1.69**	1.83***	3.37***
Religiousness	1.00	1.07**	1.05	1.12**	0.98	0.97
Division of paid labor (male breadwinner omitted)						
Female breadwinner	1.30**	2.64***	1.58**	1.41†	1.34†	2.14***
Both breadwinner	1.49***	2.40***	2.02***	1.59**	2.27***	2.00***
No breadwinner	0.98	2.57***	1.24	0.88	0.97	0.99
Divorced	0.87	0.88	1.40**	1.21	2.04***	2.52***
Child prior unions <18yrs	0.88	1.90	0.69	0.77	0.89	1.08
Constant	0.07***	0.03***	0.03***	0.03***	0.07***	0.08***
χ^2	-3346.6	-1721.7	-2170.5	-1658.8	-2327.8	-2599.2
Pseudo R^2	0.03	0.03	0.02	0.04	0.14	0.20
df	11	11	11	11	11	11

†p<0.1; *p<0.05; **p<0.01; ***p<0.001..

children in the household as well as separation thoughts to the model. The results are presented in *Table 4.3*. Including the commitment measures decreases the effect of union type on money management strategies in all countries. In Georgia, differences between cohabiting and married individuals remain only marginally statistically significant. The effects of the selection variables remain virtually unchanged, with the exception of the effects of two variables (results not shown). First, older age turns from a negative to a positive effect in Germany and France and thus becomes in line with findings from all other countries. Second, the negative association between the presence of children from prior unions in the household and separate purses reaches marginal statistical significance in Romania and statistical significance at the .05 level in Germany. Likelihood ratio tests reveal that controlling for interpersonal commitment significantly improved the model fit for each of the countries.

The longer the union duration, the lower the likelihood that a couple keeps income separate. The effect of union duration is particularly strong in Western European countries where the effect of union type decreases strongly after partnership duration is controlled for (step-wise models not shown). As expected, joint biological children decrease the odds of separate purses in four out of six countries significantly suggesting that a couple's financial lives get more intertwined when they shares the responsibility for a joint child. Separation thoughts turn out to be a very strongly linked to income pooling preferences in all countries. Respondents who considered breaking up with their partner have a strongly increased likelihood to keep money separate. Although including commitment factors reduces the cross-national variation in the effect of cohabitation on independent money management, it remains significant and varies between 1.3 in Georgia and 4.6 in Germany.

Finally, we expected in Hypothesis 4, that taking into account marriage plans of cohabiters and the cohabitation experience of married individuals might explain differences in the income organization of both union types. *Table 4.4* presents the results of a regression model that replaces the dichotomized union type variable by a fourfold typology in order to test within-group heterogeneity.

In all countries, both types of married individuals –those who married directly and those who did so after cohabitation with their spouse– are less likely to keep money separate than cohabiters. Only in Romania and France do we observe statistically significant differences in the income pooling strategies between both groups of married respondents. Whereas Romanian spouses who cohabited before they got married are *less* likely to keep money separate than those who married directly, French ex- cohabiters are –as hypothesized–

Table 4.3. Summary of logistic regression analysis for variables predicting independent money management by union type for cohabiters (N = 5,049) and the married (N = 36,407), controlling for selection processes (omitted from table) and level of commitment, odds ratios

	Bulgaria	Georgia	Romania	Russia	Germany	France
Union type (married omitted)						
Cohabiting	1.60***	1.29†	2.32***	2.11***	4.62***	3.93***
Union duration in years	0.99*	0.99	1.00	0.98**	0.97***	0.95***
Joint biological child <18 yrs (no omitted)	0.65***	0.88	0.73**	0.89	0.62***	0.64***
Separation thoughts (no omitted)	2.83***	1.74**	4.55***	2.44***	1.52**	2.22***
not answered		0.79**				1.13
Constant	0.11***	0.04***	0.03***	0.03***	0.13***	0.17***
χ^2	-3314.2	-1716.2	-2139.3	-1624.7	-2295.6	-2515.7
Pseudo R^2	0.04	0.04	0.03	0.06	0.15	0.22
df	14	15	14	14	14	15

†p<0.1; *p<0.05; **p<0.01; ***p<0.001.
Note: Generations and Gender Surveys 2004-2006.

more likely to keep money separate than those who married directly. For the other countries, these results indicate that income pooling strategies within a marriage are not associated with premarital cohabitation. We thus found little support for the assumption that premarital cohabitation is relevant for income pooling strategies within marriage.

Apart from Bulgaria and Georgia where no or only marginal differences were observed between any of the cohabitation and marriage types, we find that cohabiters with marriage plans differ less from the married couples than cohabiters without such plans. Cohabiters who do not have short-term marriage intentions have higher odds to keep at least some of their income separate than the “marriage-minded” cohabiters. Differences between both types of cohabiters are only statistically significant in Russia, Germany, and France. We thus find some empirical support for within-group heterogeneity among cohabiters with regard to income organization.

4.5. Discussion

In this chapter, cohabiting and married couples were compared with regard to their income pooling strategies across different countries. The aim was to examine the extent to which cohabiters and the married differ in their income pooling strategies, and to analyze whether the factors that account for these differences vary across countries. In accordance with prior research (Elizabeth, 2001; Hamplova, 2009; Heimdal and Houseknecht, 2003; Lyngstad *et al.*, 2011; Vogler, Brockmann and Wiggins, 2008), support was found for Hypothesis 1 that cohabiters are more inclined towards independent money management in four of the six countries. We did not find such differences in Georgia and Bulgaria. We can imagine two explanations. First, cohabiting unions in these countries tend to be particularly short lived and the predominant exit from cohabitation constitutes marriage rather than separation (own cohort analysis of the cumulative incidence of marriage and separation as two competing events based on *GGS* data, not shown). It could thus be that cohabiters adapt income pooling as the predominant way in which money is organized within marriage right from the start of their union. Second, as we have discussed earlier, income pooling might be an expression of economic constraints rather than an individual preference and couples might need to pool all their resources to make ends meet. Within our sample of countries, Georgia and Bulgaria have the lowest Gross Domestic Product (*GDP*) and are particular poor countries in European comparison (The World Bank 2012). It could thus be that independent money management is not feasible for couples in these countries, regardless of their marital status.

Table 4.4. Summary of logistic regression analysis for variables predicting independent money management by two types of cohabiters (N = 5,049) and two types of the married (N = 36,407), controlling for selection processes and level of commitment (omitted from table), odds ratios

	Bulgaria	Georgia	Romania	Russia	Germany	France
Union type (married directly omitted)						
Married after cohabitation	1.06	0.98	0.67**	1.13	1.14	1.47***
Cohabiting with marriage plans	1.38†	1.22	2.00**	1.74**	4.16***	4.09***
Cohabiting no marriage plans	1.35†	1.43	2.19**	2.72***	5.89***	6.42***
Constant	0.11***		0.04***	0.03***	0.12***	1.13***
χ^2	-3313.8	-1715.9	-2134.5	-1621.6	-2292.2	-2502.9
Pseudo R^2	0.04	0.04	0.04	0.06	0.15	0.13
df	16	17	16	16	16	17

†p<0.1; *p<0.05; **p<0.01; ***p<0.001.

We examined the relevance of selection in explaining the differences between cohabiters' and spouses' money management. Although several potential selection factors were related to income pooling, these factors were hardly capable of explaining the relationship between union type and income pooling strategy. We find that older individuals, those with a university degree, unions in which the female or both partners where highly attached to the labor market, as well as those previously divorced (in Western Europe) to be more inclined to keep money separate. These results replicate findings for other countries (Burgoyne and Morison, 1997; Hamplova, 2009; Heimdal and Houseknecht, 2003; Lyngstad *et al*., 2011; Treas, 1993; Vogler *et al*., 2008). In all countries, the effect of cohabitation on independent money management remained considerable, implying that the selection factors considered here were not explaining much of the differences in the income pooling strategies of cohabiting and married couples and if they did, they did more so in contexts where cohabitation is more prevalent. Given the popularity of the selection hypothesis, our findings suggest that selection cannot be the whole story and that it is likely that there must be inherent differences between cohabitation and marriage that influence how couples manage their money. Selection, however, might still play some role. We could only include a limited number of selection factors that have been discussed in the literature and our choice might not be exhaustive. Particularly for the Eastern European countries, very little is known about the selection processes into cohabitation and we might have missed factors attracting individuals to cohabitation and individual money management in these societies.

Next, we examined the assumption that inherent differences between cohabitation and marriage concerning the relationship itself explain this variation. We find indeed that differences in the interpersonal commitment of cohabiting and married couples are associated with their money management strategies. Differences between cohabiting and married couples were strongly reduced (particularly in Germany and France) after controlling for union duration in four of the six countries. The longer a relationship lasts, the more entangled the partners' lives become and the more likely it becomes that they opt for pooled economic resources. First, our results imply that the different average union duration of cohabiting and married relationships accounts for a lot of the variation in the money management within both union types. This is in line with the findings of Lyngstad *et al*. (2011) for Norway. Most of the previous studies on cohabiters' money management however did not include union duration in their analysis (Hamplova, 2009; Vogler *et al*., 2008). Second, these findings suggest that long term cohabiters are likely to behave more similar to married couples in the economic organization of their household income. This is interesting because it is widely assumed that long-term cohabiting unions are the most ideologically inspired ones. If so, it suggests that there are either institutional pressures on these couples that make them pool their income (*e.g.* buying a house together).

Joint biological children below age 18 are associated with lower odds of keeping money separate. This finding suggests that a couple's financial lives get more intertwined when they have joint responsibility for a biological child. This finding has important implications as an increasing number of children are born to cohabiting parents. It suggests that the presence of children might become an increasingly crucial determinant which money management strategy couples apply, regardless of the union type they are in. Despite on-going changes in individuals' living arrangements and family context, parenthood encourages financial solidarity within a couple, whether the parents are married or not.

In line with our expectations, separation thoughts were associated with a higher likelihood of keeping income separate. We argued that thinking about breaking up signifies low commitment, which in turn discourages individuals to pool their income. However, some sort of reversed causality could be operative as well. The absence of a joint pool could cause or signify a lower commitment to the partner and in turn lead to thoughts about separation. Longitudinal data are needed to shed light on this issue.

In three of the six countries (Germany, France, Russia), cohabiters with marriage plans are less likely to keep money separate than cohabiters without marital intentions, a finding also reported by Lyngstad and colleagues (2011) for Norway. Cohabiters anticipating marriage might already have a preference for joint finances or might start adopting marriage-like behaviors after the decision to get married has been made. This difference within the group of cohabiters stresses the importance of taking the heterogeneity among cohabiters into account. Cohabiters anticipating marriage behave more similar to married couples than cohabiters not thinking about getting married.

We find little support for the hypothesis that married couples who had cohabited before their marriage are more likely to keep money separate during marriage than those who married straight away. The only exception is France where virtually all co-resident unions start by unmarried cohabitation. Those who marry directly thus constitute a selective group, and their high likelihood to have joint money management might be more related to religiousness or conservatism than to different levels of interpersonal commitment.

Although we were able to illustrate the existence of substantial heterogeneity among both cohabiting and married couples in their income pooling strategies, the effect of cohabitation on keeping money separate remained strong and significant. This finding could indicate that the institution of marriage induces a couple to attach a special significance to their relationship that differs substantively from cohabitation. In contrast to cohabitation, marriage is a social institution, legally regulated and surrounded by clear social expectations about how a married couple should behave. The norms concerning marriage also concern financial arrangements such as material support and inheritance and thus offer an institutional framework for mutual solidarity between spouses. Hence, marriage seems to be strongly associated with joint finances in all countries included in our study. This finding implies that marriage is such a strong institution that it mainstreams prior cohabiters. Since the decision whether to pool income has to be made by every couple at one point in the course of their relationship, the availability of longitudinal data for future research would allow examining at what point in the course of an intimate relationship the decision to pool income is being made as well as which couples change their money management over time.

Another limitation of this study is that we do not differentiate between partial pooling and keeping all income separate. Burgoyne and colleagues (2007) identified partial pooling as a distinct money management strategy as it shares similarities with both independent money management and complete pooling. Couples employing partial pooling manage a significant proportion of the income independently but both partners have access to joint money for collective expenses. We acknowledge this important distinction that is particularly relevant in thinking about its consequences for access to and control of financial resources within couples. Our data did not allow us to further distinguish among those not pooling all of their resources as the number of observations is too small.

Finally, we explored whether country differences in the effect of union type on income pooling strategies were related to different selection processes into money management strategies across countries or cross-national variation in the level of commitment in cohabitation and marriage. We find that selection processes into independent money mangement operate in the same way across countries despite that the cohabiting populations differ in some of their characteristics. Across Europe, selection however can explain little of the differences between cohabiters' and spouses' different ways to manage money. Variation in commitment factors however neither can exhaustively explain the variation in income pooling strategies of cohabiters and spouses in different contexts.

It might be that the money management strategy that a couple pursues is not only the outcome of an individual preference, but could also mirror constraints. The socio-economic context of cohabiters might thus play a role in how feasible it is to keep money separate. Cohabiters in Eastern European countries are characterized by a lower level of education attainment and participation in the labor market, both compared to married individuals in their country but also compared to cohabiters in Western Europe. For them, the question whether money should be kept separate might simply not come up because these couples need all money to keep things running even if the couple has ideological qualms about it. This explanation is supported by our finding that differences in the money management between cohabiters and spouses in Eastern Europe are small to begin with and hardly influenced by selection or commitment variables. In prosperous countries where people earn more than they need for their basic needs, the idea of keeping at least some of the money separate in order to increase individual autonomy might make sense.

Nevertheless, the level of commitment accounts better for the variation in Western European countries than in Eastern Europe. Another explanation of the persistent country differences could thus be that the more normative cohabitation becomes, the more diverse the cohabiting population in terms of commitment involved. The persistence of country differences in the extent to which cohabiters are more likely to keep money separate gives some indication for the notion that Western European relationships are indeed more individualized but also that cohabitation is a particularly individualized union type. In Western Europe, individualistic and postmodern values are highly accepted. People in these countries might therefore abstain from income pooling for ideological reasons such as maintaining their individual autonomy, even though they are highly committed to their partner. Cohabitation even more than marriage, might be an expression of holding such individualized values. As a consequence, levels of commitment cannot exhaustively explain why cohabiters are more likely than married couples to keep their money separate.
Alternatively, it could be that even in Western Europe, where cohabitation is common and accepted, keeping money separate during cohabitation might be a norm itself. When common sense does not expect cohabiters to pool economic resources, cohabiters might be less likely to do so. In Eastern Europe by contrast, norms to pool income within a couple might be

particularly strong, regardless whether the partners are married or not. When keeping income separate is considered a particular deviant behavior it is not very likely to occur.

We explored interesting country differences in the six countries we examined, and hereby opening promising avenues for future research. Analyzing countries separately does not provide the empirically appropriate test of the effect of the institutional context. When data on more countries is available, applying multi-level models that include both individual and country level indicators can be tested directly in their impact on money management strategies.