

Power and decision making

Financial decision-making in the household



Key points

- In developed countries with available data, a large majority of women participate in decision-making about household purchases and decisions about occasional more expensive purchases are largely egalitarian (on average, 80% of women and men equally participate in these decisions).
- In most countries, however, decisions about routine or day-to-day household purchases are most frequently taken by women alone.
- Responsibility for deciding how to spend money on food, clothing and items for daily living may reflect obligation rather than autonomy or influence; responsibility to decide how money is spent on more expensive purchases, such as a car, home remodelling or a vacation, may be more indicative of power.

Background

Financial decision-making is a fundamental element among the many dimensions of intra-household power¹

Gender inequalities in the public sphere often reflect unequal power relations between women and men within the household. Policies aimed at reducing gender inequality are likely to be more effective if they consider the underlying origins of disparities relating to the balance of power and decision-making within the home.

Realizing goals in nearly all areas of public and private life depends on access to and control over financial resources. Data on household financial decision-making provide valuable information on individual agency and the empowerment of women across societies. This topic has direct policy relevance for social welfare and development programmes aimed at increasing economic well-being through income transfers, the outcomes of which depend on access to income. Information on household financial decision-making can also shed light on the distribution of responsibilities among women and men within households.

Current situation

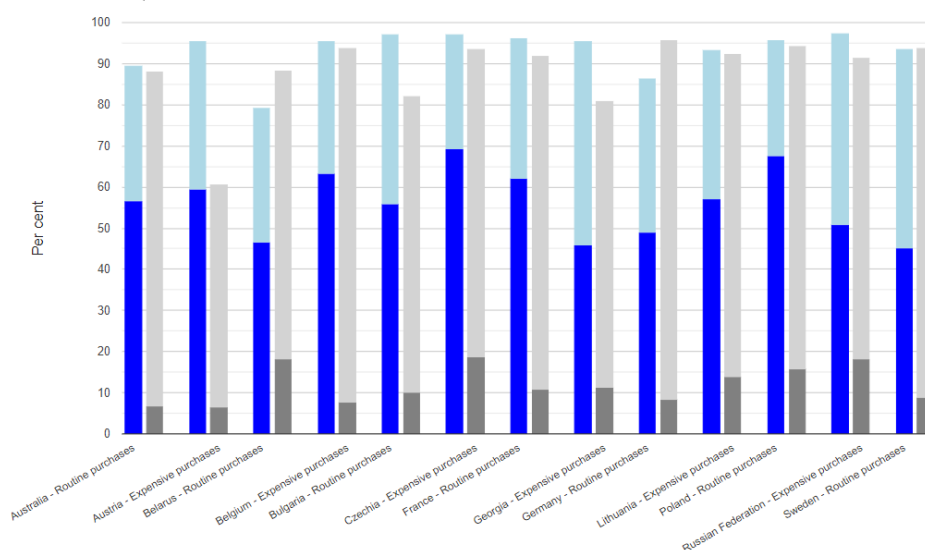
Women in Europe manage day-to-day expenses

In developed countries, a large majority of women participate in decision-making about household purchases. Recent surveys indicate that in Australia and in 12 countries in Europe decisions about occasional more expensive purchases are largely egalitarian. On average, more than 80% of women and men indicated that decisions about expensive purchases are shared equally between partners.²

The situation with regard to decision-making on routine purchases for the household is quite different. In most countries with available data, decisions about day-to-day household purchases are most frequently taken by women alone (see figure I). While participation in financial decision-making is an important marker of the empowerment of women, sole responsibility in this area may not be desirable. Sustainable Development Goal 5, target 5.4, of the 2030 Agenda for Sustainable Development calls for “the promotion of shared responsibility within the household and the family”. That women perceive themselves as being principally responsible for decisions about routine purchases may indicate an imbalance in the management of domestic tasks.

Responsibility for deciding how to spend money on food, clothing and items for daily living may reflect obligation rather than autonomy or influence; the responsibility for deciding on how money is spent on a car, home remodelling or a vacation may be more indicative of power.

Figure I: Share of female respondents in co-residing couples who are responsible for decisions on household expenses, by type of expenditure in selected countries: 2005—2017 (latest year available) (Percentage)



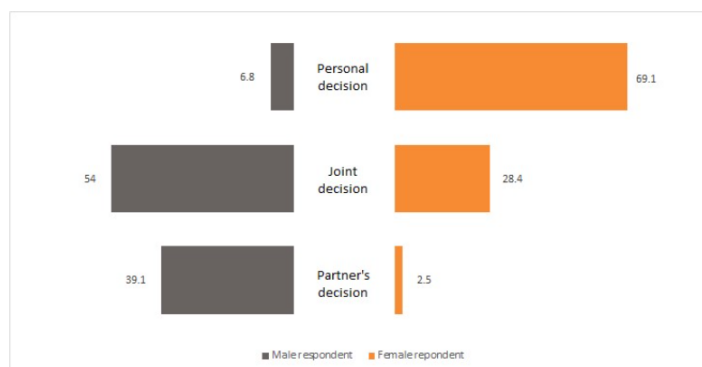
Source: Generations and Gender Programme, Generations and Gender Survey, Waves 1 and 2, see website for methodology (https://www.unece.org/pau/pub/ggp_survey_instruments.html); and Gauthier, A.H., Cabago, S.L.F. and Emery, T., "Generations and Gender Survey study profile", *Longitudinal and Life Course Studies*, vol. 9, No. 4, 2018 (<https://www.lilcsjournal.org/index.php/lilcs/article/view/500>).

Gender differences in perceptions of decision-making

Most male respondents agreed that their female partners are more likely to be primarily responsible for decisions about routine purchases, although there are differing perceptions of the degree to which decision-making is mutual. Male respondents were much more likely than female respondents to perceive household decisions on routine purchases as being shared. Across 13 countries with available data, 54% of male respondents indicated that decisions about routine household purchases are made jointly with a partner, however, only 28% of female respondents interpreted the sharing of decision-making in this way (see figure II).

Gender differences in perceptions about decision-making provide support for the methodological recommendation that surveys including questions about intra-household power and decision-making should interview respondents privately, whenever possible.

Figure II: Share of respondents in co-residing couples who are responsible for decisions on routine household purchases, by sex of respondent in selected countries: 2005—2017 (latest year available) (Percentage)



Source: Generations and Gender Programme, Generations and Gender Survey, Waves 1 and 2 (https://www.unecp.org/pau/pub/ggp_survey_instruments.html).

Note: Data were pooled across countries identified in Figure I.

About the data

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Definition

- **Proportion of individuals in co-residing couples who are primarily or equally responsible for decisions on household expenses, by type of expenditure and sex:** Calculated as the percentage of individuals in co-residing couples who indicate whether they always, or usually, make decisions about household expenses alone or jointly with their partners, reported separately for females and males and for routine and for occasional more expensive purchases.

Coverage

Women and men in co-residing couples in selected countries.

Availability

Data related to this indicator are from the Generations and Gender Survey conducted by the Generations and Gender Programme ³ and from Demographic and Health Surveys (DHS). ⁴

Footnotes

1. United Nations, Economic Commission for Europe, *Guidance for measuring intra-household power and decision-making* (forthcoming) .
2. Unweighted average of countries for which data are available (see figures I and II).
3. *Generations and Gender Programme, Generations and Gender Survey* .
4. Internationally comparable data for developed regions are limited. In its forthcoming publication, "*Guidance for measuring intra-household power and decision-making*" the Economic Commission for Europe suggests that this indicator could be more widely produced based on existing survey data or with the addition of a small number of questions to existing surveys .