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Research Article

# Income Pooling in Midlife: A Comparison of Remarried and Cohabiting Relationships

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## Abstract

**Objectives:** The share of adults cohabiting at later ages has risen in the past few decades, though little is known about income pooling among midlife cohabitators. Cohabitation could be an attractive option because partners may be able to preserve their economic autonomy and maintain assets for the next generation. Conversely, cohabitation may operate as an alternative to marriage, allowing midlife adults to combine their resources to achieve economies of scale without the legal obligations of marriage. This study compared income pooling among middle-aged remarried and cohabiting adults in the United States.

**Methods:** Data were from the nationally representative 2013 Families and Relationships Survey. The analytic sample included adults aged 50–65 who were cohabiting or remarried ( $N = 888$ ). Logistic regression models were used to predict the likelihood of income pooling among cohabiting and remarried midlife adults, net of relationship, demographic, and economic characteristics.

**Results:** Aligning with the hypothesis that cohabitation and remarriage are distinct in middle age, the odds of income pooling were lower for cohabitators than remarrieds. However, the gap between cohabitators and remarrieds narrowed by later ages.

**Discussion:** This study provides insight into the economic organization of midlife cohabiting relationships, which may have implications for individual well-being and relationship decision-making among middle-aged couples.

**Keywords:** Cohabitation, Family economics, Money management, Remarriage

The number of cohabiting adults aged 50 and older has increased dramatically over the past two decades from about 1 million to now more than 4 million (Brown & Wright, 2017; Stepler, 2017). Nearly one in four U.S. cohabiting couples includes at least one partner aged 50 or older (U.S. Census Bureau, 2020). Several factors have given rise to this rapid acceleration in cohabitation among middle-aged and older adults, including growth in later-life divorce

(Brown & Lin, 2012; Kennedy & Ruggles, 2014) and a declining remarriage rate (Raley & Sweeney, 2020). These trends also portend that cohabitation will continue to gain ground in the second half of life as more adults are unmarried and eligible to cohabit (Carr & Utz, 2020; Cooney & Dunne, 2001).

Although cohabitation has long been characterized as an incomplete institution that is distinct from marriage

(Nock, 1995), mounting evidence indicates that cohabitation operates as a long-term substitute for remarriage among middle-aged and older adults, implying comparable relationship dynamics between the two union types (Brown & Wright, 2017; King & Scott, 2005). For example, older cohabitators and remarried individuals report similar levels of relationship quality and psychological well-being across nearly all domains (Lewin, 2017; Wright, 2020; Wright & Brown, 2017). Nonetheless, this emerging literature remains somewhat narrowly focused as it has not addressed a primary facet of coresidential unions, namely whether partners share economic resources.

Research on income pooling among U.S. married and cohabiting adults has largely focused on couples earlier in the life course and reveals that cohabitators are less likely to pool resources than married adults (Eickmeyer et al., 2019; Evans & Gray, 2021; Hamplova & Le Bourdais, 2009; Hamplova et al., 2014; Heimdal & Houseknecht, 2003; Hiekel et al., 2014; Kenney, 2004; Lyngstad et al., 2011; Pepin, 2022), but these findings are not disaggregated by age. The unique features of midlife cohabitation call into question whether these findings are applicable to middle-aged and older adults. The prevailing view that cohabitation serves as an alternative to marriage during the second half of life (Brown & Wright, 2017; King & Scott, 2005) means older cohabiting and remarried adults may exhibit similar patterns of income pooling. In fact, early research framed older adult cohabitation as an adaptive economic strategy (Chevan, 1996; Hatch, 1995). Chevan (1996) asserted that cohabitation may be an attractive option because it allows older adults to achieve economies of scale by combining their resources without the legal obligations of marriage. However, Chevan (1996) and Hatch (1995) also maintained that for some older adults, cohabitation (vs remarriage) is desirable precisely because it allows partners to preserve their economic autonomy and safekeep their assets for the next generation, signaling lower levels of income pooling among cohabitators than remarried individuals. Despite these early theoretical suppositions about income pooling among middle-aged and older cohabitators, no study to date has investigated the income pooling strategies of midlife or older cohabitators relative to their remarried counterparts in the United States. It is particularly important to examine resource sharing in midlife not only because of its potential implications for financial well-being but also its salience for economic concerns that are unique to the later stages of the life course, such as ability to afford care, intergenerational transfers, and inheritance (Zagheni & Wagner, 2015).

Using data from the nationally representative Families and Relationships Survey (FRS), we examine income pooling among middle-aged (aged 50–65) remarried versus cohabiting adults in the United States. We focus on remarried persons because the marital biography characteristics of midlife cohabitators, nearly all of whom are previously

married, more closely mirror the remarried than the first married (Brown & Wright, 2017). Using the opposing frameworks of cohabitation as an incomplete institution (Nock, 1995) versus an alternative to remarriage (Brown & Wright, 2017; King & Scott, 2005), we test competing hypotheses about the association between relationship type and income pooling in midlife. On the one hand, cohabitators may be less likely than the remarried to pool their incomes, reflecting the flexibility afforded by the incomplete institutionalization of cohabitation. Cohabiting partners must construct their relationship norms themselves, and many cohabiting midlife adults, especially women, may prefer not to pool their incomes to preserve their financial autonomy and maintain their resources to bequeath to their own offspring (Chevan, 1996; Hatch, 1995). On the other hand, the notion that cohabitation allows couples to gain economies of scale by combining their financial resources (Chevan, 1996) coupled with evidence suggesting that remarriage and cohabitation are comparable in later life (Brown & Wright, 2017; King & Scott, 2005; Wright, 2020; Wright & Brown, 2017) foretells no difference in how remarried and cohabiting midlife adults share resources. Our study contributes to the developing literature on cohabitation during the second half of life by yielding new insights on the economic organization strategies of midlife cohabitators.

## Background

The share of adults aged 50 and older who are unmarried has grown since 1980 (Kreider & Ellis, 2011) and many are forming nonmarital unions, such as cohabitations (Brown & Wright, 2017; Carr & Utz, 2020). Older adults are now as likely to cohabit as they are to remarry (Brown et al., 2012). Nowadays, about 14% of unmarried older adults are in a cohabiting relationship (Brown & Wright, 2017). These trends highlight the importance of examining cohabiting unions among middle-aged and older adults and developing a greater understanding of how they function.

Although the prevalence of cohabitation at later ages has increased, little is known about how midlife cohabiting couples manage their economic resources. Most of the earlier work on income pooling focused on married couples (Pahl, 1995; Treas, 1993), whereas more recent studies have incorporated cohabitators. Previous studies have consistently shown that cohabiting couples are less likely to pool their incomes than married couples in the United States (Eickmeyer et al., 2019; Evans & Gray, 2021; Hamplova & Le Bourdais, 2009; Heimdal & Houseknecht, 2003; Kenney, 2004; Pepin, 2022) and other nations (Hamplova et al., 2014; Hiekel et al., 2014; Lyngstad et al., 2011).

However, it remains unclear whether midlife cohabitators are less likely to pool their incomes than the married because prior studies have not differentiated between younger and older adults. To our knowledge, only two studies have

focused on midlife adults. One was a report that examined Canadians aged 45 and older that found common-law couples were significantly more likely than married couples to keep their incomes separate (Laporte & Schellenberg, 2011). The other was a bivariate analysis that showed a greater share of married than cohabiting couples aged 51–60 in the United States pool their money together (Pepin, 2022). Nonetheless, by combining age groups, previous work may have obscured significant age variation in the relationship between union status and income pooling.

From a theoretical standpoint, it is possible that midlife cohabitators may be less likely than their remarried counterparts to pool their incomes, aligning with the incomplete institutionalization perspective developed by Nock (1995) to decipher the relationship dynamics of cohabiting unions. Lacking clear relationship norms and expectations, partners have to actively construct and negotiate them. Thus, cohabitation may afford couples greater freedom than marriage to determine resource pooling strategies that work best for their relationships. Alternatively, as cohabitation has gained ground in midlife, it may now be more institutionalized and function as an alternative to marriage (Brown & Wright, 2017; King & Scott, 2005). This perspective signals that resource pooling behavior may be similar for remarried and cohabiting adults in midlife.

### Cohabitation as an Incomplete Institution

In line with the incomplete institutionalization thesis, prior work lends credence to the possibility that midlife remarriage and cohabitation are distinct and that cohabitators may be less likely than the remarried to pool their incomes. Some older adults might choose cohabitation over marriage because it offers a higher level of independence (De Jong Gierveld, 2002; King & Scott, 2005). Many older adults, especially women, are interested in companionship from an intimate relationship, though they are less keen on marrying because of a perceived loss of independence and freedom (Davidson, 2001; Talbott, 1998). Couples who remarry are economically linked, carrying legal responsibility for their spouse's debts and claims to their assets. Cohabitation facilitates the preservation of financial autonomy because cohabitators are not legally responsible for their partner's expenses and have no legal right to their assets (Brown & Wright, 2017; Chevan, 1996).

Moreover, the legal ties of marriage may create barriers in the inheritance process for children, though by cohabiting, older adults are in a better position to avoid such complications (Chevan, 1996). In short, the desire to maintain financial autonomy and retain control over economic resources may provide disincentives for cohabitators to pool their incomes. The incomplete institutionalization of cohabitation allows cohabitators to define their own relationship parameters, including retaining economic independence. Thus, we could expect midlife

cohabitators to be less likely to pool their incomes than the remarried.

### Cohabitation as an Alternative to Remarriage

Alternatively, recent research suggests the meaning and purpose of cohabitation during the second half of life are unique. Instead of operating as a precursor to marriage cohabitation among older adults operates as an alternative to marriage (Brown & Wright, 2017; King & Scott, 2005). Thus, the way cohabiting and remarried relationships function during midlife may be similar. Middle-aged and older cohabiting relationships tend to be stable, with a reported average duration of about 10 years (Brown et al., 2012). Rather than transitioning to marriage (or separating), most cohabiting relationships among these adults eventually end through partner death. Moreover, no differences were found between cohabitators and married individuals during the second half of life when comparing psychological well-being (Wright & Brown, 2017) and relationship quality (Lewin, 2017; Wright, 2020). In short, it appears cohabitation is akin to remarriage among midlife and older adults, suggesting the two groups may exhibit similar income pooling behavior.

The economic profile of cohabitators also suggests we could anticipate few differences in income pooling by relationship status. Older cohabitators tend to be economically disadvantaged relative to the remarried, with over one fifth of cohabitators being poor compared to less than 5% of remarrieds (Brown & Wright, 2017). Chevan (1996) argued that some middle-aged and older adults, particularly the economically disadvantaged, may prefer cohabitation to marriage because they can achieve economies of scale by combining their resources without the legal obligations of marriage. Thus, midlife cohabitators could be particularly motivated to pool their incomes and may not differ from the remarried. With research on older adults indicating that cohabitation serves as an alternative to marriage later in life, the odds of income pooling may increase as cohabitators age. Therefore, we test an interaction between relationship type and age to assess whether the association between relationship type and income pooling weakens with age.

### The Current Study

The current study uses nationally representative data to investigate income pooling among cohabiting and remarried midlife adults. To our knowledge, this study is the first to compare cohabiting and remarried midlife adults in the United States on income pooling and as such fills a notable gap in the literature. It informs our understanding of the meaning of cohabitation during the second half of life by uncovering whether larger trends in income pooling are evident during this stage of the life course.

Based on prior theoretical and empirical evidence, we examine competing hypotheses regarding income pooling

among cohabiting and remarried midlife adults. On the one hand, midlife cohabitators may be less likely to pool their incomes than the remarried signaling that cohabitation is a different form of relationship than is remarriage in middle age. On the other hand, there may be no difference in the levels of income pooling for cohabitators versus the remarried because later-life cohabitation appears to be an alternative to remarriage (Brown & Wright, 2017; King & Scott, 2005). Finally, with research indicating that cohabitation is more similar to remarriage as age increases (Brown & Wright, 2017; Lewin, 2017; Wright, 2020; Wright & Brown, 2017), we predict that income pooling will rise with age across midlife.

Our analyses control for key union, demographic, and economic characteristics. Union duration is longer, on average, among remarrieds than cohabitators (Wright, 2020) and couples are more likely to pool their incomes when they have been together longer (Eickmeyer et al., 2019; Evans & Gray, 2021). We included number of prior unions because marital history is associated with income pooling (Heimdal & Houseknecht, 2003; Treas, 1993). To tap into relationship dynamics, we accounted for relationship commitment which contributes to differences in income pooling by relationship type (Hamplova & Le Bourdais, 2009; Heimdal & Houseknecht, 2003; Hiekel et al., 2014). Also, if cohabitation is an alternative to marriage, then levels of commitment for cohabitators and the married should be more similar than earlier in the life course. Those with children are more likely to combine their incomes (Hiekel et al., 2014; Lyngstad et al., 2011; Treas, 1993).

Relevant demographic characteristics include gender, race/ethnicity, and age. Most remarried and cohabiting older adults are men (Brown & Wright, 2017). Research on income pooling by gender is mixed. One study suggested that women prefer to pool incomes, whereas men have no preference (Addo & Sassler, 2010). Other studies have indicated that men are more likely than women to report income pooling (Eickmeyer et al., 2019; Evans & Gray, 2021; Hamplova et al., 2014). Yet another study found no gender difference (Hamplova & Le Bourdais, 2009). A higher share of cohabitators than remarrieds are non-White (Brown & Wright, 2017) and racial/ethnic minorities are less likely than Whites to pool their incomes (Addo & Sassler, 2010; Eickmeyer et al., 2019). Among the population over age 50 cohabitators tend to be younger on average than remarried adults. Some studies have found that income pooling is less likely with increasing age (Eickmeyer et al., 2019; Hamplova & Le Bourdais, 2009; Heimdal & Houseknecht, 2003; Laporte & Schellenberg, 2011; Treas, 1993), whereas others have reported either a positive (Hamplova et al., 2014; Vogler et al., 2006) or no association (Evans & Gray, 2021).

Finally, turning to economic factors, remarrieds have more education, on average, than their cohabiting counterparts among adults aged 50 and older (Brown & Wright, 2017). Some studies indicated that higher levels of education may be

negatively related to income pooling (Eickmeyer et al., 2019; Evans & Gray, 2021; Hamplova et al., 2014), whereas others uncovered no relationship between education and income pooling (Hamplova & Le Bourdais, 2009). Older cohabitators have lower average household incomes than the remarried (Brown & Wright, 2017) and those with higher incomes are less likely to pool their resources (Eickmeyer et al., 2019; Evans & Gray, 2021). Finally, individuals who report experiencing financial constraint in their relationships are less likely to pool their incomes than those who do not feel financially constrained (Eickmeyer et al., 2019).

## Method

Data for this study came from the FRS, a nationally representative survey of 7,517 adults aged 18–65 in the United States. The FRS was designed by the National Center for Family and Marriage Research (NCFMR) at Bowling Green State University and fielded in 2013 by GfK group (formerly Knowledge Networks [KN]). Using probability sampling through address-based sampling and random digit dialing (RDD) techniques, respondents were drawn from a nationally representative online panel of noninstitutionalized individuals called KnowledgePanel. The sampling frame included both the online and offline populations, with GfK providing Internet access to those who did not have access. Respondents who lived with romantic partners and individuals aged 55 and older were oversampled (Eickmeyer et al., 2019). The GfK (formerly KN) panel has been used in federally funded data collections on couples and families (Lichter & Carmalt, 2009; Rosenfeld & Thomas, 2012; Sassler et al., 2012). The data quality of the GfK (KN) panel is similar to or better than that obtained from RDD surveys (Chang & Krosnick, 2009). The FRS is ideal for our study because it includes a measure of income pooling as well as a sizeable number of midlife cohabitators.

To construct our analytic sample, we began with the 2,952 adults between ages 50 and 65 in the FRS. We retained respondents who were either remarried or cohabiting (all unions were different-gender) at the time of the interview ( $N = 894$ ). We assessed remarrieds and cohabitators because the marital biographies of cohabiting midlife adults are closer to the remarried than the first married (Brown & Wright, 2017). Next, we limited our sample to those who had a valid response on the question about income pooling ( $N = 890$ ). Finally, we removed two respondents with invalid reports of their relationship duration, producing a final sample size of 888 remarried and cohabiting individuals.

## Measures

### Dependent variable

*Income pooling* was derived from responses to the following question: “Couples handle their money differently.

Which of the following do you do?" Response options included "each keep our money separate," "put some money together," and "put all of our money together." Consistent with prior research (Eickmeyer et al., 2019; Hamplova & Le Bourdais, 2009; Hiekel et al., 2014), we combined those who keep all their money separate and those who pool some of their money. Thus, income pooling is a dichotomous variable in which 1 = put all money together and 0 = some together/all separate.

### Independent variable

*Relationship type* reflected whether the respondent was remarried (reference) or cohabiting at the time of the interview.

### Covariates

*Relationship duration* was a continuous variable measured in years. *Number of prior unions* was a continuous measure of the total number of marriages and cohabitations prior to the current union. *Commitment* was a continuous measure tapping how committed respondents were to their current relationship with their partner, ranging from 0 = Not at all committed to 4 = Completely committed. *Children* was a dichotomous measure where respondents with any children were coded as 1 and 0 if none.

Demographic characteristics included the respondent's gender, race, and age. *Gender* was a dichotomous variable coded as 0 = woman and 1 = man. *Race/ethnicity* consisted of four categories: White (reference), Black, Hispanic, and "other." *Age* was continuously measured by the respondent's age in years at the time of the interview.

Economic factors encompassed education, household income, and perceived financial constraint. *Education* was an ordinal variable composed of four categories: less than high school, high school (reference), some college, and bachelor's degree or higher. *Household income* included 19 categories and was treated as a continuous variable ranging from 1 = less than \$5,000 to 19 = \$175,000+. *Perceived financial constraint* was measured using the following question: "How much do financial matters influence whether you stay in this relationship?" Response options included "not at all," "a little," "moderately," "quite a bit," or "extremely." The coding was dichotomous with 0 = no constraint (i.e., not at all) and 1 = any constraint.

### Analytic Strategy

We began by describing the income pooling behavior of remarried and cohabiting midlife adults and presenting the means and percentages of the other variables in our analyses separately for cohabitators and remarrieds. We then employed logistic regression models to assess differences in income pooling by union status net of other covariates. Finally, we examined an interaction between relationship type and age to investigate whether age moderated the association between union status and income pooling. Missing

data were minimal and limited to only three variables. For any children and perceived financial constraint, there were three and five missing cases, respectively. On relationship duration, about 5% of cases were missing. Because of the small amount of missing data, we used mean substitution for relationship duration and modal substitution for any children and perceived financial constraint. Analyses were weighted to adjust for the complex sampling design and ensure the sample represented the population.

## Results

### Descriptive Results

Table 1 depicts descriptive statistics separately by relationship type. Among cohabitators, 77.4% kept some or all of their income separate, whereas only 22.6% pooled all of their income. In contrast, the majority (63%) of remarrieds opted to fully pool their income, and only 37% kept their income separate or partially pooled. Overall, a significantly greater share of remarried than cohabiting midlife adults pooled their income.

There was notable variation by union type in relationship characteristics and having any children. Remarrieds averaged significantly more years in their relationships (17.6 vs 11.2) and higher commitment (3.7 vs 3.1) than cohabitators. Cohabitators (2.8) had significantly more prior unions, on average, than the remarried (1.4). A higher share of remarrieds (82.8%) than cohabitators (67.2%) reported that they had children.

Turning to demographic characteristics, there were no significant differences by union type on gender or race. The majority of cohabitators (56.6%) were men, whereas most remarrieds (51.5%) were women. A greater share of remarried (76.5%) than cohabiting (64.0%) adults in the sample identified as White. Among cohabitators, 21.2% identified as Black and 6.7% identified as other races, compared to 10.9% and 2.7% of remarrieds who identified as Black or other races, respectively. The percentage identifying as Hispanic was similar across cohabiting (8.1%) and remarried (9.9%) respondents. The average age of remarrieds (57.5) was significantly older than cohabitators (55.7).

Regarding economic characteristics, significantly more cohabitators (15.1%) than remarrieds (12.2%) had less than a high school education, whereas a greater share of remarried adults (21.5% vs 15.5%) had at least a bachelor's degree. Household income was significantly higher, on average, among the remarried (12.9) than cohabitators (10.2). A significantly higher percentage of cohabitators (53.2%) than remarrieds (41.5%) reported financial constraint.

### Multivariate Results

As shown in Table 2, the income pooling gap persisted for remarried and cohabiting midlife adults with the inclusion of the control variables. The odds of income pooling were

**Table 1.** Weighted Descriptive Statistics by Relationship Type

Variable	Union type		
	Cohabiting	Remarried	
	Mean/%	Mean/%	
Income pooling			
All separate/some together	77.4	37.0	***
Put all money together	22.6	63.0	***
Relationship characteristics			
Relationship duration	11.2	17.6	***
Number of prior unions	2.8	1.4	***
Commitment	3.1	3.7	***
Children			
None	32.8	17.2	***
Any	67.2	82.8	***
Demographic characteristics			
Female	43.4	51.5	
Male	56.6	48.5	
White	64.0	76.5	
Black	21.2	10.9	
Hispanic	8.1	9.9	
Other race	6.7	2.7	
Age	55.7	57.5	***
Economic characteristics			
Less than high school	15.1	12.2	*
High school	35.7	41.4	**
Some college	33.7	24.9	*
Bachelor's degree or more	15.5	21.5	*
Household income 1 = less than \$5,000, 19 = \$175,000+	10.2	12.9	***
Perceived financial constraint			
None	46.8	58.5	
Any	53.2	41.5	
Unweighted N	263	625	

Notes: Analyses are weighted to correct for the complex sampling design of the Families and Relationships Survey.

\* $p < .05$ . \*\* $p < .01$ . \*\*\* $p < .001$ .

85% lower for those in cohabiting relationships compared with their remarried counterparts. Relationship duration and commitment were positively associated with income pooling. For each additional year the couple stayed in their relationship, the odds of pooling their incomes increased by 4%. As commitment increased, the odds of income pooling were 51% higher. There was no association between number of prior unions and income pooling. Children were not significantly associated with income pooling. Likewise, few of the demographic and economic characteristics were related to income pooling. There was no significant difference between women and men. Individuals identifying as Black were less likely to engage in income pooling than those who identified as White. Neither adults who identified as Hispanic nor of other races differed from those who identified as White. Income pooling behavior also did not differ by age or education. Household income was negatively associated with income pooling. With increasing household income, the odds of pooling decreased. Perceived

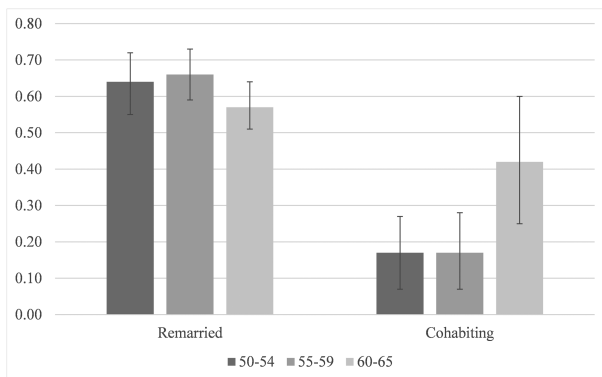
financial constraint was not significantly associated with income pooling.

To examine whether age modified the relationship between union status and income pooling, we included an interaction for relationship type  $\times$  age in the full model (Model 2 of Table 2). The interaction was significant (odds ratio [OR] = 1.19,  $p = .004$ ), indicating that income pooling behavior becomes more similar for remarried and cohabiting adults as they age. Figure 1 shows predicted probabilities of income pooling for remarrieds and cohabitators across three age groups (50–54, 55–59, and 60–65). Among the remarried, age was not significantly associated with income pooling, whereas for cohabitators, the effect of age on income pooling was positive and significant (statistical tests of the effects of age group on the likelihood of income pooling were conducted by estimating separate models for remarrieds and cohabitators, results not shown). For remarrieds, the predicted probability of income pooling hovered around 0.60 regardless of age group. In contrast,

**Table 2.** Logistic Regression Model Predicting Income Pooling ( $n = 888$ )

	Model 1			Model 2		
	OR	SE		OR	SE	
Relationship type						
Cohabiting (ref = remarried)	0.15	0.05	***	0.000006	0.00002	**
Relationship characteristics						
Relationship duration	1.04	0.01	**	1.04	0.01	**
Number of prior unions	1.18	0.11		1.16	0.10	
Commitment	1.51	0.20	**	1.49	0.20	**
Children						
Any children (ref = none)	1.24	0.30		1.25	0.30	
Demographic characteristics						
Gender (ref = female)	1.43	0.30		1.47	0.31	
White (ref)						
Black	0.42	0.15	*	0.42	0.15	*
Hispanic	0.86	0.35		0.89	0.37	
Other race	0.47	0.24		0.54	0.26	
Age	0.98	0.02		0.95	0.03	
Economic characteristics						
Less than high school	1.62	0.61		1.61	0.60	
High school (ref)						
Some college	1.31	0.35		1.27	0.34	
Bachelor's degree or more	0.80	0.22		0.79	0.22	
Household income	0.93	0.03	*	0.93	0.03	*
Perceived financial constraint (ref = none)	0.83	0.18		0.84	0.18	
Relationship type $\times$ age				1.19	0.07	**
Constant	1.15	1.72		6.46	10.80	

Notes: Analyses are weighted to correct for the complex sampling design of the Families and Relationships Survey. OR = odds ratio; SE = standard error. \* $p < .05$ . \*\* $p < .01$ . \*\*\* $p < .001$ .



**Figure 1.** Predicted probabilities of income pooling by relationship type and age group.

the predicted probability of income pooling was more than twice as high among cohabitators aged 60–65 (0.42) as those aged 50–55 (0.17). For those aged 60–65, the predicted probability of income pooling did not significantly differ for remarrieds and cohabitators (result not shown).

In supplemental analyses, we gauged the robustness of our income pooling measure by examining an alternative specification in which income pooling was operationalized as

sharing either some or all money versus keeping all money separate. The pattern of findings (Supplementary Table S1) mirrored the main results with cohabitators less likely than their remarried counterparts to pool their incomes ( $OR = 0.22, p < .001$ ). Likewise, the interaction between union type and age achieved significance ( $OR = 1.11, p < .05$ ), indicating that the union gap in income pooling narrowed with age.

## Discussion

Fewer midlife and older adults today are married (Carr & Utz, 2020; Lin & Brown, 2012), but many of the unmarried are involved in intimate partnerships (Brown & Wright, 2017; Calasanti & Kiecolt, 2007; Carr & Utz, 2020). The number of cohabitators aged 50 and older has quadrupled in the past two decades to now greater than 4 million (Brown & Wright, 2017; Stepler, 2017). Drawing on data from the 2013 Families and Relationships Survey, our analysis advances research on cohabitation during the second half of life by investigating the economic dynamics of midlife cohabiting relationships. Whereas prior studies on union-type variation in income pooling have typically combined all age groups (Evans & Gray, 2021; Hamplova & Le Bourdais, 2009; Heimdal & Houseknecht, 2003; Hiekel et al., 2014),



we contribute to the literature by focusing explicitly on midlife adults. This focus is worthwhile because evidence indicates that cohabitation functions quite differently in the second half of life than earlier in the life course (Brown & Wright, 2017; King & Scott, 2005).

Consistent with Pepin's (2022) analysis of U.S. couples aged 51–60, we found that only a minority of midlife cohabitators pool their incomes. Nearly two thirds of remarrieds put all of their money together compared to less than a quarter of cohabitators. This differential remained even after accounting for relationship, demographic, and economic characteristics. These results are in line with prior research that have combined all age groups to examine differences in income pooling between marrieds and cohabitators (Evans & Gray, 2021; Hamplova et al., 2014; Heimdal & Houseknecht, 2003; Hiekel et al., 2014). Across the life course, it appears that cohabitators have a lower probability of combining their economic resources than the married, though it is likely that the reasons for these decisions differ by age group. Future research should investigate variation across age groups in the factors that married and cohabiting couples use in deciding whether to pool their incomes.

The lower likelihood of income pooling for cohabitators than the remarried is consistent with the hypothesis that cohabitation is an incomplete institution that is distinct from remarriage and inconsistent with the argument that cohabitation operates as an alternative to remarriage. As an incomplete institution (Cherlin, 1978; Nock, 1995), cohabitation may offer greater flexibility than marriage for couples to determine what works best for them in terms of resource pooling. From our study, it appears that many midlife cohabitators are choosing to maintain their economic independence.

However, this interpretation is strongest among those aged 50–54 and weakest among those aged 60–65. Specifically, we found that the income pooling behavior of cohabiting midlife adults becomes more similar to that of their remarried counterparts at later ages as there was no significant difference in the likelihood of income pooling between remarrieds and cohabitators aged 60–65. Among cohabitators, the probability of pooling economic resources increased as they got older, whereas there was no significant association between age and income pooling for remarried individuals. In short, our study provides evidence that in terms of income pooling cohabitation remains an incomplete institution (Cherlin, 1978; Nock, 1995) that operates more as a distinct relationship in middle age, though the gap in combining resources narrows during the retirement years.

Despite the contributions of our study, there are some limitations. First, we do not have information on the reasons couples decide to pool or not pool their incomes. Couples may have reasons beyond what we hypothesized for whether they combine their resources, but we are not able to assess them with our data. Given that nearly all cohabitators have been previously married, we might have expected some of the norms from marriage to carry over

into subsequent unions, even cohabitations, but this does not seem to hold for midlife cohabiting unions. Future research should investigate how couples reach their decisions regarding income pooling. Second, our study relied on cross-sectional data. Thus, we were not able to draw causal inferences or examine change over time. To our knowledge, these are the best available data to examine income pooling among midlife remarrieds and cohabitators. Nonetheless, with cross-sectional data, we may miss changes in some couples to fully sharing their incomes (Eickmeyer et al., 2019), particularly as income pooling is more likely as relationship duration increases. When appropriate longitudinal data are available, researchers should consider whether and how income pooling changes among midlife remarried and cohabiting couples.

The findings from our study have important implications for relationship quality and policy. A recent study found that older married and cohabiting couples in Sweden who pooled all of their money had fewer financial disagreements than couples who either partially pooled or did not pool their resources (Kridahl & Duvander, 2022). Moreover, cohabitators tend to be less economically advantaged than the married and this is also true among middle-aged and older people (Brown & Wright, 2017). Many policies and programs, including Social Security, are based on the model of a long-term marriage that ends through spousal death. Yet, fewer midlife and older adults follow this marital pathway. For example, an increasing share dissolves their marriages through gray divorce, leaving them more vulnerable to poverty (Brown & Wright, 2017). Social policies that penalize divorced individuals are likely to have important consequences for midlife cohabitators because most are previously divorced (Brown & Wright, 2017). Income pooling could be one strategy couples use to deal with economic disadvantage (Chevan, 1996), but we found that only a small share of cohabitators combine their resources. Policies and programs often have not accounted for recently changing demographics in the second half of life, but adjustments that better reflect these shifts could contribute to greater financial security among midlife and older adults.

Overall, this study sheds new light on midlife cohabiting relationships and how they function. With a minority of midlife cohabitators pooling their incomes, the ability to maintain financial independence may be an attractive feature of these relationships. Midlife cohabiting couples are similar to young adult cohabitators in their propensity to avoid income pooling, but their reasons for doing so may differ. Future research should consider the reasons why many cohabiting couples choose not to pool their incomes as well as the implications of these decisions for well-being and social policy. With ongoing changes in intimate relationships among midlife adults, especially increases in cohabitation, it is important to develop a greater understanding of the dynamics and functioning of midlife nonmarital unions.

## Supplementary Material

Supplementary data are available at *The Journals of Gerontology, Series B: Psychological Sciences and Social Sciences* online.

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## Conflict of Interest

None declared.

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