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Couples and their money: patterns of accounting and accountability in the domestic economy

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Abstract *The financial arrangements of married and as-married couples are examined in the light of ideas taken from the field of accounting and accountability. Data on couples and their money are drawn from the Family Expenditure Survey, and from focus groups and interviews. The data were collected in the course of a study on new forms of money, such as credit and debit cards, telephone and Internet banking. The results suggest that the accounting practices of couples are not necessarily consistent, but that they are meaningful. They are not consistent in that different parts of the intra-household economy are likely to be subject to different types and levels of accountability. They are meaningful in that accounting practices reflect the economic position of the household, the relative incomes of husband and wife and fundamental aspects of their relationship. Banking arrangements, as they record financial history and map past and present relationships, offer a powerful guide to understanding wider issues within marriage and family life.*

Introduction

Accounting has been described as "the language of business" and defined as:

> A system for recording and reporting business transactions, in financial terms, to interested parties who use this information as the basis for performance assessment, decision making and control (Edwards and Mellett, 1995, p. 1).

Clearly the focus here is on organisations, and on using financial information to assess past actions, make future decisions and generally control the working of the organisation. The appearance in *Accounting, Auditing & Accountability Journal* of an article on "Couples and their money" may be surprising. Relationships are very different from businesses, and the financial arrangements of married couples are as secret as their sex lives. So what can be learned by examining family finances in the light of ideas taken from accountancy and accounting? Can bringing these two apparently disparate fields together make a contribution to a broader understanding of the subject matter in either field?

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The aim of this paper is to consider these questions, in the light of recent research on couples and their money in the electronic economy. The research grew out of a long-running stream of work on the control and allocation of money within the family (Pahl, 1989 and 1995). This work had shown that couples control and manage their money in a great variety of different ways and that particular systems of money management have significant implications for individuals within couples. It had also suggested that many couples are concerned with using financial information as a basis for monitoring spending, making decisions and controlling finances, in a way which is close to the definition of accounting with which the article began.

Systems of money management

The disparity in incomes between men and women, particularly during the child rearing years, means that there has to be some sharing of resources if the women and children are not to have a lower standard of living than the men. Every couple has to devise some arrangement by which the sharing of resources can take place. Even though many never consciously decide to organise their finances in one way or another, in every case there is a describable system of money management. There are a number of questions that may help in distinguishing one system from another. To what extent is money pooled? Who has overall control of finances and who checks the joint bank account? Who takes responsibility for spending on particular items? And who is accountable to whom when purchases are made?

Only a minority of couples keep formal accounts. One study found that around a quarter of couples kept records of what they had spent and of what they planned to spend (Pahl, 1989, p. 139). More recently the availability of computer-based spread sheets and of packages such as Quicken may have increased the prevalence of formal accounting at home, but this is still a minority preoccupation.

Previous research has shown that some couples pool all their income, typically in a joint bank account, and attach considerable importance to financial equality. Other couples maintain independence in financial matters, dividing responsibility for the payment of joint bills and attaching importance to privacy and autonomy in financial matters. Some couples give overall financial control to one partner, while others divide finances into separate spheres, making each partner responsible for specific areas of spending. The most recent evidence, from the British Household Panel Survey, suggests that about half of all couples pool their incomes and share management of the pool. In about a third of couples finances are managed by the wife, while in about one sixth they are managed by the husband, typically with a housekeeping allowance being transferred to the wife. Finally, a small but growing number of couples hold and manage their money as though they were still two separate individuals (Laurie and Rose, 1994; Laurie, 1996).

The ways in which couples manage their money reflect a range of different variables. When money is short and making ends meet is hard, women typically manage finances on behalf of the household. At higher income levels, employment status becomes important. If only the husband is in employment he tends to control the money, often delegating the management of a part of it to his wife. The higher the proportion of the household income contributed by the wife, the more likely it is that she will control finances and have power in financial decisions (see, for example, Brannen and Wilson, 1987; Burgoyne and Morison, 1997; Laurie and Rose, 1994; Goode *et al.,* 1998; Morris and Ruane, 1989; Pahl, 1989, 1995; Vogler and Pahl, 1993, 1994 ; Wilson, 1987).

Crucially, this research has shown that the household cannot be treated as an unproblematic financial unit. Opening up the "black box" of the domestic economy has shown that individuals can be poor even though the household has an adequate income. In general, men tend to have more personal spending money than women do, especially in households where they control finances. Women are more likely than men to deprive themselves when money is short, and this situation is most likely to occur in low income households and in households with adequate incomes but strong male control of finances (Vogler and Pahl, 1994). Cross-national research has shown that in general women have different priorities for spending from men. Where women control household finances a higher proportion of household income is likely to be spent on the children and on collective expenditure for the household as a whole, compared with the situation when men control finances (Blumberg, 1991; Dwyer and Bruce, 1988; Pahl, 1989).

The meanings of money

Recent research on the meanings of money has cast new light on the complexity of couple finances and has challenged the assumption in traditional economic theory that all money is fungible, in the sense that any unit of wealth is substitutable for any other. In her study of Australian couples, Singh made an illuminating distinction between marriage money and market money (Singh, 1997, p. 152). Marriage money is personal and private, domestic and co-operative, typically held in a joint account: it is taken on trust and not subject to contract, a fact which may explain some of the resistance to pre-nuptial contracts. By contrast, market money is calculable, impersonal and subject to contract: this is the form of money which is assumed in the academic literature on accounting. The contrast between marriage money and market money becomes striking when couples divorce, or when a wife has guaranteed a business loan for her husband. When the divorce settlement is made, or when the bank demands repayment of the loan, then marriage money suddenly becomes market money. Financial arrangements which had represented love and trust become revealed as impersonal and contractual. The frequency with which this occurs, and the problems it creates, have given rise to the term "sexually transmitted debt" (Singh, 1997, p. 149).

Approaching the topic from a more psycho-dynamic perspective, Wilson contrasted economic, or objective, money and personal, or subjective, money (Wilson, 1999, p. xv). In her book, *The Secret Life of Money*, she argued that subjective money carries emotional baggage, often acquired in childhood, which can severely hamper its use as a neutral medium of exchange. One reason for the antagonism which many people feel towards banks and other financial institutions may be the discrepancy between objective and subjective money:

> Some people need the bank to be like a stern father, to stand between the individual and their childish impulses. Others deeply resent the dependence, the patronising tone, the continuing control. Still others may, unconsciously, both want the control and yet resent it. People often seem stuck in a sort of perpetual adolescence in their relationships with banks (Wilson, 1999, p. 162).

Some of this same dynamic also occurs within marriage, when two individuals are faced with the task of reconciling their different financial psycho-history.

Using historical sources from the USA, Zelizer documented the complex social meanings of money. Her research showed that money is not fungible, but highly differentiated, according to its source, the uses to which it can be put and the person who has the right to use it (Zelizer, 1994). She gave a number of examples:

> People segregate moneys *spatially*, using all sorts of domestic containers – labelled envelopes, coloured jars, stockings, piggy banks – or designated institutional accounts, such as Christmas Clubs or vacation funds . . .Moneys are also distinguished by designating particular *users* for specified currencies: a weekly allowance is for children, not adults; pin money is a female not a male currency; tips are acceptable for waiters, not for lawyers. Or moneys are set aside by linking certain *sources* of money to selected uses: income earned by the wife may be reserved for her children's education, while her husband's income pays the mortgage (Zelizer, 1994, p. 209).

Zelizer showed how the social meanings of money are shaped by gender, age and class, so that monetary transactions between two individuals can provide evidence about the degree of equality between them, their level of intimacy and the nature of their relationship.

However, most previous research essentially conceptualised money as cash, or as cash held in bank accounts. Over the past 30 years there have been dramatic changes in the ways in which ordinary people receive, hold and spend their money. The first UK credit card was launched in 1966, to be followed by store cards, debit cards, loyalty cards and smart or chargeable cards (Credit Card Research Group, 1998). Banking by telephone or computer began in the 1980s, with an accelerating expansion in the use of electronic banking services throughout the 1990s (Essinger, 1999; Evans and Schmalensee, 1999). All these developments, described here as "new forms of money" or "the electronic economy", have been launched into the complex world of personal and household finances.

The research reported in this paper was originally concerned with the impact of new forms of money on the financial arrangements of married couples. However, it also raised questions about the extent to which new forms of money are changing patterns of accounting and accountability within households.

Methods of the study

Money is a sensitive and private subject. All researchers know that asking people about their finances can feel more intrusive than asking about sexual relations. In addition, this study was essentially exploratory. Therefore it seemed important to use a variety of research methods, partly in order to throw the investigative net as widely as possible, and partly to gain experience about the acceptability and validity of different methods, in a way which might benefit future research on the topic.

Three different sources of data were used, in order to gain both quantitative and qualitative information about the issues which were being explored. First, analyses of the family expenditure survey (FES) provided quantitative data about 3,676 married couples, which could be generalised to a larger population because of the nature of the survey (Office of National Statistics, 1996). Second, seven focus groups took place, involving 59 individuals living in five different parts of the UK. Finally, face-to-face interviews were carried out with 40 couples, in order to develop a more qualitative understanding of the ways in which individuals and couples managed their finances and made use of new forms of money. Men and women were interviewed separately and privately. (For further details about the methods of the study see Pahl, 1999.)

Patterns in the use of credit cards

Credit cards provide an indicator of patterns of accountability within couple finances in two different ways. First, the use of a credit card implies accountability to the card issuer, and acknowledgement by the card user of the debt which is incurred each time the card is used. Second, in the case of married couples who have a first and second card holder on the same account, there is the accountability of the second holder, whose purchases will be known to the first holder, since he or she is legally responsible for paying the bill.

The FES offered an opportunity for examining the use of credit cards among a large and representative sample of the UK population. The FES collects information about the income and expenditure of the household, and in addition each individual spender over 16 is asked to complete an expenditure diary, listing every item bought over a period of two weeks and noting whether a credit card was used to make the purchase.

Discussion in the focus groups had suggested that two aspects of employment were particularly relevant to whether or not people used credit cards. These were, first, the employment status of women, with a distinction being made between full-time, part-time and no employment; and, second, the employment status of the household, with a distinction being made between "work rich" and "work poor" households. In order to examine the effects of these two aspects of employment, a variable was created which combined the employment situations of both the man and the woman. This involved re-coding the employment variables given by the FES to make six broad Household Employment Categories. (For further information about the categories see Pahl and Opit, 2000.) The categorisation involved taking account of the employment status of both partners, so that the sample was divided between six different "household employment categories":

- both employed full-time;
- husband employed full-time, wife employed part-time;
- husband employed full-time, wife not in paid work;
- wife main earner (husband may be retired or disabled);
- both retired;
- both unemployed.

Table I shows the percentage of men and women in each employment category who had used a credit card to make a purchase during the two weeks when they were filling in the expenditure diaries. The statistical significance of each line of the Table was tested using a chi squared test, with *N* being the total number of households with expenditure on the item in the two-week period.

Table I suggests that between a quarter and a third of all those who took part in the survey used a credit card over the two-week period, with men being more likely than women to have used a card. Differences in the use of credit cards were associated with differences in employment status. When the man and the woman were both in full-time employment they were equally likely to have used a credit card. However, women in part-time employment were less likely, and women without employment very significantly less likely to have used a credit card, by comparison with their employed husbands.

The Table highlights the exclusion of unemployed people from the credit card economy, with only a very few individuals in this category using a credit card during the two weeks. This is consonant with research on access to credit more generally, which has shown that low income households find it hard to obtain credit; if they have to borrow they tend to be forced to contact more expensive money lenders than the typical credit card company (Ford, 1991; Rowlingson, 1994; Rowlingson and Kempson, 1994).

	Credit card used to make a purchase				
Household employment	Men		Women		Significance
categories	%	*N*	%	*N*	$p <$
Both full-time	42	350	41	349	ns
Full-time/part-time	42	356	35	304	0.085
Full-time/no paid job	37	256	25	170	0.001
Woman main earner	24	66	23	63	ns
Both retired	21	174	14	119	0.003
Both unemployed	6	9	7	12	ns
All	33	1,221	28	1,017	

Note: Total number = 3,676 couples

Table I. Percentages of individuals using a credit card to make a purchase by household employment categories

Retired people were the other group which appeared to be relatively excluded from the credit card economy. This may partly be a result of low income and lack of creditworthiness. But it may also be a consequence of a lack of financial confidence in new forms of money and of a general mistrust of getting into debt. There was a significant difference between men and women among retired couples, which may reflect differences in income, a lack of confidence by women in using new technologies or a tradition of male dominance in financial matters. It may be that for some couples the retirement of the man is associated with a handover of power to him from the woman, in an attempt to compensate him for his loss of earning power.

Patterns in the use of credit cards clearly reflected patterns of accountability. Low income households, whose members were unemployed or retired, were less likely to have credit cards, either because their legal accountability to the providers of credit meant that they could not get a credit card, or because they did not want to risk incurring a debt they might not be able to repay. The lower rate of credit card use among couples where the man was very much the main earner reflected intra-household accountability. A woman without an income of her own would have been likely to hold a second card on her husband's account and to be accountable to him for her use of that card.

However, quantitative data have limitations. To understand how couples felt about credit cards, and about their sense of accountability to each other, we turn next to the qualitative data from the interviews. The three case studies which follow were chosen because each represented one of the household employment categories given in Table I.

Case study 1: a professional couple in full-time employment

Table I showed that credit card use was highest where the man and the woman were both in full-time employment. Other analyses, not reported here, have shown that it was not full-time employment *per se*, but the full-time employment of high earning professionals, where both partners had received some higher education, which was particularly associated with high credit card use (Pahl, 1999).

Andrea and Michael were typical of this group. Aged in their 20s, they both had degrees. They had no children and their full-time jobs as a tax consultant and a teacher gave them an income of just under £50,000 gross per year, or over £600 per week net. When shown a list of different financial arrangements and asked to pick the one which came closest to their own, both picked the system described as "We pool some of our money and keep some of it separately". They had a clearly defined proceedure for making sure that household bills were paid. As Andrea said:

> We put an amount in every month from each of our personal accounts into the joint account. Then from the joint account goes all the joint expenditure, like mortgage, bills, etc., etc. Then what is left in our own personal account is for our own use.

They had a credit card on the joint account in Andrea's name, for joint expenditure, and a number of other credit and debit cards for personal use. They used these cards for almost all their shopping and monitored spending carefully, paying the bills in full every month and never paying any interest. Michael described how this worked in practice:

> If it's a joint thing then we'd put it on her Barclaycard, and if it was business, it obviously comes off my business account, and if it's for going home to my parents, then I pay – that comes out of my money – and if we're going to her parents, then it comes out of her money. Presents? We each look after our own families.

Their relative affluence allowed them to be relaxed about checking their accounts. She said:

> I check my personal statement fully.

Q. What about the joint one?

> Don't check that. We only really check it for outstanding balance. Don't check individual items, whereas on my personal account I would check individual items, keep receipts.

Michael did not check either of his accounts, but referred back to a time in the past when:

> I used to keep all my sort of slips and check them – but I've just been very very busy . . . and then again, perhaps I've become too – not bothered.

Further questioning revealed that he had enough money not to have to account for each purchase. Neither used much cash. Their level of income enabled them to save and Michael was building up a portfolio of shares.

Previous research on money and marriage has developed typologies to describe the different ways in which couples control their finances (see, for example, Pahl, 1989; Vogler and Pahl, 1993). Andrea and Michael were using "partial pooling", a system characteristic of couples where both are earning. Their careful balancing of joint and separate spending represented the tension between their accountability to each other and to their separate families of origin. Their casual attitude to checking their accounts reflected their financial security. The situation was very different from that of the couples where both partners were unemployed.

Case study 2: an unemployed couple with credit card debts

Table I showed that the group least likely to use credit cards were those where both partners were unemployed. Typically individuals in this group had not received higher education and many had left school at the earliest possible age. Tom and Teresa, both aged 25, unemployed and with two young children, were finding it hard to make ends meet on social security. He gave her money towards the bills, but also liked to have something left to spend on hi-fi equipment and magazines.

When asked about their financial arrangements, Tom and Teresa chose the option, "We pool all our money and manage our household finances jointly", but in the separate interviews both said that Teresa was really responsible for making ends meet. He said, "I leave it all up to her". She said:

> I have to remind him that there's things to pay and that he can't just go out and squander money. I get very worried about money, you see. If I haven't paid something I won't sleep. I have to pay my bills. And whatever I've got left I'll live on it. I can live on like a fiver a week, if I have to. But he says things like "We only live once". You know, "You're always going to get money". But I think you have to pay bills to survive.

Tom explained his attitude in terms of his family of origin:

> I'm not really money oriented. The family that I've been with hasn't really been money oriented. Whereas she, Teresa, should I say, she's from that different area and class. So she's got more responsibility with money than I have. I'm quite glad she's there, because if she wasn't there, I'd spend all my money.

She clearly recognised their accountability to pay household bills, in a way which he did not, and she painted a vivid picture of their different priorities:

> He'd spend his last fiver on a magazine, where I'd go out and do practical things like buy bread and milk and things like that. It drives me mad.

Teresa's reason for preferring cash reflected her sense that the accounts were her responsibility. She said: "You can keep a running check on your money, can't you, when you hand them cash". When she had been in employment she had had a credit card and was still paying off the debt they had accumulated. She spoke of the dangers of credit cards:

> I don't really know I'm doing it. Like I say, it's a piece of plastic and it's not like handing cash over. No, it's plastic money. It's lies. You don't feel you're spending anything.

The interviewer asked Tom whether he was thinking of getting a new card:

> Um . . . yes and no. "Yes" because the simple fact is, like I say, it's as good as money, and you've got it on you whenever you need it. "No" because there's sometimes you can overspend money, without knowing.

Q. What did you feel when you had a card and you used it?

> I thought, "Yeah, I've got this credit card here, and now I can go buy what I want, when I want". Because I know, if I want something, that I will definitely get it. Most definitely.

Teresa and Tom were operating the system of financial management which in previous research has been described as "wife management" or the "whole wage system". This system is characteristic of low income families. As in this example, the man's lack of involvement in financial matters can serve to protect his personal spending money (Vogler, 1998). For this couple, and especially for Tom, new forms of money, such as credit cards, offer an opportunity for personal spending which can undermine the woman's struggle to make ends meet for the household as a whole. Her sense that she was accountable for ensuring that bills were paid was in stark contrast to his refusal to be accountable to her.

Case study 3: a breadwinner husband who controlled finances
A contrasting picture was presented by those couples where the husband was in full-time employment while the wife had no paid work or just a part-time job. As Table I showed, among these couples there were significant differences between men and women in terms of credit card use. Derek and Helen fell into this category. He had left school at 18 and was an estate agent, while she had left school at 16 and now worked part-time in an office. They had three teenage children. There was a great disparity in their salaries, since she earned under £10,000, while he received at least £42,000 per annum gross, and may have earned much more, since this was the top point on the salary scale from which respondents were invited to identify how much they earned.

Both saw him as the main earner and both considered that he controlled the family finances. They had a joint account, into which his salary was paid, while her salary was paid into her own account. She described how their system worked, and it was clear that, like many women in her situation, she did not feel comfortable about spending "his" money:

> We have a joint account into which his money goes and the household expenditure is made from. So I'm very strict with myself about what I spend money from that account on. It won't be on things for me, because I have my own account for that. And it gives me a sense of independence to be able to do that.

Derek confirmed what she had said:

> I mean, basically, I provide the money. She has her own independence now, but most of the money that comes into the household is mine. And the money that Helen earns, I don't touch at all. Dare I say absolute pin money or whatever. It's a bit of a chauvinistic statement that, but I'm not ashamed.

Derek checked the statement from the joint account: checking the joint account or the credit card bill has been shown to be a sensitive indicator of financial power in the relationship (Pahl, 1989). They had a joint Visa card, which was paid out of their joint account, and a joint debit card, and she had several store cards, which she paid from her own account. He also had an American Express card. In the past she had had her own Barclaycard, but Derek had disapproved of the fact that she was paying high interest rates on her outstanding debt. She described what happened:

> Derek said to me, "Look, you're paying through the nose on your Barclaycard – really high interest rates. I'm going to get you transferred to the Co-operative Bank". Well I wasn't too keen, to be honest with you, because my Barclaycard I'd had since I was at work. So it was my sort of account, in my name. I didn't want to be second named on his account. Silly sort of thing really. So I sort of kicked my heels over this one for a little bit, cutting my nose to spite my face, and in the end sort of gave in. So now Derek gets the statements on our joint Visa card. Which in a way I don't really like, because he knows now what I'm spending with my credit card. I like to have some sort of mysteries in my life.

Her husband, in his own separate interview, described the same incident, but threw rather a different light on it:

> Helen was Barclaycard and she had about £1,500 on there. She was being charged 17 or 18 per cent, which is dire. They were offering a freebie at the Co-op, so I applied for a card, got her balance transferred over and they paid off the Barclaycard. Cut that up, and got rid of it at a special incentive rate of 6 per cent for the first six months. I paid some of it for her, but I didn't pay the whole lot off, because – perhaps it's my thing – I've never discussed it with her as a discipline thing, that yes, I could pay it off, because I bring the money in. But it's important for Helen to contribute towards it, because she spent the money, you see.

The story of her credit card reflects a more general situation in which he ultimately controlled finances and she was accountable to him, even for the way in which she used her own earnings. When asked about making a major purchasing decision, she said:

> We would discuss it. But I would have to say, ultimately the decision would lie with Derek. And I think that boils down to the fact that he earns the money. It's as simple as that. I would very much like a new settee and he is not keen on the idea; he says it would be a waste of money and the cats would rip it to pieces. So therefore he has not sanctioned the purchase of a new settee.

Derek and Helen were operating the system of financial management described in previous research as "male controlled pooling", but with a strong ideology of the male as breadwinner, which is reflected in his control of finances and Helen's feeling that she has no right to spend "his" money on herself. The dispute about her credit card illustrated his power to control the discussion (Vogler, 1998). This couple underlined the point that patterns of accountability typically reflect patterns of financial power within the household.

The patterns which emerged from the research were complex, but they suggested an increasing polarisation in terms of access to the electronic economy. Those who were making full use of new forms of money tended to be "work rich", in that they belonged to households with more than one earner, "credit rich", in that their credit rating was secure, and "information rich", in that they felt confident of their ability to manipulate the financial marketplace for their own advantage.

At the other extreme, some individuals were more or less excluded from the electronic economy. They tended to be "work poor", typically living in households without a regular earner; "credit poor", in that it was hard for them to get any sort of loan; and "information poor", in that they did not understand the rules of the new world of personal finance. There is now a growing body of research on financial exclusion more generally (see, for example, Kempson and Whyley, 1999).

Within marriage new forms of money may be altering the balance between "our" money and "my" money, allowing "credit rich" individuals to pursue their own financial goals without consulting their partners, and generally increasing the difference in power between those who earn and those who are dependent on them.

Banking as biography

For most of those who were interviewed, banking was an accepted part of life, and they described a bewildering mix of joint and individual accounts. In the literature on banking relatively little is written about the choice between joint and sole accounts (see, for example, Gosling, 1996; Burton, 1994). However, in the interviews it became clear that couples attached great significance to this issue. A similar finding emerged from the study of marriage and banking carried out in Australia by Singh. She reported that between 71 and 83 per cent of married couples had joint accounts at the time, and concluded that "the personal joint account, more than any other single mechanism, makes visible the marital couple as the domestic financial unit" (Singh, 1997, p. 42). The figures for this study are very similar with 29 (73 per cent) of the 40 couples having at least one joint account.

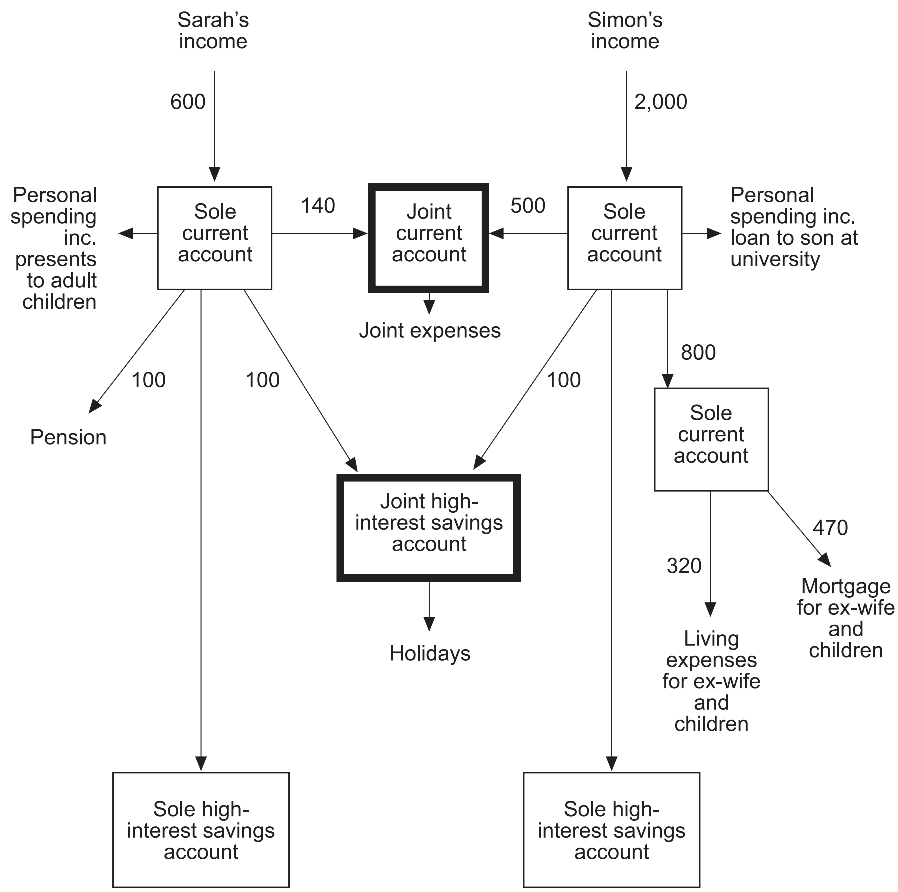
Among the couples who took part in the focus groups and interviews, around half had both joint and sole accounts, while one quarter only had joint accounts and one quarter only had sole accounts. At first it was difficult to make sense of the mass of detail about banks and bank accounts. However, reading the interview transcripts it became clear that people's replies to the questions about banking revealed as much about their biographies, and about past and present relationships, as they did about their use of financial services. From this observation came the idea of "banking as biography". A similar result emerged from the research which Singh carried out in Australia. Her original research question was, "How has deregulation changed the relation of banks and consumers?" However, she was surprised to find that most of her interviewees did not mention the issue of deregulation until she brought it up. She was forced to conclude:

> I was asking about changes in banking, but they were talking about how they handled money in their marriage (Singh, 1997, p. 30).

Singh's research underlined the significance of the different ways in which couples managed their finances and drew attention to the importance of looking at banking and new forms of money. She suggested that banking arrangements can provide a way of understanding the broader patterns of money management used by a couple and the nature of their financial relationship. As an example we turn to an older couple whose financial arrangements were almost like a map of their past and present relationships.

Case study 4: banking as a map of a relationship

Sarah and Simon were in their 50s and for both this relationship had come as a fresh start after many years of marriage and child rearing. Financial disputes in their previous marriages had made them both aware of what could go wrong, so they were determined that this time money would not become a problem. Figure 1 sets out their bank accounts at the time of the interview and the flows of money for which they were responsible.



Note: amounts in £ per month

Figure 1.
Banking arrangements as a map of family relationships

Sarah explained that they had set up this financial system because:

> We both have individual responsibilities. Simon has his family and I have mine. I also have various savings. I have my family responsibilities, things that traditionally I've done and I wanted to go on doing. It seemed the most equitable way of coming together, sharing.

She explained how the system worked in practice:

> My income goes into my sole account and £140 goes into our joint account to cover our joint expenses. Then £100 goes into our joint deposit account, £150 goes into my high income savings account, £100 goes into my pension, and there's a bit left for me: I never quite know how much is left. So I have two purses: I have the joint account purse, with the joint account Switch card, and then my purse – it's got my money in there.

Simon made comparisons with the financial arrangements which applied in his parents' house and in his first marriage:

> My father was the sole earner and he gave my mother a housekeeping allowance. My father's attitude was you should never have a joint account because no one person's responsible and

> you can't be sure that you are going to manage the account properly. So when I got married I didn't have a joint account. My wife had certain areas of expenditure, food, children and children's clothes, and I had some areas, like the household bills, but there wasn't any pooled money.

Q. Why did you change and do it differently with Sarah?

> I think I did it differently because I wanted to do two things. I actually wanted to recognise myself as independent and I also wanted to recognise that we were doing a partnership, so having a pool and having my own seemed to reflect what I was doing.

He explained how the system worked:

> My salary goes into my main account. One big block of £800 goes into a second cheque account which is used for all the expenses to do with my kids, that's £470 for the mortgage payments and the life policy and £320 into (ex-wife's) account, all on standing orders. And then £550 goes into my joint account with Sarah, that's for the council tax, food and other household expenditures. Then we have a high interest savings account for holidays and we put £100 into that. And then I've got a savings account of my own – I sold my books and the income from that I put into a savings account, that's in my name, and if at the end of the month I have surplus in my main account, it goes in the savings account. I gave my son a one-off loan for his university things and he's paying me back.

However, feelings were as important as logic:

> When I joined up with Sarah, the fact of my being overdrawn was a matter of anxiety to her, so the fact that I am now in control of my money is actually important in our relationship. If my money got out of control then I think that would be a point of contention. We both recognise that money has a powerful dynamic in our relationship. I think its important to have a shared pot and our own bits, but also being in control of however much money we have is quite symbolic, like being in control of life in a sense.

This example underlines the complexity of financial arrangements in families where divorce and remarriage mean that family financial obligations may be spread across several households. The patterns which can emerge have been documented by Burgoyne and Morison (1997). The implications for policy, especially in terms of child support and the distribution of property on divorce, are enormous.

Case study 4 also makes it clear that in the domestic economy keeping the accounts can be a source of power and control. In this context it is relevant that men are more likely to make use of the family computer than women, and that men dominate use of the Internet in every country for which information is available (Singh, 1998). In the future the man who keeps the accounts for the couple on his computer spreadsheet is likely to have more power in financial decisions than the woman who simply gives him the information to enter on that spreadsheet.

Conclusions

The evidence from this and other research suggests that the accounting practices of couples are not necessarily consistent, but they are meaningful. They are not consistent in that different parts of the domestic economy are likely to be subject to different accounting procedures. They are meaningful in that accounting procedures are not applied randomly, but in a way which reflects the relative economic position of each individual and fundamental aspects of their relationship. Andrea checked her personal account, but neither she nor Michael checked their joint account. Teresa kept a careful watch on household spending, going short herself if necessary, while Tom's own money was outside her control. Derek audited Helen's credit card spending, but did not expect her to claim the same right over his use of his American Express card.

Accounting practices also reflect the economic position of the household in the wider society. Poor couples and individuals on lower incomes have to keep a check on their financial situation in a way which more affluent couples and individuals do not: the less money there is, the more tightly it has to be controlled and the more thankless and demanding is the job of family accountant. Tom's reluctance to be accountable to Teresa increased the problems which she faced in making ends meet.

The joint account continues to be a powerful symbol of marital togetherness, but an increasing concern with financial autonomy is showing itself in the growth of "partial pooling" where couples combine joint and sole accounts, as Sarah and Simon did. Every couple which sets up home together has to find a way in which to strike a balance between the individual and the couple, between being two financially autonomous beings or one financial unit with joint bills to pay. In this process, economic rationality may be less important than ideologies about the nature of marriage and norms about family finances. Banking arrangements, as they record financial history and map the pattern of past and present relationships, offer a powerful guide to understanding wider issues within the changing patterns of marriage and family life.

Accounting may have been described as "the language of business", but the financial arrangements of a couple can speak eloquently about the nature of their relationship. In many ways marriage money is more complex than market money. New forms of money, such as credit cards and debit cards, telephone and Internet banking, may be changing the accounting practices which take place within homes, but they are also reproducing, and in some case reinforcing, some very traditional financial inequalities. Examining patterns of accounting and accountability within the domestic economy has proved to be a very interesting way in which to explore the relationships between individuals within households and the links between households and the wider society.

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