

/THE EFFECT OF WIFE'S EMPLOYMENT ON CONSUMPTION  
SATISFACTION FOR RESIDENTS IN SEVEN NON-  
METROPOLITAN KANSAS COUNTIES/

by

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## CHAPTER I

### INTRODUCTION

Women have entered the paid labor force the last two decades in increasing numbers. In 1960, 30.5 percent of married women were participants of the paid labor force (Waldman, 1984). By 1970 that number had increased to 40.8 percent and had reached 50.1 percent by 1980 (Waldman, 1984). In addition, the number of married women with children who have become employed outside of their homes has also increased significantly. According to the Bureau of Labor Statistics, a record 19.5 million mothers were in the paid labor force in March 1984, which means that six out of ten mothers with children under the age of eighteen were working, and the majority were full-time workers (Hayghe, 1984). Only fourteen years earlier, six out of ten mothers stayed home (Hayghe, 1984). Mothers of preschool children doubled their labor force participation rates from March 1970 to March 1984, and it appears women are continuing to remain in the work force after childbearing (Hayghe, 1984).

As women's roles have expanded to include the world of work, their roles as mothers, wives, and household producers have not substantially diminished. Some changes in the allocation of household production have occurred and standards may change, but for the most part the employed mother/wife still has the primary responsibility for the basic tasks involved in keeping a household operational ( Hefferan, 1982; and Levitan & Belous, 1981). Time-use studies have indicated that husbands with working wives do approximately 10 percent more housework than those husbands whose wives are not in the paid labor force; however, this accounts for only a few more hours a week (Berk & Berk, 1979; Bohen & Viveros-Long, 1981; Davis, 1982; and Robinson, 1977). Men have been slow to respond to the changing roles in the household; but since women appear to be in the paid labor force to stay, men's participation in family work has begun to adjust (Hoeflin & Bolsen, 1985; Levitan & Belous, 1981; and Pleck, 1985). Until husbands respond by equally sharing household production responsibilities with their employed wives, wives who work outside of their homes are faced with time-juggling acts and the increased possibility of stress and role strain.

In view of the increased potential for stress among working wives, one might conceivably question the motivation behind their work force behavior. The answer is not a simplistic one. Sociologists have indicated that demographic trends, along with economic factors, have contributed to the increased labor force participation by married women (Smith, 1979). Declining birth rates and rising divorce rates are demographic trends cited as contributing to the increased participation rate of married women, although, as Smith points out, ". . . causation goes in both directions" (1979, p. 6). Increased labor force participation may contribute to marital disruption and commitment to labor force participation may influence women to want fewer children. The rising education level of women as well as increasing acceptance by society of married women's labor force participation are also factors which may influence a woman's labor force participation behavior.

Women who enter the paid labor force may do so because they wish to increase their influence in household decision making. Evidence exists that suggests that when women work they have more influence

in making family decisions (Levitan and Belous, 1981). In addition, perhaps women also wish to increase their own economic resources. Since household work is unpaid work, work force attachment provides women with a source of income, without having to ask their husbands for money. Psychological motivations such as personal fulfillment and growth may also influence women to enter the paid labor force.

Economic factors are frequently expressed as reasons for entering the paid work force (Geerkin and Gove, 1983; Hoeflin & Bolsen, 1985; Sobol, 1974). As Katona points out, "Emotional and psychological needs must be emphasized; money does not represent the only incentive to seek work. But the role of money should not be forgotten, either. . . . What additional income can buy is important, and women, just as men, take the initiative toward satisfying family wants" (1964, p. 115). Other researchers have indicated that although a large number of women enter the paid labor force out of economic necessity, it is also true that American households have increased their consumption of goods and services since World War II, and that the American standard of "necessity" is much higher than elsewhere in

the world (Andre, 1981; Levitan & Belous, 1981). Whatever the reasons, married women are in the paid labor force; and it has been predicted that as women who do not participate in the work force become a minority, rising consumption standards will increasingly require the one-earner family to send the wife into the labor force in order to "keep up" (Kyrk, 1953; Smith, 1979; Vickery, 1979).

Are families who maintain a particular consumption level through the efforts of two earners more satisfied with that level than one-earner families? Determining the answer to this question is the main objective of this work. The assumption is made here that the family acts as a collective unit when this may not be true for all families. Economists frequently make the assumption that the household is a collective decision-making unit, and an increase in satisfaction or utility increases the satisfaction or utility of the entire household. In contrast, sociologists do not treat the household as one unit but rather as a set of individuals with differing and competing interests. Researchers have compared the consumption levels of one-earner families and two-earner families, but there has

been very little research done comparing the difference in consumption satisfaction of the two family types.

Satisfaction with one's consumption level has been found to be closely related to one's global satisfaction (Andrews & Withey, 1976; Campbell, et. al., 1976; Headey, et. al., 1984). There has been little research investigating whether consumption level impacts consumption satisfaction, although intuitively such an assumption makes sense. It is hoped that the findings of this study will contribute to a better understanding of consumption satisfaction and whether wives' employment status may lead to a difference in consumption satisfaction for the two family types.

CHAPTER II  
REVIEW OF LITERATURE

Researchers have extensively examined the differences in consumption and income for one-earner and two-earner families and have also studied differences in household production for the two family types. Less work has been done comparing the consumption satisfaction of one-earner and two-earner families. The first section of this literature review will examine research focusing on the contribution of consumption satisfaction to life satisfaction. The second portion will explore the variables affecting consumption satisfaction; and the next section will summarize research which has examined differences in consumption among one-earner and two-earner families. Finally, studies which have explored issues relating to differences in time usage and household production for the two family types will be reviewed.

Consumption satisfaction and life satisfaction

There is a great deal of research which has compared the differences in the overall life satisfaction of women who are employed in the paid labor force and women who are not, but very few of these studies have included financial satisfaction variables in their

measure of life satisfaction. The inclusion of this variable is important because there is evidence that consumption plays an important role in determining life satisfaction. Evidence supporting the importance of consumption satisfaction as one of the domains of life affecting overall life satisfaction will be presented in this portion of the literature review.

Andrews and Withey (1976) extensively investigated the identification of factors that were important to Americans' sense of well-being. Satisfaction with income and level of consumption\* were measured by asking respondents, "How do you feel about your standard of living--the things you have like housing, car, furniture, recreation and the like?" and "How do you feel about the income you (and your family) have?" (1976, p. 117). Possible responses to the two questions were based on a seven-point scale which ranged from "delighted", worth seven points, to "terrible", worth one point. The arithmetic mean of the answers to the above two questions served as the respondent's "money

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\*Throughout the literature, the term "standard of living" was used when actually consumption level was the appropriate terminology. Standard of living is defined by family economists as the level to which one aspires, while consumption level is indicative of the current consumption of all goods and their uses and services (J. S. Davis, 1945).



index" score. Indices were formed for eleven other life domains. Multiple classification analysis revealed that the money index ranked third in ability to explain the variation in life satisfaction with a beta coefficient of .16 behind self-efficacy (beta = .25) and family (beta = .19).

Campbell, Converse and Rodgers (1976) also analyzed the relationship of various domains of life to an Index of Well-Being. Included in the financial domain were satisfaction with standard of living and satisfaction with savings and investments. Satisfaction with level of consumption was responsible for explaining 23% of the variation in perceived welfare after leisure time activities, which accounted for 29% of the variance explained, and family life, which was responsible for explaining 28% of the variance. Satisfaction with savings and investments accounted for 15% of the variance in perceived welfare.

Headey, et. al., (1984) examined the impact of changes in domain satisfaction on well-being. Standard of living was included as one area of domain satisfaction affecting an individual's well-being. Changes in satisfaction with one's material standard of living (beta = .42) contributed to changes in levels of well-being after changes in satisfaction with friends (beta = .46) but no more than

changes in satisfaction with sex life ( $\beta = .42$ ).

In Michalos' (1983) review of some of the literature relative to satisfaction and happiness, he determined that "typically one finds satisfaction with health, family life and financial situation to be major contributors to global well-being" (1983, p. 227). The findings from his analysis of satisfaction and happiness in a northern, rural community in Canada indicated that of the twelve domains of life explored in his study, satisfaction with financial security had the greatest impact on satisfaction with life as a whole ( $\beta = .232$ ). Satisfaction with self-esteem ( $\beta = .193$ ) and satisfaction with health ( $\beta = .166$ ) were also important predictors of satisfaction with life as a whole. Path analysis utilizing "gap-theory" models revealed that "54% of the variance in satisfaction with financial security can be explained by three gaps, namely, the gap between what one has and wants, between what one has and thinks others like oneself have, and between what one has and the best one has had in the past" (Michalos, 1983, p. 244). While satisfaction with financial security may not be the same as satisfaction with consumption, Michalos' research does add to the preponderance of evidence that suggests that the financial

domains of life are important components of life satisfaction as a whole.

Keith and Schafer (1983) examined depression in the two-job family and the effect of employment on depression. The sample included 135 two-job families who were randomly selected, and both spouses were interviewed. Objective and subjective variables were regressed on the independent variable of depression of husbands and wives. Depression was measured by an 11 item measure which has been used in a number of studies to measure depression. Objective variables included income, occupation, hours per week worked, and age. Subjective variables included work orientation, evaluation of self as a provider, job satisfaction, comparison of general life situation with one-job families, comparative financial situation, and comparative work situation. The husband's own subjective characteristics explained 18% of the variance in depression among husbands after controlling the objective variables. The objective variables were able to explain about 4% of the variance among husbands. Both objective and subjective variables accounted for a total of 22% of the variance explained among husbands.

Men who were less satisfied with their jobs ( $\beta = -.15$ ) and who felt their comparative financial situation ( $\beta = -.09$ ) was less favorable than other men of the same age were more depressed. Comparison with two-job families was also statistically significant ( $\beta = -.16$ ). The wife's own subjective characteristics accounted for 25% of the variance among wives, while objective characteristics explained 7% of the variance among wives, for a total of 32% of explained variance. Comparative financial situation was an important predictor of depression for women ( $\beta = -.40$ ), as were evaluation of self as a provider ( $\beta = -.10$ ) and work orientation ( $\beta = .14$ ). Keith and Schafer state:

As the economic necessity for two jobs increases, comparative evaluations of finances may assume even greater importance for two-job families. Presumably, couples make choices and give up some things to maintain a two-job family. Thus, it may be particularly distressful and disheartening when they assess their financial outcomes and find their situation, despite sacrifices, less attractive than others. (1983, p. 882).

Stanley, et. al. (1986), used data from the Quality of Employment Survey: 1977 Cross-Section to examine the perceived well-being and satisfaction of the man in a dual-earner couple. The responses

of the dual-earner male were compared with those of the status group above (single-earner men) and with the status group below (dual-earner women). Their rationale for making the comparisons was based "...on the inference drawn from reference group theory that dual-earner men tend to have a greater sense of relative deprivation than either single-earner men (relative to whom dual-earner men are downwardly mobile) or dual-earner women (who, although lower on the hierarchy than dual-earner men, have been upwardly mobile relative to homemakers)" (1986, p. 5).

The dependent variable, relative deprivation, was represented by items that were based on the respondent's own perceptions of his or her health and satisfaction. These items were grouped into four categories. Well-Being was a composite index that consisted of questions pertaining to personal health and a question pertaining to the respondent's perception of his or her current energy level. Marital Satisfaction was measured by the respondent's perceived overall marital happiness and satisfaction. Global satisfaction with work and

leisure was also measured and was called Work/Leisure Satisfaction. Personal Satisfaction included measures of satisfaction with life in general and current level of happiness.

Multiple regression analysis was the method used to analyze the perceived well-being and satisfaction experiences of dual-earner men. For simplification purposes, dual-earner men were contrasted with single-earner men; and then both dual-earner men and women were contrasted. Dummy variables were used for comparisons, where dual-earner men were coded 1; single-earner men and dual-earner women were coded 0 in each of their analyses. Gender, age, presence of preschool-age children, presence of school-age children, education and occupational status were used as control variables in order to ensure that any observed differences among the groups were attributable to employment status or gender.

Dual-earner men experienced significantly lower satisfaction levels compared to single-earner men on marital satisfaction, job satisfaction, and personal satisfaction. The presence of children also had a larger negative impact on the dual-earner men's

satisfaction levels relevant to marital satisfaction, leisure satisfaction, and personal satisfaction when compared to single-earner men.

The gender comparisons revealed that dual-earner men have higher perceptions of well-being than dual-earner women; dual-earner men reported greater marital satisfaction and happiness, although the effects are not statistically significant. Children appear to have a greater negative influence on marital happiness than does gender. The job satisfaction for men was lower when compared to women; but men experienced greater leisure satisfaction. Men indicated less personal satisfaction than dual-earner women; and once again children were a factor in personal satisfaction and contributed negatively.

Stanley, et. al. (1986), further explore the differences between dual-earner men and single-earner men by examining the dependent variables within subcategories defined by education, occupational status, age, and presence of children. Contrary to their expectations, the researchers conclude that the dual-earner men were more negative in their satisfaction at all ages; but the differences are especially significant

in the young- and middle-age categories. The presence of children, as well as higher educational levels, negatively affect dual-earner men's satisfaction levels. Dual-earner men were more negative in comparison to single-earner men in the higher occupational levels. Stanley, et. al. (1986), speculate that younger, educated men in a dual-earner family may experience less satisfaction because, ". . . the relative cost of role change is greater for these men, who could potentially benefit most in career terms from conventional wives. The dilemmas posed for these success-oriented men by gender-role changes will be greater during the young and middle years, when the requirements for career mobility and success are at their peak. And the strains will be greatly accentuated by the presence of children" (1986, pp. 17-18).

Freudinger (1983) examined the variables which affect the life satisfaction of three categories of women--currently employed, formerly employed, and never employed. The data analyzed were obtained from the merged data set of the General Social Surveys conducted by the National Opinion Research Center for the years 1973, 1974, 1975, 1976 and 1977. Areas of satisfaction



assessed in the survey included community, family, friends, leisure and work. Responses to the questions addressing these areas of satisfaction were summed to form an index of life satisfaction. Selected variables were included in a step-wise regression to determine the impact of such variables on the general life satisfaction of three categories of married women. The variables included in the regression were age; number of years of education, number of children ever born; number of children aged 0-5 years, 6-12 years, and 13-17 years who live with the respondent; perceived health; religious participation; political participation; race; family income; and financial security. Marital happiness and occupational prestige were also included. For the working wife, marital happiness contributed 13.5% of the variance in the life satisfaction index scores. Occupational prestige, followed by age, perceived health and financial satisfaction were the next most important variables in explaining the variance in the life index scores for working wives. For previously employed wives, marital happiness was the most important explanatory variable, contributing almost 17% of the variance, followed by financial satisfaction, race, religious participation

and age. Financial satisfaction was the most important variable for explaining the differences in life satisfaction for never employed women and accounted for 14% of the variance in life satisfaction scores which was almost twice as important as marital happiness, the second variable to enter the regression equation.

#### Consumption satisfaction

Since World War II, America has become a mass consumption society; and the majority of American households have experienced an increase in affluence (Andre, 1981; Katona, 1964). Many wives have joined the work force to finance higher consumption levels. As Levitan and Belous so descriptively stated, "Like the mechanical rabbit leading the greyhounds around the racetrack, these aspirations have consistently stayed ahead of rising productivity, often requiring another paycheck in the chase for the 'good life'" (1981, p. 26).

Are families with an employed wife and an employed husband more or less satisfied with their consumption level than families with just one earner? Is the higher consumption level worth the costs in the form of time constraints and work-related expenses?

Various studies addressing the issue of consumption satisfaction will be reviewed in this section.

Hafstrom and Dunsing (1973) examined the factors affecting the homemaker's satisfaction with "level of living". The data source for their study was the 1970-71 Survey of Life Styles of Families. Two samples from the overall project were selected for comparison purposes. The "disadvantaged" sample lived in low-income housing areas of Champaign-Urbana, Illinois. The "typical" sample consisted of households stratified on the basis of the head's occupation and was also from the Champaign-Urbana area.

The dependent variable was satisfaction with what the authors called "level of living". The homemakers were asked, "How satisfied are you with your present standard of living; that is, with the things you have and the way you are living now?" (Hafstrom & Dunsing, 1973, p. 122). They were given four choices to select as their response: "very satisfied", "somewhat satisfied", "satisfied", "somewhat dissatisfied", or "very dissatisfied". Since only three respondents said they were "very dissatisfied", those responses were grouped together with "somewhat dissatisfied" for the

analysis. Table 2.1 illustrates the percentage distributions for the responses to that question for the two samples.

Multiple regression analysis revealed that for the homemakers in the "typical" sample their perception of income adequacy was the most important factor in explaining their satisfaction with level of living ( $\beta=.27$ ) followed by marital satisfaction ( $\beta=.19$ ), housing satisfaction ( $\beta=.17$ , and perceived improvement of financial situation ( $\beta=.14$ ) Table 2.2 presents the variables from the regression and their beta coefficients. For the disadvantaged families, housing satisfaction was the most important predictor of financial satisfaction ( $\beta=.29$ ) followed by marital satisfaction ( $\beta=.22$ ); income before taxes and perceived income adequacy tied for third and fourth ( $\beta=.19$ ). All wives in the study were defined as homemakers. Wife's occupational status was used as a dummy variable in the multiple regression analysis. For the typical group, homemakers not employed outside the home were more satisfied with their level of living when compared with homemakers who were employed outside the home in managerial positions ( $\beta=.35$ ); workers in clerical-

Table 2.1.

Homemakers' satisfaction with level of living.

-----

Question: How satisfied are you with your present standard of living; that is, with the things you have and the way you are living now?

Responses	Typical Sample (n=488)	Disadvantaged Sample (n=191)
	%	%
Very satisfied	48	34
Somewhat satisfied	43	49
Somewhat dissatisfied/Very dissatisfied	9	17

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Source: Hafstrom and Dunsing, 1973, p. 122.

Table 2.2

Regression coefficients of satisfaction with level of living on selected variables.

Variable	Family Type	
	Typical	Disadvantaged
Perceived income adequacy	.27***	.19**
Marital satisfaction	.19***	.22***
Housing satisfaction (other than size)	.17***	.29***
Income before taxes	.11**	.19**
Financial satisfaction now compared to 5 yrs. ago	.14***	.11
Homemakers occupational status (compared to managers)		
Not employed	.35***	.13
Prof-technical	.18**	.08
Clerical-sales	.22**	.06
Blue collar	.14*	.08

\*Significant at .05 level

\*\*Significant at .01 level

\*\*\*Significant at .001 level

Source: Hafstrom & Dunsing, 1973, p. 127

sales were second ( $\beta=.22$ ); professional-technical were third ( $\beta=.18$ ); and blue collar workers were last ( $\beta=.14$ ). The beta coefficients for occupational status variables in the disadvantaged sample were not significant. In the preliminary regressions performed in this study, a related variable, employment status of wife, was significant and was negatively related to satisfaction with level of living. In the final regression the employment of wife variable was not a significant predictor of satisfaction with level of living.

As part of research carried out by George Katona (1964) and other researchers at the Survey Research Center, data was collected asking respondents about the extent of their financial satisfaction. About two-thirds of the respondents said they were satisfied with their standard of living; approximately one-third said they were not completely satisfied. Standard of living was defined to the respondents as "The things we have--housing, car, furniture, recreation, and the like--make up our standard of living" (Katona, 1964, p. 117). People were also asked, "During the next five or ten years, do you think your standard of living will be better, or will it remain about as is now, or what?" (Katona, 1964, p. 119). Very few people expected their

standard of living to be worse; 46% thought it would be better while 43% thought it would remain about the same. Younger people were more optimistic about their future standard of living than were older respondents. Lower income people didn't express as much optimism for a better standard of living as other income groups. The two middle income groups expressed the most optimism. Table 2.3 depicts Katona's findings relative to expectations about future standard of living. The impact of wife's labor force participation on consumption satisfaction was not studied.

The impact of employment on various domains of life satisfaction of married women with children was explored by Nye (1963) using data collected from couples living in the greater Boston area. A five-point scale was used to assess the degree of satisfaction in the areas of family income, house and furniture, recreation, relationship to children, relationship to husband, the community as a place to live, and daily work. The objective was to devise a measurement of total satisfaction since one could conceivably be satisfied in one area though not in other areas. Each of the seven areas were treated separately in the analysis, and the composite score was used as an



Table 2.3

Expectations for improvement in standard of living.

Future standard of living will be	AGE				
	<u>All</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55-64</u>
Better	46%	76%	64%	43%	10%
Same	43	19	31	45	62
Worse	4	1	1	4	7
Depends; don't know	7	4	4	8	12

	<u>Income</u>			
	<u>Under \$3000</u>	<u>\$3000- 7499</u>	<u>\$7500- 9999</u>	<u>\$10,000+</u>
Better	32%	50%	59%	48%
Same	54	40	32	42
Worse	4	4	3	4
Depends; don't know	10	6	6	6

Source: Katona, 1964, p. 119

index instead of a scale. Women employed full time were more satisfied with their work than full-time homemakers. No significant differences were found among employment categories and their relation to satisfaction with family income, house and furniture, or recreation. Nye states, "It is interesting that although employed mothers say that they work for added income, they are no more satisfied with their income or standards of living than non-working mothers" (Nye, 1963, p. 324-325). Which of the satisfaction areas Nye equates with standard of living is not clear. If satisfaction with housing and furniture are used as a measure of satisfaction with standard of living, one might question the validity of that measure since they are only one component of standard of living. In addition, since the research is cross sectional in design, a change in satisfaction due to labor force participation cannot be determined since the satisfaction level prior to the woman's labor force participation is unknown. Total satisfaction index scores favored employed women-- particularly those employed part time. Table 2.4 depicts the employment status of women and the percentage distribution of the total satisfaction index

Table 2.4

Percentage Distribution of Satisfaction Scores by  
Employment Status of Married Women.

<u>Satisfaction</u> <u>scores</u>	<u>Employment Status</u>			<u>Total</u> <u>Numbers</u>
	<u>Not</u> <u>Employed</u>	<u>Part-</u> <u>Time</u>	<u>Full-</u> <u>Time</u>	
0-2 (low)	35.8	24.7	25.5	257
3-5	47.1	50.0	59.4	363
6-7 (high)	17.1	25.4	15.0	142
Total	<u>100.0</u>	<u>100.1</u>	<u>79.9</u>	<u>762</u>

Source: Nye, 1963, p. 325.

scores.

Strumpel (1973) extensively examined satisfaction with income and standard of living using questions very similar to Katona's. Expectations for improvement in standard of living were also measured. A seven-point scale of responses was used with the responses ranging from A-"very satisfied" to G-"Not satisfied". Strumpel collected data from men in the Detroit and Baltimore metropolitan areas who were employed, members of an intact family and who had no children over the age of ten years. He found that there was a relationship between consumption satisfaction and age. Younger respondents were less satisfied than older respondents. In addition, income correlated positively with measured consumption satisfaction. The level of consumption satisfaction varied depending on the occupation and race of the respondent after controlling for age and income. Strumpel concluded that higher status people, mainly professionals, were generally more confident with what they had and more confident about their futures, while lower strata respondents were more dissatisfied with all aspects of their economic situation.

Yaar (1976) also examined satisfaction with consumption

using the same data as Strumpel. The dependent variable was consumption satisfaction which was based on responses to two questions: 1) "How satisfied are you with your standard of living?" and 2) "Do you feel that your total family income is enough for you and your family to live as comfortably as you would like?" (Yaar, 1976, p. 123). The independent variables analyzed were income (adjusted for family size), occupation, education, perceived financial change, and an index of personal control. Regression of the consumption satisfaction measure against these variables indicated that the personal control index had the greatest impact on consumption satisfaction, followed by income and perceived financial change, and they were all positive impacts.

E. P. Davis (1981) studied the factors which exerted the greatest influence on family financial satisfaction or dissatisfaction. The data source used was collected during the regional project "Quality of Life as Affected by Area of Residence (NC-128)". Fourteen states in the north central and southwestern United States participated in the project. The state of Missouri was one of the participants; and data collected from two Missouri communities were the bases for the Davis' study.

Respondents were asked: "How satisfied or dissatisfied are you with your family's present standard of living; that is, the goods and services consumed, such as food, clothing, housing and transportation?" (Davis, 1981, p. 97). Scores ranged from one at the low end for extremely dissatisfied to seven at the high end for extremely satisfied. Most respondents were moderately to well satisfied; the mean satisfaction rating for husbands was 5.19 while that for wives was 5.4. Satisfaction with consumption was regressed on variables thought to be objective indicators of family financial well-being. The objective indicators included family income, area of residence, debt-to-income ratio, regular income amount, number of earners, remaining child-rearing years, regular income flow, age of the respondent, age of youngest child, education, health status, and an interaction variable which was designed to measure the effect of the number of childrearing years remaining. Together, these twelve objective measures accounted for 25% of the variation in husband's consumption satisfaction and for only 10 percent of the variation in consumption satisfaction for the wives. The addition of the two subjective variables, perceived

change in real income and importance of consumption, raised the explained variation to approximately 39% of the variation in husband's consumption satisfaction and about 26% of the wife's variation. Davis concluded that both objective and subjective measures together are better predictors of consumption satisfaction than objective measures alone. In addition, an individual's perception of change in his/her real income was more closely related to consumption satisfaction than actual income.

E.P. Davis and Helmick (1985) expanded on the earlier work of Davis (1981) by assessing the impact of "reference points" and other selected inputs on a composite measure of family financial satisfaction which included satisfaction with consumption level, family wealth and financial security. The inputs included 1) family resources (family income, net worth and number of earners); 2) household demands (debt-to-income ratio and child-rearing commitments); and 3) reference points (perceived change in financial condition over time and a measure of financial aspiration). Area of residence was also included. Data for husbands and wives from three states were analyzed separately. In all six samples, perceived change in financial condition and desire for financial

improvement emerged as strong predictors of financial satisfaction. Perceived change in financial condition had a positive correlation with financial satisfaction while the desire for financial improvement had a negative correlation with financial satisfaction as measured by the standardized regression coefficient. In addition, the eight inputs were able to explain moderately large amounts (34% to 46%) of the variance in financial satisfaction; and the deletion of the reference point variables resulted in a loss of the explained variance. Table 2.5 depicts the R values for the samples.

Ackerman and Paolucci (1983) were also interested in objective and subjective measures of satisfaction. Objective measures are quantifiable and could include such things as family income, per capita income, gross national product, crime rates and acres of parkland. Subjective measures are the individual's or family's assessment of satisfaction. Data from the fall 1974 Omnibus Study of the Survey Research Center of the University of Michigan was used. The main objective of their research was ". . . to determine the extent to which income adequacy was related to satisfaction with perceived overall life quality and two of the more



Table 2.5

Contribution of input variables to explained variance  
in financial satisfaction.

Sample	Adjusted R for full regression model (8 inputs)	Adjusted R without reference point input (6 inputs)	Change in R due to deletion of refer- ence pt.
Illinois husbands	.336**	.105**	-.230**
Illinois wives	.356**	.141**	-.215**
Indiana husbands	.356**	.181**	-.179**
Indiana wives	.415**	.271	-.146**
Missouri husbands	.422**	.190**	-.228**
Missouri wives	.455**	.193**	-.257**

\*\*Indicates F-test significant at .01 level.

Source: E. P. Davis and Helmick, 1985, p. 130.

economically based domains of life quality, satisfaction with family income and satisfaction with level of consumption" (1983, p. 26). The objective income adequacy measure was developed from the standard budget for a moderate level of living as defined by the Bureau of Labor Statistics and the United States Department of Labor. Adjustments were made for differences in living costs in various parts of the nation and for differences in family composition. The resulting budget amount was divided into the family's income for 1973 and used as the objective measure of income adequacy. Subjective income adequacy was measured by asking the respondents, "Do you feel that your total family income is enough for you and your family to live as comfortably as you would like at this time? Would you say very comfortably, comfortably, not too comfortably, or not at all comfortably?" (Ackerman & Paoloucci, 1983, p. 29). Increasing levels of income adequacy, measured both objectively and subjectively, were able to account for higher levels of satisfaction with perceived overall life quality, satisfaction with family income and satisfaction with consumption level.

The studies reviewed thus far have primarily focused on consumption satisfaction and the factors influencing that satisfaction. There were no studies which directly looked at the effects of wife's employment on consumption satisfaction although the number of earners was included as an input in the E. P. Davis (1981) and E. P. Davis and Helmick (1985) studies. None of Nye's variables directly measured satisfaction with standard of living. Perceptions of income adequacy as well as expectations for improvement in the future standard of living appear to be important predictors of consumption satisfaction.

Consumption, expenditure and income differences

With the increased labor force participation of women, a good deal of research has centered on differences in the consumption patterns of families with an employed wife and families with a wife who is not employed outside of the household. How does the wife's earnings impact her family's consumption level, and does her labor force participation really improve her family's financial condition? According to Sweet:

The differential between gross and net income undoubtedly varies with the husband's income (and the family's marginal tax rate), the

occupation in which the woman is engaged, and a variety of other factors. In any event, it seems fair to say that while there are some women who make contributions to family income, the contributions of many women are rather small and make only a marginal difference to the family's overall economic position (1973, p. 140).

This portion of the literature review will discuss research which has taken a close look at consumption, expenditure and income differences among one- and two-earner families.

Researchers have theorized that families with working wives will use more convenience goods and services, increase their ownership of time-saving durables due to increased time constraints, and will spend more for work-related expenses such as transportation, taxes, clothing and child care (Strober, 1977; Strober & Wineberg, 1977). In analyzing the differences which may or may not exist, various approaches have been utilized.

Hafstrom and Dunsing (1965) investigated the effect of wife's employment on the economic choices of the family. Their definition of economic choices included both current and past income as well as current expenditures and expenditures during marriage. A comparison of the financial net worth of the two groups was also made. Fifty families that

met certain criteria were selected from a larger sample of 574 nonacademic employees of the University of Illinois. The authors divided the 50 families into two groups--one-earner families and two-earner families--and matched the two groups according to husband's income, age, occupation, stage in the family life cycle, size of family, and duration of marriage. The interview-questionnaire method was used to collect the data. The current average expenditures of two-earner families were higher than those of the one-earner families. The differences in expenditures were primarily in the areas of increased tax liability, life insurance payments, credit payments and increased home and equipment costs. In examining the average annual income and expenditures during marriage, some differences between the two groups were reported. Two-earner families had spent more on the average throughout marriage for housing, household equipment and home furnishings. One-earner families had an average higher expenditure on only one item--major medical expenses. In addition, two-earner families were more likely to go into debt based on the net worth positions of the two groups. These findings seem to indicate, at least according to Hafstrom and Dunsing,

that two-earner families were enjoying a higher level of consumption than one-earner families. Such conclusions should be accepted with caution in view of the small sample size, the nature of the sample's selection, and the statistical tools used in analyzing the data. In addition, the Hafstrom-Dunsing study is one of the earlier studies on wife's labor force participation; and their findings may no longer be relevant to today's two-earner families. In the early 1960s there were fewer two-earner couples; and the reasons women worked may have changed since that time. It should also be noted that many wives entered the labor force during the 1970s because of the spiraling inflation that made two incomes crucial for keeping up with the cost of living.

Hafstrom and Dunsing's study does, however, tend to support a commonly-held view among some economists relative to the labor force participation of wives in the 1960s and early 1970s. Jacob Mincer (1960) hypothesized that the wife's income is transitory in nature, and households will use such income to purchase durable goods such as household equipment and home furnishings as a form of saving. Peter Drucker (1976) reached similar conclusions and supported the notion

that two-earner households treat the wife's income as extra income used for extraordinary purchases such as durable goods. Lucy Mallan (1968) studied the financial patterns in households with working wives using a two-stage least squares model and ascertained that ". . . labor force participation of wives is strongly related to the purchase of durables and other large household items. . . . A picture emerges of a wife typically working to provide specific, large household items, which the family feels it needs but cannot otherwise afford" (1968, p. 136).

In contrast, as the labor force participation of wives continued to grow, other researchers (Strober, 1977; Strober & Weinberg, 1977; Weinberg & Winer, 1983) argued that the wife's labor force attainment had become more permanent in nature and that the income was no longer regarded as transitory. For example, Strober theorized that ". . . wives work in order to raise their family incomes to those of their life-cycle reference group" (1977, p. 411). However, according to Strober, after the wife enters the work force, the income for a two-earner family does not buy the same goods and services as equal income of a one-earner family purchases,

due to time constraints and work-related expenses. She proposed two hypotheses to test her theory: holding family income constant, (1) the consumption-to-income ratio will be greater in two-earner families than in one earner families; and (2) the durable goods-to-income ratio will not differ for the two family types.

Using Student t-tests to test the significance of the differences in the means between families with a working wife and nonworking\* wife families, Strober discovered that wives' earnings tended to equalize the incomes of the two groups. The means of the variables consumption-to-income and consumption-to-disposable income were higher for two earner families at every stage in the life cycle. Strober developed a regression model that assumed that consumption is a function of current income, human and nonhuman wealth, life-cycle stage, expectations for future income, and wife's labor force participation. Strober then tested the model on data from the Michigan Survey Research Center 1967-70 Survey

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\*The use of the term nonworking wife in no way implies that women who are not employed outside of their homes do not do work; however, it is a term commonly used in the literature to differentiate between the two groups of women.



of Consumer Finances. The consumption regression indicated that having a working wife raised total consumption and was significant at the 0.01 level. In the durable goods regression, size of income was a significant determinant of durable expenditures; however, labor force participation of wives had little effect on durable expenditures, once total family income was taken into account.

Using a slightly different model, Strober and Weinberg (1977) tested whether or not working wife families are likely to make the same purchase and expenditure decisions as nonworking wife families with the same total income. Once again, data was used from the 1968 Michigan Survey Research Center 1967-70 Survey of Consumer Finances. Expenditures on time-saving\* durable goods (dishwashers, dryers, refrigerators, stoves and washers); other durables (television sets and furniture); hobby and recreation items; vacations; and college education were hypothesized to be a function of several variables. These variables included total

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\*Time-use studies have found that although time-saving durables entail less physical effort to operate, they do not save substantial quantities of time (Sanik, 1983; Robinson, 1977).

family income, net assets, life-cycle stage of the family, whether the family had moved into a different home recently, labor force participation of the wife, and whether or not the family owned the durable in question, and if so, its age.

Strober and Weinberg used stepwise discriminant analysis to determine which variables differentiated between purchasing and nonpurchasing families. Neither wife's employment nor her entry into the labor force within the last year were statistically significant discriminators between purchasing and nonpurchasing behaviors. Total family income was the most critical variable in discriminating between purchasing and nonpurchasing families. For those families that purchased a given item, a regression analysis was performed using the same variables from the discriminant analysis in order to ascertain which variables were significantly related to expenditure levels. Wife's employment was significant only on the amount spent on furniture. Income and assets were more important in determining how much was spent.

Weinberg and Winer (1983) updated and replicated the Strober-Weinberg (1977) study using data almost ten

years later from the 1977 Michigan Survey Research Survey of Consumer Credit. Once again, wife's labor force behavior was not significantly related to either purchase or expenditure decisions for time-saving durables when income and stage in the family life cycle were held constant.

Acknowledging the greater time pressures working wives face, Strober and Weinberg (1980) investigated the strategies used by working and nonworking wives to reduce time pressures. The authors examined the factors differentiating between purchasing and nonpurchasing families for certain labor-saving durable goods (micro-wave ovens, dishwashers, freezers, dryers, washers, stoves, and refrigerators). The purchase and ownership of these goods were defined as being a function of income, life cycle, and wife's employment; however, wife's employment was not significant in determining the purchase or ownership of labor-saving durable goods. Income was a significant determinant of the ownership of most of the durables. The authors also investigated differences in meal preparation (use of frozen foods) and shopping behaviors (use of cents-off

coupons, frequency of shopping for clothes and groceries, and use of mail order catalogs) among the two groups of wives. When income and life cycle were held constant, working wives appeared to prepare fewer meals for the entire family; however; the two groups were fairly similar with respect to their methods of meal preparation and their shopping behavior.

Since wives' employment appeared to have little influence on the purchase of time-saving durables, researchers began to look for other differences in consumption for one-earner and two-earner families. Schaninger and Allen (1981) explored the impact of working wives on food and beverage purchases by using a three-way family classification system based solely on the wife's occupation. The classifications used were nonworking wife, low-occupational status working wife, and high-occupational status working wife. Low-status working wife families tended to consume more convenience foods; but for the most part, significant differences in consumption due to occupational status were weak.

Reilly (1982) approached the effect of wife's labor force participation on consumption by simultaneously measuring role overload and convenience

consumption. Reilly concluded, ". . . the wife's work involvement relates indirectly to the family's consumption through work overload. Wives who reported role overload were somewhat more likely than others to serve convenience food and to own time-saving durables although the former relationship did not achieve statistical significance at the 0.05 level" (1982, p. 414).

Jorg, Gentry and Hopper (1985) further investigated Schaninger and Allen's (1981) use of occupational status to explain differences in the consumption of convenience products, especially dining out and the use of home delivery food service. Differentiating between high and low status occupations for wives was able to explain the frequency of dining out. High status wives ate out more frequently than low status working wives; however, there were no differences among the three households in the frequency of ordering food deliveries.

Hanna and Carter (1986) tested the impact of wife's employment on food away from home (FAFH) consumption using data from the 1973 interview component of the 1972-73 Consumer Expenditure Survey. Food away from home was regressed on the independent variables using three regression models. The independent

variables were age, education, wife's full time equivalent weeks worked per year, annual total current consumption of the family (as a proxy for permanent income), region of the United States, race, and city size. Model I was a bivariate regression model; Model II was a stepwise regression model which used all of the socioeconomic and demographic variables in Model I; and Model III included all of the variables found in the second model as well as interaction terms for many of the variables. There was a strong positive correlation between wife's weeks worked and food away from home spending, although in Model II, each extra week worked by the wife increased predicted FAFH spending away from home by only \$2.00. Total consumption and total consumption squared accounted for approximately 90% of the explained variance in food away from home spending.

Other researchers have felt that families with working wives were probably not much better off financially because of expenses involved with going to work and because market goods were substituted for goods formerly produced in the home. With these thoughts in mind, Vickery (1979) made a detailed expenditure

comparison of one-earner and two-earner households with data from the 1972-1973 Consumer Expenditure Survey. Once assets, number and age of children, life-cycle stage of the head of the family, work status of the wife, and the family's after-tax income were held constant, major expenditure differences were in the form of increased transportation costs, Social Security taxes and clothing costs for the two-earner families. This analysis was based on a multivariate regression equation where expenditures on each item were estimated to be a function of a vector of explanatory variables representing after-tax income, assets, number of family members and their age groupings; and the dummy variables signifying full-time work (35+ hours/week for at least 32 weeks a year with earnings of at least \$400) and part-time work (not full-time but at least 13 weeks a year and with earnings of at least \$400) for the wife. Vickery (1979) compared the two family types again, using the same sample; however, this time she used the husband's income in the regression instead of the family's after-tax income. Expenditures were estimated to be a function of a vector of explanatory variables representing assets, number of family members and their

age groupings, the wife's gross earnings, and the dummy variables signifying full-time and part-time work for the wife. Using this method of analysis she found that families with working wives spent a larger proportion of their incomes on dry cleaning and clothing repairs, transportation and Social Security taxes but smaller proportions on shelter. Vickery's findings lend support to the notion that wives go to work to increase the family's standard of living but find that they must pay associated work-related expenditures. As a result, a family whose husband receives a \$5,000 increase in pay is better off than the family whose wife enters the paid labor force and earns \$5,000 for her family; because, for the most part, the husband's work expenses have already been paid.

Lazear and Michael (1980), using data from the 1972-73 Bureau of Labor Statistics Consumer Expenditure Survey, examined the differences in income and spending patterns among one-earner and two-earner families and reached conclusions similar to Vickery's. Their descriptive analysis of income and spending differences indicated "that, adjusting for socioeconomic characteristics, two-earner families had about 20%



higher income after taxes and spent about 8% more in total expenditures" (1980, p. 205). They further suggested that the two-earner family does not necessarily have a higher level of consumption. They assumed that one- and two-earner families have the same underlying demand system for services. Differences in expenditures occur because, in the authors' opinion, working wives must substitute market-produced services for traditionally home produced services. They then converted income to comparable service flows across households of different sizes and/or structure. After differences in technologies in the home were considered, Lazear and Michael estimated that the average two-earner family required about 30% more money income to achieve the same consumption level as a one-earner family because of differences in the time spent on the goods and services produced in the home. The authors admit that their estimates are rough and that since they only included in their analysis husband and wife families who rented and were childless, their findings may not be applicable to other family types.

When Foster (1981) and Foster and Metzen (1981) explored the relationship between a wife's earnings and

family net worth accumulation, the earnings of the wife were found to increase family income which had an influence on the net worth position. When families with and without working wives experienced a similar increase in income, net worth accumulation was lower for the family whose wife accounted for part of that increase. Increased job-related expenditures, substitution of market goods and services for household production, and a preference for improvement in consumption level over financial security in working wife families could account for the differences in the net worth accumulations.

Hefferan (1982) explored determinants and patterns of family savings using data from the 1972-1973 Consumer Expenditures Survey. Comparisons were made between reference families (intact, nuclear families in which the father-husband was the sole breadwinner) and families in which both husband and wife were present and in the paid labor force. According to Hefferan's analysis, two-earner families were slightly better off than reference families when family size and composition were combined with level of income as a measure of income adequacy. Hefferan states, ". . . total expenditure levels were not significantly different for

the two groups, averaging \$9,425 for two-earner families and \$9,491 for reference families" (Hefferan, 1982, pp. 52-53). Two-earner families saved less than one-earner families, both in absolute dollars and as a portion of total income. Hefferan agreed with Foster (1981) that perhaps two-earner families perceive less need for economic security through savings due to the presence of a second earner in the labor force.

Table 2.6 highlights the studies cited in this section and lists the relationship of the wife's work status to the variables studied. Even though the results at first glance appear to be diverse, some patterns emerge. Families with a working wife appear to consume more than families without a working wife; however, the increased consumption does not seem to be in the form of time-saving durable goods. The purchase of time-saving durable goods are more a function of income than wife's labor force participation. There does appear to be an increase in expenditures directly related to the cost of working; however, a limited amount of research has been done on such expenses. The studies related to food consumption provide some evidence of the increased use of food away from home

Table 2. 6 Summary of research comparing differences in consumption, expenditures, and income among one-earner and two-earner families.

Author(s) (year)	Data base	Variables studied	Analytical technique	Relationship between wife's work status and variable studied
Hafstrom & Dunsing (1965)	Matched sample	a) current income & expenditures b) income & expendi- tures during marriage	$\bar{x}$ $\bar{x}$	a) increased tax liabilities, life insurance payments, credit pay- ments & home equipment costs b) greater amounts for housing, household equipment & furnishings.
Mallan (1968)	1963-64 Michigan Survey of Consumer Finances	Consumer durables & other household items	2-stage least ordi- nary squares	Increased purchase of durables and household items
Strober (1977)	1967- 9 Michigan Survey of Consumer Finances	a) Consumption-to- income ratio b) durable outlays- to-income ratio	Multiple regression	a) Total consumption increased (significant at 0.01 level) b) No significant relationship
Strober & Weinberg (1977)	"	a) Time-saving durables & other durables b) Expenditure levels once purchase decision made	Stepwise discriminant analysis OLS	a) No significant relationship b) Significant only for amount spent on black & white tvs; wife's I.F.P. within last yr sig. for amt spent on furniture.
Vickrey (1979)	1972-73 BLS	Expenditures on transportation, Social Security, clothing, food, insurance, per- sonal care.	Multiple regression	Increased expenditures on dry cleaning & clothing repair, trans- portation, Soc. Sec. taxes & less on shelter.

Table 2.6 (continued)

Author(s) (year)	Data base	Variables studied	Analytical technique	Relationship between wife's work status and variable studied
Lazear & Michael (1980)	1972-73 BLS	Real income equivalence	Income equivalence equation	2-earner family requires 30% more income to achieve same standard of living as a one-earner family.
Foster (1981)	1967-70 National Longitudinal Survey	Family net worth position	Stepwise multiple regression	Family income greatest contributor to explained variance
Schaninger & Allen (1981)	2-stage judgmental sample (Ottawa, Can)	Use of convenience foods by 3-way occupational status	MMDVA	Low status wives used more con- venience foods.
Reilly (1982)	Area cluster Milwaukee MI	Use of convenience foods & ownership of time-saving durables due to role overload by working wives.	Structural equation model (LISREL IV)	Role overload & increase in family income were indirect links between wife's labor force participation and the use of convenience foods & time-saving durable ownership.
Hefferan (1982)	1972-73	Family saving patterns	Multiple regression	Negative relationship between saving and wife's I. f. p.
Weinberg & Winer (1983)	1977 Michigan Survey Research	Replication of Strober & Weinberg study	Tobit analysis	Same findings as 1977 study.
Joao, Gentry & Hooper (1985)	Randomly selected area cluster	Dining out and use of home-delivery food service	$\chi^2$	High status wives dine out more frequently than low status wives or nonworking wives.
Hanna & Carter (1986)	1972-73 BLS	Food away from home consumption	Multiple regression	Strong positive relationship between weeks wife worked and food away from home consumption

among working wives when compared to families with nonworking wives. Other studies suggest that two-earner families save less than one-earner families because they are more interested in improving their consumption level than their financial security and because they view a working wife as a kind of financial security.

#### Household production differences

Consumption level has been defined as the use of all goods and services by the family (J. S. Davis, 1945; Hafstrom & Dunsing, 1973). This includes goods and services acquired in the marketplace as well as goods and services produced in the home. The preceding section explored differences in the consumption of goods and services obtained in the market among one- and two-earner families. The following section will discuss household production differences among the two family types.

Families with a working wife have fewer hours available to them to use for the production of goods and services in the home. If market substitutes are not purchased to replace what the working wife used to produce, how is home production accomplished? Conceivably, other family members could take over some of the activi-

ties, or some goods and services might no longer be provided, or less often. The following section will briefly review some of the studies which have explored the effect of the wife's labor force participation on household production.

Margaret Sanik (1981) replicated the 1967 time-use study by Walker and Woods and used the Walker-Woods' study as the basis of comparison for her 1977 study. Her main objective was to see how time spent in household production had changed in a time span of ten years. It should be noted here that Sanik did not use the same households as Walker and Woods but tried as much as possible to make the samples comparable. Only husband-wife, two children families were included in Sanik's study. Time use by each member of the family was recorded by the wife on a printed time chart. Analysis of covariance was used as the method of statistical analysis.

In comparing the mean time spent in total household work by family members in 1967 and 1977, total family time spent on housework decreased by ten minutes. The wife's total mean time spent in housework each day in 1977 was thirty-six minutes less than 1967's housework time.

Husbands' total mean time remained the same; and children increased the mean time they spent in housework by eighteen minutes. The differences in time usage for each of the tasks in 1967 and 1977 were regressed on the independent variables. The independent variables were hours worked per week by the wife; number of hours worked per week by the husband; age of oldest child; age of youngest child; and years of wife's education. The variable which consistently explained the variance between the two years on each of the tasks was the number of hours worked by the wife outside of the home.

Berk and Berk (1979) interviewed approximately 750 urban households in May 1976 in an effort to study the content of household work and the division of household labor. The wife's twenty-four hour diary of time usage was the basis for most of their analysis although retrospective diaries were collected from husbands. Only intact families, where both husband and wife were present, were studied. According to their findings, ". . . household work and child care remain the primary responsibility of the wife (even if employed full-time), with husbands providing a 'reserve' source of labor in times of particular need" (Berk & Berk, 1979, p. 232).



In 1973 in the Boston metropolitan area, Weingarten (1978) interviewed thirty-two two-profession couples with children to discover if there was a relationship between their employment and distribution of family involvement in the home. Eighteen of the couples had similar employment histories where both had worked full time and continuously since receiving their professional degrees. The other 14 couples had dissimilar employment histories. That is, husbands had worked full time and continuously since receiving their professional degrees while wives had not. Relative proportions of work done in an array of task areas were measured. Table 2.7 depicts the four task areas and the modes of involvement. Analysis of variance was the statistical tool used to analyze the data.

Those couples with similar employment histories shared the family work more equitably in the task areas of maintaining relations with the community and the mechanics of family life. All wives did more child care than husbands; and, also, an increase from part-time to full-time employment did not result in a decrease in family work for wives. The amount of time spent on the task may have diminished but not the number of tasks.

Table 2.7.

Family involvement matrix with sample questions.

Task areas	<u>Involvement (Interaction) modes</u>	
	Participation	Interdependence
Meeting each other's psychological and sexual needs.	Do you give the same amount of encouragement to your spouse that s/he gives you?	Does your spouse leave you alone when you want to be left alone?
Attending to the mechanics of living together	Who spends more time on car repair?	What personal maintenance tasks does each of you do for the other, for instance hand laundry?
Maintaining relations with the community	When entertaining friends, who does more work?	Does each of you attend social functions for the benefit of other one?
Raising children	Who does more car-pooling or transporting children?	Who makes the decisions about whether a child can have a particular toy or watch t.v.?

Source: Weingarten, 1978, p. 47.

Bohen and Viviros-Long (1982) studied the work policy of flexitime and its impact on the family in the fall of 1978. The employees of two governmental agencies participated in the study. One of the agencies had been on flexitime for a year and the other was on standard time. As a part of the questionnaire, respondents were asked how much time was spent weekly on home chores. Schedule flexibility had no significant impact on the sharing of household chores, but wife's employment appeared to account for the greatest difference in the amount of time spent by men on household chores. Men who worked standard hours and who had an employed wife spent a mean time of 17.7 hours a week on home chores compared to a mean time of 13.5 hours a week for men who worked standard hours and had a nonemployed wife. Men who worked at the agency with flexitime and had an employed wife spent an average of 16.6 hours on home chores compared to 15.7 hours a week for men who were on flexitime and had a nonemployed wife.

M. R. Davis (1982) analyzed data from 836 families surveyed for the University of Michigan's Panel Study of Income Dynamics for the years 1972, 1974 and 1976. The purpose of the analysis was to determine whether changes

in the wife's employment hours would lead to changes in the household work hours by family members. Respondents were asked, "Which people in the family do any housework?" For each person named they asked, "About how much time does he/she/you spend on this housework in an average week--such as time spent on cooking, cleaning and other work around the house?" (1982, p. 210).

In looking at the mean hours reported, in 1976 nonemployed wives reported an average of 36.81 hours per week of housework as compared to an average of 29.32 hours per week for employed wives. Husbands of non-employed wives spent an average of 3.66 hours per week on housework in 1976 while husbands of employed wives spent 5.99 hours per week. Davis did point out, however, that factors other than the employment hours of the husband and wife might affect the amount of time spent on housework. For example, the ages and the number of children could drastically affect the number of hours spent on housework.

Geerkin and Gove (1983), using a 1974-75 national probability sample, analyzed data from families with husband-wife and children present in order to ascertain the allocation of household tasks in the family. The

following summarizes the findings of their study in their own words: "The pictures that emerges, then, is one of traditional allocation of task responsibility, even when the wife works. The shifts that do occur when she takes a job primarily tend to be an increase in helping behavior by the husband and others (children primarily) rather than a takeover of primary responsibility by other family members" (1983, p. 96).

In examining 24-hour time diaries of a sample of 2,000 Americans between the ages of 18-65 who kept complete diaries of activities for a single day in 1965 and 1966, J. P. Robinson discovered that ". . . employment causes a much greater imbalance in the sexual division of labor and leisure than the demands of either marriage or children" (1977, p. 153). Women who were employed outside of the home had over ten hours less free time a week than women who were not in the paid labor force. Employed women did experience a decrease in the amount of time spent on housework and child care; however, the time savings did not come anywhere close to equalizing the 30 to 40 hours devoted to outside jobs.

Hefferan's (1982) review of various household time-use studies revealed that employment status is the

single most important factor affecting the workload of married women. Total workload is comprised of unpaid household work, paid employment, volunteer work, commuting time, and work breaks. According to Hefferan, in 1975 full-time, employed, married women carried the greatest workload of all married women. This total workload amounted to 64 hours a week. The total workload of married women who were part-time workers was 53 hours a week, while 45 hours per week was the total workload for married women who were not labor force participants. In addition, even though the workloads of all married women have decreased slightly over time, wives who are employed fulltime continue to carry the heaviest workload of all family members.

Pleck (1985) extensively investigated a set of propositions, collectively called "the role overload hypothesis", pertaining to the division of family work in two-earner couples. The following paraphrases Pleck's role overload hypothesis:

1. Family work is not divided in an equitable manner.
2. The division of household labor is a result of traditional sex role ideology.
3. Wives want their husbands to increase their involvement in family work.

4. Role overload negatively affects the well-being of employed wives.
5. Husbands are more psychologically concerned with their paid work than with their families.

Pleck (1985) used data from two different surveys of national representative samples collected in the late 1970s to explore his theory, employing multiple regression analysis as the primary analytic method. According to Pleck's analysis on the division of labor in the family, the employed wife has decreased the amount of time spent in family work, while the husband has experienced an increase. In Pleck's words, "Men and women are moving toward convergence in their family time, though it will clearly be a long time--if ever--before they reach parity. More of the convergence is due to women's decrease than to men's increase, though men's increase is not trivial" (1985, p. 146).

Pleck's findings further reveal that sex role ideology, at least as conceptualized in the surveys used in his study, do not appear to have an effect on the division of family work. The proportion of wives desiring greater help by their husband is only about a third compared to a little over half of the husbands who

report that their wives want them to increase their participation in family work. A wife wanting her husband to do more at home is significantly predicted by the husband's low involvement in family work. Pleck also suggests in his discussion on the well-being of employed wives that, "The family time use problem in two-earner couples which has negative consequences for the wife is not her doing too much, but her husband doing too little" (1985, p. 114). Finally, husbands, as well as wives, find their family role more important psychologically than their work role.

From the research just reviewed, it would appear that husbands of working wives spend a bit more time on household production than one-earners; and the household production time of wives decreases somewhat with employment; however, women are still primarily responsible for the tasks involved in keeping a household operational. Some family sociologists have suggested that changes in the allocation of household tasks in the family will take time but that eventually family work roles will be more evenly shared by all members of the household (Levitan & Belous, 1981).



Summary

The studies reviewed in this chapter have varied widely in methods, purposes, designs and results; but some generalizations can be drawn; and there is a connectedness to their diversity. Consumption satisfaction has been found to be one of the domains of life related to overall life satisfaction, but very little research has been done with a specific emphasis on the comparison of the consumption satisfaction of one-earner and two-earner families. Consumption satisfaction appears to be affected by income, both objectively and subjectively measured. In addition, one's assessment of how one's current consumption level compares with past consumption levels and the desired consumption level for the future have been found to have a relationship to consumption satisfaction.

Differences in the consumption behavior of one-earner and two-earner families have been noted. Those differences do not appear to be in the form of time-saving durables. Some evidence suggests that the differences may be because the income instead goes to work-related expenses for the working wife and possibly in the form of market substitutions for goods and services

formerly produced in the home. Wives who work outside the home slightly decrease the amount of time spent in household work but not the number of tasks. There seems to be a tendency for the husbands of working wives to spend more time on household tasks than husbands of wives who do not work outside of the home, but wives in the labor force have considerably less leisure time than do their husbands or nonworking wives.

The wife who works improves her family's income level (Foster, 1981; Hefferan 1982), but her family may not be as well off as she had hoped. Accompanying employment are also expenses related to that employment in the form of Social Security taxes, income taxes, and transportation. In addition, the wife decreases the amount of time spent in housework, but she also experiences a loss of leisure time. Once she becomes employed outside the home, her total workload is greater than any other member of her family. It may be that the family whose wife who has gone to work to improve her family's consumption level experiences less consumption satisfaction than the family at the same income level whose consumption level is supported by only one earner. It is hoped that this present

research will contribute to a better understanding of the consumption satisfactions of the two family types.

CHAPTER III  
THEORETICAL FRAMEWORK

A description and discussion of the conceptual framework used and the models employed in testing the framework will be the focus of this chapter.

Conceptual framework

The conceptual framework for this study is based upon Strober's (1977) adaptation of James Dusenberry's relative income hypothesis and Michalos' gap-theory. According to Strober's theory, the decision of the wife to work is closely related to the husband's earnings; and wives work when there is a gap between the family's consumption level and that of their reference group. Morris and Winter (1978) in their study of housing norms and satisfactions, refer to this gap as a "deficit". The deficit is the difference between the level of consumption and the standard of consumption.

The family which perceives a gap, or a deficit, in their level of consumption and their standard of consumption may try to reduce the discrepancy by sending the wife into the paid labor force, assuming she is not already employed. In addition, the wife who is already employed may experience less consumption satisfaction if

she perceives a substantial gap between the desired standard of consumption and the current level of consumption. The standard of consumption is based upon what the family has had in the past, what they expect to have in the future; and what they have in relation to the life-cycle group with whom they compare themselves. The size of the deficit between the consumption level and the consumption standard is what determines consumption satisfaction. A similar gap-theory model was described in the review of the literature as it related to explaining the variance in satisfaction for each of the twelve domains of life satisfaction explored by Michalos (1983). According to Michalos (1983), satisfaction can be explained by three perceived gaps. These three gaps are the gap between what one has and wants, between what one has and thinks others like oneself has, and the best one has had in the past. The conceptual framework described herein incorporates Michalos' ideas by suggesting that the three perceived gaps together form the consumption standard against which the family compares its consumption level. Consumption satisfaction is a function of the difference between the standard and the

level. Figure 3.1 depicts the proposed theoretical framework. It should be noted here that this framework is operating under the assumption that the family is a collective unit that shares its money resources equally and equally consumes money resources; this may not necessarily be true for all families.

Consequently, it is assumed that the wife enters the paid labor force expecting to increase her family's consumption level, thereby lessening the distance between the actual consumption level and the desired consumption level, which should result in an increase in consumption satisfaction. The family may not be able to accurately assess how a wife's shift from home work to market work will affect their consumption level. The work women do in the home contributes to the family's well-being yet no dollar value has been assigned to such work (Kreps and Leaper, 1976). As a result, it is difficult to determine the "full costs" of a woman's labor force participation. When foregone services are taken into consideration, along with work-related expenses, a decline in real income may occur when the wife enters the paid labor force (Kreps & Leaper, 1976; Lazear and Michael, 1980). In addition, economic analysis estimates

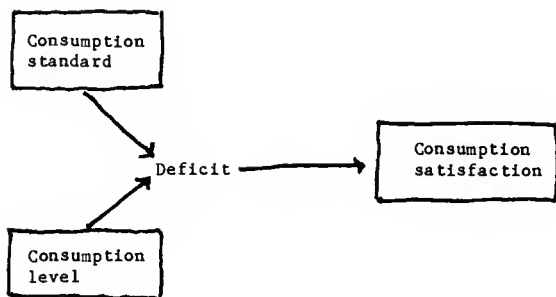
Theoretical Model

Figure 3.1. Consumption satisfaction theoretical model. Consumption satisfaction is a function of the standard minus the level.

free time "as market earnings foregone by the consumption of leisure" (Kreps & Leaper, 1976, p. 74). Women do not allocate their time only between market work and leisure but rather among three alternatives-- home work, market work, and leisure. For most women who participate in the paid labor force, market work slightly reduces the amount of time spent on household production but the amount of time available for leisure is substantially reduced (Kreps & Leaper, 1976; Hefferan, 1983). In addition, another potential cost of women's labor force participation is smaller family size; although, as pointed out earlier in Chapter 1, causality may run in both directions. Smaller family size may enhance women's labor force participation, or women's labor force participation may encourage women to have fewer children. In view of the costs associated with women's labor force participation, it is anticipated that respondents who are members of a family with a working wife will be less satisfied with their consumption level, other things being equal. The working wife does add to her family's income; and that additional income may be enough to pay for the full costs of her employment and may increase consumption



satisfaction as well. Moreover, consumption satisfaction is not isolated from overall life satisfaction, so even if there is a decrease in consumption satisfaction, that decrease may be balanced out by an increase in other satisfaction with other domains of life, such as self-esteem, independence, and self-actualization.

Hypothesis

Based on the proposed theoretical framework, the following hypothesis has been developed:

Hypothesis: Once consumption level, consumption standard, and sex of the respondent are held constant, two-earner families will be less satisfied with their consumption level than one-earner families.

The hypothesis will be tested through the use of models which are as follows and are depicted in Figures 3.2 and 3.3. The dependent variable is consumption satisfaction.

$$1. \text{ Consumption satisfaction} = f(\text{LevelA, Standard, Sex})$$

where LevelA = Full income, measured by income and wife's employment status, + Presence and ages of children + Events

where Standard= Reference variables, measured by past financial conditions, expectations for the future, and the educational level of the head.

$$2. \text{ Consumption satisfaction} = f(\text{LevelB, Standard, Sex})$$

where LevelB = Income + Presence and ages of children + Events

where Standard= Reference variables

## MODEL 1

Variables used to measure  
theoretical constructs:

Theoretical model:

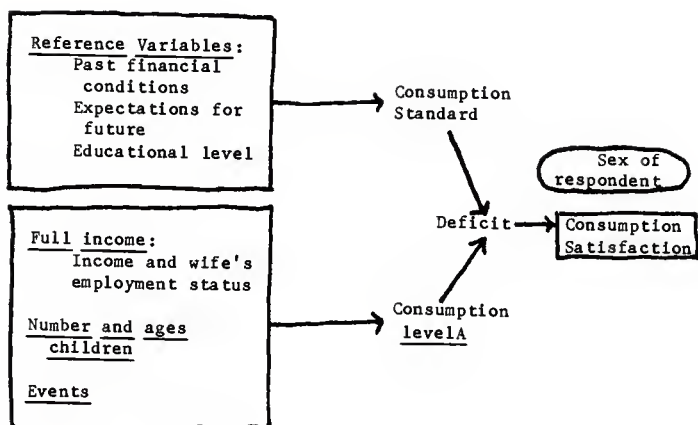


Figure 3.2. Consumption satisfaction is hypothesized to be a function of the difference between the standard of consumption and the level of consumption.

## MODEL 2

Variables used to measure  
theoretical constructs:

Theoretical model:

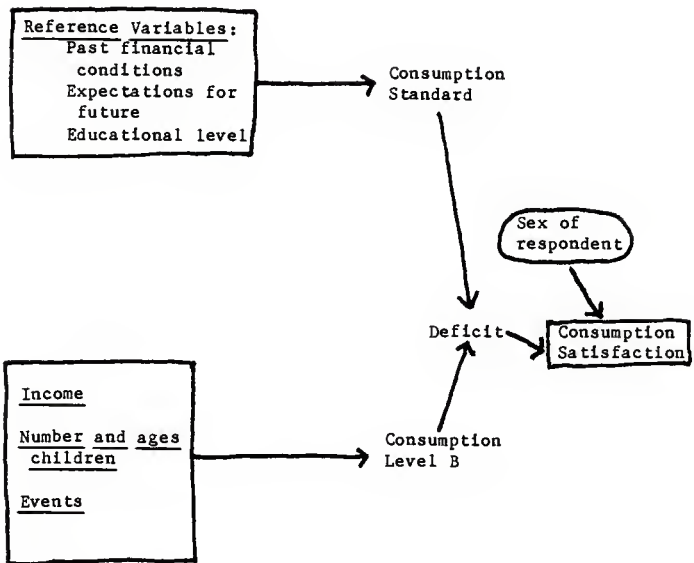


Figure 3.3. Consumption satisfaction is hypothesized to be a function of the difference between the standard of consumption and the level of consumption.

### Justification of Variables

The main objective of this research is to explore whether or not differences in consumption satisfaction exist for individuals in one-earner and two-earner families. Consumption satisfaction may vary across families for a variety of reasons. Past research has found income to be related to consumption satisfaction (Katona, 1960; Strumpel, 1976). Generally speaking, as income increases so does consumption satisfaction. Wives who work outside the home increase the money income of their families; but their full income ( a measure which includes time as well as money) is less, because working wives experience a major loss in leisure time in addition to paying work-related expenses (Vickery, 1976). It is anticipated that the wife's employment status and family income together have an influence on consumption level which, in terms of the conceptual framework, impacts consumption satisfaction. Members of two-earner families may experience less consumption satisfaction because their full income is less than one-earner families at comparable money income levels, all else equal.

A family may have experienced an unexpected or

expected event within the year prior to the measurement of their consumption satisfaction. Losing a job, having a baby, winning a lottery, and experiencing medical problems are examples of events that could temporarily change the consumption level and influence the distance between the level and the standard of consumption. Some events might increase the family's consumption level while others might decrease the consumption level, thus altering the usual gap between the level and the standard.

All other things being equal, a family with six children has greater demands placed upon it than a family with two children, or no children. As the family size increases, each person could have a lower per capita consumption level, which could influence the gap between the level of consumption and the standard of consumption. Additionally, the ages of the children could affect the family's levels and standards. According to the 1983 USDA's estimates of the costs of raising nonfarm rural children at a moderate cost level in the north central region of the United States, one child is estimated to cost the parents \$3,381 from age 0 to age one, while it is estimated to cost \$5,235 for a

child from age 16 to age 17 (Family Economics Review, 1984). The teenage years incur heavy expenses, but less years remain until the expenses are gone when compared to a preschooler.

Consumption standard refers to the goods and services desired for use by the family. Consumption is an important component of one's finances, and it does not seem unreasonable to assume that the desire for financial improvement also includes the desire for an improvement in consumption level. In addition, comparison of past financial conditions to present financial conditions allows the family to ascertain whether their consumption level has increased or decreased and whether changes in their consumption standard are necessary. Finally, comparison of what one has relative to what members of one's reference group have is important in the development of consumption norms. A measure of the respondent's perceptions of how they compared with others in similar circumstances was not available. In view of this, educational level of the head was used to measure comparison with a reference group and was used as one of the components of consumption standard. Past research has indicated that the husband's

educational level leads to higher income and higher income leads to greater consumption satisfaction; however as with wife's employment, it may be difficult to isolate the effects of education from income since the two are interrelated.

All of the factors described above could have an effect on the family's consumption satisfaction and are variables of interest. In addition, the sex of the respondent may also have an impact. Since men do not appear to sacrifice as much of their leisure time when the wife is a labor force participant, the consumption satisfaction may not be less for two-earner families whose husbands responded to the study's questionnaire.

To summarize the theoretical framework described herein, consumption satisfaction is the dependent variable of interest and is a function of the difference between the family's consumption level and the family's consumption standard. In view of the costs associated with employment in the form of work-related expenses and a loss of leisure time by the working wife, two-earner families may be less satisfied with their consumption level than one-earner families of similar characteristics.



## CHAPTER IV

### Methodology and Analysis of Data

#### Sampling Design

The data base used in this study is from a statewide survey of household money management practices conducted in Kansas in the spring of 1984 (E.P. Davis, 1985). The basic purpose of the survey was to measure the respondents' satisfaction with consumption level, wealth, and ability to meet financial emergencies as well as satisfaction with their financial situation in general. In order to make this thesis manageable in scope, the focus of the current study's analyses will be concentrated on a subset of the larger sample and will be centered on the consumption satisfaction component of the questionnaire. Only families where husband and wife are both present will be included in the analyses. Families in which either the husband or the wife are retired from labor force participation will also be eliminated from the analyses.

The data was collected by a mail questionnaire using a two-stage cluster sampling procedure. The first stage involved the random selection of seven Kansas

counties which did not have a Standard Metropolitan Statistical Area (SMSA) within their borders. Households were selected at random from telephone listings within the seven counties during the second stage. Following the mailing of the questionnaire, non-respondents were again contacted up to three times, in accordance with the procedures recommended by Dillman (1978). Out of the 1200 questionnaires sent, 672 usable responses were received. From those 672 responses, only those who were married and not retired from labor force participation were included. The size of this subset of the sample was 418 cases.

#### Measurement of Variables

The following section discusses how the dependent variable, consumption satisfaction, and the independent variables, as depicted in Figures 4.1, 4.2, and 4.3 were measured. Consumption satisfaction is hypothesized to be a function of the deficit between the consumption level and the consumption standard.

Consumption satisfaction: Respondents were asked, "How do you feel about your household's present standard of living, that is, the goods and services

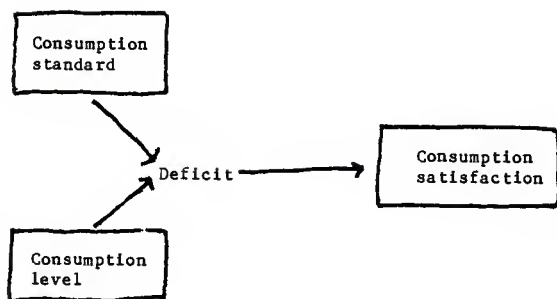
Theoretical Model

Figure 4.1. Consumption satisfaction theoretical model. Consumption satisfaction is a function of the standard minus the level.

## MODEL 1

Variables used to measure  
theoretical constructs:

Theoretical model:

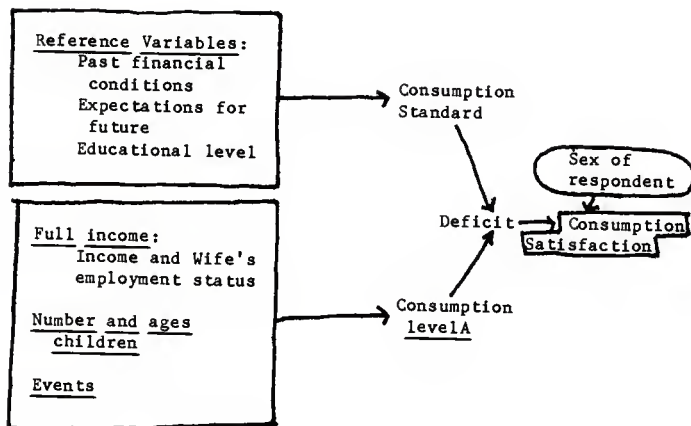


Figure 4.2. Consumption satisfaction is hypothesized to be a function of the difference between the standard of consumption and the level of consumption.

## MODEL 2

Variables used to measure  
theoretical constructs:

Theoretical model:

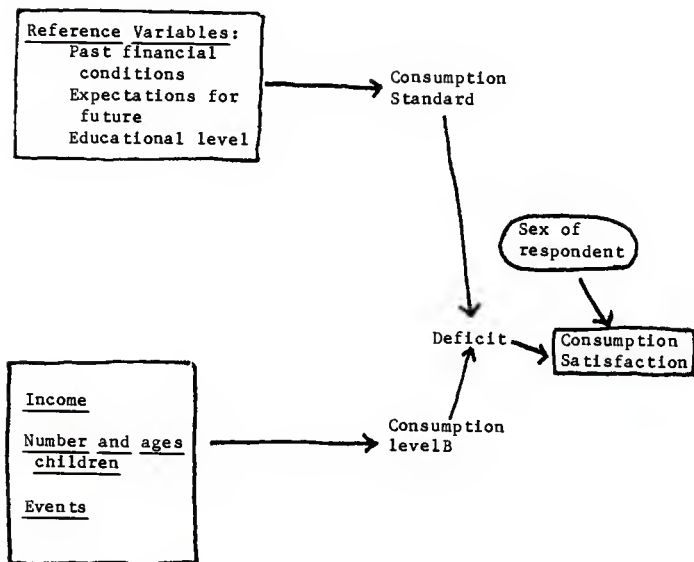


Figure 4.3. Consumption satisfaction is hypothesized to be a function of the difference between the standard of consumption and the level of consumption.

you use, like your food, clothing, housing, car, and so on?" This question was designed to measure the respondent's consumption satisfaction, and the responses were on a five-point scale, ranging from delighted to terrible.

#### Consumption standard

The consumption standard is impacted by the respondents' perceptions of past and future financial situations, as well as comparison with others in similar circumstances, which is measured by the respondents' educational level. These three variables, perceptions of past and future financial situations and educational attainment, are designated as the "reference variables".

Reference variables: The questionnaire also asked respondents to compare their present financial situation with their financial situation the same time last year. Responses to this question involved six possible responses, ranging from "much better"(=1) to "much worse"(=6) and "don't know--can't tell category". Finally, the participants were asked, ""Thinking of the future, say this time next year, do you expect that your

financial situation in general will be ....". The responses ranged from much better to much worse and also allowed for a "don't know, can't tell" response.

Educational attainment: Respondents were asked to circle the highest level of education attained for the respondent and the respondent's spouse with nine possible choices, ranging from "no formal education" to "a graduate degree". The educational level of the husband was then able to be ascertained by determining whether the respondent was male or female.

#### Consumption level

Consumption level is affected by income since either current income or future income is used to purchase goods and services which are consumed by the household. As discussed in the preceeding chapters, the wife's employment status is also anticipated to affect the consumption level. In addition, the family size and age of the youngest child could exert increased pressure on the resources serving as the basis for the consumption level and are collectively called the family composition variables. Finally, unexpected events sometimes occur which can have an impact on the consumption

level. Having a baby, losing a job, and getting married are just three examples of events which could possibly have an influence on the consumption level. These four variables, income, wife's employment status, family composition, and events were measured in the following manner.

Income: Respondents were asked to approximate their income from all sources before taxes in 1983; and there were twelve income categories as well as a "don't know" category. For the purposes of the regression analysis, this variable was recoded to the midpoint of the income category, and the lowest and highest categories were treated as missing data because of their vagueness.

Wife's employment status: Respondents were asked to indicate the employment status of themselves and their spouses with six possible responses given: full time; part time; not employed outside the home (full-time homemaker); unemployed; student; and retired. For the purposes of the analyses, wife's employment status was coded as two dummy variables (wife employed full-time =1, 0 if not employed; and wife employed part-time=1, and wife not employed =0).



The remaining three categories (unemployed, student and retired) were not included in the analysis.

Respondents were also asked if more than one member of their household was working for pay, but since family members other than the husband or wife might conceivably be employed, this question was not used as a measure of wife's employment status.

Family composition: Respondents were asked to list everyone for whom they were financially responsible, indicating the relationship to the respondent, age and sex of the dependent, and whether or not they were still living with the respondent. The years remaining until the youngest child reaches age 18 was computed by subtracting the age of the youngest child from age 18. For the family size variable, the total household size was counted, including the respondent. Since only five respondents had more than six family members, those respondents were grouped with the respondents who had six members in their household.

Events: The survey instrument contained a question pertaining to things which happen to people that change their financial situation a great deal. A selection of 15 possible responses were provided as well as a response called "Other--please explain". Some of

the possible responses included: lost a job, farm or business lost money, got married, had a baby, got divorced, received more money than expected, and so on.

#### Demographic description

The subset of the sample used in this study consisted of 418 respondents from seven nonmetropolitan Kansas counties. The majority of the respondents were males (N=326); and 82 of the respondents were females (10 cases were missing responses to the question indicating sex of the respondent). The mean age of the subsample used in this study was 41.96 years, and the range was from age 19 to age 83. Respondents were eliminated from the analyses if they had indicated they were retired from the paid labor force; however, respondents over the age of 65 who were not retired from the paid labor force or were self-employed were still included in the analyses (N=24). All respondents were married since such a marital status was a criterion for being included in the subsample. Approximately 39% of the sample had a wife working full time; 19% of the wives were working part time; and 42% were not in the paid labor force.

Income for the respondents ranged from less than \$5,000 to more than \$100,000. Incomes between

\$30,000 to \$39,999 occurred most frequently (N=74); and the mean income category fell between \$20,000 to \$24,999 and \$25,000 to \$29,999. Table 4.1 shows the frequency distributions of the respondents by income categories.

The mean family size was 3.39 members; however, one-third of the respondents had families with only two members. Twenty families had six or more members. Table 4.2 provides a breakdown of the frequency distributions for family size.

The number of years remaining until the youngest child reaches age 18 was determined by subtracting the age of the youngest child, if the youngest child was less than 18, from 18. There were 11 missing cases so out of the remaining 407 cases, 159 respondents had no childrearing years remaining while 126 families had children under the age of six. Table 4.3 shows the age of the youngest child and the distribution of the respondents by age of their youngest child.

For approximately 34% of the respondents, high school was the highest educational level attained; and over half of the respondents had received post high school education in the form of college or vocational-technical training, as shown

Table 4.1

Percentage Distribution of Respondents by Income

Income	Distribution of Respondents
	%
	(N=418)
1 <\$5,000	3.6
2 \$5,000 to \$9,999	4.1
3 \$10,000 to \$14,999	11.2
4 \$15,000 to \$19,999	12.9
5 \$20,000 to \$24,999	13.6
6 \$25,000 to \$29,999	13.2
7 \$30,000 to \$39,999	17.7
8 \$40,000 to \$49,999	9.1
9 \$50,000 to \$74,999	4.8
10 \$75,000 to \$99,999	1.7
11 Over \$100,000	2.9
12 Don't know or missing	5.4
Mean category 5.62	Modal category 7.00
Median category 6.00	Standard deviation 2.31

Table 4.2

Percentage Distribution of Respondents by family size

<u>Family size</u>	<u>Distribution</u>
	% (N=418)
2	34.0
3	18.0
4	28.0
5	16.0
6	5.0
Missing	<1.0

Note. Percentages may not round to 100 due to rounding.

Table 4.3

Percentage of Respondents by Age of the Youngest Child

Age of youngest child	Distribution
	%
No children < 18	38
Youngest child 15 to 17	7
Youngest child 13 to 14	6
Youngest child 11 to 12	4
Youngest child 6 to 10	13
Youngest child < 6	30
Missing responses	3

Note. Percentages may not add to 100 due to rounding.

in Table 4.4. The educational level of the respondents' partners was similar: 38% were high school graduates while 44% had received education beyond high school.

### Analyses

This section will delineate the statistical procedures used to test the theoretical framework. First the bivariate relationships will be examined, followed by interactions that might logically be anticipated to occur. Finally, the regressions used to test the theoretical models will be discussed.

#### Distribution of the dependent variable

The mean consumption satisfaction rating for the entire subsample was 3.56. A consumption satisfaction rating of five would mean the respondent was delighted with his or her consumption level, while a rating of one would mean the respondent felt his or her consumption level was terrible. Only two respondents found their consumption level to be terrible, so for the remainder of the analyses they were combined with the 43 respondents who were dissatisfied with their consumption

Table 4.4

Percentage Distribution of Respondents and Their  
Spouses by Educational Level

-----		
Frequencies		
Educational level	Respondents	Spouse
-----		
		% (N=418)
No formal	0	<1
Grade school	5	4
Some high school	9	7
High school graduate	34	38
Vocational-technical	8	6
Some college	20	18
B.A./B.S.	11	10
Grad work	5	6
Grad degree	8	4
Missing	<1	8
-----		

Note. Percentages may not sum to 100 due to rounding.



satisfaction. The majority of the respondents (55.9%) were satisfied with their consumption level; 28% had mixed feelings; and only 6% of the respondents were delighted with their consumption level, as shown in Table 4.5.

Mean consumption satisfaction and income

A frequency distribution of the mean consumption satisfaction ratings by gross income indicated that there might be a nonlinear relationship between income and consumption satisfaction. Respondents in the \$5,000 to \$9,999 income category were more satisfied with their consumption level than respondents in the next three income categories, after which income and consumption satisfaction both increased until income reached \$50,000 or more, after which consumption satisfaction began to decrease slightly, as shown in Table 4.6. Since some of the lower and upper income categories had small cell frequencies, the income categories were further collapsed. The three income categories were trichotimized into less than \$20,000; \$20,000 to \$40,000 and over \$40,000. Analysis of variance resulted in an R squared of .0378 and an eta squared of .0869. The

Table 4.5

Percentage Distribution of Respondents by  
Consumption Satisfaction Ratings

Consumption satisfaction	Value	Frequency	%
Terrible	1	2	<1
Dissatisfied	2	43	10
Mixed	3	116	28
Satisfied	4	233	56
Delighted	5	23	6
Missing	9	1	<1

Note. Percentages may not sum to 100 due to rounding.

Table 4.6

Percentage Distribution of Respondent Consumption  
Satisfaction by Income

Income	Consumption satisfaction	Distribution
	Mean	% (N=418)
<\$5,000	3.0667	4
\$5,000 to \$9,999	3.4706	4
\$10,000 to \$14,999	3.2766	11
\$15,000 to \$19,999	3.2778	13
\$20,000 to \$24,999	3.3860	14
\$25,000 to \$29,999	3.6545	13
\$30,000 to \$39,999	3.7703	18
\$40,000 to \$49,999	3.8684	9
\$50,000 to \$74,999	3.8500	5
Over \$75,000	3.7368	5
Missing		5

Note. Percentages may not sum to 100 due to rounding.

test for linearity, using the SPSS breakdown statistics procedure (Norusis, 1982), revealed that the three income groups were significantly linear but also had a significant deviation from linearity.

Mean consumption satisfaction by wife's employment

Respondents who were members of a family where the wife was not employed full time were as equally satisfied with their consumption level as the respondents who were members of families where the wife was employed part time, as shown in Table 4.7. Respondents who were members of a two-earner family were only slightly less satisfied with their consumption level than respondents who were members of full-time homemaker families and part-time working wife families.

Mean consumption satisfaction by income and wife's employment status

Analysis of variance of consumption satisfaction by income and wife's employment status indicated that there was no significant interaction between income and wife's employment status. The main effect of gross income was statistically

Table 4.7

Mean consumption satisfaction rating by wife's  
employment status

Wife's employment status	Consumption satisfaction	
	Mean	Frequency
Full time	3.54	164
Part time	3.59	80
Not employed	3.59	138

significant ( $F= 19.807, P < .001$ ), but wife's employment status was not statistically significant. As gross income increased, the mean consumption satisfaction rating increased for all levels of wife's employment status, as depicted in Table 4.8.

Since wife's employment status would affect the amount of household income available, income may serve as an intervening variable between wife's employment and consumption satisfaction. To determine if this might be true, analysis of variance of gross income by wife's employment status was done. The analysis indicated that the effect of wife's employment was statistically significant ( $F=3.82, P < .05$ ); and wife's employment accounted for 14% of the variation in income. The interrelationship means that for any given income those with an employed wife are likely to be at the upper end of the income bracket and those with a nonemployed wife may be at the lower end of the income bracket; and thus the additional income may balance out any adverse impact on consumption satisfaction.

Table 4.8

Mean consumption satisfaction rating by wife's  
employment and gross income.

-----			
Wife's employment			
Income	Full	Part	Not employed
-----			
Mean consumption satisfaction			
< \$20,000	3.21 (N=38)	3.37 (N=27)	3.29 (N=68)
\$20,000 to \$40,000	3.27 (N=44)	3.65 (N=31)	3.70 (N=37)
> \$40,000	3.82 (N=72)	3.74 (N=19)	3.81 (N=48)
-----			

Mean consumption satisfaction by family composition

Consumption satisfaction appears to decrease as family size increases. The results for the breakdown of consumption satisfaction by the age of the youngest child were not so straightforward. Respondents whose youngest child was 11 or 12 years of age appeared to be the most satisfied, even more satisfied than respondents with no children. Respondents whose youngest child was 13 or 14 appeared to be the least satisfied. Table 4.9 reveals the distribution of mean consumption satisfaction ratings by the age of the youngest child.

Analysis of variance was performed to determine if there was any relationship between the family composition variables and income and consumption satisfaction. Income was significant in explaining the difference in mean consumption satisfaction ratings; however, family size was not. In addition there was no significant interaction between gross income and family size. There was no significant interaction between income and age of the youngest child. Once again, income was significant in explaining the variation in consumption



Table 4.9

Mean Consumption Satisfaction Ratings by Age of the  
Youngest Child and Family Size

Age of youngest child	Consumption satisfaction	N
	Mean	
No children < 18	3.55	158
Youngest child 15 to 17	3.59	27
Youngest child 13 to 14	3.46	24
Youngest child 11 to 12	3.77	17
Youngest child 6 to 10	3.48	54
Youngest child < 6	3.50	126
Missing responses		12
Sample mean	3.55	
 B. Family Size		
2	3.62	139
3	3.53	74
4	3.54	117
5	3.52	65
6 or more	3.45	20

satisfaction ( $F=8.89$ ,  $P<.001$ ); however, age of the youngest child was not.

Mean consumption satisfaction and events

There were a total of 19 possible events that could possibly affect the respondents' consumption level and these events, and the percentage distributions are listed in Table 4.10. Some events could be perceived as having either a negative or a positive effect on consumption satisfaction, depending on the individual's circumstances; and some responses were given infrequently. Consequently, only those events which could be clearly designated as positive or negative, and were frequently given as a response, were included in the analysis, using the t-test. Events included were lost a job, farm or business lost money, had a baby, medical problems, received more money than expected, and paid off a large loan. As shown in Table 4.11, respondents who received more money than expected were significantly more satisfied than those who did not ( $P<.01$ ). Respondents whose farm or business lost money were less satisfied than those with more profitable enterprises

Table 4.10

Percentage of respondents reporting events that  
could affect consumption level

Event*	Respondents Reporting
	%
Lost a job	8
Farm or business lost money	15
Got married	3
Had a baby	10
Divorced or separated	1
Another relative came to live here	2
Started sending money to relative	3
Medical problems	15
Had to hire out tasks I used to do	3
Death in household	1
Bad auto wreck	2
Property damage from natural disaster	2
Received more money than expected	11
Paid off a large loan	15
Retired from labor force	<1
Changed jobs	<1
Launched child	<1
Received less money than expected	<1

\*Respondents may have checked more than one event.

Table 4.11

Events That Could Affect the Respondents'  
Consumption Level and Mean Consumption Satisfaction  
Ratings.

Event	Event occurred	Event did not occur
	Consumption satisfaction Mean	
Lost a job***	2.95 (N=37)	3.62 (N=380)
Farm or business lost money*	3.28 (N=71)	3.61 (N=346)
Had a baby	3.49 (N=45)	3.57 (N=372)
Medical problema	3.38 (N=71)	3.59 (N=346)
Received more money than expected**	3.92 (N=34)	3.53 (N=383)
Paid off a large loan	3.68 (N=48)	3.54 (N=369)

\*P&lt;.05

\*\*P&lt;.01

\*\*\*P&lt;.001

( $P < .05$ ). Respondents who lost a job were less satisfied than those who did not ( $P < .0001$ ). The other three events (paid off a loan, had a baby, medical problems) did not result in significant differences in consumption satisfaction.

Mean consumption satisfaction by sex of the respondent, income, and wife's employment status

Male respondents had a mean consumption satisfaction rating of 3.56 compared to a mean consumption satisfaction rating of 3.51 for females. A t-test was used to determine if the variance in the means was significant; and the test revealed there was no significant difference.

An earlier two-way analysis of variance between income and wife's employment status indicated there was a relationship between the two variables. To search for possible interactions among the three variables, a three-way analysis of variance, with sex of the respondent, income and wife's employment status as the independent variables was performed. The results indicated that there was no significant interaction among the three variables; but the cell sizes for female respondents were extremely small and may make such findings suspect. The main effect of

gross income was significant in explaining the variance in mean consumption ratings ( $F=19.028$ ,  $P<.001$ ). Neither sex of the respondent nor wife's employment status were significant in explaining the variance in the mean consumption satisfaction ratings.

Mean consumption satisfaction by income reference variables

Education: Table 4.12 depicts the cell means for consumption satisfaction ratings by gross income and educational level of husbands. The educational categories were collapsed into four categories in this analysis. The four categories were: less than high school, high school, some past high school, and college or graduate degree. Income was categorized into the following four categories: \$5,000 to \$14,999; \$15,000 to \$24,999; \$25,000 to \$39,999; and \$40,000 to \$99,999. The less than \$5,000 and more than \$100,000 income categories were treated as missing. Analysis of variance indicated that there was no significant interaction between gross income and husbands' educational level. For college graduates, as income increased, so did consumption satisfaction. For those who had some additional education after high school,

Table 4.12

Mean consumption satisfaction ratings by gross income and husband's education.

Husbands's educational level	Gross Income			
	\$5,000-14,999	\$15,000-24,999	\$25,000-39,999	\$40,000-99,999
	Mean Consumption Satisfaction			
< High school	3.13 (N=15)	3.46 (N=13)	3.92 (N=13)	3.0 (N=1)
High school graduate	3.50 (N=25)	3.31 (N=36)	3.57 (N=37)	3.67 (N=15)
Some past high school	3.26 (N=19)	3.17 (N=23)	3.82 (N=33)	3.81 (N=16)
College or graduate degree	3.17 (N=6)	3.45 (N=20)	3.67 (N=33)	3.92 (N=24)

consumption satisfaction also increased, except for those in the \$15,000 to \$24,999 income category. High school graduates experienced the same pattern as those husbands who had additional education after high school. There was no apparent pattern to the consumption satisfaction ratings of husbands with less than a high school education, although they experienced the highest consumption satisfaction of all educational levels at the income category of \$25,000 to \$39,999. These findings should be accepted with caution, since some of the cell sizes were extremely small. It should be pointed out that education alone might not lead to higher consumption satisfaction; but rather education does lead to higher income levels which leads to higher consumption satisfaction.

Past financial situation: When respondents compared their current financial situation to their financial situation a year ago, 38% of the respondents felt it was about the same; only 6% felt it was much worse; and 8% felt it was much better. Table 4.13 shows the distribution of the respondents by the financial comparison variable.

Respondents who felt their financial situation had



Table 4.13

Percentage Distribution of Respondents'  
by Comparison of Current Financial  
Situation to Last Year's.

Description of financial comparison	Frequency
	% (N=418)
Much better	8
A little better	32
About the same	38
A little worse	15
Much worse	6
Don't know--can't tell	<1

Note. Percentages may not sum to 100 due to  
rounding.

improved were more satisfied with their consumption level. As their financial situation now in comparison to last year worsened, the mean consumption satisfaction rating decreased. Table 4.14 depicts the relationship between consumption satisfaction and the respondents' perceptions of their past financial situation.

The financial comparison categories were collapsed into three categories (better, same, worse) for the analysis of variance. The analysis of variance of consumption satisfaction by income and the financial comparison variable revealed that the main effects of income ( $F=13.175$ ) and financial comparison ( $F=13.161$ ) were significant ( $P<.001$ ). In addition, the interaction between income and financial comparison was significant ( $P<.05$ ). The mean consumption satisfaction of low income respondents did not fluctuate a great deal as their financial comparison worsened, as shown in Table 4.15. Middle income respondents experienced a greater drop in consumption satisfaction than the low income respondents, and the high income respondents experienced the greatest decrease in consumption satisfaction as their financial comparison worsened. Together the two variables

Table 4.14

Mean Consumption Satisfaction Ratings By  
Financial Situation Now Compared to Last Year.

Description of financial situation	Consumption satisfaction	Frequency
Mean		
Much better	3.97	34
A little better	3.71	133
About the same	3.52	159
A little worse	3.30	63
Much worse	3.17	24
Don't know--can't tell	2.67	3

Table 4.15

Mean Consumption Satisfaction by Income and  
Comparison of Current Financial Situation to Last  
Year.

Financial Comparison				
Income	Better	Same	Worse	N
	Consumption Satisfaction Mean			
Under \$20,000	3.38	3.25	3.29	129
\$20,000 to \$40,000	3.78	3.33	3.27	112
Over \$40,000	3.93	3.85	3.22	139

accounted for 12% of the variation in consumption satisfaction.

Analysis of variance of satisfaction with consumption by wife's employment and comparison of the current financial situation with last year's revealed that the main effect of financial comparison was significant ( $F=16.844$ ,  $P<.0001$ ) while wife's employment was not. In addition, there was no significant interaction between the two variables.

Future financial situation: Respondents were optimistic about their future financial situation. Over half of the respondents felt their future financial situation would be a little better or much better. A small proportion felt their financial situation would be a little worse or much worse, as depicted in Table 4.16.

Respondents who thought their financial situation would be better next year were also more satisfied with their consumption level; and satisfaction with consumption decreased as the respondents' confidence in their future financial situation decreased. Table 4.17 reveals the relationship between consumption satisfaction and future financial expectations.

Table 4.16

Percentage Distributions of Respondents by  
Financial Expectations for the Following Year

<u>Financial Expectations</u>	<u>Frequency</u>	<u>%</u>
Much better	47	11
A little better	186	45
About the same	140	34
A little worse	23	6
Much worse	5	1
Don't know--can't tell	16	4
Missing	1	<1

Note. Percentages may not sum to 100 due to rounding.

Table 4.17

Mean Consumption Satisfaction Ratings by  
by Financial Expectations for the Following Year.

Description of financial expectations	Consumption satisfaction	Respon dents
	Mean	%
Much better	3.68	11
A little better	3.61	45
About the same	3.53	33
Worse/Much Worse	3.21	7
Missing		4

To insure large enough cell sizes for the analysis of variance, the categories of responses for the future financial situation variable were collapsed into two categories (better and the same or worse). Analysis of variance on consumption satisfaction by gross income and the expected future financial situation variable indicated that the main effect of gross income was significant ( $F=18.709, P<.001$ ), but the future financial expectations variable was not. There was also no significant interaction between income and future financial expectations. For the lowest income category, consumption satisfaction appeared to increase slightly as the respondents' expectations for the future remained the same or worsened, as shown in Table 4.18. Respondents in the upper two income categories experienced a decrease in their consumption satisfaction as their financial expectations worsened.



Table 4.18

Mean Consumption Satisfaction by Income and  
Financial Expectations for the Following Year.

Income	Financial Expectations for Following Year	
	Better	Same/Worse
	-----	
	Mean Consumption Satisfaction	
Below \$20,000	3.24	3.30
\$20,000 to \$40,000	3.59	3.44
Over \$40,000	3.88	3.70
	-----	

Results of regression analyses

The results of the regression analyses will be reported in this section. Multivariate regression analysis was used to identify the variables having the greatest impact on consumption satisfaction. The independent variables were regressed on consumption satisfaction using stepwise regression analysis and listwise deletion of missing data (Norusis, 1982).

Preliminary bivariate analyses indicated that sex of the respondent, husband's educational level, the two family composition variables, and wife's employment were not significant in contributing to the amount of explained variance in consumption satisfaction. Analysis of variance of gross income by wife's employment suggested that wife's employment might possibly have an impact on income, with income acting as an intervening variable between wife's employment and consumption satisfaction. Three regression equations were used. The first equation used all of the variables discussed in the conceptual framework chapter; and the second equation used all of the variables from the first

equation less wife's employment status, using the test provision of the SPSS procedure (Norusis, 1982). The third model was used to look for possible interactions.

The independent variables regressed on consumption satisfaction in the first regression equation were as follows:

1. Income (GROSSINC)
2. Comparison with past financial situation. (FINCOMPL)
3. Expected financial situation next year (EFINAN1)
4. Husband's education level (HUSED)
5. Three event variables:
  - a. Lost a job (LOSTJOB)
  - b. Farm or business lost money (LOST\$\$)
  - c. Received more money than expected (MORE\$\$)
6. Sex of the respondent (SEXRESP)
7. Family size (FAMSIZE)
8. Age of the youngest child (KIDYEARS)
9. Wife's full-time employment (WIFEFULL)
10. Wife's part-time employment (WIFEPART)
11. The quadratic term, income squared, since income appeared to have a significant nonlinear relationship with consumption satisfaction (INCOMESQ)

The first variable to enter the equation was

comprison with past finsncial situation ( $\beta = -.234$ ,  $P < .0001$ ), as shown in Table 4.19. Income was the next variable entered into the equation ( $\beta = .605$ ,  $P < .001$ ), followed by the two event variables, lost job ( $\beta = -.143$ ,  $P < .01$ ) and farm or business lost money ( $\beta = .130$ ,  $P < .01$ ). The quadratic term for income squared was the next variable to enter ( $\beta = -.438$ ,  $P < .01$ ); and wife's full-time employment was the last variable to enter the regression ( $\beta = -.099$ ,  $P < .05$ ). Together the variables accounted for a modest 17% of the explained variation in consumption satisfaction. The other seven varisbles were not statistically significant and were not entered into the equation.

The test procedure of SPSS (Norusis, 1982) was used to determine the change in the amount of explained variance if wife's full-time employment was eliminated from the regression equstion. The omission of wife's full-time employment changed the amount of explained variance in consumption satisfaction by about 1%.

The third regression included all of the variables regressed on consumption satisfaction in the first regression equation; however, the following interaction terms were also introduced:

Table 4.19

Variables Regressed on Consumption Satisfaction  
and Their Standardized Regression Coefficients

Variable	Regression Coefficient
	Beta
Comparison with past financial situation	-.234****
Gross income	.605***
Event variable--lost job	-.143**
Event variable--farm or	-.130**
Quadratic equation, income	-.438**
Wife's full-time employment	-.099*
Adjusted R <sup>2</sup>	.17484

\*P&lt;.05

\*\*P&lt;.01

\*\*\*P&lt;.001

\*\*\*\*P&lt;.0001

1. Interaction term for husband's education and income (EDBYINC)
2. Interaction term for comparison of current financial situation with that of one year ago and income (COMPINC).
3. Interaction term for full-time wife's employment and income (INCXFULL).
4. Interaction term for part-time wife's employment and income (INCPART).
5. Interaction term for comparison of current financial situation with that of one year ago and wife's full-time employment.
6. Interaction term for comparison of current financial situation with that of one year ago and wife's full-time employment (COMPPART).
7. Interaction term for sex of the respondent and wife's full-time employment (SEXFULL).
8. Interaction term for sex of the respondent and wife's part-time employment (SEXPART).

The financial comparison of the respondent's current financial situation with last year's was once again the first variable to enter the equation ( $\beta = -.208$ ,  $P < .0001$ ), as shown in Table 4.20. Income was the second variable to be regressed on the dependent variable ( $\beta = .614$ ,  $P < .001$ ). The two event variables, lost a job and farm or business lost money, were next in contributing to the amount of explained variance in consumption satisfaction ( $\beta = -.143$ ,  $P < .001$  and  $\beta = -.127$ ,  $P < .05$ , respectively). The quadratic term, income squared, was the next variable to enter the equation

Table 4.20

Variables Regressed on Consumption Satisfaction and  
Their Standardized Regression Coefficients with  
Interaction Terms Added

---

Variable	Regression Coefficient
	Beta
Comparison with past financial situation	-.208****
Gross income	.614***
Event variable--lost job	-.142**
Event variable--farm or business lost money	-.127*
Quadratic equation, income squared	-.447**
Interaction term for wife's full-time employment & income	-.108*
Adjusted R <sup>2</sup>	.17639

---

\*P&lt;.05

\*\*P&lt;.01

\*\*\*P&lt;.001

\*\*\*\*P&lt;.0001

( $\beta = -.448$ ,  $P < .01$ ); and, finally, the interaction term for wife's full-time employment and comparison of last year's financial situation to this year's ( $\beta = -.108$ ,  $P < .05$ ). All of the variables entering the equation were able to explain a modest 18% of the variance in consumption satisfaction.

#### Summary

The analyses in this chapter lends qualified support to the proposed hypothesis that once consumption level, consumption standard and sex of the respondent are held constant, respondents who are members of households with wives in the paid labor force will be less satisfied with their consumption level. Having a wife in the paid labor force full time, compared to having a wife at home full time, does have a significant negative impact in this sample on consumption satisfaction, although the impact was barely significant and its beta weight was small in comparison to income. Comparison of past financial situation with the current financial situation was significant as was the interaction term, which took into consideration a possible interaction between wife's employment and financial comparison. Apparently wife's employment does



not appear to have a statistically significant direct effect on consumption satisfaction, over and above its impact on income, for this particular sample. Certain events negatively affecting consumption level also appeared to impact on consumption satisfaction as did the quadratic term, income squared. Approximately 18% of the variance in consumption satisfaction was explained by the variables entered into the final regression equation.

## CHAPTER V

### Conclusions and Implications

This chapter will address the conclusions and implications resulting from the findings reported in Chapter IV. The main objective of this work was to examine the consumption satisfaction of respondents in one-earner and two-earner families. Consumption satisfaction was hypothesized to be a function of the difference between the standard of consumption and the level of consumption. Three models were employed to test this framework. Model 1 included wife's employment as well as income (called full income) as variables affecting consumption level. Model 2 did not include wife's employment; income alone was included as one of the variables affecting consumption level (see Figures 4.2 and 4.3). A third model was also tested which included a set of plausible interaction terms.

#### Comparison to Previous Research

Reported consumption satisfaction ratings in this study were similar to that of previous works. Katona (1964) reported that two-thirds of the respondents in his study were satisfied with their standard of living (consumption level). In the present study approximately two-thirds of the respondents were also satisfied with

their consumption level. Approximately 46% of Katona's respondents felt their future standard of living would be better, compared to 56% in the present study who felt their financial situation would be better next year. Strumpel (1973), Hafstrom and Dunsing (1973), Yaar (1976), and Ackerman and Paoloucci (1983) all reported a positive correlation between income and consumption satisfaction, as was reported in this study. This work tends to support the findings of Strober and Weinberg (1977) and Weinberg and Winer (1983); income is highly significant; wife's full-time employment just barely so and contributes about 1% to the total explained variance in consumption satisfaction. Wife's part-time employment doesn't seem to have any effect.

Davis and Helmick (1985) acknowledged a positive correlation between perceived change in financial conditions and a negative correlation between the desire for financial improvement and financial satisfaction. Hafstrom and Dunsing (1973) also found support for a positive correlation between financial satisfaction now compared to five years ago and satisfaction with consumption level. Yaar (1976) found perceived financial change to have a positive impact on

consumption satisfaction. Evidence in this study also lends support to the inclusion of reference point variables in explaining variation in consumption satisfaction. In the final regression model, the comparison of past financial conditions and the interaction term of comparison of past financial conditions and wife's full-time employment were both statistically significant. Apparently, how one feels their current financial situation compares with last year's is important in explaining consumption satisfaction. Those who feel they have made financial progress are more satisfied with their consumption level; those who feel their financial situation has worsened are less satisfied. In addition, it would seem that wife's full-time employment and comparison of last year's financial situation with this year's together affect consumption satisfaction. Perhaps wives who are employed full-time increase their family's income, and such an increase in income has been perceived as improving their financial situation. It would be interesting to know how many wives entered the labor force during the year of financial comparison.

The lack of conclusive support for the effect of wife's employment on consumption satisfaction is somewhat puzzling, since intuitively it seems logical that respondents in a family where it takes two-earners to earn the same income as a one-earner family would be less satisfied with their consumption level. There may be several plausible explanations for this result. Perhaps respondents in a two-earner family recognize the foregone household production and the foregone leisure, but such costs of wife's employment may not affect consumption satisfaction, but this recognition manifests itself not in consumption satisfaction but rather in other components of overall life satisfaction such as satisfaction with family, marriage and leisure. It should be noted that the rurality of the sample may also have influenced the findings. For example, respondents in a largely rural setting may not experience an adverse affect on consumption satisfaction from wife's employment, because they do not experience a loss in leisure time since they may not admit they have any leisure, whereas an urban sample might. In addition, consumption satisfaction may depend on occupation as well as income. People who enjoy their

work and make the same income as people who do not enjoy their work may experience greater consumption satisfaction.

The amount of explained variance in the dependent variable by the independent variables was rather low which was really not surprising since most respondents were fairly satisfied with their consumption level. If there is not a lot of variability to be explained in the dependent variable, then it is difficult to explain the movement that is there. It may be that the respondents surveyed are a sample of people who are satisfied with their consumption level, or it may be that they are unlikely to report any dissatisfaction when asked.

#### Suggestions for Future Research

Due to the nature of the data set, it was not possible in this study to separate family income into husband's income and wife's income. Thus, the comparisons made here were between respondents in one-earner and two-earner families of equal incomes. A more valid comparison would be between one-earner and two-earner families where the husbands earned equal incomes. Such a comparison would allow the researcher to

determine whether the wife's additional income (after work-related expenditures) exceeds the other costs of her employment (e.g. foregone household production, foregone leisure) by enough to really raise the household's consumption level. Examining the changes in consumption satisfaction before and after a wife enters into the paid labor force would be a way of assessing the impact of wife's employment on consumption satisfaction, although such data may be difficult to obtain in the future since continuous labor force participation by women is becoming more and more prevalent.

The effect of wife's employment on consumption satisfaction may be indirect, with income acting as an intervening variable. Income was the independent variable that was second in its ability to explain the variance in consumption satisfaction ( $R^2=.04$ ), although the beta coefficient for income indicated that income is the most powerful predictor of consumption satisfaction ( $\beta=.614$ ,  $P<.001$ ). Perhaps it is size of the income, rather than the number of adults it takes to earn the income, that is more important in determining consumption satisfaction. In addition, it may very well be that people do not recognize the "full costs" of

employment; and any decrease in satisfaction resulting in wife's employment does not take place in satisfaction with consumption; but rather a decrease in satisfaction with family, marriage, and leisure may incur.

Incorporating a question which directly asks respondents how their current consumption compares with those in similar circumstances would also probably enhance the explanatory power of the variation in consumption satisfaction by providing a more direct measure of the gap between the standard of consumption and actual consumption. In addition, comparing consumption satisfaction by reason for wife's employment might also provide meaningful insight. Wives who work mainly because of the money may experience a different level of consumption satisfaction than wives who work mainly for psychic reasons.

The family composition variables, unlike the findings in Davis (1981), were not significant in explaining variation in consumption satisfaction. It may very well be that families with children feel an impact on the resources affecting their consumption level, but they have responded to that impact by adjusting their consumption standard. Here again, asking respondents how their consumption level compares



with those of similar composition may be a better way of assessing the impact of family composition on consumption satisfaction.

Two of the event variables, lost a job and farm or business lost money, were statistically significant in explaining variation in consumption satisfaction, although their contribution was small. At the time of the data collection, Kansas was in the midst of an economic crisis in the agricultural industry. Economic times were difficult, and have remained difficult, for many people living in rural areas. Since the sample was collected from nonmetropolitan counties, the farm crisis may have either directly or indirectly affected many of the respondents in the sample. The incidence of farm and business failures and lost jobs may have been more prevalent than in normal times; therefore, a possible bias may exist and caution should be exercised in concluding that these two events influence consumption satisfaction in the general population.

The fact that sex of the respondent did not appear to have a direct affect on consumption satisfaction is interesting. Men who were members of a two-earner household were expected to be

more satisfied with their consumption level than women who were members of a two-earner household, since evidence suggests that women must sacrifice relatively more of their leisure time when they enter the paid labor force. One possible explanation may be that women who work outside of the home do so because they are not necessarily substituting market work for leisure but because they are substituting paid market work for unpaid work at home (McConnell, 1975). In addition, even though economic necessity is often cited as the primary reason women work, it may very well be that labor force participation provides women with feelings of accomplishment and increased power. The psychic rewards gained from labor force participation may compensate for the payment of work related expenses and loss of leisure time, depending, of course, on the occupation which the woman enters.

The final regression equation explained only 18% of the variance in consumption satisfaction. The explained variance may be low because the measures of consumption level and consumption standard in the models may not accurately reflect the respondents' actual consumption level and consumption standard, or perhaps something is missing from the model. Future research may want to incorporate some of the suggestions explored in

this section in redesigning or rearranging the model.

#### Implications for Families

Evidence from the Bureau of Labor Statistics indicates that in 1980 the median income for one-earner families (husband as the chief breadwinner) was \$20,472 in comparison to a median income of \$27,745 for families where husband and wife are both earners (Hayghe, 1983). This does not necessarily mean that women earn \$7,300 since men's earnings may be considerably lower in two-earner households. As women continue to enter and remain in the paid labor force, families with only one earner may experience a decrease in consumption level in comparison to two-earner families, particularly if consumption standards continue to rise. Although one-earner families will have less money income, they will have more time for household production; so a priori the one-earner family's full income may not be less. Women who elect not to enter the paid labor force may experience feelings of inadequacy in comparison with their employed friends. Recognizing home production as valuable work would improve the status of all women.

As men begin to adjust to the increased presence and commitment of their wives to the paid labor force, the implications for changes in the family are tremendous. Husbands may begin to increase their workload as well and may also experience role overload if the working environment does not respond to the heavy demands placed on two-earner families. Families should benefit from increased involvement in parenting by fathers.

Demographers have provided evidence that women are indeed in the paid labor force in increasing numbers. Researchers, educators, and employers are responsible for providing the necessary mechanisms for helping families adjust to their changing environment. Researchers need to further explore whether women currently entering the paid labor force are doing so out of "economic necessity" or for other reasons. If the material goods families possess are important to their overall life satisfaction, what are the factors which influence satisfaction with consumption, other than income? The findings of this study provide evidence that income has an effect on consumption satisfaction. In addition, one's financial comparison with the past also has an impact on consumption satisfaction. Wife's

full-time employment had a negative impact on consumption satisfaction, although the impact was small and just barely significant. If one wishes to decrease the gap between the level of consumption and the standard of consumption, then an obvious way of accomplishing this is by increasing income. Sending a second earner into the labor force is one way of increasing income. But does sending the second earner into the labor force increase consumption satisfaction? In this study wife's full-time employment, compared to full-time homemaker status, had a slight negative impact on consumption satisfaction, but the effect was just barely significant. Even if this relationship does in fact hold true in the population, it should not be interpreted to mean that full-time employment of wives will have a negative impact on the family. Women who are in the paid labor force often gain from the psychological benefits of employment, and those feelings of increased self-esteem can have a very positive impact on their family. In addition, many women view employment as a method of increasing power and independence in marriage and enhancing the prospects for financial stability should the marriage end.

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THE EFFECT OF WIFE'S EMPLOYMENT ON CONSUMPTION  
SATISFACTION FOR RESIDENTS IN SEVEN NON-  
METROPOLITAN KANSAS COUNTIES

by

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AN ABSTRACT OF A MASTER'S THESIS

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Women have entered the paid labor force the last two decades in increasing numbers. This study attempted to determine whether wife's employment had an impact on consumption satisfaction, using a conceptual framework based on Strober's adaptation of Dusenberry's relative income hypothesis and Michalos' gap theory. It was hypothesized that once consumption level, consumption standard and sex of the respondent were held constant two-earner families would be less satisfied with their consumption level than one-earner families. Consumption satisfaction was the dependent variable and was defined as being a function of the difference between the level of consumption and the standard of consumption. Consumption level was measured by income, wife's employment status, the presence and ages of children and the occurrence of financial events affecting consumption level. Consumption standard was measured by the respondent's comparison of past financial conditions to current financial conditions, the respondent's expectations for future financial conditions, and educational level of the head. The majority (56%) of the respondents were satisfied with their consumption level. Analysis of variance and stepwise regression analysis were the statistical tools used in this study.

Of the variables regressed on consumption satisfaction, only six were found to be significant in explaining the variation in consumption satisfaction; and a total of 18% of the variation was explained by the six variables. Comparison of the past financial situation compared with the current one was the first variable to enter the regression equation ( $\beta = -.207$ ). Income was second to enter ( $\beta = .614$ ). The two event variables, losing a job and farm or business lost money, were the next two variables that contributed to the explained variance in consumption satisfaction ( $\beta = -.143$  and  $\beta = -.127$ , respectively). The quadratic term income squared ( $\beta = -.448$ ) and the interaction term for wife's full-time employment and past financial comparison ( $\beta = -.108$ ) were the final two variables to enter the regression equation.