How Do Cohabiting Couples with Children Spend Money?¹

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More and more couples are choosing to cohabit at least some time in their adult lives, and researchers and policy makers are looking more closely at the costs and benefits of cohabitation for couples and children. A recent study in the Journal of Marriage and Family investigated whether cohabiting couples were similar or different than other family types in the way they spend their money.

Using data from over 45,000 U.S. families who took part in the consumer expenditure survey, researchers from Michigan State University and University of Chicago found differences in financial behaviors between cohabiting parent families and other families. Compared to married couples, those who lived together spent less on health care and education and more on housing. This may be because cohabiting couples surveyed were younger, less educated, less likely to own their own homes, and had less earned income than married couples (DeLeire & Kalis, 2005).

In addition, cohabiting couples were more likely to spend more on alcohol and tobacco than any other family type. The researchers could not actually determine whether cohabiters drank and smoked more, or whether they just bought more expensive products. The researchers question why cohabiting parent families seem to spend more on these adult goods and less on child-related goods, such as education. Different expectations, values,

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¹ This document is FAR8030, one of a series of the Family Youth and Community Sciences Department, UF/IFAS Extension. Broadcast as program 188 and published February 2008. Revised May 2008. Reviewed January 2015. In the interest of time and/or clarity, the broadcast version of this script may have been modified. Visit the EDIS website at http://edis.ifas.ufl.edu.

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and lifestyle preferences may all contribute to spending motives that may be detrimental to child wellness, a concern in the growing discussion about cohabitation and families (DeLeire & Kalis, 2005).

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