

## **A Wife's Separate Financial Arrangement in Contemporary Japan**

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## **ABSTRACT**

We test the applicability of Treas's (1993) transaction cost economic framework of intra-marital financial arrangement to contexts outside the allocation of bank accounts among married couples in the U.S. Using the Japanese Panel Study of Consumer Life, 1993-1994, we apply logistic regressions among Japanese couples who have joint accounts to predict: a) the chance that the wife has a separate bank account from the joint account; and b) the chance that she has an allowance out of the family's monthly income pool. The results provide only partial support for the hypotheses based on Treas's transaction cost framework in two ways. First, while Treas argues that the potential discontinuity of a marriage has a major influence on a couple's separate financial arrangement, we find no evidence consistent with this argument. In addition, while some of Treas's hypotheses are well supported when predicting the chance that a Japanese wife has an allowance, the same hypotheses are not supported when predicting the chance that she has a separate bank account. Implications of the results for theory and policy are discussed.

Keywords: finances, marriage, Japan, wives.