

WOMEN AND THE DISTRIBUTION OF WEALTH

Feminist Economics



Edited by Carmen Diana Deere and Cheryl R. Doss

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 **Routledge**
Taylor & Francis Group
LONDON AND NEW YORK



First published 2007 by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

Simultaneously published in the USA and Canada
by Routledge
29 West 35th Street, New York, NY 10001

Routledge is an imprint of the Taylor & Francis Group, an informa business

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Typeset in Times by KnowledgeWorks Global Limited, Southampton, Hampshire, UK
Printed and bound in Great Britain by MPG Books Ltd, Bodmin, Cornwall.

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British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging in Publication Data

A catalogue record for this book has been requested

ISBN 10: 0-415-42002-4 (hbk)

ISBN 10: 0-415-42005-9 (pbk)

ISBN 13: 978-0-415-42002-0 (hbk)

ISBN 13: 978-0-415-42005-1 (pbk)

Women and the Distribution of Wealth

Gender is rarely taken into account in analyses of the distribution of wealth, and the evidence on women's ownership of wealth is surprisingly scarce. It is important to examine the distribution of wealth by gender because gender is one important dimension along which inequality exists. In addition, women and men may use their wealth and the income that it generates differently, and this may have consequences for household well-being and the larger society. Wealth also is related to power – both economic and political power – and asset ownership is related to increased empowerment and well-being.

This collection focuses on documenting the gender distribution of wealth and addressing how and why it matters within a variety of geographical contexts. Including historical, comparative, analytical, and policy-oriented work, the essays seek to:

- conceptualize how we think about and measure asset ownership
- analyze wealth as a measure of bargaining power within households
- examine different marital regimes and their implications for the dynamic of wealth accumulation
- take into account differences of race, ethnicity, and social class
- consider the role of the state in reducing inequalities in wealth and assets by gender and class

This book was previously published as a special issue of *Feminist Economics*.

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This book was previously published as a special issue of the journal, *Feminist Economics*, the official journal of the International Association for Feminist Economics (IAFFE). All contributions have been subjected to the journal's rigorous peer review process and comply with the journal's editorial policies, as overseen by the editor, Diana Strassmann, and the journal's editorial team, including the associate editors, the editorial board, numerous volunteer reviewers, and the journal's in-house editorial staff and freelance style editors. The special issue and book have been made possible by the very generous financial support of Rice University and the Ford Foundation, and by additional funding from the Edward J. and Dorothy Clarke Kempf Fund at Yale University.

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THE GENDER ASSET GAP: WHAT DO WE KNOW AND WHY DOES IT MATTER?

Carmen Diana Deere and Cheryl R. Doss

Is there a gender asset gap? Although extensive literature exists on women's incomes and the gender wage gap, relatively little work has been done on the gender wealth or asset gap.¹ This article examines the evidence available on the distribution of wealth by gender. In addition, it explores the factors that account for the gender asset gap, such as legal and institutional factors, and asks how the gendered distribution of assets affects household decisions and women's well-being.

While wealth and income are highly correlated and often confused in the popular imagination, it is important to analyze wealth for a number of reasons. Wealth, as income, may be a source of current consumption to the extent that assets can be converted to cash. Assets may also have current use value or provide services, such as those provided by home ownership. However, assets may also generate rent, provide a source of financial income, increase in value, and serve as collateral to secure credit. They serve as a buffer during emergencies and may be used as collateral,

pawned, or sold. They can be passed on to future generations. The accumulation of wealth generates status and social advantages for current and future generations; for instance, providing educational and occupational opportunities and political influence.

The accumulation of assets is important at all levels of the income and wealth distribution. For example, scholars recently have recognized that examining the asset-poor is a better way to understand poverty, both in the developed and developing countries. As Asena Caner and Edward N. Wolff (2004) demonstrate for the US, asset poverty is usually greater than income poverty. While examining differences in income provides a static snapshot of inequality, an analysis of the distribution of wealth and asset poverty better illustrates how economic inequality accumulates over the life courses of individuals and families.

Most analyses of the distribution of wealth have been at the household level. When gender is taken into account – which is still a relatively rare occurrence in the literature – it is usually in terms of the gender of the household head, an approach we find unsatisfactory. Feminist economists have demonstrated that household and individual welfare are not necessarily the same. Individuals living within the same household, including husbands and wives, may have very different control of “household” resources. Yet relatively little work has been done on the distribution of asset ownership within the household. A look at the legal structures and institutions that regulate the ownership of assets within marriage and inheritance provides some insight into how such regimes may affect women’s access to wealth. In addition, an examination of wealth ownership patterns within the household provides some insight into why it matters for women to own wealth.

THE DISTRIBUTION OF WEALTH BY GENDER: WHAT WE KNOW

The best historical data available on the distribution of wealth by gender is for the US and the UK. The earliest national estimate of the share of wealth owned by women in the US, based on census data that included a listing of assets for tax purposes, found that in 1860 women and children constituted 5.6 percent of the nation’s wealth-holders and owned 7.2 percent of the wealth (Lee Soltow 1975, cited in Carole Shammas 1994: 20). Shammas (1994: 21) argues that there was “more change in female wealth-holding between the 1860s and 1890s than had transpired in the previous 200 years of American history.” County- and state-level studies based on probate records indicate that women constituted approximately one-third of those whose estates were probated and held roughly 25 percent of the probate wealth around 1900 (Shammas 1994: 20).

Probate records provide the most accurate source for measuring the division of wealth by gender, but they must be used with caution because they exclude those who own no assets at all. Estate tax returns are even more skewed toward the wealthy since only those individuals whose estates meet a certain value threshold are required to file them. Nonetheless, estate tax returns for the first half of the twentieth century suggest that the distribution of wealth by gender in the US continued to become more equitable over this period. Women's participation as estate-holders increased from 24.7 percent to 32.9 percent, while their share of wealth grew from 24.5 percent in 1922 to 39 percent in 1953 (Shammas 1994: Table 2).

C. D. Harbury and D. M. W. N. Hitchens (1977: 124) found that women's share of total personal wealth increased substantially after the 1920s in both Britain and the US, reaching approximately 40 percent in the 1950s. This increase in women's wealth is attributed to the growing tendency of spouses to jointly purchase the family home, changes in estate laws that favored the division of wealth among spouses for tax purposes, and the growing gender gap in life expectancy. While life expectancy rose significantly for both men and women, it increased faster for women. In these countries, widows have frequently come to control the assets that were previously owned jointly or by their husbands during the marriage.

A 1969 analysis of the net worth of the super rich in the US (those with net assets over US\$60,000 at the time) based on federal estate tax returns found that among this 4 percent of the adult population, women constituted 43.2 percent and held 43 percent of the net assets (James D. Smith 1974: Table 3). However, the marital status of the super rich differed by gender. Whereas 88 percent of the men in this wealth group were married, only 52 percent of the women were; 32 percent of the women were widowed, compared to only 5 percent of the men (Smith 1974: 148). Smith (1974: 144) also reports differences in the composition of wealth, noting that women held a higher share of their assets in stocks and cash, whereas men held a greater share in real estate and life insurance.

More recent data for the US suggests that the largest gender wealth gap is found at the very top of the wealth distribution. According to a study by Merrill Lynch, in 2002 women represented 43 percent of Americans with more than US\$500,000 in assets (Hannah Shaw Grove and Russ Allan Price 2003). However, among the 400 Americans listed in the 2004 *Forbes* magazine annual ranking of the world's wealthiest people, there were only 51 women (constituting 12.8 percent), and they owned only 14.3 percent of this group's total wealth of US\$1 trillion ("More Billionaires Than Ever Make Forbes 400 List," *Gainesville Sun*, 25 September 2004). Similarly in Britain, according to *The Sunday Times* Rich List (2004), there were only 78 women among the wealthiest 1,000 individuals; therefore, women

represented an even lower share (7.1 percent) of top wealth-holders as compared to their counterparts in the US.

There is relatively more abundant literature on the changes in the composition of wealth in the course of economic development. In the US and Britain, this composition changed dramatically in the late-nineteenth and twentieth centuries; financial assets steadily increased in prevalence and land and other real estate decreased in importance (Lisa A. Keister 2000). This change is one of the main factors that facilitated the increase in women's inheritance of assets as well as their overall increase in wealth, a process spurred by the Married Women's Property Acts described in the next section (Carole Shammas, Marylynn Salmon, and Michel Dahlin 1987; Joan R. Gundersen 1998).

Much less is known about the distribution of wealth in developing countries. In many, land is still the most important component of wealth, particularly in rural areas. Not surprisingly, much of the data available on the distribution of assets by gender documents landholdings. Recent household surveys in Latin America indicated that women individually constituted 11 percent of the owners of farms larger than 50 hectares in Brazil, 12.7 percent of all farm owners in Peru, 15.5 percent of farm owners in Nicaragua, 22.4 percent of those with land rights in the Mexican *ejido* sector, and 27 percent of farm owners in Paraguay (Carmen Diana Deere and Magdalena León 2003: Table 2). Joint ownership of land was most frequent in Peru, where 12.8 percent of the farms were owned jointly by husband and wife; infrequent in Nicaragua and Paraguay; and not taken into account in the other surveys. In all countries included in these surveys, the farms owned by women are smaller than those owned by men, thus women's share of land assets is even lower than their participation rate as property owners (Deere and León 2003: Table 5).

In Kenya, women account for only 5 percent of registered landholders nationally (Celestine Nyamu-Musembi 2002, cited in Human Rights Watch 2003: 10). Based on an analysis of the 1991–2 Ghana Living Standards Survey, Cheryl R. Doss (forthcoming) found that women owned land in only 10 percent of Ghanaian households, while men owned land in 23 percent. The mean value of land holdings was also much higher for men; the ratio of the mean value of men's landholdings to women's was 2.95. Women were more likely to own business assets than men; women in 31 percent of households own such assets, compared to men in 13 percent. Among those who own business assets, however, men again fared better. The mean value of men's business assets was 8.19 times greater than women's.

In a very different setting in West Africa, Emily Breza (2005) examined data on Hausa households in Northern Nigeria. Women in these households live in seclusion, according to Islamic tradition. Data was collected on consumer durables, livestock, and land, both at the time of the

survey and retrospectively at the time of marriage. Women own higher-value consumer durables than men. Breza found no statistically significant difference in the value of livestock owned; however, land – the most valuable asset – is owned almost exclusively by men. The mean level of wealth for men at the time of the survey was 14,663 naira while it was only 876 for women. At the time of marriage, the mean level of wealth for men was 10,276 and 1,354 for women. Thus, not only had men accumulated considerably more wealth than women at the time of marriage, but also women spent down their assets during marriage, while men increased theirs.

Agnes R. Quisumbing and John Maluccio (2003: Table 1) analyzed data on four countries – Bangladesh, Indonesia, Ethiopia, and South Africa – where surveys used recall methods to collect information on the assets brought to the marriage. They found that in their samples, Bangladeshi wives brought an average of 2,544 taka worth of assets to the marriage, compared to the 32,199 husbands brought. In Sumatra, Indonesia women brought 0.25 hectares of paddy land on average to marriage, compared to 0.18 for men; however, women only brought 0.42 hectares of forestry land, compared to 0.90 for men. In Ethiopia, wives brought 459 birr worth of land and livestock assets to the marriage, while husbands brought 2,511 worth of these assets.² Thus, in all of these cases, husbands brought greater wealth to marriage than wives. In many cases, the difference was substantial, and these inequalities tended to persist over the life cycle.

Similarly, in another study of six developing countries, Agnes R. Quisumbing and Kelly Hallman (2003) found that while husband-wife gaps in age and education are closing (measured at year of marriage), the distribution of assets at marriage continues to favor husbands. In the Philippines, Ethiopia, and South Africa, the husband-wife asset difference at time of marriage has not changed over time and continues to favor husbands. In Bangladesh, Mexico, and urban Guatemala, the husband-wife asset difference is increasing, despite the fact that the value of total assets women bring to marriage in the latter two countries is also increasing. The authors suggested that while the reduction of husband-wife gaps in schooling and age may improve the balance of power within the family, the persistent differences in assets in favor of husbands may have important effects on family well-being.

Rania Antonopoulos and Maria S. Floro's (2005) study of low-income, urban households in Bangkok, Thailand, also demonstrated the importance of asset ownership among the poor and the variation of the composition of assets according to gender. Their 2002 survey of married couples showed that the mean value of men's real assets (46,713 baht) exceeded the mean value of women's assets (43,473 baht). Women were more likely to own jewelry (41 percent), an important means of wealth

accumulation in Asia, followed by transport vehicles (27 percent) and business assets. Men were more likely to own transport vehicles (42 percent), followed by jewelry (18 percent). Household appliances, which were reported in 97 percent of the 134 households surveyed, were almost always owned jointly by the couple and were of lesser average value (20,256 baht) than individually owned assets. A higher proportion of women (66 percent) than men (54 percent) owned individual financial assets, but the mean value reported was similar. Overall, women keep more of their individual assets in real forms compared to men.

Why don't we know more?

Our analysis of the available data regarding the gendering of wealth accumulation focuses most heavily on the geographical areas of our expertise: the Americas, Africa, and, to a lesser extent, Western Europe. However, evidence of women's ownership of wealth is surprisingly scarce for these regions. As seen above, there are a number of micro-level studies that provide some information about the distribution of a particular type of asset in a particular location, but there is little evidence overall on the gender gap in wealth at a national level, even for developed countries with good sources of national-level data.

There are a number of reasons for this. First, there is considerably less information on wealth than on income. Researchers typically believe that data on income are easier to collect and more reliable than data on wealth. People may not know the actual value of many assets. While they may have a sense of the market value of their house, for example, they are less likely to know the value of their pensions. In areas with thin markets for land or housing, such as rural areas in poor countries, it is hard to know what the monetary value of these assets would be. In addition, people may be reluctant to disclose the value of their assets. Studies are more likely to ask about wealth when taxes are based on wealth rather than income; however, shifts to income taxation mean that fewer countries collect data on wealth.

Second, researchers collect most of the data on wealth at the household rather than the individual level. Thus, it is relatively easy to analyze wealth data by any grouping that exists at the level of the household: household-level income, race, ethnicity, region, or urban/rural. It is also possible to look at variations in wealth by comparing characteristics of the household head: age, education, occupation, and even gender. In two-adult households, however, the designation of the head is often arbitrary. Self-reporting is more likely to reflect social norms regarding who *should* be considered the head. Such analyses do not tell us much about the distribution of wealth by gender overall since data on the intrahousehold distribution of assets is rarely collected.

If we use household-level data and compare wealth in male- and female-headed households, we confound the issue in another way. Women frequently live in male-headed households, but usually, by definition, men do not live in female-headed households.³ Thus, using the gender of the head as a base for analysis of wealth distribution confounds marital status and gender. To avoid this problem, households headed by a couple may be treated differently than households headed by individuals. Several of the studies in this volume use different household types for comparison. For example, to understand the dynamic of wealth accumulation in the US, Alexis Yamokoski and Lisa A. Keister compare married couples to single men and single women. They then disaggregate according to whether the singles have ever been married and whether the singles or couples have ever had a child. Similarly, Lucie Schmidt and Purvi Sevak compare married households with single households in the US and control for the presence of dependent children.

When comparing across household types, it is challenging to compare households with one adult to those with multiple adults. For example, Standley Sedo and Sherrie Kossoudji (2004) compare the wealth held in housing across different household types in the US. One would expect that, on average, married couples have more housing wealth than single individuals, if for no other reason than the fact that two-person households are being compared to one-person households. Yet simply obtaining a measure of per capita (adult) housing wealth also is not satisfactory since there may be economies of scale in housing. Owning a US\$200,000 house with a spouse may be different than owning a US\$100,000 house alone.

The one form of wealth data often collected at the individual level and therefore not subject to the complications and inadequacies of household-level data collection is pension information. Thus, more work has been done on the gender gap in pensions than the gender gap in wealth more broadly. Pensions accrue to and are held by individuals, even when spouses may have some rights to collect them.

Third, even if the data collection methods improve considerably, there are conceptual issues not only in sorting out who owns property within married couples, but also in determining how to compare across household types. Marital property regimes define the legal ownership of assets brought to and acquired during the marriage, and since these regimes differ radically, both across countries and within countries with a federal system (such as the US and Mexico), one would have to know the legal context well to design an appropriate questionnaire for survey research. Furthermore, an individual's perceptions of ownership within marriage and social norms may not conform to legal norms. Rather than disentangling complex legal issues to determine who owns different assets within the household, economists tend to make the simplifying assumption that all assets are jointly owned.

A fourth potential pitfall in comparative work is the timing and composition of wealth transfers, which may differ substantially cross-culturally. While in some places the majority of transfers take place at the time of marriage, in others bequests are more important. Many studies focus on only one component of wealth, whether land in the developing countries or pension or non-pension assets in the developed. As noted above in the cases of Thailand and Nigeria, however, sources of wealth accumulation may be gender differentiated. It is a challenge to collect data that includes all transfers, regardless of the timing or composition.

Fifth, the concept of ownership itself may be complex, especially in developing countries. In many instances, different individuals may have different rights over the same animal or piece of land. For example, some countries adopt a pattern in which women own crops but not the land on which those crops are grown (Leslie Gray and Michael Kevane 1999).⁴ In this common scenario, women have use rights to land but do not formally own it and cannot allocate or alienate it. Use rights and ownership, however, do not adequately define the various rights to land. Often the use of land comes with encumbrances, such as rules about how the income from that land can be used (Michael Kevane and Leslie Gray 1999). Researchers often define the owner as the person who can sell the asset, but this may not be the only or even the most important dimension of ownership (Ruth S. Meinzen-Dick et al. 1997; Dianne Rocheleau and David Edmunds 1997). As societies move toward formal titling of land that includes only one dimension of ownership, there is concern, especially in Africa, that women may lose the limited rights they have (Susana Lastarria-Cornhiel 1997).

Estimates of the gender gap in the articles in this volume

Four of the articles in this volume use household survey data to investigate national-level differences by gender in total and/or specific components of wealth. Gender differences in pension and total wealth are examined in the articles on the UK and New Zealand. Tracey Warren, drawing on the 1996 Family Resources Survey for the UK, finds that the gender distribution of pension wealth is much more skewed than for total wealth, with women owning only 29 percent of pension wealth but 44 percent of total wealth (Table 1). This partly reflects the fact that a much smaller share of women (66 percent) has access to pensions, compared to 100 percent of men. There is also a significant difference in the mean value of pensions, both among those owning pensions and for the sample as a whole. Overall, there is a significant gender gap in total wealth in the UK, and it favors men. The analysis by John Gibson, Trinh Le, and Grant Scobie, based on the 2001 New Zealand Household Survey, demonstrates that the mean net wealth of households of married couples is substantially greater than that of single

THE GENDER ASSET GAP

Table 1 The distribution of wealth by gender and marital status

	Median	Mean	Total wealth
<i>United Kingdom: Family Resources Survey (1996)</i>			
Total wealth (UK£)			
Women (52%)	19,153	34,480	598,641,760 (43.6%)
Men (48%)	26,898	48,126	775,357,986 (56.4%)
N = 33,473		41,048	1,373,999,746 (100.0%)
Pension wealth (UK£)			
Women (52%)	1,877	8,936	155,539,659 (29%)
Men (48%)	10,930	23,677	380,418,359 (71%)
N = 33,473		16,012	535,958,018 (100%)
<i>New Zealand: Household Saving Survey (2001)</i>			
Total wealth (NZ\$)			
Married couples (56%)	172,900	322,300	961,098,600 (80.6%)
Single women (27%)	13,100	99,000	146,025,000 (12.2%)
Single men (17%)	7,770	93,900	86,106,300 (7.2%)
N = 5,374		222,037	1,193,229,900 (100.0%)
		Women's share: 52.5%	
		Men's share: 47.5%	
Pension wealth (NZ\$)			
Married couples (56%)	—	22,278	67,035,360 (82.2%)
Single women (27%)		5,794	8,407,500 (10.3%)
Single men (17%)		6,682	6,107,220 (7.5%)
N = 5,374		Women's share: 51.4%	81,550,080 (100.0%)
		Men's share: 48.6%	

(continued)

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Table 1 (Continued)

	Median	Mean	Total wealth
<i>United States: Non-pension wealth only</i>			
PSID (2001) (US\$)			
Married couples (53%)	136,101	262,929	737,252,916 (72%)
Single women (29%)	29,500	112,547	172,647,089 (17%)
Single men (18%)	29,000	119,861	114,107,672 (11%)
N = 5,291		193,538	1,024,007,686 (100%)
		Women's share: 53%	
		Men's share: 47%	
<i>NLSY (2000) (US\$)</i>			
Married couples (66%)	97,000	205,000	634,680,000 (85%)
Single women (17%)	11,000	68,000	54,230,000 (7%)
Single men (17%)	14,000	73,000	58,217,500 (8%)
N = 4,691		159,268	747,127,500 (100%)
		Women's share: 49.75%	
		Men's share: 50.25%	

Note: In these calculations, the assets of married couples are divided equally between the husband and wife.
Sources: Warren; Gibson, Le, and Scobie; Schmidt and Sevak; and Yomakoski and Keister—articles are all in this volume.