

# Unequal but Just? Experimental evidence on (gendered) distributive justice principles in parental financial gifts

Daria Tisch<sup>1</sup> Tamara Gutfleisch<sup>2</sup>

<sup>1</sup>Max Planck Institute for the Studies of Societies, Cologne

<sup>2</sup>Mannheim Centre for European Social Research

ASI-Jahrestagung und DGS-Sektion Methoden der empirischen Sozialforschung

September 21, 2023

# Empirical Background

## Intergenerational financial gifts

= wealth transfers during the parents' lifetime (inter vivos)

## Prior findings

- 75 percent of US parents allocate financial transfers unequally among their children (Light and McGarry 2004)
- Europe & Korea: Sons receive gifts more frequently and value of gifts is higher (Leopold 2011; Wong 2013; Deindl and Isengard 2011)
- US daughters receive financial gifts at higher rates (Loxton 2019)
- Gendered effect of marriage and divorce on gifts in US (Loxton 2019; McGarry 2016)

# Why do we study gendered justice principles in financial gifts?

- One explanation for (gender) inequalities in financial transfers is that inequalities are not regarded as unjust
- To understand how inequalities in financial gifts emerge, it is important to identify the conditions under which these inequalities are considered fair

## Research Question

Which justice principles guide individuals' perceptions of a fair allocation of parental financial transfers?

Are these principles equally applied to daughters and sons?

# Distributive justice principles

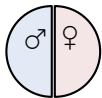
## Equity principle (Deutsch 1975)

Allocating resources proportional to inputs  
⇒ Strategic exchange, reciprocity



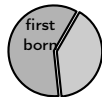
## Equality principle (Deutsch 1975)

Allocating resources equally (neglecting inputs)  
⇒ Warm glow of giving, fostering harmony



## Entitlement principle (Hülle, Liebig, and May 2017)

Allocating according to birth order / gender  
⇒ (Traditional) family norms



## Need principle (Deutsch 1975)

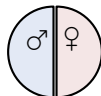
Allocating resources according to need  
⇒ Altruistic motive, norms of responsibility



# Hypotheses

## Equality Hypothesis

- Respondents allocate gifts equally between the daughter and the son irrespective of the children's characteristics.



## Need Hypotheses

- The child who is unemployed receives a higher share.
  - The effect of unemployment is stronger for daughters than for sons.
- Traditional gender ideology



# Hypotheses

## Equity Hypotheses

- The child who provides more help receives a higher share.
- The effect of providing help is stronger for sons than for daughters.

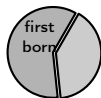
→ Traditional gender ideology



## Entitlement Hypotheses

- Son receives a higher share than daughter.
- First-born child receives a higher share.
- First-born son receives a higher share.

→ Traditional gender ideology



Ⓜ Hypotheses have been preregistered at OSF.

# Method

## Multifactorial Vignette Experiment

- Respondents are asked to allocate inter vivos between fictitious daughters and sons.
- By systematically varying attributes of the children it is possible to determine their influence on respondents' allocation.

## Advantages

- Scenarios can be presented that are difficult to observe in survey data due to their rare occurrence
- Randomization of experimental conditions enables to disentangle different justice principles
- Multidimensionality of attitudes are reflected

# Experimental Design

## Example vignette

Imagine a couple having a daughter and a son. Both children are healthy, have a great relationship with their parents. Both children are in their late twenties, have a university degree and live in their own households. The couple just received the payout of a life insurance and want to allocate 10,000 Euro between their children.

The son and the daughter are **twins**. The **daughter** has a monthly income of 2,000 Euro and the **son** has been unemployed for two month. The **daughter** helps in their parent's household a few times a week (e.g., cleaning, shopping, small repairs).

In your opinion, what would be a fair allocation of the 10,000 Euro between the daughter and the son?



# Experimental Design

- $3 \times 3 \times 3 = 27$  vignettes (“universe”)
- Building “decks”:  $\frac{27}{3} = 9$  decks,
- D-efficiency: levels uncorrelated and balanced within decks

Table 1: Dimensions, Levels, and Principles

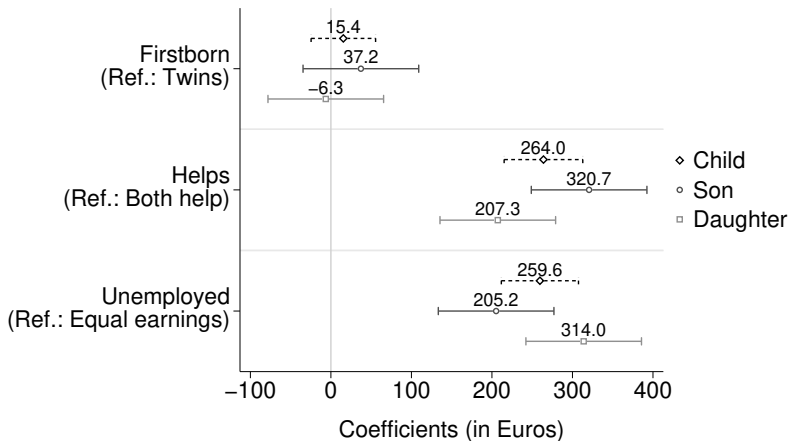
Dimensions	Levels	Principles
Help	Both help in parents' household Only son helps Only daughter helps	Equity
Unemployment	Both employed Son is unemployed Daughter is unemployed	Need
First born	Both same age Son is older Daughter is older	Entitlement

# Analyses & Data

- Data
  - SoSci Panel (Germany)
  - $N = 4,284$  observations of 714 respondents
- Dependent variable: Child's amount of inter vivos
- Predictor variables: Vig. characteristics (as dummies)
  - Gender
  - Firstborn
  - Help in household
  - Unemployment
- OLS regressions
  - Unit of analysis: vignette evaluation
  - Standard errors adjusted for clustering within respondents

# Results

Figure 1: Marginal Effects of Experimental Conditions on Fair Amount of Inter Vivos



Note: N = 4,284 observations of 714 respondents, 95% confidence

## Summary of Results

- Equality principle widespread  
(Equality hypothesis) ✓
- No evidence for entitlement principle  
First-born child receives a higher share ✗  
Son receives a higher share than daughter ✗
- Equity and Need principles equally important  
Unemployed child receives higher share ✓  
Help providing child receives higher share ✓
- Evidence for gendered principles:  
No gendered first-born entitlement principle ✗  
Gendered need principles ✓  
Gendered equity principles ✓

# Conclusion

- Norm of equality widespread but still inequalities in financial gifts are justified
- Explaining gender differences in financial gifts:
  - Daughters and sons may benefit differently from need and equity principle due to social structure
  - However: Need and equity inputs of daughters weigh differently than same inputs of sons
- Gendered fairness perceptions of unequal parental transfers one possible mechanism explaining observed gender inequalities in financial gifts

Contact:

tisch@mpifg.de

tamara.gutfleisch@uni-mannheim.de

# References

- Deindl, Christian and Bettina Isengard (2011). "Familiale Unterstützung und soziale Ungleichheit in Europa". In: *Reproduktion von Ungleichheit durch Arbeit und Familie*. ISBN: 9783531941172. DOI: 10.1007/978-3-531-94117-2.
- Deutsch, Morton (1975). "Equity, Equality, and Need: What Determines Which Value Will Be Used as the Basis of Distributive Justice?" In: *Journal of Social Issues* 31.3, pp. 137–149. DOI: 10.1111/j.1540-4560.1975.tb01000.x.
- Hülle, Sebastian, Stefan Liebig, and Meike Janina May (2017). "Measuring Attitudes Toward Distributive Justice: The Basic Social Justice Orientations Scale". In: *Social Indicators Research*, pp. 1–30. ISSN: 15730921. DOI: 10.1007/s11205-017-1580-x.
- Leopold, Thomas (2011). "Intergenerationale Vermögenstransfers und soziale Ungleichheit". In: *Reproduktion von Ungleichheit durch Arbeit und Familie*. Ed. by Peter A. Berger, Karsten Hank, and Angelika Tölke. VS Verlag für Sozialwissenschaften. ISBN: 9783531941172. DOI: 10.1007/978-3-531-94117-2.
- Light, By Audrey and Kathleen McGarry (2004). "Why Parents Play Favorites: Explanations for Unequal Bequests". In: *The American Economic Review* 94.5, pp. 1669–1681.
- Loxton, Abigail (2019). "Gender Differences in Inter Vivos Transfers". In: *CAEPR Working Papers 2019-002, SSRN Electronic Journal*. DOI: 10.2139/ssrn.3342730.
- McGarry, Kathleen (2016). "Dynamic aspects of family transfers". In: *Journal of Public Economics* 137, pp. 1–13. ISSN: 00472727. DOI: 10.1016/j.jpubeco.2016.03.008. URL: <http://dx.doi.org/10.1016/j.jpubeco.2016.03.008>.
- Wong, Edwin S. (2013). "Gender preference and transfers from parents to children: An inter-regional comparison". In: *International Review of Applied Economics* 27.1, pp. 61–80. ISSN: 02692171. DOI: 10.1080/02692171.2012.700702.

# Factorial Survey Experiment

Stellen Sie sich ein Ehepaar vor, das einen Sohn und eine Tochter hat. Beide Kinder sind gesund und haben eine gute Beziehung zu den Eltern. Beide Kinder sind Ende zwanzig, haben ein Studium abgeschlossen und führen jeweils ihren eigenen Haushalt.

Das Ehepaar hat gerade eine Lebensversicherung ausgezahlt bekommen und möchte ihren Kindern etwas schenken. Sie möchten 10.000 Euro zwischen ihren beiden Kindern aufteilen.

**Der Sohn und die Tochter sind Zwillinge. Beide Kinder verdienen 2.000 Euro netto im Monat. Beide Kinder helfen gelegentlich im Haushalt der Eltern (z. B. Putzen, Einkaufen oder kleinere Reparaturarbeiten).**

Was wäre Ihrer Meinung nach eine faire Aufteilung der 10.000 Euro auf die Kinder?

Sohn  Euro

Tochter  Euro

Verbleibend: 10000

# Regression table

Table 2: OLS Regressions

	b	se
Gender Entitlement:		
Daughter	65.853	(74.79)
Firstborn Entitlement:		
Focal child firstborn	37.237	(43.21)
Sibling firstborn	6.346	(43.49)
Focal child firstborn x Daughter	-43.583	(76.50)
Sibling firstborn x Daughter	-43.583	(76.50)
Equity:		
Only focal child helps	320.686***	(38.96)
Only sibling helps	-207.280***	(37.93)
Only focal child helps x Daughter	-113.406*	(58.64)
Only sibling helps x Daughter	-113.406*	(58.64)
Need:		
Only focal child unemployed	205.191***	(38.61)
Only sibling unemployed	-313.954***	(39.68)
Only focal child unemployed x Daughter	108.763*	(61.24)
Only sibling unemployed x Daughter	108.763*	(61.24)
Constant	4967.074***	(37.40)
N Observations	4284	
N Individuals	714	

Note: The interaction terms per experimental conditions are identical because respondents had to allocate 10,000 Euro between the son and the daughter, that is, the dependent variable is symmetrical around 5,000 Euro.

Reference categories: son, twins, both children help, both children employed.

\*p < 0.05, \*\*p < 0.01, \*\*\*p < 0.001 (one-sided tests).