

Dads and Daughters: Disentangling Altruism and Investment Motives For Spending on Children

Based on BFI Working Paper 2022-51, “Dads and Daughters: Disentangling Altruism and Investment Motives For Spending on Children,” by Rebecca Dizon-Ross, Chicago Booth; and Seema Jayachandran, Northwestern University

In contrast to mothers, fathers are less willing to pay for their daughters’ human capital than their sons’, and fathers are also less likely to purchase goods that simply bring joy to their daughters.

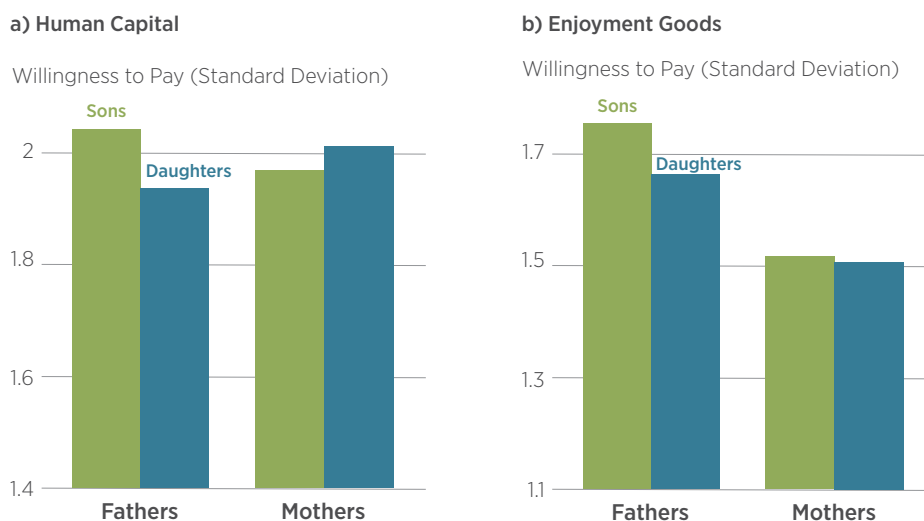
Gender equality begins at home. That is one possible take-away from this new research that asks whether fathers invest less in their daughters than their sons, and whether mothers are less discriminatory against their daughters. The answers matter not just for families and their children but also for policy. For example, as women gain more say in household decision-making, household spending on daughters may increase, producing more gender equality in the next generation. This

virtuous cycle could help to close gender gaps in schooling and health care that are pervasive in developing countries.

To investigate these questions, the authors adopt a new approach to measure parents’ spending preferences. In a study conducted in rural Uganda among 1,084 households, the authors elicit and compare mothers’ and fathers’ willingness to pay (WTP) for various goods for their sons and

Figure 1 • Gifts That Keep on Giving

For both human capital and enjoyment goods, fathers spend less on daughters while mothers do not



Note: Figures 1(a) and 1(b) present the coefficient estimates from the authors’ estimating equation using only human capital goods and only enjoyment goods, respectively. Please see working paper for more details.

daughters. This methodology improves upon existing approaches in the literature that focus on exogenous changes in women's and men's income; instead, the authors' approach offers higher statistical power and the ability to choose goods with attributes that enable them to test mechanisms. The authors' findings include:

- Fathers have a significantly lower WTP for their daughters' human capital than their sons' human capital.
- In contrast, mothers, if anything, have a higher WTP for their daughters' human capital than their sons'. As a result, willingness to spend on daughters is higher among mothers than fathers.

Why do these differences exist? Researchers have posited that returns to parental inputs may benefit parents in different ways. For example, women live longer and have lower income expectations than men; this could cause mothers to spend more on their daughters than fathers do if mothers believe, as most do, that daughters are more likely to help support their parents in old age.

To test these hypotheses, the authors examine whether there are similar mother-father/son-daughter WTP differences for goods that bring joy to the children but do not add to their human capital: toys and candy. Under an investment-based explanation, one would expect observable gaps for human capital goods, but not toys and candy. Conversely, the patterns being similar for both types of goods would support a preference-based explanation. The authors' evidence supports a preference-based explanation:

- Fathers have a lower WTP for goods that bring joy to their girls than to their boys, suggesting that they have less altruism or love for their daughters than their sons.
- Mothers, in contrast, have no lower WTP for goods that bring joy for their girls than for their boys.

The authors also collect data on which parent the respondents view as caring about the children more and find that the mother-father differences are driven entirely by households where both parents believe the mother loves the children more than the father does. Finally, although the authors find no evidence in the data for investment-based explanations, they cannot entirely rule out this explanation.

The authors stress that theirs is not the final word on these issues, as other questions persist. For example, do parents identify more closely with same-gender children, and does such identification explain WTP? If so, then parental resources matter. If mothers and fathers had equal financial resources, such favoritism would cancel out. However, because men control more resources than women do, daughters end up disadvantaged. Regardless of the question, though, this work shows the value of WTP elicitation as a research design.

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