

The Silent Treatment? Imperfect Correlation of Spousal Expectations and Communication Frictions*

Adeline Delavande[†]

Gizem Koşar[‡]

Basit Zafar[§]

Preliminary and Incomplete

Abstract

Collective models of household decision-making typically assume that partners share information perfectly and hold similar expectations. We conduct a survey of 2,200 middle-aged spouses to test the hypothesis of expectations alignment and to quantify the extent of information sharing. Our focus is on expectations about Social Security benefits. We first show that only a minority of couples have similar expectations about a given spouse's benefit; the correlation in expectations is 0.68, well below 1. We then provide causal evidence on sharing of information within couples by leveraging a randomized information provision combined with a sequential survey design within couples (where the second spouse is surveyed 1-2 weeks after the index spouse). The treatment leads the index spouses to revise their expectations substantially, and reduces the absolute perception gap between Social Security benefits expectations and the forecast provided as treatment by about 22 percentage point (39% of the baseline gap). We further explore whether this information spills over to the second spouse. Consistent with some information sharing, having a treated spouse leads to a secondary spouse having an absolute gap that is 10-12pp lower. That is, nearly half of the information spillovers to the second spouse. There is meaningful heterogeneity in information-sharing: for example, spillovers are larger when the first spouse finds the information credible, when they are the financial decision-maker, when they learn that own benefits are lower than anticipated, and when spouses agree on their marital satisfaction. Overall, our results are consistent with cooperative models of household decision-making with (information and cognitive) frictions.

Keywords: information, spillovers, household decisions, frictions, Social Security benefits, retirement

*The opinions expressed herein are those of the author and not necessarily those of the Federal Reserve Bank of New York or the Federal Reserve System. This research was performed pursuant to grant NB21-06 from the US Social Security Administration (SSA) funded as part of the Retirement and Disability Research Consortium. The opinions and conclusions expressed are solely those of the author(s) and do not represent the opinions or policy of SSA, any agency of the Federal Government, or NBER.

[†]Nova School of Business and Economics and University of Technology Sydney. E-mail address: adeline.delavande@uts.edu.au

[‡]Federal Reserve Bank of New York and CESifo. E-mail address: gizem.kosar@gmail.com

[§]University of Michigan and NBER. E-mail address: basitak@gmail.com