



Dr. Weilong Zhang
University Lecturer
University of Cambridge
Cambridge, CB2 9DD

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To CERF Board Members:

This is the report on progress for the project "Risk Preferences and Portfolio Choice: An Intra-household Perspective", which I am pursuing during my CERF Fellowship.

Project Update:

The title of the project has been changed as "**The Gender Gap in Household Bargaining Power: A Portfolio-Choice Approach**" to reflect its updated materials.

Abstract:

When members of the same household have different risk preferences, whose preference matters more for investment decisions and why? We propose an intrahousehold model that aggregates individual preferences at the household level. This allows us to back out the distribution and determinants of bargaining power from household portfolio choice. We structurally estimate the model, analyze the determinants of bargaining power, and find a significant gender gap in bargaining power. While the gap is partially explained by gender differences in individual characteristics such as income and employment, it is also due to gender effects. These patterns hold broadly across Australia, Germany, and the US. We further link the distribution of bargaining power to perceived gender norms in the cross-section of households.

This paper is disseminated through IFS network, which is available at:

<https://ifs.org.uk/publications/15437>

What we have done since the last report:

1. We have applied the same model to two other countries, the US and Germany, to check the external validity across different countries.
2. We have presented this paper in various conferences (MFA, UC Irvine, Edinburgh and Paris December Meeting) and seminars to gather comments.

Plan for the next step:

1. We will continue to present this paper in conferences and seminars to improve the paper.
2. We will submit this paper to a world-leading journal to seek for a publication.

Yours ever,

Weilong Zhang