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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: **The Gender Gap in Household Bargaining Power: A Portfolio-Choice Approach.**

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 submitted the paper to several prestigious journals, including AER and the Journal of Financial Economics, and have received helpful feedback.
2. Based on referee feedback, we revised our identification argument to make it clearer and more convincing.
3. At the CERF Cavalcade event, we present the most recent version of this project.

Plan for the next step:

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

Yours ever,

Weilong Zhang