Should My Spouse Be My Partner? Preliminary Evidence From the Panel Study of Income Dynamics

W. Gibb Dyer, W. Justin Dyer, and Richard G. Gardner

Copreneurial businesses, where husbands and wives work together, comprise about one third of all family businesses. However, there has been relatively little research done on the impact of copreneurship on the business and the family. This study provides an important first step.

Using data from the Panel Study of Income Dynamics, the authors were able to identify 813 owner-managed businesses that did not partner with a spouse and 71 firms that did partner with a spouse. The researchers were able to track the net profits of these businesses over a 10 year period from 1996 – 2006.

The major findings of this study are as follows:

- Adding a spouse did not improve firm income, but did increase family income.
- The number of hours worked by the additional spouse did not improve firm income or family income
- The level of education of the additional spouse did not improve firm income or family income.
- Strategic choices, such as choice of industry, by the owner-manager had more of an impact on firm income than adding a spouse.

The authors noted several limitations to their study which make it difficult at this point in time to make firm recommendations to practitioners or family businesses. Most of the businesses studied were sole proprietors and small so more research needs to be done looking at different types and sizes of family businesses. Practitioners should consider partnering with researchers to further study the impact of copreneurs on both the firm and the family.