The Financial Well-Beings of US Parents By An Age Cohort Analysis of Their Children

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Introduction

- Quantitative studies show how the evaluation of financial well-being differs across age groups (Riitsalu & van Raaij, 2022), but these do not take into account when people have child(ren) they're financially responsible for.
- Most research zooms in on children, establishing links between family financial socialization and experiential learning with their increased chances of reaching financial well being. (Ammerman, D. A., & Stueve, C., 2019).
- Associations with low levels of financial well being and parents have been made mostly considering unique circumstances like medical disabilities or single parent households. (Parish, S. L., Rose, R. A., & Swaine, J. G., 2010)

Methods

Sample

- The 2017 National Financial Well-Being Survey (n=6, 934) represents the noninstitutionalized adult (age 18 and older) population in the 50 U.S. states and Washington, D.C.

Measures

- Of all the participants, only the data of people who financially supported children were considered.
- Age of children were grouped into <7, 7-12, 13-17, and 18+.
- CFPB Financial Well-Being Scale score is a number between 0 and 100. A higher score indicates a higher level of measured financial well-being.

Research Questions

- Among parents who are financially responsible for one or more child, how does the age of their child(ren) relate to their financial wellbeing?
- Does this relationship differ between parents with and without a history of divorce or separation?

Results

Bivariate

- ANOVA showed that **age group and financial well being were correlated**.
- Post-hoc comparisons revealed that **age group and FWB scores do not have significantly different means** except for the 1-4 and 2-4 groups. (See *Figure 1)*

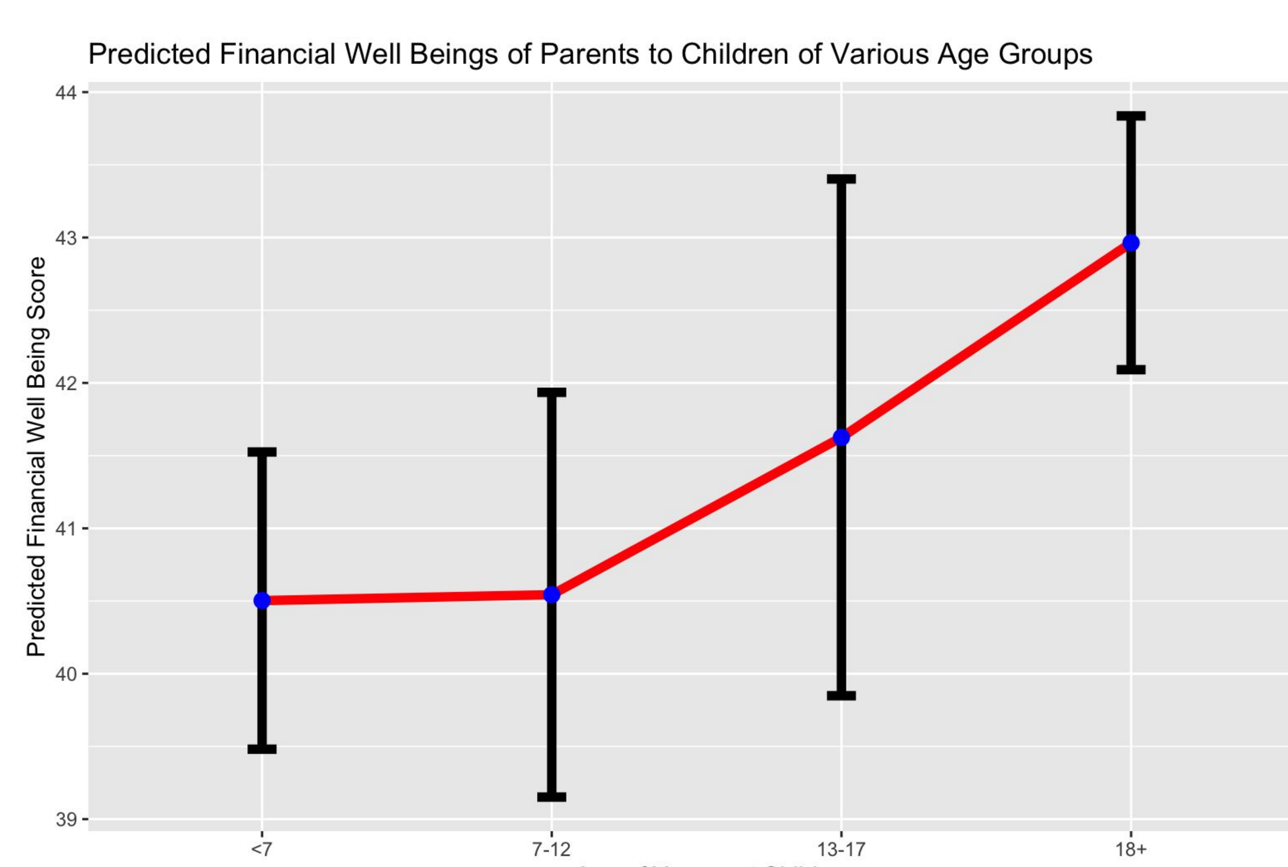

Figure 1. Linear regression of Financial Well Beings of US Parents by age groups of their children

Multivariate

- After controlling for age group, you can estimate that **divorced parents have an FWB score that is 7.0775 less than non-divorced/separated parents of children to these age groups**.
- This new variable **does not confound or moderate the relationship** between age groups and financial well being score, but **can be thought of as a covariate**.
- The interaction between FWBscore and AgeGroup was found to be significantly associated with a history of divorce/separation .
- At each level of age group, the financial wellbeing score of parents is significantly higher among those without a history of divorce than those with. *(See Figure 2)*

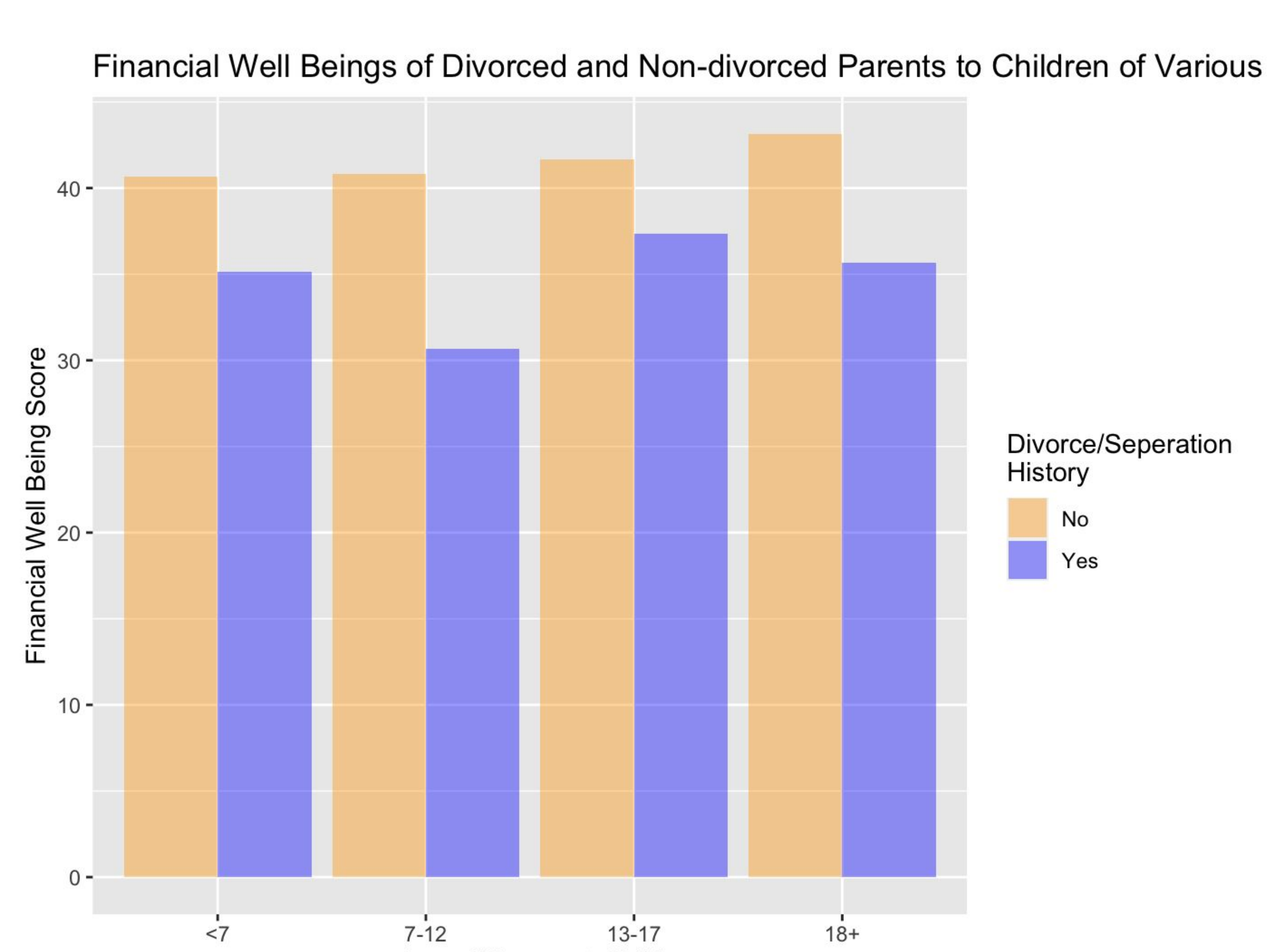

Figure 2: Financial Well Beings of US Parents by age groups of their children among divorced/separated and non divorced/separated

Discussion

- Parents with children in age group 18+ are more likely to have a higher FWB score than those with kids age <7 and 7-12.
- Parents who have divorced and/or separated are likely to have a lower financial well being score than those who have not.
- These findings may contribute to research regarding American families of lower income and/or minority groups and can support resource creation in common spaces like public schools and libraries to alleviate potential financial burdens.

Ammerman, D. A., & Stueve, C. (2019). Childhood Financial Socialization and Debt-Related Financial Well-Being Indicators in Adulthood. Journal of Financial Counseling and Planning, 30(2), 213-230. https://doi.org/10.1891/1052-3073.30.2.213

S. L., Rose, R. A., & Swaine, J. G. (2010). Financial well-being of US parents caring for coresident children and adults with developmental disabilities: An age cohort analysis. Journal of intellectual & developmental disability, 35(4), 235-243.

Riitsalu, L., & van Raaij, W. F. (2022). Current and future financial well-being in sixteen countries. Journal of International Marketing, 30(3), 35–56.