

Personal Financial Wellness of Married Individuals: 2007 and 2011

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Between December 2007 and June 2009 the United States experienced an economic recession (NBER, 2010). This crisis was characterized by bank failures, the burst of the housing bubble, tightened consumer credit, and the highest unemployment rates since the early 1980s (BLS, 2012). These conditions have contributed to researchers' interests in investigating families' abilities to cope with economic challenges (e.g. Baek & DeVaney, 2010; Brines & Serafini, 2010). To the extent that families are able to withstand economic challenges, they are said to have "financial wellness." Joo (1998) hypothesized financial wellness to be a function of one's personal characteristics, objective attributes, perceived attributes, and attributes of the financial domain, and stressful events affect financial wellness. To develop an understanding of the predictors of financial wellness before and after the recent recession, we investigated the following questions:

- 1) What were the correlates of personal financial wellness for married individuals in 2007 and in 2011?
- 2) What was the level of personal financial wellness of married individuals in 2007 and 2011?

The data used for this research were collected from a telephone survey of adult residents in a Southeastern state between June 11th and August 10th, 2007 (2007 Sample) and July 26th and August 29th, 2011 (2011 Sample). A CATI instrument assessed respondent's perceptions on various relationship and financial management behaviors and well-being indicators. For this study the 2007 sample was N=515 and N=489 for the 2011 sample who provided mostly complete information on the survey. The dependent variable was the Personal Financial Wellness Scale (PFW) score (Prawitz et al, 2006), an eight-item scale that assesses both objective and subjective wellness. Independent variables included age, sex, income, education, race, marital status (first marriage for both, first marriage for one/remarriage for one, or remarriage for both spouses), years married, total children, young child(ren) present, familial status (no children, nuclear, step, or blended family), and an index of financial management behaviors. Ordinary least squares regression models were estimated for both the 2007 and 2011 samples to address the first research question. Bivariate t-tests were used to examine the second research question, testing both the composite PFW score and all individual scale items from the two samples.

Preliminary results indicated that income was the only consistent predictor of financial wellness in the two samples. However, bivariate tests identified statistically significance differences between 2007 and 2011 on the composite personal financial wellness score and each of the eight individual scale items. Further investigation into financial wellness before and after the recession will shed light on how researchers and practitioners might identify financially distressed couples and minimize reductions in financial wellness through education or other interventions.

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