

Financial Correlates in Young Adults' Choice to Marry, Cohabit, or Live Apart

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Two markers of the transition to adulthood, financial self-sufficiency and the formation of a committed, romantic relationship (historically defined as marriage), are important goals for many young adults (Arnett, 2004). Yet, young adults are marrying later and taking longer to become financially self-sufficient (U. S. Census Bureau, 2015). To understand how young adults balance two these important milestones of young adulthood, it is crucial to consider two distinct dimensions of a relationship: (a) the interpersonal (e.g., love, warmth, affection), and (b) the management (e.g., social norms, structural barriers, legal status). Whereas the extant literature has focused on the interpersonal dimension of relationships and finances (Addo, 2014) the present study focuses on relationship management to examine how finances influence young adults' choice in relationship structure.

Data for the present study are drawn from the third wave of a longitudinal study of a college student cohort. After receiving IRB approval, email invitations to take an online survey were sent to the participants. A total of 1,010 (55% response rate) completed the wave 3 survey. After selecting those participants who indicated that they were in a committed romantic relationship, the sample of young adults for this study (N=549).

We estimated multinomial logistic regression models to identify the correlates associated with married versus cohabitation and married versus living apart among young adults in committed romantic relationships. The results showed that young adults from low and middle income families were less likely to live apart compared to young adults from higher income families ($b = -.78$, Wald $\chi^2(1) = 5.57$, $p = 0.018$ and $b = -.76$, Wald $\chi^2(1) = 4.58$, $p = 0.032$, respectively); had shorter planning horizons ($b = -.37$, Wald $\chi^2(1) = 7.32$, $p = 0.007$); had lower levels of financial self-efficacy ($b = -.70$, Wald $\chi^2(1) = 12.27$, $p = 0.000$) but higher levels of perceived behavior control ($b = .67$, Wald $\chi^2(1) = 24.85$, $p = 0.000$). Self-actualizing values were higher among young adults who live apart ($b = .40$, Wald $\chi^2(1) = 3.78$, $p = 0.052$).

In the second step, individual parameter estimates for the cohabit category were compared to the married reference category. The results showed that young adults from middle income families were less likely to cohabit compared to young adults from higher SES families ($b = -.89$, Wald $\chi^2(1) = 5.56$, $p = 0.018$); had higher levels of perceived behavior control ($b = .48$, Wald $\chi^2(1) = 12.57$, $p = 0.000$). Self-actualizing values were higher among young adults who cohabit ($b = .42$, Wald $\chi^2(1) = 3.77$, $p = 0.052$).

In the context of increasing financial instability among many young adults and social acceptance of cohabitation, we expected that financially self-sufficient young adults faced fewer barriers and would be more likely to marry. On the basis of our overall findings, however, it would seem that financial self-sufficiency may have the opposite effect.

References

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