

## Do Depressive Symptoms Mediate Perceived Financial Security and Bequests Expectation? A Structural Equation Modeling Approach

Shinae Choi, University of Alabama<sup>1</sup>  
Melissa J. Wilmarth, University of Alabama<sup>2</sup>

There is an emerging discussion, supported by a rich and growing body of empirical evidence, regarding the effects of financial security on mental health. Financial strain is significantly associated with mental health, particularly depression (Asebedo & Wilmarth, 2017). How an individual or a household responds to financial hardships and changes in financial security vary, but psychological responses often lead to heightened distress leading to long-term mental health consequences (Price, Choi, & Vinokur, 2002). The degree of perceived financial security may have an impact on individual's mental health. The association between depression and bequests expectation, however, is less straightforward. In particular, as researchers tend to focus on current financial strain and depressive symptoms, little is known about the relationship between bequests expectation and depressive symptoms. No research focused on how the association between perceived financial security and bequests expectation may vary depending on the one's depressive symptoms.

This study investigated the association of perceived financial security and depressive symptoms on bequests expectation and whether depressive symptoms mediates the association between perceived financial security and bequests expectation. We analyzed 6,348 middle-aged and older adults from the 2014 wave of the Health and Retirement Study (HRS) using structural equation modeling (SEM) to examine a mediation model.

SEM analysis revealed a significant positive direct effect of perceived financial security on bequests expectation. Significant negative direct effects were observed for perceived financial security on depressive symptoms and depressive symptoms on bequests expectation. Depressive symptoms were also observed to partially mediate the relationship of perceived financial security on bequests expectation.

While financial security is the influential predictor for bequests expectation, our results highlight that previous research have missed important component of mental health in investigating bequests expectation. Future research, practice, and policy need to incorporate both financial and mental health perspectives to effectively help individuals and families handle their current financial situation and estate planning.

### References

- Asebedo, S. D., & Wilmarth, M. J. (2017). Does how we feel about financial strain matter for mental health? *Journal of Financial Therapy*, 8(1), 62-80.
- Price, R. H., Choi, J. N., & Vinokur, A. D. (2002). Links in the chain of adversity following job loss: How financial strain and loss of personal control lead to depression, impaired functioning, and poor health. *Journal of Occupational Health Psychology*, 7, 302-312.

<sup>1</sup> Assistant Professor, Department of Consumer Sciences, 304 Adams Hall, University of Alabama, Tuscaloosa, AL, 35487, USA. Phone: 205-348-9173. Email: schoi@ches.ua.edu.

<sup>2</sup> Assistant Professor, Department of Consumer Sciences, 316A Adams Hall, University of Alabama, Tuscaloosa, AL, 35487, USA. Phone: 205-348-7954. Email: mwilmarth@ches.ua.edu.