

## Financial Strain, Non-Marital Relationship Satisfaction, and Psychological Well-Being of Emerging Adults: Evidence from a National Study

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The purpose of this study is to examine how financial strain and level of satisfaction in non-marital and marital relationships are associated with satisfaction and well-being of emerging adults. Emerging adulthood is a period of exploring self-identity and different possible future life directions in the domains of love, work, and worldview (Arnett, 2000). Not only becoming financially independent (Arnett, 1997), but involvement in a romantic relationship (Furman & Collibee, 2014) becomes an essential developmental task for emerging adults, and that establishing healthy intimate relationships is a key milestone for young adults (Eryilmaz & Dogan, 2013). Thus, it is important to consider both financial and romantic relationship contexts when examining emerging adults' different dimensions of well-being. Research has shown that financial strain has adverse effects on emotional and physical health, and relationship satisfaction and stability (Falconier & Jackson, 2020). Literature also suggests associations between financial worry, financial stress, financial, subjective, and psychological well-being among emerging adults (Andrews & Wilding, 2004; Archuleta et al., 2013). Moreover, romantic relationship status and quality are important predictors of emerging adults' well-being and happiness (Beckmeyer & Cromwell, 2018).

Psychological well-being has been associated with financial well-being (Iannello et al., 2020) and romantic relationship (Gómez-López et al., 2019) of emerging adults. Totenhagen et al. (2019) found an association between subjective financial knowledge and relationship satisfaction. Yet, limited research is available on the association between non-marital romantic relationships and psychological well-being of emerging adults. Thus, this study contributes to the literature by examining the association between financial strain and psychological well-being of emerging adults when mediated by romantic relationship satisfaction. Hypotheses for this study are as follow: [1] Financial worry will be negatively associated with emotional, relational, and life satisfaction of emerging adults, [2] Satisfaction with both cohabiting and romantic non-marital relationships will be associated with emotional, relational, and life satisfaction of emerging adults, and [3] Dissatisfaction with current non-marital relationship will mediate the association between financial worry and psychological well-being of emerging adults.

We used the 2017 wave of the Panel Study of Income Dynamics (PSID) and its accompanying Transition to Adulthood (TA) supplement. PSID is a nationally representative dataset of U.S. households. This study examines the data from young adults, ages 18-28, from the TA supplement. Dependent variables include emotional well-being, relationship satisfaction, and life satisfaction. These are all measured on scales, with higher score indicating greater perceived well-being and satisfaction. Independent variables include relationship types, financial worry, financial responsibility, and perceived capabilities (money management and problem-solving ability). Control variables include gender, race/ethnicity, income, education, amounts of credit card debt, student loan debt, and other loans. To estimate the association between the key variables of interest and the dependent variables, we used ordered logit models.

Findings indicate that relationship status of emerging adults are associated with their perception of emotional well-being, relationship satisfaction, and overall life satisfaction. When compared with being single and not being in any relationship, marital, cohabiting, and being in a romantic relationship increased the likelihood of emerging adults' well-being and satisfaction. Additionally, perceived capabilities (financial and problem solving) were positively associated with well-being and satisfaction, while financial worry and financial responsibility were negatively associated with life satisfaction. Also, credit card debt was negatively associated with relationship satisfaction. These findings provide some

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policy implications. First, greater access to mental health counseling, community programs for emerging adults might be helpful in improving well-being and life satisfaction of single emerging adults who are not in a relationship. Second, the findings have implications for societies emerging from the COVID-19 pandemic, when many emerging adults had lesser opportunities for social interactions due to lock downs, virtual work environments, social distancing, and other restrictions. Third, developing financial capabilities at an early state might be helpful in improving the perception of well-being and life satisfaction among young adults as they emerge into adulthood. The future paper will further examine the effect of gender on the association between financial worry, relationship satisfaction, and psychological well-being of emerging adults, as the literature shows a stronger association between relationship quality/satisfaction and psychological well-being and overall life outcome among emerging adult women than men (Whitton & Kuryluk, 2012; Whitton et al., 2014).

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