

Putting Research to Work for Families



Focus:
Civilian

Young Adults' Life Outcomes and Well-Being: Perceived Financial Socialization from Parents, the Romantic Partner, and Young Adults' Own Financial Behaviors

Curran, M. A., Parrott, E., Ahn, S. Y., Serido, J., & Shim, S. (2018). Young adults' life outcomes and well-being: Perceived financial socialization from parents, the romantic partner, and young adults' own financial behaviors. *Journal of Family and Economic Issues*, 39(3), 445-456. doi:10.1007/s10834-018-9572-9

SUMMARY: Young adults' well-being may be influenced by financial attitudes of their parents, romantic partners, and their own behavior. This study examined how the patterns of young adults' financial behaviors and perceived financial socialization from parents and romantic partners predict young adults' well-being and other life outcomes. The findings indicate that some sources of financial socialization are better predictors of young adults' well-being than others.

KEY FINDINGS:

- Financial socialization of the romantic partner was associated with young adults' well-being and life satisfaction, as well as relationship satisfaction and commitment.
- Financial behavior of young adults was most strongly associated with their own well-being and financial knowledge, than their parents' or romantic partners' financial socialization.
- Parental financial socialization was the least effective predictor of young adults' well-being and life satisfaction.

IMPLICATIONS FOR YOUTH DEVELOPMENT PROFESSIONALS:

- Help develop modules or activities to inform young couples of best practices in financial behaviors (e.g., how to take financial decisions together)
- Attend trainings to improve their own financial literacy in order to provide better support to young adults

IMPLICATIONS FOR PROGRAM LEADERS:

- Provide couples workshops for young adults and their partners to emphasize healthy communication around finances (e.g., early financial discussions)
- Encourage collaboration among universities and community-based organizations to guide young adults about best practices in financial management (e.g., regular budgeting)

IMPLICATIONS FOR POLICY MAKERS:

- Continue to provide support for programs that work to increase youth's readiness for the transition to adulthood (e.g., financial independence)
- Recommend professional education on financial socialization in parenting and youth development for professionals who work with children, youth, and their families

Putting Research to Work for Families



METHODS

- Data were drawn from a longitudinal study on financial attitudes and behaviors of college students in the United States. Data were collected through online surveys at three time periods between 2008 and 2013
- Participants' self-report measures assessed physical health, overall well-being, life satisfaction, subjective financial knowledge, objective financial knowledge, relationship satisfaction, relationship commitment, financial socialization from parents, financial socialization from romantic partners, and own financial behavior.
- Data analyses examined how financial socialization from parents, romantic partners and young adults' own financial behavior were linked to several life outcomes. Additional analysis compared the impact of socialization agents (parental, romantic partner, or own personal experiences) on young adults' life outcomes.

PARTICIPANTS

- The sample consisted of 504 young adults who reported being in a committed relationship. No data were provided on participants' race/ethnicity, gender, or age.
- About 18% of the participants were married and 81.5% had never been married. Of those participants who had never been married, 38.5% were living with a significant other.
- The socioeconomic status of parents indicated that 44% were low-income, 30% were from medium income, and 26% were from high income.

LIMITATIONS

- The gender and racial demographics of the final sample has not been reported in the study, which limits the generalizability of the findings.
- Participants chose to participate in the online survey about their financial attitudes and behaviors, and may differ from young adults who chose not to participate in ways that may affect the results and were not examined in the study.
- Only one partner's report of relationship satisfaction and romantic partner' financial socialization could introduce unintended bias among the results.

AVENUES FOR FUTURE RESEARCH

- Collect data from young adults and their romantic partners across more time points to obtain more accurate patterns of financial socialization
- Recruit young adults with a broader range of ethnicities and genders so that the results can be better generalized
- Assess physical health through a doctor's records rather than a self-report item, providing a different perspective of the participants' health

ASSESSING RESEARCH THAT WORKS



For more information about the Assessing Research that Works rating scale visit:
<https://reachfamilies.umn.edu/content/assessing-research-that-works>