

# Putting Research to Work for Families



Focus:  
Civilian

## Pathways from Financial Knowledge to Relationship Satisfaction: The Roles of Financial Behavior, Perceived Shared Financial Values with the Romantic Partner, and Debt

Totenhagen, C. J., Wilmarth, M. J., Serido, J., Curran, M. A., & Shim, S. (2019). Pathways from financial knowledge to relationship satisfaction: The roles of financial behaviors, perceived shared financial values with the romantic partner, and debt. *Journal of Family and Economic Issues*, 40(3), 423-437. doi:10.1007/s10834-019-09611-9

**SUMMARY:** Among young adults, attitude towards finance may be associated with relationship satisfaction with romantic partners. This study examined how subjective and objective financial knowledge relates to relationship satisfaction, and the role of finance-related rewards (e.g., lower loans) among cohabitating or married young adults. The findings indicate that individuals' subjective financial knowledge is associated with their relationship satisfaction.

### KEY FINDINGS:

- Subjective financial knowledge (e.g., self assessment of one's understanding of topics like money management) was related to financial behaviors and relationship satisfaction, but objective financial knowledge (e.g., being aware of correct information on topics like money management) was not related to financial behavior or relationship satisfaction.
- Subjective financial knowledge was associated with shared financial values with romantic partner, and subsequently, relationship satisfaction.
- The associations between financial knowledge, financial behavior and relationship satisfaction did not sustain over time.
- Both subjective and objective financial knowledge were not associated with debt incurred by the young adults.

### IMPLICATIONS FOR YOUTH DEVELOPMENT PROFESSIONALS:

- Collaborate with organizations that serve financially stressed couples to improve couples' confidence about their financial knowledge and perceptions of shared financial values
- Develop educational resources to assist groups with specialized needs (e.g., married individuals) to better manage their debt

### IMPLICATIONS FOR PROGRAM LEADERS:

- Host classes for couples that aim to improve communication around financial issues
- Offer educational programming on promoting positive financial behaviors, such as, tracking monthly expenses and investing in long-term financial goals

### 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 partnerships among financial education programs and community-based programs to help youth and their families engage in more positive financial behaviors

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## METHODS

- Data were drawn from the Arizona Pathways to Life Success for University Students (APLUS) study, a longitudinal study which examined factors that shape individuals' trajectory towards adulthood from first year of college. For the present study, data were taken from 2010 to 2016.
- The total sample in this study was 172 participants, which consisted of individuals in a cohabitating or married relationship from 2013 to 2016.
- An analysis of the data was done to determine how financial knowledge was linked with relationship satisfaction and other factors (e.g., positive financial behavior) that may be impacting that relationship.

## PARTICIPANTS

- The sample was 64.20% female and 72.84% of the participants were White.
- About 80 % of the participants held full-time employment and 72 % did not have any children.
- For year 2016, about 14% had an annual income less than \$25,000, about 17% had annual income between \$25,000 and \$40,000, about 23% had annual income between \$40,000 and \$60,000, about 27% had annual income between \$60,000 and \$75,000 and about 19% had annual income more than \$75,000.

## LIMITATIONS

- Since the participants consisted only of college-going students, the conclusions drawn from this study may not be appropriate for young adults who did not attend college.
- The data were dependent on one partner's self-reporting of shared financial values and relationship satisfaction assessments; only one partner's report for both variables could introduce bias among the results.
- The significant findings were cross-sectional, which does not allow for interpretations of causal relationships between financial knowledge and relationship satisfaction.

## AVENUES FOR FUTURE RESEARCH

- Collect data from both partners to obtain more accurate patterns of shared financial attitudes
- Include more questions to assess subjective financial knowledge
- Explore how financial knowledge and relationship satisfaction are related among more ethnically diverse sample, older adults, or same-gendered partners

## ASSESSING RESEARCH THAT WORKS

**Design**  
★ ★ ★  
**Excellent**  
Research Plan  
and Sample

**Methods**  
★ ★ ★  
**Excellent**  
Measurement  
and Analysis

**Limitations**  
★ ☆ ★  
**Several**

For more information about the Assessing Research that Works rating scale visit:  
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