

Putting Research to Work for Military Families



Focus:
Army

The Impact of Financial Resources on Soldiers' Well-Being

Bell, M. M., Nelson, J. S., Spann, S. M., Molloy, C. J., Britt, S. L., & Nelson Goff, B. S. (2014). The impact of financial resources on Soldiers' well-being. *Journal of Financial Counseling and Planning*, 25(1), 41-52. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2466556

SUMMARY: Service members experience unique financial stressors and buffers. The study examined the effect of financial resources on Soldiers' well-being by having 715 Soldiers self-report their subjective well-being, financial asset, perceived financial knowledge, and constraints on resources. Results indicated negative associations between Soldiers' financial stress and subjective well-being.

KEY FINDINGS:

- Higher credit card debt and lower perceived net worth were associated with lower well-being of Soldiers.
- Financial knowledge and the amount of emergency savings were positively associated with Soldiers' well-being.
- Soldiers with higher amounts of credit card debt (\$2,500 or more) and automobile debt (\$10,001-\$20,000) were more likely to experience low subjective well-being than Soldiers with a lower debt level.
- Age and military rank were unrelated to Soldiers' financial behaviors and subjective well-being.

IMPLICATIONS FOR PROGRAMS:

Programs could:

- Develop financial education classes and workshops for Service members and their spouses to increase their financial knowledge
- Provide financial education through a variety of delivery methods (e.g., in person, phone-based, online, group, hybrid)
- Offer financial counseling services for Service members who have a high amount of credit or automobile debt

IMPLICATIONS FOR POLICIES:

Policies could:

- Continue to support the development of financial education programs for Service members
- Encourage training for professionals who work with military families on methods to teach Service members financial management skills
- Support research and programs that promote financial well-being in military families

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METHODS

- The method of participant recruitment was not indicated; of over 1,000 Soldiers surveyed, 715 finished the study.
- Measures included Soldiers' subjective well-being (e.g., levels of anxiety), financial assets (e.g., self-assessed net worth), perceived financial knowledge (e.g., interest rates), and constraints on resources (e.g., credit card debt).
- Data were analyzed to examine the relationship between financial resources and Soldiers' well-being.

PARTICIPANTS

- Participants included 715 Soldiers at a Midwestern Army installation; over half (65%) of participants held the rank of E1-E4, 27% of participants held the rank of E5-E6, and only 8% of participants held the rank of E7 and up.
- The average age of participants was 26.14 years (SD = 5.74, age range = 19-46 years) and the majority (97%) of participants were male.
- The race/ethnicity of participants was not reported.

LIMITATIONS

- The sample was exclusively Soldiers; therefore, the results of the study may not apply to Service members of other military branches.
- Only self-report data were collected in the study; therefore, the data may not fully reflect participants' true financial status.
- Hundreds of surveyed Soldiers chose not to complete the survey or provided information that was invalid, so the sample was subject to self-selection bias (i.e., individuals select themselves into a study, causing nonprobability sampling).

AVENUES FOR FUTURE RESEARCH

Future research could:

- Replicate the study design with other military service branches to get a comprehensive view of all Service members' financial status and well-being
- Examine whether the association between financial resources and Soldiers' well-being is influenced by Soldiers' race/ethnicity background
- Investigate the potential effect of marriage status on Soldiers' financial well-being

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