THE INFLUENCE OF STRESS, INCOME STATUS, AND EXPENDITURES ON
FAMILIES IN ECONOMIC CRISIS

by

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Abstract

The purpose of this thesis was to examine how financial stressors influence family well-being. The specific thrust of this thesis was to examine if and how family well-being is influenced by financial stressors caused by the current economic crisis through an adaptation of Hills ABC-X Mosel (1949) known as the ABCE-WB Model.

The ABC-X Model was adapted first by White (2007) who substituted the X— crisis element with the WB- well-being item. I added a new element to this model known as E—family expenditures.

The data used in this thesis were gleaned from research conducted by Knowledge Networks on behalf of the National Center for Family and Marriage Research. The study was titled: *Familial Responses to Financial Instability, How the Family Responds to Economic Pressure: A Comparative Study, 2009*. In consisted of nationally representative a (multivariate) address the central hypotheses of this weighted a sample of 1,169 respondents. Analyses included simple correlations (bivariate) and hierarchical analyses investigation that explored what was the relation shop between the resources, perceptions, and expenditures a family had available to them in the current economic crisis and their well-being.

The results indicate that approximately 22.4% of the variance in well-being could be explained by the elements in the ABCE-WB Model. In addition, there were several important relationships that were revealed between the predictors and the outcome measures individually. Overall, the efficacy and utility of the ABCE-WB Model was upheld by the results. Based on these findings future use of the ABCE-WB Model holds promise.

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Acknowledgements

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Dedication

This thesis is dedicated to my loving parents (Mohammad & Lawahez) who taught me how to love knowledge and learn. Also, I would like to dedicate this study to my wife Ragad Hannon, and my children: Abdulrahman, Abdulraheem, Soundos, and Abdulkareem who have supported me in all my endeavors.

CHAPTER ONE

INTRODUCTION

Social scientists have repeatedly demonstrated that stress is a common and everyday occurrence. How much stress we experience, what are the sources of stress, and how we react to it are important issues for family scientists. We all need at least a minimum amount of stress in our lives to motivate us. Stress is not necessarily bad; it often leads to good outcomes. It can help us feel good about ourselves and aid us in overcoming obstacles, succeeding when the odds are against us, and solving problems that cause us difficulties. When everyday stress is accompanied by major social changes it can be overwhelming to the ordinary family system.

Stressful experiences both positive and negative can help people to develop new skills, insights, and ways of living viewing and ultimately living their life. However, the recent economic crisis has elevated the financial stress level and created undue hardship for a large portion of the population (Tedeschi & Calhoun, 2004). People with financial hardship often worry about being unable to make ends meet, repossession and foreclosure, and a have strong sense of sorrow about being unable to support their family (Davis & Mantler, 2004).

Financial stress, although an outcome of living in a capitalist economy, is an unpleasant feeling. The belief that one is unable to meet financial demands, afford the necessities of life, and have sufficient funds to make ends meet can also be very stressful. Added to this is the idea that financial stress is a subjective feeling — one which includes the emotions of dread, anxiety, and fear, but may also include anger and frustration (Shrieves, 2008). Financial stress can affect many social and psychological arenas of life

and generate costs to individuals and their families' (e.g., job loss, no prospects for economic growth, over your head in debt). Financial stress can lead to bad financial decision making, which can lead to increases in heavy debt loads and restart the cycle of fear, anxiety, and panic. Shrieves (2008) argued that the continued cycle can spill over to other areas of family life causing problems such as domestic violence and child abuse. Children too may become stressed when they have highly stressed parents (Shrieves, 2008).

The Problem

The period between December 2007 through June 2009 marks the longest recession the United States has experienced since World War II (National Bureau of Economic Research, 2010). Termed the Great Recession, this economic downturn has been characterized by bank failures, the collapse of the U.S. housing market, and a global tightening of credit. Consequently, the U.S. is experiencing unemployment rates not seen since the early 1980s (Bureau of Labor Statistics, 2010), record numbers of home foreclosures (Realty Trac, 2010), and drops in household income (ACS, 2010). This situation has created a national sense of economic uncertainty with potential deleterious consequences for American families (National Center for Family & Marriage Research, 2010). There is no doubt that this financial crisis has created a national level of stress.

Purpose of the Study

The purpose of this study is to examine relationships how the current financial crisis has generated financial stress among families and to explore how families have coped with these issues. In short, this study examines the role financial stress plays in how families are able to allocate their expenditures and how this allocation affects their

Well-Being. It also examines how the current economic crisis has made financial well-being an important element in the lives of American families.

Research Questions

This study has both theoretical and practical implications. To that end I have formulated two research questions that I believe help to explain an important aspect of the current economic crisis—the shift in Well-Being among families. The research questions are as follows:

1. How has the current financial crisis influenced family well-being?

2. What is the role of financial stress, family resources, family perception and family expenditures on the well-being of families?

The Theory

This investigation utilizes a modified version of the theory of ABC-X, known as ABC Well-Being first introduced by White (2007). The ABC-WB is a modification of Hills (1949) model of family crisis known as the ABC-X model. This model has been used throughout the family field with much success (Boss, 2002; White, 2007).

The original ABC-X model permits direct interaction between the elements, resources, and perceptions of stressors. This approach makes it easier to predict the expected outcome. White (2007) recognized this as she adapted this model. I think it might be best to first review the original ABC-X model and then discuss how it will be adapted in the project.

ABC-X Model

The ABC-X model was developed by Hill (1949). Some believe that the ABC-X model is still remains the best explanation for family stress. The variables in the ABC-X

model have been altered recently (Boss, 2002) to view the "A" element as " an occurrence that is of significant magnitude to provoke changes in the family system that potentially contributes to an increase in the family stress level " (Boss, 2002, p. 48). I argue that the current financial crisis generates enough pressure and affects the way in which the family is currently working and increased level of tension within a family.

The existing resources are noted by the letter "B". This refers to existing resources or assets available to individuals and to deal with stress caused by the "A" factor. For example, the ability to maintain one's employment during difficult times.

The third element deals with how a family sees an event and what meanings associated with them (individually and collectively). This is noted by the letter "C".

The final element for Hill (1949; 1958) was "X" or the outcome which he referred to as crisis. The basic assumption of the ABC-X model is the things must end in crisis.
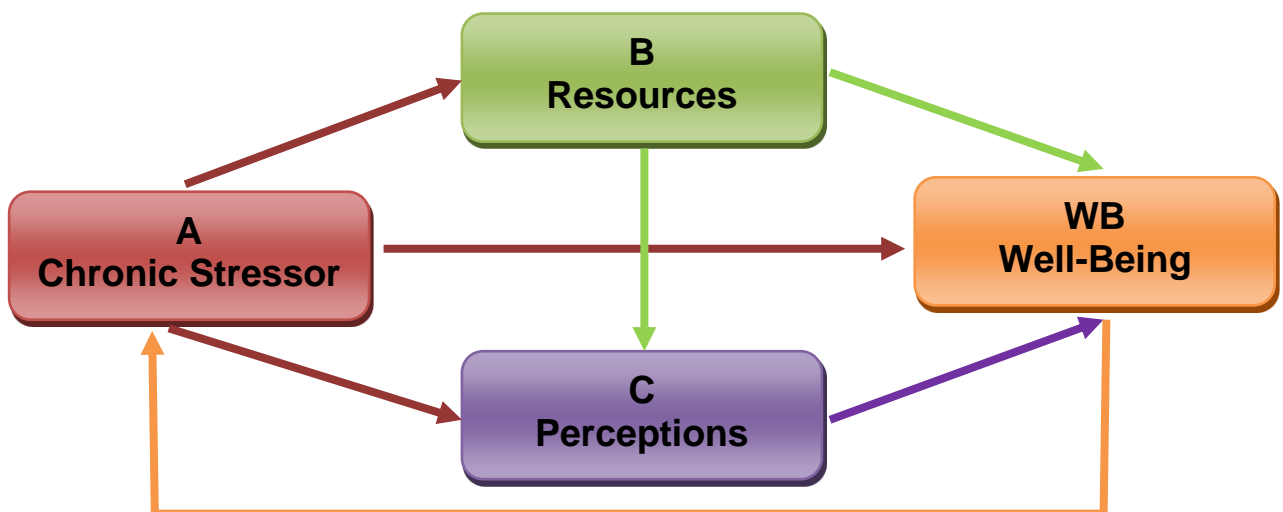
Figure 1.1 White's ABC-WB Model of Family Well-Being.

ABC-X focuses on the crisis. Yet, Boss (2002) admonishes us to recognize that tension and crisis is not the same, and should not be used in the same manner (Boss,

2002). Her main point was that stress is inevitable. It can ebb and flow, but it was how the family is addressed stress that made that difference. White (2007) too recognizes this when she developed the modification to the ABC-X model.

I like White's (2007) idea of examining something other than crisis as the final outcome. She developed the ABC-WB model where "WB" represents the Well-Being of an individual or family. White (2007) showed how not all stressful events end in crisis but that they can affect the Well-Being of a family (see Figure 1.1).
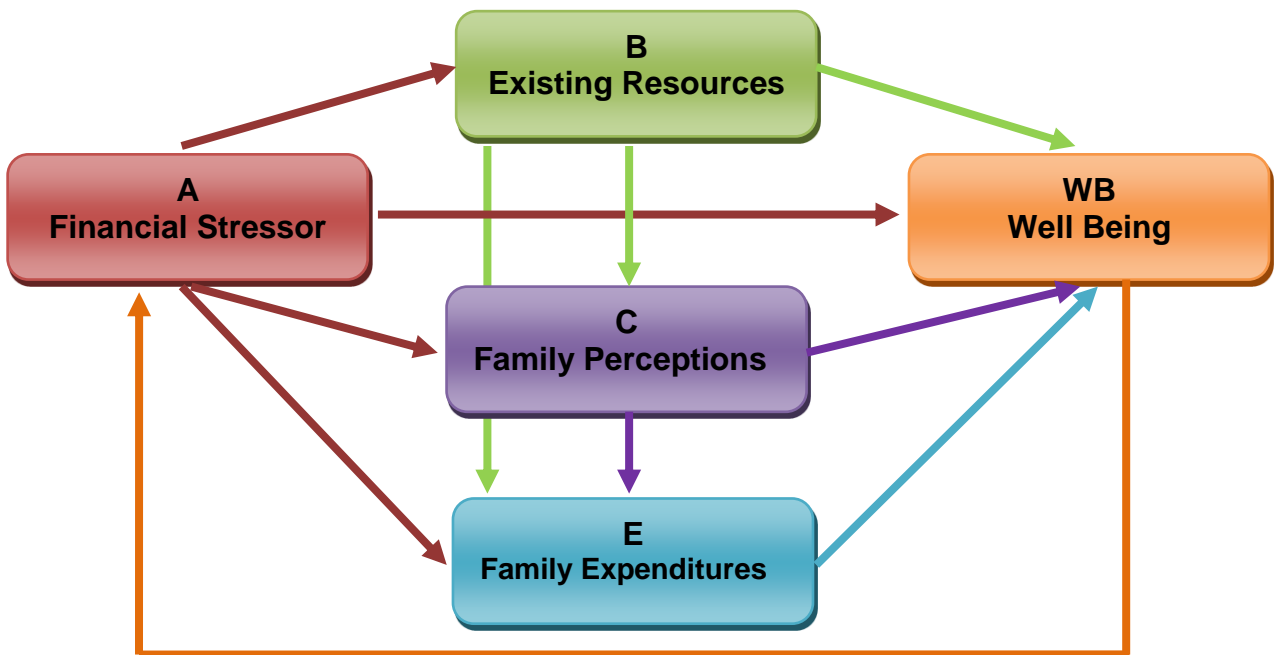
Figure 1.2 Basic ABCE-WB Model of Family Expenditures and Well-Being.

I believe that the current financial crisis already exhibits an "X" factor so it is necessary to examine this issue as it relates to the overall Well-Being. I am treating the financial crisis as a macro level event. It is not necessary to measure the crisis because it already exists—but its effect on the Well-Being of others is an outcome that can be viewed. While I agree with White (2007) and her model, but I also believe that the ABC-WB model could be improved for understanding the current financial crisis. The addition

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of another dimension such as a variable measuring family expenditures or "E" could be added to the current model generating what I call the ABCE-WB model. The representations of the ABCE-WB model of Family Expenditures and Well-Being can be found in Figures 1.2 and 1.3. The first figure offers a general overview of the model while the second figure presents a version of a measurement model where the variables are included as an aid to further understand the ABCE-WB model.

B
Existing Resources
- Borrow Money
- Education
- Health Insurance
  Available

A
Financial Stressor
- Worry
- Job Security
- Size of Family
- Employment Status

WB
Well Being

C
Family Perceptions
- Income adequacy
- How is your economic status?
- Do you expect to be better in the future?
- Income perception

E
Family Expenditures
-Leisure
-Children
-Family
-Household
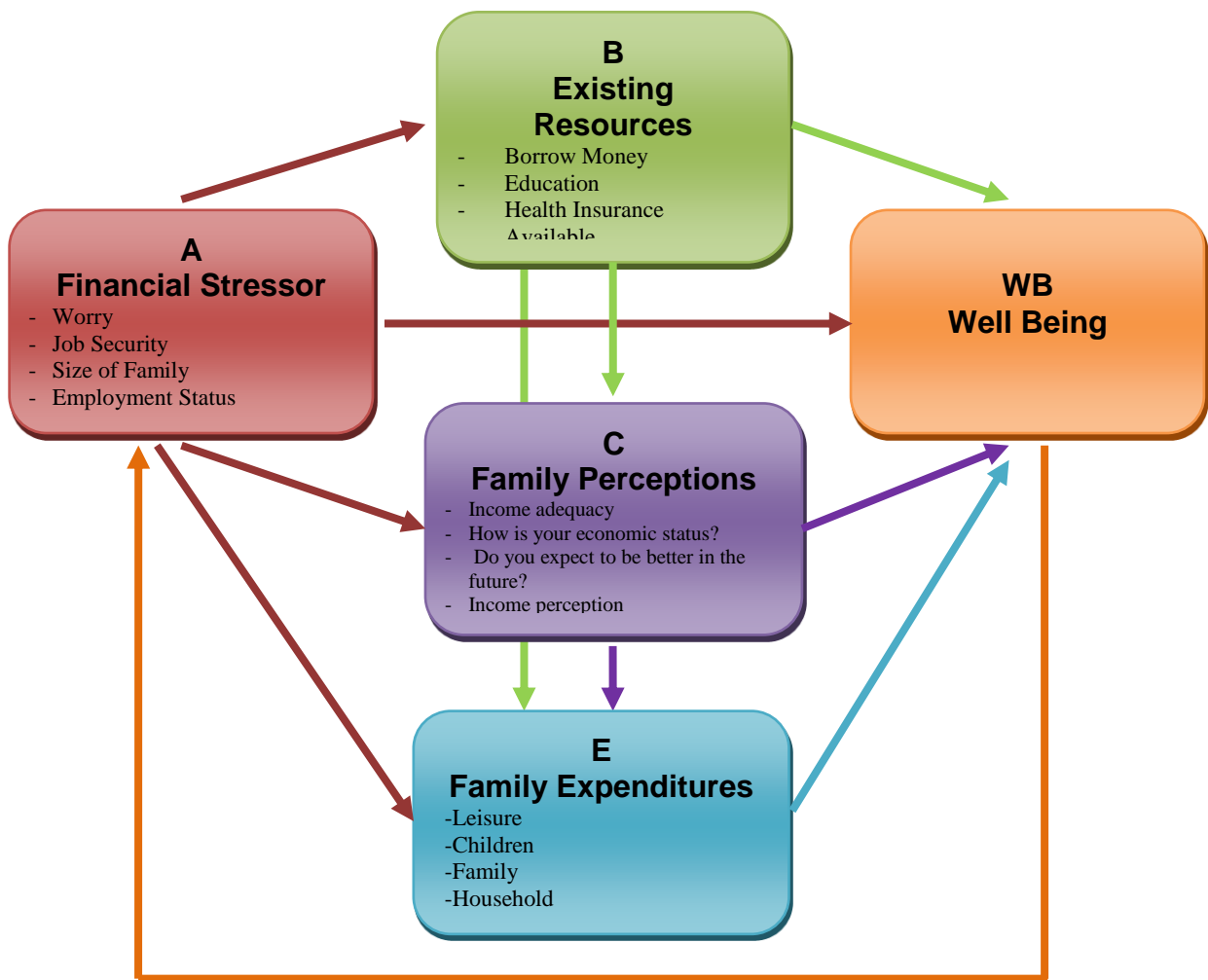
Figure 1.3 Enhanced ABCE-WB Model of Family Expenditures and Well-Being.

Research Hypotheses

In order to address the research questions, two hypotheses were developed. Each hypothesis examines an important aspect of the current research questions and is

supported from the literature and the theoretical framework that I have created for this study. They are as follows:

H₁: Family Well-Being will be positively affected by financial stress, resources statues, family perceptions and level of family expenditures.

H₂: The family perception of their economic status will be strongly related to their Well-Being when all other factors are controlled for in the model.

Variables of the Study

There are two types of measures that will be examined in this study, predictors and outcome, more commonly referred to as independent and dependent variables. The determination of the placement of variables into specific categories is based on both theoretical considerations and previous empirical findings. A more detailed exploration of variable selection is provided in Chapter Three of this document.

Conceptual Terms and Definitions

In order to examine the proposed research questions, the terms that will be used in this investigation have been clarified. To strengthen the examination of these model elements, the definitions and conceptual term used in this study are highlighted below. These concepts and definitions provide useful information about the elements contained in the conceptual model and offer greater clarity as to how these elements contribute to the outcome measures.

Conceptual Definitions

The framework and the variables used in the New ABCE-WB Model have been generated by both theory and previous research. There are five conceptual definitions relevant to this model. The first four concepts, (Financial stressors, Existing Resources,

Family Perceptions, and Family Expenditures) have been adapted from the symbolic

interaction framework and empirical research. These concepts are based on the family

stress's perceptions. The concepts that are relevant to the current investigation are listed

below. They are listed in the order of impact as evaluated by the New ABCE-WB Model.

Financial stressors (A)

A—Financial Stressor —is less money in the budget or income, which tend to cut health

care and to pay more for basic necessities like food that make frustration and a sense of

hopelessness as the debt piles up and increasing amounts of money are needed just to

pay the interest. This causes additional stress, which compounds with the stress from

poor coping and self-neglect, to become a menacing amount of stress. In this paper and

model Financial Stressor (A) represents: worry, job security, size of family and

employment status.

> *Worry*— More Americans are worried about not having enough money and not being able to pay medical costs for a serious illness or accident and about not being able to maintain their standard of living.

> *Job Security*—Assurance (or lack of it) that an employee has about the continuity of gainful employment for his or her work life. In other word, that prevents arbitrary termination, layoffs, and lockouts. It may also be affected by general economic conditions.

> *Size of Family*— The number of people living together in a house collectively as a family.

> *Employment Status*— That is whether they are employed or self-employed, and an employed capacity or as an independent contractor.

Existing Resources (B)

B— Existing Resources—All current resources that available as money (cash-sources),

education, and health Insurance. In this paper and model Existing Resources (B)

represents: borrowing money, education, health insurance available, and surviving without borrow money.

> *Borrow Money*— To obtain money on loan with the promise to returning it.
> *Education*— the act or process of imparting or acquiring general knowledge and skills.

> *Health Insurance Available*— A plan that covers the expenses associated with health care.

> *Surviving without Borrow Money*— Is living within ones means, which as saving and investing rather than spending frivolously.

Family Perceptions (C)

C—Family Perceptions—The relationship between family stress and familial regime-dimension configurations as coping structures and a differential level of awareness between high and low stress. In this paper and model Family Perceptions (C) represents: Income adequacy, How is your economic status? , Do you expect to be better in the future?, and Income perception.

> *Income Adequacy*— The ability to purchase some commodity or to achieve some particular level of living.

> *How is your economic status?* —That family size and population growth are important factors affecting various economic phenomena.

> *Do you expect to be better in the future?* —The economic development that is linked to that place's stewardship of natural resources, environments, and people.
> *Income perception*—The money earned through employment and investments.

Family Expenditures (E)

E—Family Expenditures—That especially on regularly paid items, such as gas, electricity and telephone, together with insurance, travel costs and hire purchase costs. In this paper and model Family Expenditures (E) represents: Leisure, Children, Family, and Household.

Leisure— The finance various types of leisure activities.

Children— As a general rule, the cost of raising a child is related to how much the parents earn. However, the less money parents earn, the more money they spend per child in relation to their total income.

Family—That the money needs to be spent on non-negotiable items such as food and utilities and money must be saved for later expenses such as taxes and college.

Household— currently the households spend their money has changed, because became out-of-pocket general expenses, for example, housing costs, gasoline and vehicle expenses.

Outcome Measure (WB)

Well Being— Is the ability to have our wealth serve our life to have the financial means to comfortably attain whatever personal goals we have to enjoy a gratifying lifestyle and harnessing to our children.

Relevance of Study

Families face a myriad range of stressful situations and face varied tasks after financial crisis. The significance of this study is derived from a theoretical examination of ABC-X and financial stress literature about how these elements influence family. It is imperative that social scientists and economists examine innovative approaches to understanding the current financial crisis. Ultimately, this thesis examines how families are affected by the current financial crisis, and its influence on their Well-Being.

Organizational Overview

This thesis will be organized into five chapters. Chapter One, the introduction, will explain the purpose, and the theoretical context for the investigation into the knowledge of financial stress on families. Chapter Two examines relevant literature that includes a review of the history of financial stress, factors influencing the stress process,

and the impact of financial stress on families; the effects of the family stress on the children and the family unit, and a brief review of the well-being literature as it relates to financial crisis.

Chapter Three centers on the methodological approaches used to guide the research. This chapter will include a discussion of measures, instruments, and statistical methods used to summarize the data. Chapter Four focuses on the results with specific attention to statistical analyses, and hypothesis testing. The final section of the dissertation, Chapter Five is the conclusion of the study. Recommendations for future research as well as limitation and implications for the findings will be highlighted.

CHAPTER TWO

LITERATURE REVIEW

The literature review focuses on the effect that financial stress has on individual income generators, the marital relationship, children and their overall Well-Being. I have structured this review to cover how the current financial crisis has changed the way in which families have attempted to adjust to the limited economic opportunities that this crisis has generated. The reality in which we live show that financial stress has a direct effect on the primary income earner and in some way indirectly impacts the marital relationship and in the long term it can directly harm the children.

There are a number of trends that show more negative changes in the economy. For example, the rate of unemployment among the total past 16 years has risen from 4% in May 2000 to 9.6% in May of 2010 (U.S. Bureau of Labor Statistics, 2010). These figures reflect the highest level of unemployment since the severe recession of the early 1980s (Gomstyn, 2009; Irwin, Chen, & Jayaprakash 2009).

There have been investigations that focused on the influence of the recession on the Well-Being and outlooks of families (Bureau of Labor Statistics, 2010; Irwin, Chen, & Jayaprakash 2009). One investigation found that the effects of recession directly reached 39% of households who experienced unemployed, negative equity in their home or were in arrears on their home (Hurd & Rohwedder, 2010).

These investigations demonstrated a clear decline in spending in various areas including, amounts spent for food, housing and basic necessities. For example, if a family decreases their spending by just five tenths (0.5) of one percent per month the cumulative

effect by the end of a year could result in a 5% to 10% drop in spending (BLS, 2010; Gomstyn, 2009).

Those families who find themselves in constantly behind on their mortgage payments, and those with higher unemployment rates represents a 10.1% decline in household value that affected almost 40% of all households (Hurd & Rohwedder, 2010) in other words, losing one's job can cause one to fall behind on their mortogages and ultimately lose their homes. Also, many people approaching retirement age have suffered big losses in their retirement accounts. For example, a November 2008 poll revealed that 25% of the respondents between the ages of 50-59 reported having lost lost more than 35% of their retirement savings (Hurd & Rohwedder, 2010). These people believed that the course of their lives would be affected by these non-recoverable losses.

The Influence Financial Stress on Individuals.

In a recent study by Price, Choi, & Vinokur (2002) the authors found that the financial crisis affects both mental and physical health condition. In a related investigation it was reported that among those individuals with relatively low income, negligible savings, and a high debt load there was a strong link high risk for financial stress (Davis & Mantler, 2004).

Those who were married have been shown to suffer less from the negative effects of financial stress (Kim, 2004). There is no doubt that the individual is part of a community that is affected directly or indirectly by current the economic situation. Kim and Garman (2003) found that a financial pressure was one of the factors that affect absenteeism. As a result, employees suffering from stress at work are less likely to be productive, less committed to their organization, and more often absent from their work.

Continued absence leads to lower productivity and lower productivity lead to possibility of becoming unemployed.

In fact, financial stress is an important source of distress in the lives of people and is closely linked to many basic activities of daily life and the chances of success. The early work by Kim and Garman (2003) found that the inabilities to meet and fulfill their financial obligations or support desired lifestyles were two factors that created stress for families.

In a related study Conger, Conger, and Martin (2010) noted the economic downturn over the past decade placed considerable pressure on many families already in financial distress, reduced employment opportunities, and offered fewer resources to help family members achieve their educational objectives. They also found that adolescents experienced their economic pressures as well as their parents did and this resulted in a negative impact on their personal development.

The Influence Financial Stress on Families.

As financial stress increased, couples were more likely to fight and more likely to break up. An earlier investigation by Conger and Elder (1994) generated a new family stress model which predicted how the financial problems influenced family relationships. They revealed that families with low income, high debts, and negative financial events experienced greater stress. The authors also reported that these problems can affect the spousal relationships. Economic hardship and financial difficulties have an adverse effect on parents' emotions, behaviors, and relationships, which in turn negatively influence their parenting strategies. These findings paralleled earlier work the authors had done on rural farm families (Conger & Conger 2002). For some family scientists it was the

family's definition of the situation, which had the most effect on how the family would react to stress. McCubbin, Joy, Cauble, et al (1980) stated the family's definition makes the seriousness of the change(s) vulnerable to the effects of the crisis. At the same time, the power of regeneration helped to clarify how different families reacted to the same crisis—in this case economic crisis. McCubbin, et al, (1980) noted that the first to be affected by the financial crisis are individuals and families.

Archuleta, Britt, Tonn, and Grable (2011) found that financial distress affects the quality of marriage. For example, pressure variables affect the interaction between the marital couple's perceptions of the quality of marital and family instability. It was directly linked to economic strain. A couple with increased hostility and decreased warmth / support was associated with wives perceptions of marital quality. These findings underscored an earlier investigation that reported that economic pressure faced by parents increases dysphasia, marital conflicts, as well as conflicts between parents and children over money, especially on people living in rural areas (Conger, Ge, Elder, Lorenz, & Simons,1994). The authors of the earlier stury (Conger, et al, 1994) reported that these negative reactions often involve negative reinforcement mechanism that is used in aggressive behaviors in attempts to control the behavior of a family. This would appear as more general hostility toward children and adolescents by parents who were economically stressed. It was clear from these investigations done almost two decades apart, that economic pressure is the environmental factor that increases the likelihood of control strategies of this kind, especially in conflicts or disagreements about the use of material resources (Archuleta, et al, 2011; Conger, et al, 1994). These two investigations

underscored just how important financial stress is to the Well-Being of families (Conger et al, 1994; Conger & Conger, 2002; Archuleta et al 2011).

Families Responses to Economic Pressure

The experience of family economic pressure was the focus of a recent study on meeting basic needs given the current economic crisis (Mistry, Lowe, Benner, & Chien, 2008). The researchers unveiled that found mothers with low incomes influenced the management of their home economics, including securing adequate resources to meet the needs of their families. Even when slight economic pressures were present these mothers were not able to do adequately ensure the quality of life for their families due to undo economic pressures of the family and child welfare.

Using a model of family economic pressure some researchers (Conger & Elder, 1994; McLoyd, 1990) tested whether perceptions of the inadequacy of financial concerns among parents were adequate enough to meet the basic needs of the family including more discretionary purchases. The researchers indicated that valid assessments of the economic pressure required a distinction between needs and desires and that these had to be recognized among individuals.

Dew (2007) argued that there were relationships between assets and consumer debt among U.S. couples. Because debt is the source of marital conflict more frequently, it makes couples feel resentful of time and money needed to service the debt. The logical conclusion drawn from this was that couples who were better able to manage their debt reduce marital tensions and feelings of economic pressures.

The influence family financial stress and status on children

Several studies have confirmed family income during childhood and adolescence is positively related to academic, financial, and occupational success during the adult years (Bradley & Corwyn, 2002; Serido et al, 2010; Fox & Bartholomae, 2000; Davis & Mantler, 2004). Still other investigations revealed that low socioeconomic status in the family raised the risk for both mental and physical health problems (Wickrama, 2008; Conger, Conger & Martin 2010; Gershoff, et al, 2007) and predicted possible economic problems during the adult life (Wickrama, 2008).

Cooper, McLanahan, Meadows, and Brooks-Gunn (2009) found that there were changes that occurred among families with the most important of these changes being the loss of social, economic resources and health services. Often these changes occurred as a result of divorce where mothers and children experienced a significant drop in their standard of living. A loss of economic resources regardless prevented mothers from buying materials and goods of social value to their children. To the extent that these changes result in difficulty in obtaining high quality or consistent care for children contributed to the creation of parenting stress.

According to Joshi and Bogen (2007), poor occupational conditions may also adversely affect the stress related to parenting. Today in the United States, mothers with young children often work. Nearly 62% of mothers with children under the age of 6 years worked in 2004 compared to 39% in 1975 (U.S. Department of Labor, Bureau of Labor Statistics, 2005). The work schedules also revealed that a significant proportion of these women are low-income and often work on non-standard schedules and in entry level position. One direct result of these working schedules is that mothers have less time and

frequently suffer from stress which is often transferred to their children in a negative mode.

The pressure of parenting affects the behavior of children, either directly or indirectly. Joshi and Bogen (2007) suggested that social and economic deprivation also affected the experience of parents and increased the tension in their role as parents. In effect negative experiences associated with low income and material hardship, increased tension, and reduced positive parental behavior (Gershoff, et al, 2007)

The connection between social and economic resources and family instability is well known. Burstein (2007) stated that couples with low levels of family income, less educational attainment, and high levels of unemployment are more likely to experience family disintegration.

Ng (2006) in his study that showed that there was a high correlation between financial distress and parenting behavior. He revealed that financial difficulties affected children both through limitations in material resources and pressure on the relations between parents and children. In addition, that the inability of a parent to provide for these needs due to financial difficulties, had a profound affect on both children and parents who suffered emotionally and mentally which arose directly from the inability to provide for their children (Ng, 2006).

The long term effect of economic stress was examined in another investigation focused on economic pressures within the family system. The results revealed how fragility and interdependence among family members were most strongly linked to adolescent health (Fox & Barthdomae, 2002).

Cobb-Clark and Ribar (2010) in their study showed how economic deprivation and financial pressures reduce the quality of life for families. This study used bankrupcy as an indicator of family stress. They showed families who experienced financial stress were less responsive to their children's needs, provided less nurturing, were less consistent in their parenting, and more inconsistent in the discipline of their children. In a related investigation the researchers concluded that poor financial status was directly related to an increase in parenting stress and aggression between marital partners. These risks among parents were related to other problems in children such as low self-esteem, depression, impulsive behavior, health problems, poor academic performance, deviant behavior, drug and alcohol use, and withdrawal from social relationships (Davis & Mantler, 2004).

Well-Being and Families in Economic Crisis.

The idea of well-being is well known throughout the literature of mental and physical health. In fact, a great deal of attention has been given to the concept of well-being. It is a concept that is both subjective and objective depending upon what perspective is taken. There are many forms of well-being. For this thesis I am examining only economic well-being. In the literature economic well-being is generally defined as the capacity of households to make ends meet and he capacity to pay taxes and to afford housing, clothes and holiday expenditures (Cracolici, Giambona, & Cuffaro, 2011). It has been related to physical and emotional health of individuals. Those who are experiencing good economic well-being tend to report better social, emotional, and physical health—it may be subjective or objective but it is measurable (Sullivan, & Zyl, 2007).

Luhmann, Schimmack, and Eid (2011) in a review of empirical studies found a positive relationship between subjective well-being (SWB) and income. These authors discovered that the relationship between income and SWB was stronger in low-income groups and weaker in the high-income group. The relationship between income and SWB was also shown to be somewhat higher in the poorest countries. These findings did not indicate that being wealthy lead to less well-being but rather that richer people are generally happier, because of the stable economic status ad thus were not as likely to show the fluctuations in the SWB focused among the less well established. Another more obvious and yet understated fact was that income changes can and do initiate changes in SWB leading to the positive correlation fluctuations that co-occur in income and SWB (Luhmann, Schimmack, & Eid, 2011).

The current state of the economy has many families experiencing changes in income. Baek and Devaney, (2010) revealed that families that behave rationally and manage their money can reduce economic hardship and thus improve their well-being. Howell and Howell (2008) speculated that based on the common finding that financial resources were associated positively with well-being and/or welfare, one might expect a strong positive correlation between income or wealth and life satisfaction or happiness in life. Their work revealed this to be true in a cross-national analysis of countries' where average happiness and gross domestic product per capita were shown to be strongly correlated.

Gudmunson, Beutler, Israelsen, McCoy, and Hill (2007) work on financial strain on family in stability revealed that the pattern of economic pressure led to disturbances in the individual emotional well-being, and that had a direct influence on marital relations

and marital instability. The research also revealed that quality time was an important part of how couples perceived their free time. They disclosed that couples with higher incomes and stability reported greater well-being. In addition the authors were able to show that couple financial strains contributed strongly and evenly to both the husband and wife's emotional distress (Gudmunson, et al, 2007).

In their study of financial constraints and how financial well-being impacts productivity, Prawitz, Garman, Sorhaindo, O'Neill, Kim, and Drentea (2006) examined how health and work contributed as factors affecting individuals and families. They discovered that changing behavior led to improvements on the financial position and also contributed to a decrease in the level of financial distress. These researchers used these findings to develop the Incharge Financial Distress /Financial Well-Being scale (IFDFW). It was used to facilitate the evaluation of financial education programs through the assessment of changes in perceptions of participants from the Financial Distress /Financial Well-Being. Results generated from initial tests suggested that Americans improve their financial health through provision of targeted programs and incentives designed to improve employee productivity financial Well-Being (Parwitz, et al 2006).

The relationships between children's well-being and parental financial communication, parental financial expectations, and parental social status have been linked to students' financial, psychological, and subjective well-being. The young adults' perceptions of financial parenting serve can and has been a proxy for the development of their own financial behaviors (Paulson & Sputa, 1996). Connected to this idea was parental social status. It was found to be a reliable correlate of financial well-being. Further research showed that parental communication with their children around financial

topics and financial coping behaviors was also important factors in child well-being (Serido, Shim, Mishra, & Tang, 2010). In contrast, work on family stress revealed that families that are socioeconomically disadvantaged experienced emotional distress and jeopardized the healthy development of children (Conger, & Donnellan, 2007).

A very recent investigation (Rath & Harter, 2010) isolated five types of well-being which they argued were essential and immortal. These five elements of well-being were measured by using the Gallup's Well-being Finder. It is an assessment too that rates well-being on a scale from 0-100. The Well-being Finder program enables individuals to track their wellbeing across domains to see how they are thriving, represented by a score of 70 and above. Those who has scores of 40-69 were said to be struggling while scores below 40 represented suffering (Rath & Harter, 2010). It is possible to score different levels across all five dimensions.

Career Well-being: how you occupy your time and liking what you do each day.

Social Well-being: having strong relationships and love in your life.

Financial Well-being: effectively managing your economic life to reduce stress and increase security.

Physical Well-being: having good health and enough energy to heat things done on a daily basis.

Community Well-being: the sense of engagement and involvement you have with the area where you live.

They were cover, social, financial, physical and community well-being. Career well-being refers to how a person was able to use their time and whether or not they enjoyed spending their time in their endives. It idea that one enjoyed their job was

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essential to how good an individual felt about himself. Related to career well-being was social well-being. Here the author's described the individual's ability to have good loving relationships.

Although these ideal types are important they tend to reflect a more Western and modern views about what are the important domains of well-being in their life. Financial well-being referred to how effective one is in managing their economic life in an effort to reduce stress and improve security. The remaining two dimensions physical well-being and community well-being related to how an individual maintained their health and energy of both themselves and the places in which they lived.

Chapter Summary

The literature examined in this chapter has revealed that well-being remains an important element to social scientists. There appears to be a great deal of overlap across the research on stress and well-being, but a majority of it centered on the psychological dimensions of well-being which tended to be more global in how the issue was examined. The literature related to stress examined how it affected individuals, families and children across the major dimensions of social, psychological and financial issues. There was also an attempt to relate these stressors to the current financial crisis—not easily done given the limited number of investigations that focused on well-being as was done in this project. The lack of cohesive literature and research focused on well-being during the current economic crisis was the major for this study. This literature review is by no means comprehensive and should be considered only a very brief look at the effects of economic stress on well-being doing the current economic crisis.

CHAPTER THREE

METHODOLOGY

This study investigates the how financial stress factors influence family attitudes and responses toward their families. The central focus of this study explores how the current financial crisis and financial stress [due to lack of money, build-up of debt, and lack of financial help from friends or family] influence Well-Being among a sample of Americans. Data from the Familial Responses to Financial Instability study (Furstenberg, Gauthier, & Pacholok, 2010) were used to test my model of how family financial stress ultimately influenced family Well-Being.

Research Questions

This study has both theoretical and practical implications. Theoretically, it answers questions that help determine how the current financial crises influence the way families. In terms of practical implications its value comes from generating a focus designed to develop a better understanding about how families function under economic pressure. There are two questions that addressed these issues they are:

1. How has the current financial crises influenced family well-being?

2. What is the role of financial stress, family resources, family perception and family expenditures on the well-being of families?

Research Hypotheses

In order to address the research questions, two hypotheses were developed. Each hypothesis examines an important aspect of the current research questions and is supported from the literature and the theoretical framework that I have created for this study. They are as follows:

H₁ Family Well-Being will be positively affected by financial stress, resources

statues, family perceptions and level of family expenditures.

H₂ The family perception of their economic status will be strongly related to their

Well-Being when all other factors are controlled for in the model.

Data Source

Data were gleaned from the collected by online interviews for the National Center

for Family and Marriage Research (Furstenberg, Gauthier, & Pacholok, 2009). Their

current study consists of approximately 1,100 adults 18 or older who also have at least

one child younger than 18 years old at home. Respondents were asked about their

financial management behaviors. Data collection took part for approximately three

weeks during late 2009 the peak of the economic recession. The total number of cases

used for this investigation is N=1,169. In addition, respondents from the main study were

also asked questions about insurance availability and usage.

Operational Terms and Definitions

Examination of the proposed research questions and hypotheses require that

elements explored in this study be operationally defined. The operational definitions are

connected to the variables and how they were measured during this study.

Operationalization of Research Variables

The ABCE-WB model of Well-Being is also composed of five major

components. The Financial Stressor is believed to influence Well-Being both directly and

indirectly through the other model variables of resources and perceptions (see Figure

3.1).

The constructs of the ABCE-WB model are: Financial Stressor (A); Existing

Resources (B); Family Perceptions (C); Family Expenditures (E); and Well-Being (WB).
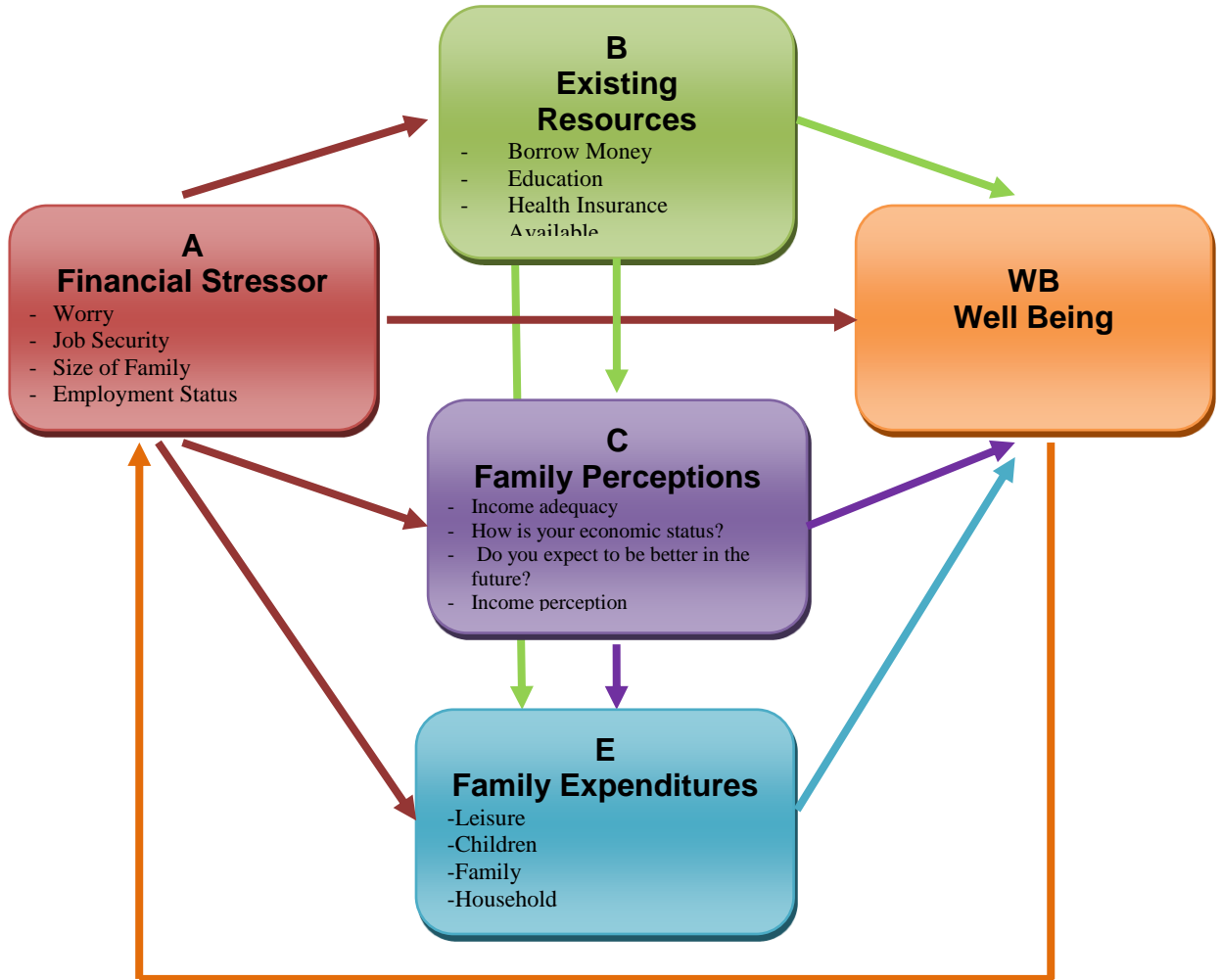
Figure 3.1. Theoretical Construct of ABCE-WB Model of Family Expenditures and Well-Being with Specific Operational Variables.

Each component of the ABCE-WB model is composed of specific elements

examined literature. Resources and perceptions that individuals utilized during stress

periods were central to understanding the relationship between Well-Being and the

current model. These elements are believed to influence Well-Being directly or

indirectly.

Operational Definitions

The specific factors used in the ABCE-WB Model are as follows. Each of the variables is further developed during the detailed discussion of its operationalization. The brief description below is followed by a more concrete measurement description.

A—Financial Stressor: Elements that make family more prone to stress: worry, job security, size of family and employment status.

B— Existing Resources: Borrow money, education, health insurance available, and surviving without borrow money.

C—Family Perceptions: Income adequacy, How is your economic status? , Do you expect to be better in the future?, and Income perception.

E—Family Expenditures: Leisure, Children, Family, and Household.

WB—Well-Being: Money you spend on your children, and time you spend with your children.

Predictor Variables

Financial Stressor

The four financial stressor elements that make families more prone to stress—worry, job security, size of family and employment status—are used as control variables. These variables were selected because of their direct relationship to Well-Being as revealed in the literature review.

Worry—How often do you worry that your current family income will not be enough to meet your children's needs? The scores range from 1-5 and are specified as: (1) Never; (2) Hardly ever; (3) Once in a while; (4) Often; and (5) Almost all the time.

Job— How concerned are you that in the next 12 months you or somebody else in your family might be out of work and looking for a job? Was coded into four groups: (1) Very concerned; (2) Somewhat concerned; (3) Not at all; and (4) It has recently happened— this variable was recoded so that the response matched the intensity of anxiety measured. The belief that it is more problematic to have lost a job is more devastating than to just think about losing a job was the rationale used for recoding. The subsequence recode reassigned the values in the new order that follows: (1) very concerned become (2) somewhat concerned became (3) not at all became (4); and (4) it has recently happened became (1).

Size of family (PPHHSIZE)—is the actual number of people living in the respondent's home.

Employment status (PPWORK)—is the current employment status. Employment status is variable composed of seven categories. The categories are as follows. They are: (1) Working— as a paid employee ; (2) Working—self-employed; (3) Not working—on temporary layoff from a job; (4) Not working—looking for work; (5) Not working— retired; (6) Not working—disabled; and (7) Not working—other. The working category of retired or disabled were recorded into a separate category, thus collapsing the variables.

Existing resources

Existing resources are the physical, mental, emotional, or financial assets that serve as built-in or acquired defenses that are at hand to off-set financial stressors. The resources included in the model are willingness to borrow money, education, availability of health insurance, and surviving without borrow money.

Borrow money—In the past year, has anybody in your family needed to borrow money to make payments on a bill? Was coded into two groups: (1) Yes and (2) No.

Education (PPEDUC)—Is the current education status. Education status is variable composed of thirteen categories. The categories are as follows. They are: (1) No formal education; (2) 1st, 2nd, 3rd, or 4th grade; (3) 7th or 8th grade; (4) 9th grade; (5) 10th grade; (6) 11th grade; (7) 12th grade NO DIPLOMA; (8) HIGH SCHOOL GRADUATE—high school, DIPLOMA or the equivalent (GED); (9) Some college, no degree; (10) Associate degree; (11) Bachelors degree; (12) Masters degree; (13) Professional or Doctorate degree.

Availability of health insurance (INSURANCE1)—Is the current insurance status. Insurance status is variable composed of three categories. The categories are as follows. They are: (1) Yes and (2) No.

Surviving without borrowing money— If somebody in your household were to lose his/her job (including yourself), how many months do you think your family could manage without borrowing money? The scores range from 1-4 and are specified as: (1) None; (2) 1 to 3 months; (3) 4 to 5 months; and (4) 6 months or more.

Family Perceptions

Family Perceptions refers to how a family's assessment of income adequacy, How is your economic status? Do you expect to be better in the future? and income perception influences them impending Well-Being. How the family thinks and feels about financial stressors determines the how them acts or reacts (Boss, 2002). Family perceptions in the model are indicated as income adequacy—having the power, ability or capacity to produce the effects desired, income perception—the ability to manage what life brings,

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and self-esteem—the way a family views themselves. Family perception was included because it can influence how a family assesses the financial stressors based on them ability to produce what them desires in them life.

Income adequacy— How well do you currently get by with your family's income? Was coded into four groups: (1) With great difficulty; (2) With difficulty; (3) Easily; and (4) Very Easily.

How is your economic status?—Have the last 12 months been better, worse or the same when it comes to the financial situation of your family? Was coded into three groups: (1) Better; (2) The same; and (3) Worse. *Do you expect to be better in the future?*—Do you expect the next 12 months to be better, worse, or the same when it comes to the financial situation of your family? Was coded into four groups: (1) Better; (2) The same; (3) Worse; and (4) Don't know. These two variables were recorded from their original form which distorted the relationship between the extremes of better and worse. The original scheme had the value for the same in the final place which did not follow a logical flow of events or rational thinking around issues of an ordinal nature that are used in human communication.

Income perception—On a scale of 1 to 10, where '1' is extremely poor and '10' is extremely rich, where would you place the current situation of your household compared with that of other American families? The scores range from 1-10 and are specified as: (1) Extremely Poor; and (10) Extremely Rich.

Family Expenditures

Family Expenditures is the another variable in the model that refers to how a family's assessment that are family's spending money for goods or services of leisure, children, family, and household influences them impending Well-Being.

Outcome Variable

Well-Being

The outcome measure, well-being is assessed by the ability of family to provide for their children and the reported amount of time spent with their children. This conceptualization was based on the literature that suggested the family well-being was based on how families were able to spend time and sponsor their children's activity. These were two proxy measures that captured this idea. They are: Money you spend on your children and time you spend with your children—Overall, How much money you spend on your children and how much time you spend with your children? Was coded into five groups: (1) Not at all; (2) A little; (3) Moderately; (4) Quite a bit; and (5) Extremely.

Plan of Analysis

The analysis proceeded from the more general to the more specific. To that end, it will be necessary to use measures that help to explain the basic elements, such as simple descriptive statistics. I will use univariate, bivariate, and multivariate statistics in order to examine the research hypotheses. To determine the variables that affect the factors, the advanced statistical analysis will be conducted.

Univariate Statistics

In this study, simple descriptive analyses of the sample were conducted. Basic frequency distributions and measures of dispersion (mean, medians, modes, standard deviations, and variances) were examined.

Bivariate Statistics

The nature of this study required that the same mean differences between the groups be examined in detail. Additional multivariate exploratory analysis, such as correlations were conducted. Simple correlation analyses were used to describe the general relationships between variables. These results helped to determine the value of the elements in the final models.

Multivariate Statistics

Social science research requires that researchers use more sophisticated techniques that answer research questions, test hypotheses and explain the research model. To assist in the proper construction of scales both Factor and Analysis and Reliability testing were used. These tests revealed an almost parallel construction to the construction of the ABCE-WB that was presented in the earlier part of this chapter. Finally, hierarchical multiple regression analysis was used to explain the variance in family Well-Being via the ABCE-WB model.

CHAPTER FOUR

RESULTS

This chapter explains the findings of the current investigation as they relate to the proposed predictor, mediating and outcome variables and the relationships postulated to exist between financial stressors and Well-being. In short, the theoretical ABCE-WB model and its various components are explored and analyzed. The chapter is divided into four sections. The first section provides information on the sample population through simple descriptive statistics. The second section focuses on the scale construction and the reliability associated with each new variable. The final two sections consist of the hypotheses testing via bivariate (correlation) and multivariate (hierarchical regression) analyses.

Descriptive Statistics

Basic descriptive statistics involved examining the data for univariate trends. This involved providing simple frequency distributions and appropriate measures of central tendency and dispersions for vital study components. The total sample available for this investigation was n = 1,169 respondents. The breakdown for sex was 54.4% (n = 636) female and 45.6% (n = 533) male respondents. The race and ethnic composition revealed that 73.5% (n = 610) are White, while Blacks (8.2%), Hispanics (12.5%), and Others (5.8%) round out the remaining groups.

Initially education is examined in categories. The majority of the sample at 35.7% (n = 417) report having "Some college" education, with another third having a Bachelor's degree or higher 32.2% (n=377). More than three-quarters (75.2%) of the sample was married. This is not unexpected since the investigation's criteria required

that respondents have at least one child under 18 and that child live with the respondent

in their primary residence (see Table 4.1 for these demographic statistics).

Table 4.1

Descriptive Statistics for Basic Family Composition on Selected Demographic Variables used in the ABCE-WB Model.

Variable	Coding Scheme	*n*	*f*
Sex	Male	533	45.6
	Female	636	54.4
Race	White	859	73.3
	Black	96	8.2
	Hispanic	146	12.5
	Other	36	3.1
	2 or More races	32	2.7
Education	Less than high school	61	5.2
	High school	314	26.9
	Some college	417	35.7
	Bachelor's degree or higher	377	32.2
Marital Status	Never Married	75	6.4
	Married	879	75.2
	Divorced	91	7.8
	Separated	22	1.9
	Widowed	6	.5
	Living with partner	96	8.2

Some of the major indicators used in this study are described in Table 4.2. One of

the important variables in this investigation is the respondent's perception about their

ability to get by on their present income (Income Adequacy). An overwhelming

majority, 65.5%, believed that they had a difficult to great difficulty getting by with their

income. Only 3.2% reported having a very easy time getting by on their current income.

Related to this was the amount of worry that families have about whether or not their

income would be enough to meet their children's needs. Again, approximately one-half

(49.3%) indicated that they often worried or worried most of the time. Nearly 15.0% said

that they never or hardly ever worry.

Table 4.2

Descriptive Statistics for Selected Economic Indicator Variables used in the ABCE-WB Model.

Variable	Coding Scheme	n	f
Get By on Income	With great difficulty	607	52.0
	With difficulty	158	13.5
	Easily	365	31.3
	Very Easily	37	3.2
Worry	Never	50	4.3
	Hardly ever	121	10.4
	Once in a while	420	36.1
	Often	377	32.4
	Almost all the time	197	16.9
Job Security	Has Already Happened	171	14.7
	Very Concerned	377	32.4
	Somewhat Concerned	531	45.7
	Not Concerned at All	84	7.2
Borrow	Yes	393	33.7
	No	773	66.3
Economic Survival Rate	None	349	29.9
	1 to 3 months	465	39.8
	4 to 5 months	146	12.5
	6 months or more	207	17.7
Financial Status	Better	137	11.7
	The same	435	37.3
	Worse	595	51.0
Financial Outlook	Better	336	28.8
	The same	412	35.3
	Worse	187	16.0
	Don't know	232	19.9

This trend continued when information for job security (*JobSecurity*) is examined.

Nearly 47.1% suggested that they had very strong concerns about their job security or

had already experienced a job loss—in essence, more than 90% (92.8%) of the respondents demonstrated a very real concern about their job security.

The economic outlook measures maintained the consistent pattern found in the individual income perception issues. When asked how long they believed they could survive if they lost their income stream (*Survive*) almost 70% (69.7%) would be able to sustain themselves from one to three months. These findings are not surprising considering that 51.0% of the participants felt their economic status (*FinStatus*) was worse now than it was a year ago. Despite the economic strains, more than one-quarter (26.7%) believed that their conditions will improve in the next year (*FinOutlook*).

Some other general demographics of the sample were Age with a mean that approximated 40 years (*M* = 39.61, *sd* = 8.062) which was consistent with the reported median (*Mdn* = 40.00). See Table 4.3 for the measures of central tendency for some selected demographic measures used in the ABCE-WB model.

Table 4.3

Reported Means, Standard Deviations and Median Scores for Age, Social, and Economic Predictor Variables used in the ABCE-WB Model.

	M	*SD*	*Mdn*	*n*
Relative Income Comparison	4.83	1.571	5.00	1,164
Income	12.71	3.682	13.00	1,169
Age	39.61	8.062	40.00	1,169
Household Size	4.05	1.259	4.00	1,169
Education	10.48	1.703	10.00	1,169

The average household size was approximately four (*M* = 4.05, *sd* = 1.259) with a median score of the same. Education was represented in specific categories so that the reported mean (*M* = 10.48, *sd* = 1.703, *Mdn* = 10.00) indicated that on average people in this study had at least some college level courses but had not yet completed a

baccalaureate degree. In addition to income adequacy measures the relative income

comparison measure where respondents rated their economic status on a scale from 1 to

10, where 1 was extremely poor and 10 as extremely rich, the average score was ($M =$

4.83, $sd =$ 1.571) was directly in the middle ($Mdn =$ 5.00). These scores seem to fit the

general perception of being middle class that most Americans seem to share. The income

measure was also placed in categories where the score ($M =$ 12.71, $sd =$ 3.682, $Mdn =$

13.00) corresponded to a median income of $60,000 to $74,999, which approximates the

median income for a family of four in the United States.

Scale Variables

The theoretical model present in Chapter Three suggested that there was a need

for a measure of direct expenditures. In order to meet the criteria it was necessary to

conduct initial factor analysis to discern which variables contributed to the final design of

the measures used in this category.

Initial Factor Analysis

Exploratory factor analysis using maximum likelihood estimation was conducted

to determine which items grouped best in terms of the theoretical structure that was

established for the expenditures construct. Initial principal competent analysis revealed

four factors that accounted for 58.83% of the variance. The Kaiser-Meyer-Olkin measure

of sample adequacy was Meritorious KMO =.865 ($\chi^2 =$ 4507.52, $df =$ 91, $p <$.001)

Rotated Factor Analysis Results

In order to better interpret our factors, a rotation was performed utilizing principal

component extraction and Varimax rotation with Kaiser Normalization. After rotating

the factors I cleaned our component matrix by excluding any factor loadings under 0.40

so as to better determine which items were associated with each factor.   There were four factors derived from these 14 measures. Factor 1 included three items and explained 18.48% of the variance. This factor was labeled "leisure" as all of the items are related that element. Factor 2 included four items and explained 15.78% of the variance. This factor was labeled "children" as all the items are directly related to children and their needs. The third Factor consisted of three items and is responsible for 13.45% of the variance. These items were less intuitively grouped, but they did reflect a theme among them and they were called "financial." The last factor included was comprised of four items and explained 11.13% of the variance. Each of these items related to "household" and was labeled as such.

Reliability Tests

The development of these factors lead to the final structure used in the reliability tests to determine if these elements could be successfully combined into scaled variables for use in the analysis. Using the structure from the exploratory factor analysis four reliability testing was done. Responses for all items were on a three-point Likert-type scale, yielding total possible scale scores of 1 to 3. The results from the reliability tests along with their appropriate scores are listed in Table 4.4.

The measure *Leisure* was created using the following three variables (*EatingOut, FamVacations* and *LeisureSelf*) that corresponded to the following questions: "[Eating out] In the coming 12 months, are you planning to spend the same, more, or less on these items?;" "[Family vacations] In the coming 12 months, are you planning to spend the same, more, or less on these items?;" "[Leisure activities for self or partner] In the coming 12 months, are you planning to spend the same, more, or less on these items?;"

The overall results produced a cronbach's alpha ($\alpha = 0.818$) well within a highly

acceptable range using standard practices for interpretation.

Table 4.4

Reported Means, Standard Deviations and cronbach's Alpha Scores for Selected Scaled Variables used in the ABCE-WB Model.

	M	SD	α	n
LEISURE	1.377	.552	.818	1,153
CHILDREN	1.379	.709	.704	1,144
FINANCIAL	1.382	.754	.742	1,150
HOUSEHOLD	1.844	.471	.482	1,157

A second measure, known as *Children* was created using four variables (*ChildAct,*

ChildCult, ChildOut, and *ChildEd)* and correspond to the following four questions:

"[Child/children's out of school physical activities (e.g. soccer, hockey)] In the coming 12

months, are you planning to spend the same, more, or less on these items?;" "[Children's

out of school cultural activities (e.g. music or art lessons)] In the coming 12 months, are

you planning to spend the same, more, or less on these items?;" "[Children's out of school

care (e.g. before/after school care, daycare, summer camp)] In the coming 12 months, are

you planning to spend the same, more, or less on these items?;" and "[School or

education expenses for children (e.g. tuition, school trips, gym, band)] In the coming 12

months, are you planning to spend the same, more, or less on these items?;" The reported

reliability score ($\alpha = 0.704$) that was within acceptable ranges and served as an good

indicator of this measures relative strength.

Financial was the third scale measure created based three variables (*Retirment,*

Savings and *EdSavings)*—that corresponded to the following questions: "[Retirement

savings plan] In the coming 12 months, are you planning to spend the same, more, or less

on these items?;" "[Education savings plan] In the coming 12 months, are you planning

to spend the same, more, or less on these items?;" and "[Loan or credit card repayment]In the coming 12 months, are you planning to spend the same, more, or less on these items?" The final results of the reliability test yield a strong score ($\alpha = 0.742$) that is considered acceptable.

The final measure *Household* did not fare as well. Although the items (*Mortgage, Health, Utilities,* and *CreditCard*) were predicted to explain a factor known as household, there was a weak score ($\alpha = 0.482$) which did not improve despite the variables was created using the following four questions: "[Mortgage or rent] In the coming 12 months, are you planning to spend the same, more, or less on these items?;" "[Health care (e.g. dental, prescriptions, etc)] In the coming 12 months, are you planning to spend the same, more, or less on these items?;" and "[Utilities (including cable, internet or cellular bills)] In the coming 12 months, are you planning to spend the same, more, or less on these items. In general, the household items were good measures but did not seem to have a strong enough connection with each other when standard reliability testing procedures were used.

Bivariate Analyses

All elements of the ABCE-WB model were tested with each other using simple

zero-order correlations. In model building it is essential that theoretical elements have

some connection to each other and yet it is important that these elements not be too

highly correlated. Simple correlations were run for ABCE-WB Model along with the

outcome measure Well-Being in order to explore the relationships between variables. In

most cases the relationships under investigation were found to be significantly correlated

($p < .05$). The following section examines the correlation among the variables associated

with each model element. In this section I focused first on the how the specific model

elements correlate with the outcome measure of well-being.

Correlates of Financial Stressors (A)

Among the variables that I believe served as good indicators of financial stress

Worry demonstrated a significant correlation with the outcomes variable *WellBeing* ($r = .$

$414, p < .001$). Well-Being was also significantly correlated with the *JobSecurity* ($r =$

$.301, p < .001$), negatively associated with both *FamSize* ($r = -.028, p <$ n.s.) and

JobStatus ($r = -.069, p < .05$), although it was only significant with the later measure.

Table 4.5 examines all of the specific relationships among the "A" elements. Of the

remaining elements *Worry* was also significantly correlated with *JobSecurity* ($r = .385, p$

$< .001$) while *FamSize* and *JobSecurity* revealed a strong relationship ($r = .111, p <$

$.001$).

Table 4.5

Zero Order Correlation Coefficients for the "A" Component of the ABCE-WB Model with Well-Being.

Variables	Worry	Job Security	HouseHold Size	Work Status	Well-Being
Financial Stressor (A)					
Worry	---				
Job Security	.385***	---			
HH Size	.027	.034	---		
Work Status	.015	.069*	.111***	---	
Well-Being	.414***	.301***	-.028	-.069*	---

*** = p <.001, ** = p < .01, * = p < .05.

Correlates of Existing Resources (B)

The Second group, Existing Resources (B) consisted of those extant resources usually found in families. There were significant relationships for all the *WellBeing* elements and the resource variables (see Table 4.6). There were significant but negative relationships between W*ellBeing* and whether respondents had borrowed money [*Borrow*] *(r = -.264, p < .001), thought* they could survive without borrowing (*Survive*) *(r = -.225, p < .001)* and the *Education (r = -.102, p < .001)* which suggested that those who were less well educated had a weaker sense of their well-being than did those who were better educated.

Table 4.6

Zero Order Correlation Coefficients for the "B" Component of the ABCE-WB Model with Well-Being.

	Existing Resources (B)				
Variables	Borrow Money	Survive w/o Borrowing	Insurance	Education	Well-Being
Borrow Money	---				
Survive w/o Borrowing	.428***	---			
Insurance	-.185***	-.166***	---		
Education	.221***	.235***	-.166***	---	
Well-Being	-.264***	-.225***	.120***	-.102***	---

*** = p <.001, ** = p < .01, * = p < .05.

The remaining indicators in the existing resource group all had significant and moderate to very strong correlations with each other. Among this group borrowing money was strongly related to if one thought one could survive without borrowing ($r = .428, p < .001$). Education was another variable that shared noteworthy relationships. For example, education was significantly correlated with borrowing money ($r = .221, p < .001$), surviving without borrowing ($r = .235, p < .001$) and whether or not a family had insurance ($r = -.166, p < .001$). It should be noted that the insurance measure reported strong negative relationships with the borrowing variables as well.

Correlates of Family Perceptions (C)

The Third group, Family Perceptions (C) had significant relationships with all of its well-being measures. It was strongly related to financial status [*FinStatus*] ($r = .233, p < .001$), perception of the family income as being adequate [*GetBy*] ($r = .379, p < .001$), and a person's financial outlook [FinOutlook] ($r = .126, p < .001$). However, well-

being was negatively correlated with a person's view of income relative to others [IncCompare] ($r = .282, p < .001$). This trend continued for all of the income comparison measures in this cluster (see Table 4.7). Overall, the family perception variables had significant correlations with each other and the outcome measure.

Table 4.7

Zero Order Correlation Coefficients for the "C" Component of the ABCE-WB Model with Well-Being.

	Family Perceptions (C)				
Variables	Financial Status	Income Adequacy	Income Comparison	Financial Outlook	Well-Being
Financial Status	---				
Income Adequacy	.326***	---			
Income Comparison	-.258***	-.557***	---		
Financial Outlook	.164***	.145***	-.193***	---	
Well-Being	.233***	.379***	-.282***	.126***	---

*** = p <.001, ** = p < .01, * = p < .05.

Correlates of Family Expenditures (E)

The measures of family expenditures consisted of scaled variables designed to address how a family spending behavior and intentions would influence their well-being. Not surprisingly the expenditure measures were all negatively associated with well-being—consistent with the general findings that people were inclined to spend less in the current economic climate. Well-being was negatively related to *Leisure*, ($r = -.269, p < .001$), *Children* ($r = -.063, p < .05$), and the measure known as *Financial* ($r = -.179, p < .001$). The expenditures for the *Children* variable revealed the smallest of the significant correlations with *WellBeing*. The only area where there was no significant relationship

with well-being was the household expenditures measure ($r = -.027, p < $ n.s.). It could

be due to the fact that most of the items that constructed this element are fixed and

essential costs so it would be difficult to curtail spending on what would be necessary for

basic survival.

Table 4.8

Zero Order Correlation Coefficients for the "E" Component of the ABCE-WB Model with Well-Being.

	Family Expenditures (E)				
Variables	Leisure	Children	Financial	Household	Well-Being
Leisure	---				
Children	.421***	---			
Financial	.540***	.496***	---		
Household	.255***	.344**	.309***	---	
Well-Being	-.269***	-.069*	-.179***	-.027	---

*** = p <.001, ** = p < .01, * = p < .05.

The remaining expenditure elements were all strong correlated with each other.

See Table 4.8 for a more comprehensive and cohesive view of how the elements for

expenditures are related. Of all the expenditure elements the measures for *Financial*

displayed very strong correlations both *Leisure* ($r = .540, p < .001$) and *Children* ($r = .496, p < .001$) scales, respectively.

Correlates with other Relevant Elements

The general correlation results revealed a number of very strong and large

correlations among elements that were not direct indicators of the model's constructs

(See Table 4.9). While there were many notable relationships found, the correlations for

Worry, FinStatus, JobSecurity, GetBy all reflected significant relationships with a host of

other variables. These elements are of particular interest because they are often assumed to be clear indicators of both economic well-being and economic recovery. There are also other significant correlations among the study variables. This is not unexpected given the nature of this investigation and the general way in which simple zero-order correlations work—where many of the elements within a correlation matrix are often thought of having both direct and indirect influence on elements within the matrix. Since it is not possible to suppress the effects of all of these measures with each other, the general correlation matrix is presented with the caveat in mind that these are linear relationships that can and do have interconnections between and among themselves.

I have presented these correlations in Table 4.9 for further examination. In the next section of this chapter the overall effects of these correlations with each other and the outcome measure will be controlled for through regression analysis assisting in a more focused view of the variables relationship with each other.

Multivariate Analyses

Hierarchical Analyses

A hierarchical regression was conducted to determine the predictors of ABCE Model affect Well-Being. Each block corresponds to a particular element of the ABCE-WB model. These groups helped to establish the relative usefulness and veracity of the model. Analysis was performed using the regression procedure available in IBM-SPSS (Version 19).

Table 4.9

Zero Order Correlation Matrix for Study Variables with Specific consideration for the (A) Existing Resources, (B) Family Perceptions, (C) Family Resources, (E) Family Expenditures, and (WB) Well-Being Components of the ABCE-WB Model.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	1																
2	.385**	1															
3	.027	.034	1														
4	.015	.069	.111**	1													
5	-.406**	-.272**	-.038	-.025	1												
6	-.503**	-.182**	-.096	-.035	.428**	1											
7	.251**	.199**	.070	.116**	-.185**	-.166**	1										
8	-.174**	-.176**	-.052	-.139**	.221**	.235**	-.166**	1									
9	.331**	.337**	-.008	.034	-.227**	-.159**	.115**	-.101**	1								
10	.656**	.383**	.044	.030	-.474**	-.528**	.275**	.258**	326**	1							
11	-.453**	-.311**	-.008	-.069	.372**	.428**	-.307**	.299**	-.258**	-.557**	1						
12	.189**	.228**	-.018	-.011	-.149**	-.159**	.012	-.155**	.164**	.145**	-.193**	1					
13	-.331**	-.294**	.021	-.064	.273**	.302**	-.181**	.203**	-.327**	-.417**	.341**	-.203**	1				
14	-.172**	-.138**	.035	-.044	.153**	.199**	-.197**	.265**	-.148**	-.230**	.240**	-.179**	.421**	1			
15	-.326**	-.319**	.047	.102	.246**	.281**	-.282**	.327**	-.255**	-.377**	.377**	-.263**	.540**	.496**	1		
16	-.050	-.151**	-.013	-.032	.092*	.058	-.173**	.146**	-.046	-.142**	.082*	-.076*	.255**	.344**	.309**	1	
17	.414**	.301**	-.028	-.069	-.264**	-.225**	.120**	-.102**	.233**	.379**	-.282**	.126**	-.269**	-.063	-.179**	-.027	1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
1=Worry 2=Job Security 3=Size of Family 4= Job Status 5=Borrow Money 6=Surviving without Borrow Money 7=Insurance1 8=Education 9= Fin Status 10= Get By 11=Income Perception 12= Fin Outlook 13=Leisure 14=Children 15=Financial 16=Household 17=Well-Being.

Table 4.10 displays, the unstandardized regression coefficients (B) intercept, the standardized regression coefficients (β), standard error, regression squared (R^2), regression squared adjusted (R^2_{adj}), and significance level in this sequential regression model by each block. The total number of cases available for the regression analysis has been reduced because of the listwise deletion method used by the statistical analysis program. In general, the variable insurance is responsible for the overall reduction, nevertheless, there are approximately 870 cases available for each block of analysis and it does not appear that the reduction has altered the expected outcomes or power of the regression procedure.

The first block (A) revealed that approximately 20% of the variance in *WellBeing* could be explained by the first four factors ($R^2 = .202$, $F_{(4,880)} = 56.839$, $p < .001$). When the resources block (B) was added to equation along with the stressors (A + B) the amount of variance explained ($R^2 = .204$, $F_{(4,876)} = 1.539$, $p < $ n.s.) remains about the same revealing very little change in the overall regression score ($\Delta R^2 = .006$, $p < $ n.s.).

The elements for the third block yielded no greater changes than those in the previous block. The family perception elements (C) did not improve on the amount of variance explained in any manner ($R^2 = .207$, $F_{(4,872)} = 1.968$, $p < $ n.s.) nor was the overall change significant ($\Delta R^2 = .007$, $p < $ n.s.).

In the final block the new variable, family expenditures (E) was added to the model. It enhanced the overall amount of variance explained. A notable change in the R^2 change ($\Delta R^2 = .020$, $p < .001$) was accompanied by the reported variance of 22.4%, ($R^2 = .224$, $F_{(4,868)} = 5.691$, $p < .001$) up from the 20.0% reported previously.

Table 4.10

Hierarchical Regression Analyses of Financial Stressor (A) (Block1), Financial Stressor (A) with Existing Resources (B) (Block 2), Financial Stressor (A) Existing Resources (B) with Family Perceptions (C) (Block 3), and Financial Stressor (A), Existing Resources (B) Family Perceptions (C) with Family Expenditures (E) (Block 4).

Model	B	SE	β	R^2_{adj}	ΔR^2
Block1					
Worry	.299	.028	.353***	.202	.205
JobSecurity	.183	.033	.177***		
FamSize	-.027	.021	-.039		
JobStatus	-.029	.013	-.069		
Block2					
Worry	.267	.033	.315***	.204	.006***
JobSecurity	.167	.034	.162***		
FamSize	-.027	.021	-.039		
JobStatus	-.031	.013	-.076**		
Borrow	-.140	.066	-.075**		
Survive	-.014	.033	-.017		
Insurance1	.040	.071	.018		
Education	.002	.016	.005		
Block3					
Worry	.224	.037	.264***	.207	.007***
JobSecurity	.149	.036	.144***		
FamSize	-.027	.021	-.039		
JobStatus	-.032	.013	-.077**		
Borrow	-.101	.068	-.054		
Survive	.005	.034	.005		
Insurance1	.020	.072	.009		

Table 4.10 (cont'd)

Hierarchical Regression Analyses of Financial Stressor (A) (Block1), Financial Stressor (A) with Existing Resources (B) (Block 2), Financial Stressor (A) Existing Resources (B) with Family Perceptions (C) (Block 3), and Financial Stressor (A), Existing Resources (B) Family Perceptions (C) with Family Expenditures (E) (Block 4).

Model	B	SE	β	R^2_{adj}	ΔR^2
GetBy	.122	.055	.105***		
FinStatus	.054	.044	.040		
FinOutlook	-.015	.026	-.018		
IncCompare	-.001	.022	-.003		
GetBy	.122	.055	.105***		
Block4					
Worry	.222	.037	.262***	.224	.020***
JobSecurity	.143	.036	.139***		
FamSize	-.029	.021	-.041		
JobStatus	-.030	.013	-.072**		
Borrow	-.079	.067	-.042		
Survive	.015	.034	.018		
Insurance1	.053	.073	.024		
Education	.000	.016	.000		
GetBy	.099	.055	.085		
FinStatus	.020	.045	.015		
FinOutlook	-.017	.027	-.020		
IncCompare	-.002	.022	-.003		
Children	.089	.045	.070***		
Leisure	-.288	.065	-.175***		
Financial	.081	.057	.058		
Household	.045	.063	.024		

a. Dependent Variable: WELLBEING

In essence, the overall amount of variance explained in this model was 22.4% or almost one-quarter of what is understood as well-being, in the current financial crisis, using the measures as developed here. Table 4.11 provides a summary of changes by blocks in the current ABCE-WB model.

Table 4.11

Adjusted R Squared for Sequential Regression for ABCE-WB Model.

Model	R	R^2	Adjusted R^2	F Change	R^2 Change
1	.453[a]	.205	.202	56.839	.205***
2	.459[b]	.211	.204	1.539	.006
3	.467[c]	.218	.207	1.968	.007
4	.488[d]	.238	.224	5.961	.022***

a. Predictors: (Constant), JobStatus, Worry, FamSize, JobSecurity

b. Predictors: (Constant), JobStatus, Worry, FamSize, JobSecurity, Education, Insurance1, Borrow, Survive

c. Predictors: (Constant), JobStatus, Worry, FamSize, JobSecurity, Education, Insurance1, Borrow, Survive, FinOutlook, FinStatus, IncCompare, GetBy

d. Predictors: (Constant), JobStatus, Worry, FamSize, JobSecurity, Education, Insurance1, Borrow, Survive, FinOutlook, FinStatus, IncCompare, GetBy, Household, Children, Leisure, Financial

Hypothesis Results

The two hypotheses in this investigation centered on how families were able to steel themselves against the current economic recession. The results show that the first hypothesis, **H₁:** *Family Well-Being will be positively affected by financial stress, resources statues, family perceptions and level of family expenditures*, was supported. In fact, approximately 22.4% percent of the variance in Well-being could be explained by the ABCE-WB model. The data showed that income perception and worry about whether or not the income would be adequate to prepare or sustain a family in this crisis were significant contributors to the overall well-being of families. This finding is not surprising in and of itself; however, these measures in combination with the expenditure measures add to the existing knowledge of how well-being is influenced by economic measures. Additionally, it is also important to consider that there has never been an application of this model to financial issues. The exploratory nature of this study does expose some different forms of thinking about well-being and families.

The examination of the second hypothesis requires that specific attention be paid to the specific relationship between family perception of their income and all other variables in the model. It is stated in **H₂** *The family's perception of their economic status will be strongly related to their Well-Being when all other factors are controlled for in the model*. To test for this hypothesis it was necessary to examine the specific semi-partial correlation that was present in the final block of the hierarchical regression analysis. The data for this particular measure held all other factors constant and produced the pure coefficient between the outcome measure and the particular factors (income perception and worry about income) that we hypothesized in this investigation.

The use of the semi-partial or part correlation coefficient to explain such relationships is well accepted within the literature. Thus, the squared *semi-partial* correlation represents the proportion of variance of the dependent variable accounted for by a given independent variable after another variable has already been taken into account. The semi-partial correlation, in its squared form is the percent of full variance in the dependent variable uniquely and jointly attributable to the given independent when other variables in the equation are controlled. The linear effects of the other independent variables are removed from the given independent variable then the remaining correlation of the given variable with the dependent variable is computed producing the semi-partial (part) correlation. The formula for the semi partial correlation is as follows:

$$sr_k = \frac{T_{k*}\sqrt{1 - R_{YH}^2}}{\sqrt{N - K - 1}}$$

Equation 4.1

$$pr_k = \frac{T_k}{\sqrt{T_k^2 + (N - K - 1)}}$$

Equation 4.2

In this case, the semi-partial variance was accounted for by three elements that made up a family's perception about their economic condition. This construct included the amount of worry they had, their sense of job security, and how adequate they thought their income was to get them through the current crisis. These three elements were then summed and the proportion of variance explained unique to these variables were then used to explain the results of the hypothesis. The calculation listed in Equation 4.1 was performed for each coefficient. The results were summed. The overall finding is that these three elements uniquely accounted for 4.85% or approximately one-fifth of the variance found in the overall model. It is clear from this result that the second hypothesis was supported. These three variables alone were significant contributors, indicated by the reported standardize regression coefficient scores (β), and this was reflected in their semi-partial regression coefficient scores as well.

Toward a More Efficient Model

While the present model serve as a good indicator as evidenced by its support of the study's research hypotheses, it is not as efficient as it could be in explaining the outcome. In an effort to create a more parsimonious model I reduced the number of elements in the existing regression model to find those variables that expressed the ideas I was looking for when I first began this project.

The second model, although it does not have an R^2 that is any larger than the original model ($R^2_{adj} = .219$ or 22.0%) accomplishes my goal of explaining well-being *vis à vis* the available measures. I have also eliminated elements which did not provide any

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support to my original hypothesis despite my belief that they would. Because of this change there are only three blocks instead of four in my final model suggesting that one element should be eliminated from the ABCE-WB model as originally designed. My redesigned model results table along with its reported coefficients and model change table follow.

Table 4.12

Modified Hierarchical Regression Analyses of ABCE-WB

Model	B	SE	β	R^2_{adj}	ΔR^2
Block1					
Worry	.300	.025	.345***	.196	.198
JobSecurity	.180	.030	.174***		
JobStatus	-.031	.011	-.076***		
Block2					
Worry	.223	.031	.257***	.207	.012***
JobSecurity	.156	.031	.151***		
JobStatus	-.032	.011	-.079**		
GetBy	.180	.044	.148***		
Block3					
Worry	.218	.031	.251***	.219	.013***
JobSecurity	.140	.031	.135***		
JobStatus	-.033	.011	-.082***		
GetBy	.146	.045	.120***		
Children	.094	.037	.073***		
Leisure	-.213	.052	-.130***		

a. Dependent Variable: WELLBEING

Table 4.13

Adjusted R Squared for Sequential Regression for ABCE-WB Model.

Model	R	R^2	Adjusted R^2	F Change	R^2 Change
1	.445[a]	.198	.196	91.236	.198
2	.458[b]	.210	.207	16858	.012***
3	.472[d]	.223	.219	8.982	.013***

a. Predictors: (Constant), JobStatus, Worry, JobSecurity

b. Predictors: (Constant), JobStatus, Worry, JobSecurity, GetBy

c. Predictors: (Constant), JobStatus, Worry, JobSecurity, GetBy, Children, Leisure

These results reveal that a three block model is more efficient and delivers meaningful results related to the original questions and hypotheses posed in this thesis. Although this model is a supplement to the original it does reveal similar value. In this model job status was considered as a resource (B) making this model as comprehensive as the first. All elements of the ABCE-WB are contained in this reduced model.

CHAPTER FIVE

DISCUSSION AND CONCLUSIONS

The initial aim of this investigation was to examine how the current economic crisis affected the well-being on families in the United States. In order to accomplish this I examined the current literature and found that issues of well-being were mentioned but that no specific study or model had been used or developed with information from the current crisis. In fact, I sought to develop a model to help explain how families functioned during the crisis. I came up with the ABCE-WB model loosely based on White's dissertation (2007). It re-specified to model ABC-WB, adding a new factor of expenditures to the model.

In this final chapter, the results will be discussed as they relate to previous sections of this thesis generally and how they relate specifically to research questions, previous literature, and ABCE-WB Model. Appropriate limitations will be discussed, along with possible areas that warrant further investigation.

The aim of this study was to examine how financial stress influences well-being. The first research question addressed how the current financial crisis influenced the way families adapted and made their way through their economic problems brought on by the crisis. In order to adequately address research question one, it was necessary to find data that focused on the issues as I had conceptualized it here. Data from the Familial Responses to Financial Instability, How the Family Responds to Economic Pressure: A Comparative Study, 2009 [United States] helped me to accomplish this purpose.

The current study has revealed some interesting things. First, family economic stress makes families spend less on their children and that in turn influenced their well-

being. The outcome of these children may have limited success in their life just as was indicated in the literature (Cobb-Clark & Ribar, 2010). Second, family economic stress limits the time parents spend with their children, which in turn offers less support for children and eventually lowers well-being. It is also quite possible that another variable entirely may be influencing these differences.

There were two research questions that were explored in this investigation. They were: (1) Is Family Well-Being will be positively affected by financial stress, resources statues, family perceptions and level of family expenditures? and; (2) Is the family perception of their economic status will be strongly related to their Well-Being when all other factors are controlled for in the model?

The ABCE-WB model has a useful and easy to understand template to address these questions. With its pre-established premise about stress and workable components, it is ideal model to help and understanding of how financial stressors to influence well-being. The model points out those financial stressors are present in the lives of families, and that job security influences the effect of that financial stressor and contributes to keeping well-being intact. The relationships were significant and showed that financial stressors with adding family expenditures can impact well being directly and its affects can be mediated by existing resources and family perceptions. It is also possible to improve our understanding about how families operate under stress by knowing how and if they employ their resources, perceptions, and expenditures to help them to understand the problems at hand.

Findings from this thesis suggest that elements worry and job security for family were the majority significant affect on well-being. Contrast the elements size of Family

and job status not significant. This finding suggests that, the number of members in family and the existence of any action do not affect the well-being. This confirms that people with financial hardship often worry about being unable to make ends meet, repossession and foreclosure, and a have strong sense of sorrow about being unable to support their family (Davis & Mantler, 2004). Applying a similar pattern to this thesis that family stress did not contribute to child well-being and experiencing financial stressor had a greater negative influence on the family well-being of this group when compared to those from less financial stressor. Regression analyses revealed interesting findings for both financial stressor and family stress. For the family stress, borrowing money and surviving without borrowing money played an important part in well-being. In truth, the variables representing current existing resources, such as Borrowing Money, Surviving without Borrowing Money, Education, and Insurance did not significantly affect the well-being in the final model, however, the zero-order correlations revealed significant relationships between these measures and the outcome of well-being. This contradiction occurs because of the different way correlation and regression techniques treat variables.

In all models, the Financial Stressor construct seemed problematic. The problem could have possibly resulted from the types of variables that were selected to measure the Financial Stressor construct. The selection of the variables used in the model was supported by stress literature and therefore appeared as good indicators.

Utility of the Model

The ABCE-WB substantiated the existence of relationships between Financial Stressors and Well-being. It confirmed that existing resources, family perceptions and

family expenditures can the influence of stressors on Well-being. Additionally, it pointed to a relationship between Existing Resources, Family Perceptions and Family Expenditures were useful constructs to explain Well-being as illustrated by the strength of the relationships between the variables in the model.

The model allowed for the exploration of the different family stress factors that may ultimately affect the Financial Stressor, Existing Resources, Family Perceptions and Family Expenditures or Well-being. The ABCE-WB model can be useful in determining the variables that modify stressors for families in different environments. It may be used to determine how families in stressful environments manage to maintain their Well-being when others are falling apart. It may be used to identify variables that contribute to calmness when stressors are bearing down upon families and children. Additionally the ABCE-WB model may be used to measure any financial stressor and its relationship to Well-being within any context, especially if good data is provided. The model allows researchers to use indicators to define the unmeasured constructs and provides results to how much the construct is explained. The original ABCE-WB model contained 17 variables divided across for constructs and it explained 22.4% of the variance it was not the most efficient model. Because this investigation was exploratory and designed to test the ABCE-WB model's usefulness and efficacy it was my goal to find the best explanation possible. I re-specified the model to incorporate those elements that revealed themselves to be important factors in the original model. The final model that I developed demonstrated that "B" element "Existing Resources" did not show up as meaningful. Perhaps it has more to do with how job status was viewed. If it is considered a stressor than it is "A"; however if it is considered a resource then it is "B". Ultimately it is treated

as an "AB" factor. In the final model it is treated as a predictor and it is significant. The re-specify model subslamtiates the theoretical construct leading me to consider the ABCE-WB model as useful.

Limitations of the Study

As with any research, this thesis has a numbers of limitations. First of all, the data were collected was via a website. Data were by web based investigations that are limiting because they tend to find those who are better off economically, more likely to be White, and better educated. Second, these samples were drawn from existing lists which may carry a self-nomination bias. In other words, only those people who have rested interest in a topic may be available limiting low much one can expand beyond that specific group. Third, the respondents may not be able to ask questions about the questions and may misunderstand the intentions. When this occurs there is confusion and the results are less reliable.

Fourth, some essential information, such as how much time is spent with children or money available, is only provided in an aggregated form limiting the opportunity for analysis. Fifth, some answers to these questions are not in logically arranged sequences. In addition, this data set treated missing data as valid responses, requiring recoding for a more accurate count of valid responses.

Implications

The current economic crisis has a significant influence on well-being. Financial hardships, unemployment, job insecurity, borrowing money and the lack of a regular living wage all have important effects on well-being. Times of economic instability cause psychological stress, which is linked to both the onset and course of family stress.

Unwelcome changes in life circumstances, such as borrowing money and not having medical insurance are strongly linked to less well-being. Thus, the economic crisis may also bring changes; such as increase in borrowing money and worry. Borrowing money can increase family debt as a result contribute more to lengthen current economic crisis.

This thesis identified a number of implications for research and practice. Of interest is the finding that Well-Being is influenced by financial status, worry and job security. The economic crisis needs to be seen as a more universal stressor. In other words, an economic crisis in the family has more meaning than just what is seen in the family. On the other hand, economic resources have important implications for the health and well-being of families and children. These resources can be thought of as "*capital*" that differentiates persons, households, and neighborhoods (Bradley & Corwyn, 2002; Hoff et al. 2002; Oakes & Rossi 2003). This focus on managing and saving money should be a necessary element in a family's arsenal to combat stress. The role of families should be more conscious in the use of financial resources. The policy makers must become more aware how deeply invested family psychological and economic well-being are linked, finding solutions to avoid such crises in the future. Issues of social economic class are more important than race in the current financial crisis. That is to say, overall those with less economic status are more affected by the crisis no matter what race or ethnic group.

During economic recession, family financial hardship creates a risk for stress and leads to less child care. The research indicates that financial stressor disadvantage parents and ultimately on the well-being of their families. Family stress makes it important that

issues of finance be considered. We must do a better job to remove financial stressors. A clearer definition of financial stressors and hardship is required.

Suggestions for & Policy

Future research could be examining financial and well-being and how saving money through families and groups could influence and protect families in crises. One suggestion for future policy is to develop training and education for families on how to face economic crisis. Therefore policy makers need to be aware of how manage financial stress so that they can provide better services and redistribute resources in ways that help to maintain the quality of life. There is no doubt that people rely on the government to make their life good. Countries and social associations should initiate education and money management and savings programs. Second, establishment of Social Banks whose major aim is to assist and support people to work on small projects, including helping the "unbanked" to become "banked". Third, create a savings fund for the members to resolve their financial problems. Fourth, attention to students and young people and teach them how to manage financial matters from an early age so they are able to manage their financial affairs in the future.

Conclusions

This study is investigated how is the well-being affected by the financial stress by examining the factors; Existing Resources, Family Perceptions, and Family Expenditures that influence on family well-being. As seen in this case with the most things in life, the world is more complicated than it seems.

This thesis explains how the crisis impact on the economy and then on the income of families and children. In the beginning, we find the results of this thesis that there were

some non-reactions and not affect to the well-being such as the size of family. On the other hand, worry, job security, leisure, borrowing money, surviving with borrowing money, and financial status plays an important role on family well-being. In addition, there are significant relationships between worry and getting by; getting by and income perception; worry and surviving without borrowing; leisure and financial; getting by and surviving without borrow, worry and income perception.

Overall, the study was able to explain the relationship between well-being and a host of financial variables that were strong indicators of the current financial crisis. The findings revealed that there is a great complexity to understanding well-being and how families come to terms with their own well-being in a continuous financial crisis. There is a more to be learned and discovered. I look forward the contributions of all who are concerned with economic health and its influence, both subtle and overt, on the human condition.

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